

FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT

BOARD AGENDA FORM

REVISED

ITEM NUMBER: 0910-187 D

AGENDA TITLE: Approve Replacement of School Buses to meet 2010 Emissions Requirements

RESPONSIBLE: Deborah Bettencourt, Deputy Superintendent/CFO

PRESENTER: Don Butler, Director of Transportation, 631-0401

Board Meeting Date: February 11, 2010

Consent

Discussion/Action

Discussion

BACKGROUND INFORMATION:

Effective January 1, 2010, the State of California adopted stricter emissions requirements for on-road fleets such as trucks, metropolitan buses, and school buses. The District operates 68 buses, 15 of which are compressed natural gas (CNG) vehicles. Twenty-five percent of the District's fleet, or 17 buses, must comply with the new standards. The total cost for the retrofit is \$460,000. Each year hereafter, the percentage of compliance must increase. Furthermore, the 15 CNG buses are fitted with engines that have been discontinued by the manufacturer resulting in a reduced supply of repair parts and increased costs for those parts. Additionally, the fuel tanks in the CNG buses require replacement, according to law, with the first bus due in 2012. Tank replacement will continue yearly on the remaining buses through 2019 with a total cost of \$720,000.

Additional costs related to CNG buses include yearly operational costs of \$30,000 for the CNG fueling station to fuel these buses. Staff recommends investing in new buses that will be compliant with the new law rather than retrofitting with particulate traps and continuing with high repair costs (engine, fuel tanks, and fueling station) of CNG buses.

Six buses in the District's special education fleet have registered over 230,000 miles with seven more reaching the 200,000 mile mark by the end of the school year. The number of special education students has grown by nearly 100 students with no additional buses to support their transportation. The District is currently using three vans to supplement the fleet of buses. Because transportation is required for special education students, it is essential that buses be replaced for efficiency and cost effectiveness. Since replacement buses are fitted with particulate traps by the manufacturer, they comply with the 2010 emissions requirements and would comprise part of the 17 buses mentioned above to be compliant with the new law.

Due to the severe budget issues faced by the state, all grant funding for particulate trap installation and bus replacement has been cancelled.

FISCAL IMPACT:

The best option would be to trade in 15 CNG buses and ~~13~~ **8** special education buses this year while trade-in value is higher than in future years. Financing the purchase over 10 years will level the District’s expense.

Total replacement cost is \$3,420,605 including a trade in allowance of \$25,000 for each CNG bus, and \$5,000 for each special education bus. Opting for a 10-year lease-purchase plan would result in an annual payment of approximately \$360,000.

If the District opts to retrofit 17 buses with particulate traps and continue with CNG bus expenses and replacements over the next 10 years, the cost would be \$4,825,000.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2010 Emission Requirements	17 x 20,000 = 340,000										
CNG Station Costs	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Replacement of CNG Tanks			1 x 30,000 = 30,000	7 x 30,000 = 210,000							
Replace CNG Buses			1 x 197,000 = 197,000	7 x 197,000 = 1,379,000	1 x 197,000 = 197,000	2 x 197,000 = 394,000	3 x 197,000 = 591,000				1 x 197,000 = 197,000
Replace Special Ed Buses	2 x 120,000 = 240,000	2 x 120,000 = 240,000	2 x 120,000 = 240,000	2 x 120,000 = 240,000							
Total	610,000	270,000	497,000	1,859,000	227,000	424,000	621,000	30,000	30,000	30,000	277,000
Cumulative Total 2010-2020											\$4,825,000

RECOMMENDATION:

The Board approve the lease purchase of 23 school buses to meet 2010 emissions requirements.