

**CITY OF WAUKESHA****Administration**

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<b>Committee:</b> Transit Commission	<b>Date:</b> 1/19/2017
<b>Common Council Item Number:</b> 17-0086	<b>Date:</b> 2/7/2017
<b>Submitted By:</b> Fred Abadi- Public Works	<b>City Administrator Approval:</b> Kevin Lahner, City Administrator KL
<b>Finance Department Review:</b> Rich Abbott, Finance Director RA	<b>City Attorney's Office Review:</b> Brian Running, City Attorney BER
<b>Subject:</b> Approval to Decommission Buses 144 & 146	

**Details:**

This item is to seek the approval of the decommission two 2004 fixed route buses. Both buses are 13 years old and have exceeded their useful life and the new replacement buses are set to be delivered later this month. Both buses have the original engines and Bus 146 has had some engine issues as of late. 144 and 146 would be the first of the seven 2004 buses to be decommissioned. The other 2004 buses are in better shape and should be able to last the extra one to two years needed. Buses 144 & 146 would then be sold via bid. It is a very favorable market for used buses given the lack of federal capital funds.

**Options & Alternatives:**

Given that replacement buses are set to arrive and that the other 2004 buses are in better condition, the most viable option is to decommission the buses and sell via bid.

**Financial Remarks:**

As stated above, the used bus market is very favorable right now. The 2002 buses purchased used from St. Cloud were sold via bid for \$12,500/each last year. Given this and the market for used buses, it is anticipated that these buses should be sold for a minimum of \$8,000-\$10,000. Per Federal Transit Administration (FTA) regulations, since the two buses were purchased using 80% federal funds and anticipated to sale for over \$5,000/each, the FTA share of proceeds from the sell over \$5,000 (80%) must be returned to the FTA unless the Transit System seeks FTA approval to use the funds towards the gross cost of another capital purchase. The Transit Manager has sent in the request to retain all proceeds from the sale which then could be used to reduce the costs of another capital project.

**Executive Recommendation:**

Recommend approval.



