



March 7, 2003

Los Angeles County  
Metropolitan  
Transportation  
Authority

900 Lyon Street  
Los Angeles, CA  
90012

**TO: BOARD OF DIRECTORS**

**THROUGH: ROGER SNOBLE**  
**CHIEF EXECUTIVE OFFICER**

**FROM: JOHN B. CATOE, JR.**  
**DEPUTY CHIEF EXECUTIVE OFFICER**

**SUBJECT: DISPOSAL OF 139 SURPLUS / OBSOLETE BUSES**

**ISSUE**

The MTA disposed of 139 surplus / obsolete transit buses between May 2002 and October 2002 for a total sale prices of \$88,071.00. Seventy buses were sold via public and web auctions with a net return of \$44,343.00. Sixty-nine buses were sold via public and web auctions with a net return of \$43,728.00.

**BACKGROUND**

Federal Transit Administration (FTA) guidelines allow for retirement of buses with over 500,000 miles or 12 years of service. The MTA retired a considerable number of buses meeting these retirement criteria. Disposal of surplus / obsolete buses results in increased revenue and is consistent with established MTA policy regarding asset disposal which allows for disposal of surplus / obsolete buses by bid or web auction.

Historically, the preferred alternative for disposal of surplus / obsolete transit buses has been through public auction due to higher monetary returns. However, the large number of buses being sold by the MTA and other transit properties in conjunction with diminished demand in recent years has resulted in reduced revenue from the sale of buses through public auction.

In an attempt to increase revenue from the sale of surplus / obsolete transit buses, the Procurement Department initiated alternative and innovative methods of selling this equipment in accordance with Board policy on the disposal of assets. Sales for disposal of seventy (70) salvage/ surplus buses via public and web auctions resulted in the revenues of \$44,343.00. Additionally, the sale for disposal of sixty-nine (69) salvage/surplus buses through public and web auctions conducted through the Internet resulted in revenues of \$43,728.00.

**NEXT STEPS**

The Procurement Department will attempt to sell the next group of surplus / obsolete buses by listing them on three different Internet sites in an effort to identify the sales method that results in the greatest monetary return. In the future the MTA will look into donating buses to non-profit organizations.

A detailed listing of the bus list is available upon request.

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