SAN DIEGO CITY SCHOOLS

School Bus Renewal Program

May 25, 2004

Introduction

The purpose of this briefing is to outline a plan and justification for a School Bus Renewal Program in order to replace aging vehicles and reduce total transportation program costs.

Background

- District has 503 buses: avg. age is 6.5 years
- Beginning in 1989, the district annually replaced between 60-70 buses at five and ten year intervals
- Due to budget constraints only 28 buses purchased in past three years
- Resale value of buses continues to plummet
- Seat restraints and new EPA standards requires compliance by 2005

Students Transported

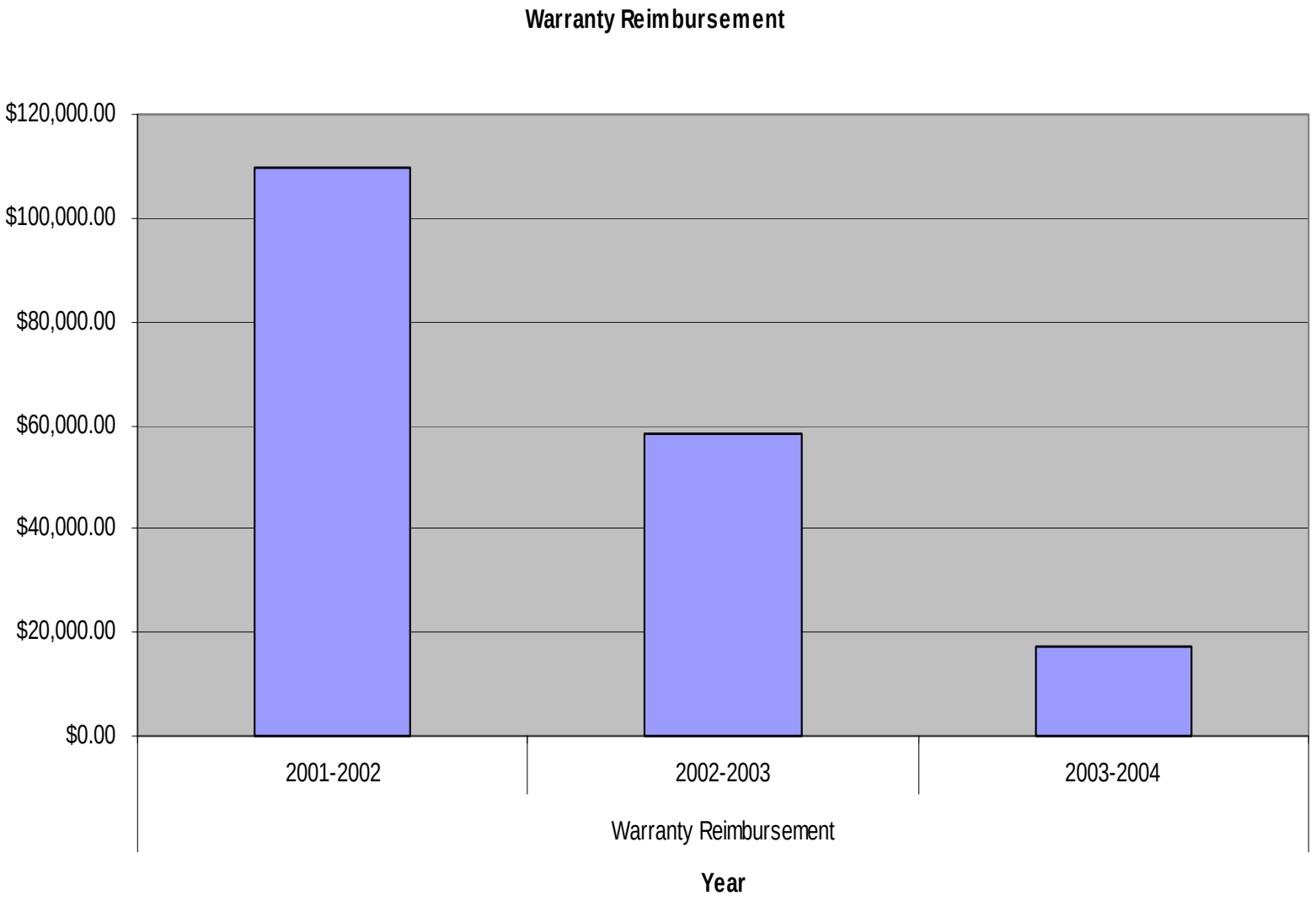
Special Education	4912
VEEP/Magnet/NCLB (*TIIG*)	14865
ROP	11
Charter/Space Available	1534
TOTAL:	**22209**

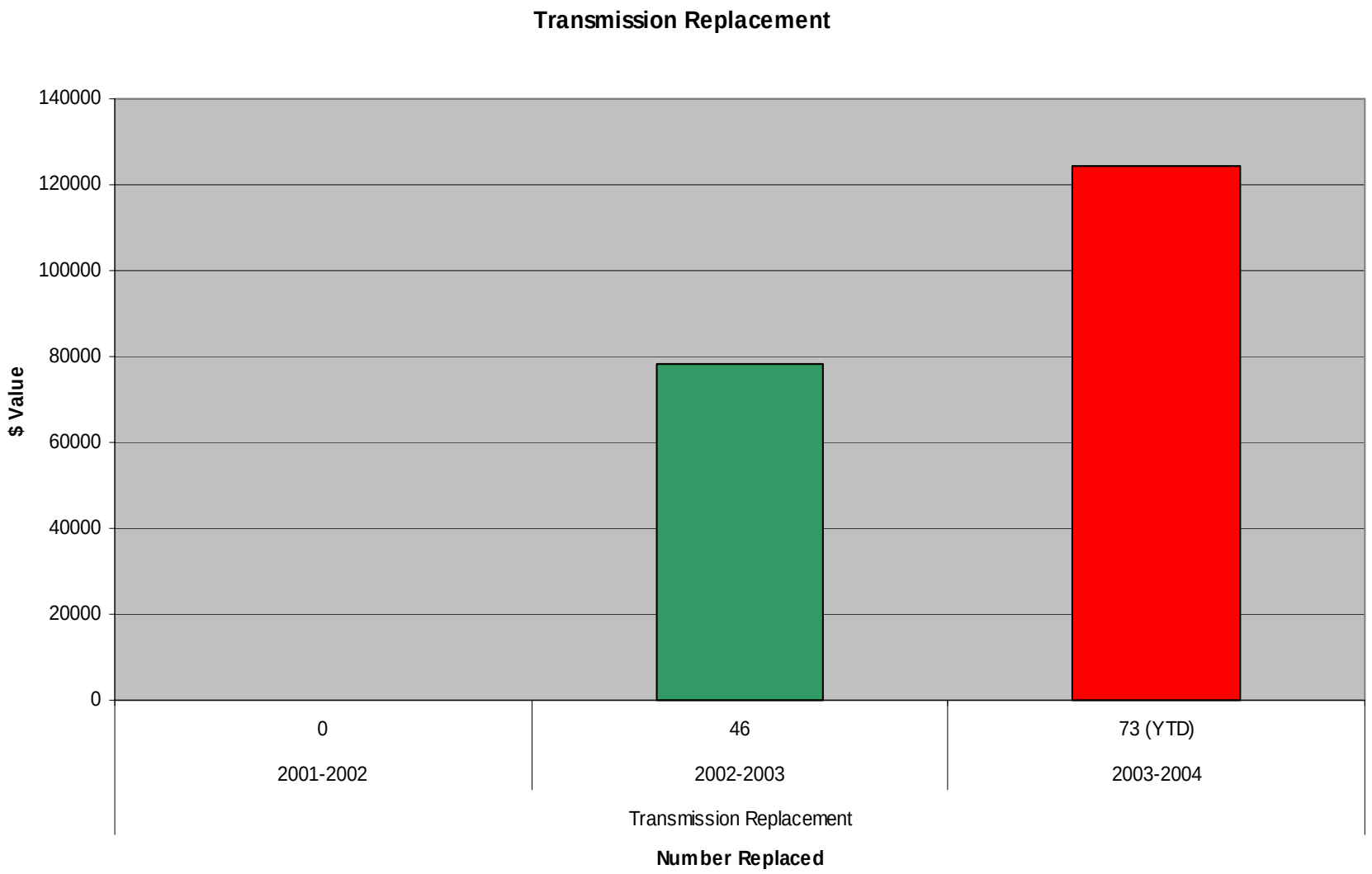
Fleet Maintenance Responsibilities

Department	# of Vehicles
Transportation Services	515
Maintenance & Operations	353
Police Services	37
Receiving/Distribution	24
Food Services	39
Other	11
Total	979

Overextended Without A Renewal Plan

- All buses currently utilized
- Physically overcapacity on property
- Cost per mile rising
- Repair backlog
- Only staffed for light repair
- No local contractors available
- YTD private contractor cost 20 percent higher
- Aging fleet requires contractors even if hiring continues


Warranty Reimbursement
$120,000.00
$100,000.00
$80,000.00
$60,000.00
$40,000.00
$20,000.00
$0.00
2001-2002
2002-2003
2003-2004
Warranty Reimbursement
Year


Transmission Replacement
140000
120000
100000
80000
60000
40000
20000
0
$ Value
0
46
73 (YTD)
2001-2002
2002-2003
2003-2004
Transmission Replacement
Number Replaced

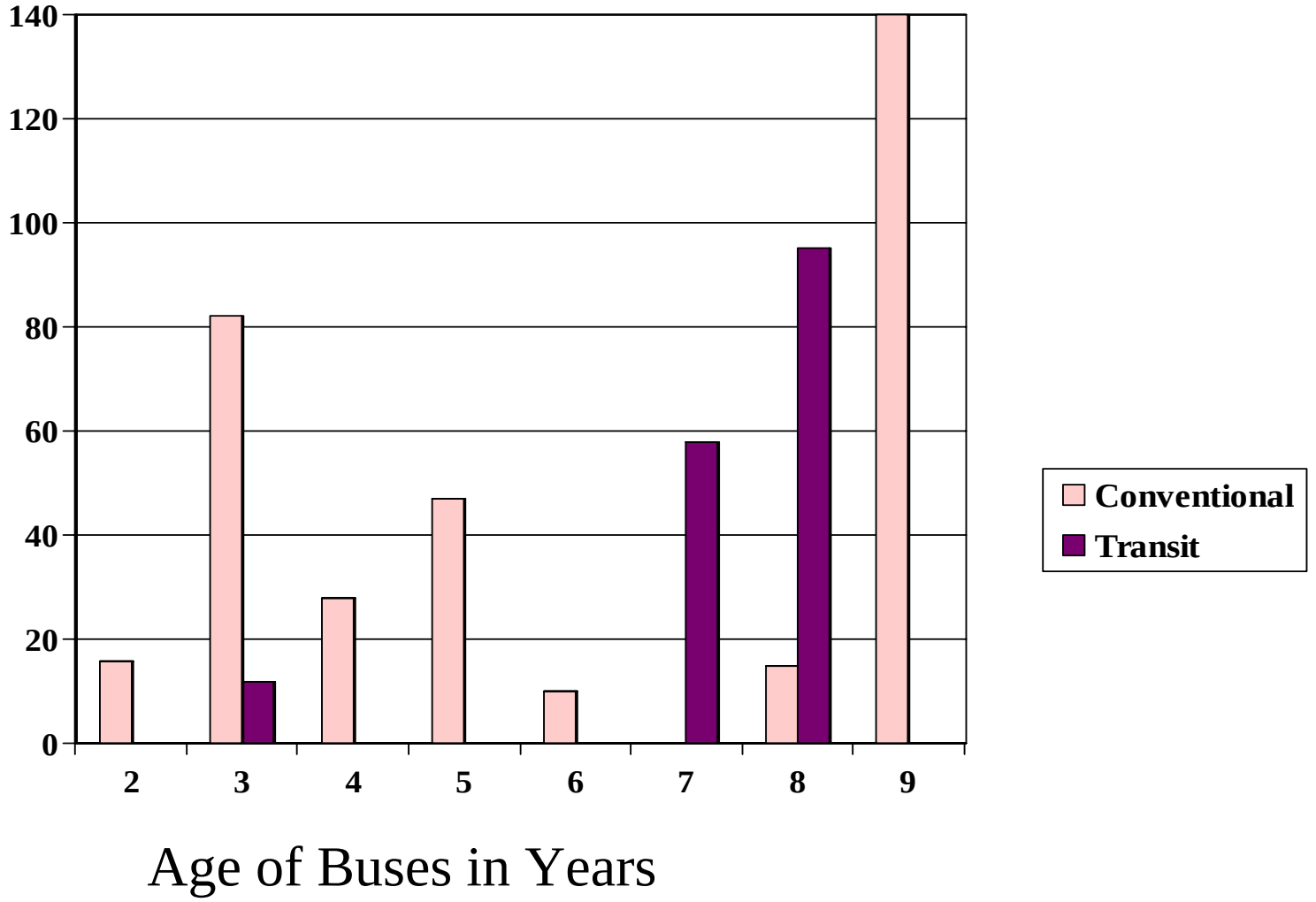
Comparative Maintenance Ratios

District/Agency	# of Buses	Bus Per Mechanic
Laidlaw	105 (avg)	20
Chula Vista ESD	100	15.4
Cajon Valley USD	45	14.7
Escondido UHSD	20	6.7
Grossmont UHSD	60	9.3
Oceanside USD	81	14.6
Poway USD	152	15.3
San Marcos USD	56	18.1
South Bay USD	17	6.3
Sweetwater UHSD	86	11.8
San Diego USD	**503**	**38.8**

Average Fleet Age vs. Spare & Contracted Buses Needed

Average Age	Spares	Additional Contracted
0 5	3%	0
6	5%	15
7	8%	25
8	11%	40
9	13%	51
10	15%	61

Bus Model Year Breakdown



Status Quo

- Buses beyond warranty; SDUSD absorbs ALL costs
- Major components failing; garage/vendors overloaded
- As downtime rises spare/contractor needs increase
- More contractors needed at higher rates

RESULT:

Increase in maintenance costs	$5.68M
Contractor/spares needed	$51.84M
487 buses requiring replacement in 2009	$51.5M
Total $ needed over 5 years	**$109M**

5 AND 10 YEAR COMPARISON ON SCHOOL BUS REPLACEMENT

						1 BUS	
YEAR	**2005**	**2010**	**2015**	**2019**	**2024**	**20 YR.**	**# NEW**
5 YEAR						**TOTAL**	
NEW BUS*	**$89,000**	**$105,704**	**$125,543**	**$149,106**	**$177,091**	**$646,444**	**5**
Maint. $		$11,676	$13,866	$16,469	$19,561	**$61,572**	
(@3.5% inflation)							
Resale		($40,100)	($47,600)	($56,500)	($69,100)	**-$213,300**	
Addt'l cost per							
contracted bus/spare	In this plan no additional contractors are needed over the current 89						
						$494,716	
10 YEAR							
NEW BUS	**$89,000**		**$125,543**		**$177,091**	**$391,634**	**3**
Maint. $			$53,345		$75,248	**$128,593**	
(@3.5% inflation)							
Resale			($4,500)		($6,300)	**-$10,800**	
Addt'l cost per							
contracted bus/spare					**$25,746**	**$131,499**	
						$640,926	

Cost of Renewal vs. Status Quo

Bus renewal five year costs: $29.9M

Status quo five year costs: $109M

Board Actions Recommended

1. Begin a renewal program in FY 2004-05 rather than later to avoid costs for seat belts and emissions changes required in 2006 and beyond.

2. Commence with a purchase of 208 buses delivered over a two-year period at an estimated cost of $17M.