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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT PLANNING DEPT.

Minutes of Special Meeting of the
Board of Directors of the District

January 30, 1980

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a special meeting in the District Board Room, 425 South Main Street, Los Angeles, California, at 3:00 p.m. on January 30, 1980, at which time President Marvin L. Holen called the meeting to order.

Directors Present:

David K. Hayward
Marvin L. Holen
Gerald B. Leonard
Mike Lewis
Carl Meseck
(entered 3:10 p.m.)

Thomas G. Neusom
Jay B. Price
Ruth E. Richter
Charles H. Storing

Directors Absent:

Donald Gibbs
George Takei

Staff Present:

Jack R. Gilstrap, General Manager
Richard T. Powers, General Counsel
Joe B. Scatchard, Controller-Treasurer-Auditor
Samuel M. Black, Manager of Operations
George L. McDonald, Manager of Planning & Marketing
John S. Wilkens, Manager of Employee Relations
David D. Dominguez, Manager of Equal Employment Opportunities
Helen M. Bclen, District Secretary

Also present were members of the public and the news media.

Resolution
No. Assigned

President Holen announced that the purpose of this Special Meeting was to approve the sale of \$29,245,000 of District Equipment Trust Certificates and to award a contract for the procurement of 940 buses.

Approval of the Sale of Equipment Trust Certificates

Mr. Scatchard reported on the bid opening which was held at 10:00 a.m. on this date, with one bid being received. He reported that the interest rate of 6.996% was a very good rate, which was made possible by the "AAA" rating that the bonds had received from Standard & Poors.

On motion of Director Richter, seconded and carried as noted below, sale of the Equipment Trust Certificates was approved and the following resolution was adopted:

Ayes: Hayward, Holen, Leonard, Lewis,
Meseck, Neusom, Price, Richter,
Storing
Noes: None
Abstain: None
Absent: Gibbs, Takei

Resolution
No. Assigned

Approval of Sale of Equipment Trust Certificates - Cont'd.

R-80-035

Resolution awarding contract to Merrill Lynch White Weld Capital Markets Group and Associates for the purchase of the \$29,245,000 principal amount of Equipment Trust Certificates of the Southern California Rapid Transit District.

(Text of complete resolution is filed with the Secretary.)

Mr. Scatchard indicated that the issue of interest that the District will earn on the \$7 million collateral equalization fund has not been resolved by the Internal Revenue Service.

At the request of President Holen, Mr. Terry Comerford, Senior Vice President, Blythe Eastman Paine Webber appeared before the Board and commented on the bid received. He indicated that he had been concerned about only receiving one bid, but the market for municipal bonds has slowed considerably in the past few days. He stated that this bid indicated that people are still looking for the intrinsic value. If the District had not insured the bonds and obtained the "AAA" rating, he felt that the interest rate would have been closer to 8½%, and that in

Resolution
No. Assigned

Approval of Sale of Equipment Trust
Certificates - Continued

effect, the insurance had resulted in a savings of approximately \$2½ million to the District.

President Holen complimented Mr. Comerford and Mr. Scatchard for their roles in bringing about the successful sale of these Equipment Trust Certificates.

Award of Contract Covering Procurement of
940 Buses

General Manager Gilstrap reported that the lowest responsible bid for the 940 buses had been received from General Motors Truck & Coach Division and recommended award of contract to this firm.

Director Price moved approval of the recommendation, which motion was seconded.

Director Storing inquired if staff had considered the setting aside of this bid because he felt it will prove to be the most costly bid over a period of years.

General Counsel Powers indicated that in his opinion the bid is responsive and cannot be set aside or challenged.

Resolution
No. Assigned

Award of Contract Covering Procurement of
940 Buses - Continued

Director Hayward asked if the buses would be fully equipped and ready for service when they arrive on District property. Mr. Gilstrap commented that the buses will be fully equipped, but part of the outfitting of the buses is done here; i.e., the two-way radio, the farebox and some signs are installed here.

Director Meseck questioned the fuel economy of the GMC bus. Mr. Gilstrap explained that transit properties are restricted to using a standard specification developed by UMTA, and can make only minor changes to these standard specifications.

Ms. Peggy Oliveri and Mr. John Cooper, representing the Citizens Advisory Committee on Accessible Transportation, appeared before the Board protesting the award to GMC because of the rear door lift and urged the District to join with their organization in sending a letter of protest to UMTA concerning the rear door lift.

Mr. Stokel of General Motors Corporation appeared before the Board speaking to GMC's

Resolution
No. Assigned

Award of Contract Covering Procurement of
940 Buses - Continued

decision to place the wheelchair lift at the rear door. He stated that 1) the lift in this location is less susceptible to damage as most accidents occur at the front end of the coach, 2) allows a wider platform to accommodate all sizes of wheelchairs, and 3) access is not restricted by standees at the front of the bus. He indicated that GMC has delivered 700 buses to 26 properties with this lift and has not had a serious operational problem. He also stated that GMC has orders for another 1800 buses to be delivered to 28 cities. He feels that this lift is superior, it is designed, developed and built into the coach by GMC.

Mr. Stokel addressed the issue of fuel economy. He indicated that GMC is competitive in this area, but new buses are not as fuel efficient as the older buses. However, he stated that GMC has factored three items into their bid for the District. They are: 1) a program to reduce the weight of the bus by 1,400 pounds without compromising the quality of the bus,

Resolution
No. Assigned

Award of Contract Covering Procurement of
940 Buses - Continued

2) a 6-7% increase in fuel economy because of the new engine, and 3) a lessening of horsepower required to run the accessories.

Mr. Sam Black commented that bus manufacturers are also restricted by the emission standards set by the State of California.

On a call for the question, the following resolution was adopted:

Ayes: Hayward, Holen, Leonard, Lewis,
Meseck, Neusom, Price, Richter
Noes: Storing
Abstain: None
Absent: Gibbs, Takei

R-80-036

RESOLVED, that the General Manager is authorized to award a contract to General Motors Truck & Coach, 660 South Boulevard East, Pontiac, Michigan, the lowest responsible bidder under Bid No. CA-03-0178-A, covering procurement of 940 Advance Design Transit buses and necessary spare parts, at a total bid price of \$143,639,116, which procurement is funded in part under UMTA Capital Grant Project No. CA-03-0178; form of contract subject to approval of the General Counsel.

Report on Press Conference Announcing the Purchase of
New Buses

President Holen reported on the press conference that had been held earlier in the day announcing the District's intent to award a contract covering the procurement of 940 new buses.

There being no further business, the meeting adjourned at 3:50 p.m.


District Secretary