

Summary of Policy

The Board adopted a plan to accelerate the purchase of alternatively fueled buses to achieve reasonable service reliability and customer satisfaction by reducing the average bus fleet age to six years, and maintaining that average age in the future. The Board made it a policy to procure as many new buses as financially and operationally feasible to achieve a six-year average fleet age. The plan requires the purchase of 2095 buses between 1998 and 2004, and it prohibits purchasing more than 400 buses in any one of those six years.

In making its decision the Board reaffirmed its commitment to its 1993 Alternative Fuel Initiative policy, which requires the purchase of buses that rely on only clean burning fuels, and not diesel.

Historical Perspective

In 1998, staff recognized that under its existing bus procurement plan nearly 1,100 of its 2,600 buses exceeded the Federal Transit Administration's recommended 12-year/500,000 mile replacement guideline. It realized that its aging buses would likely breakdown more frequently, which would cause its service to deteriorate. It also feared unnecessary increases in operational and maintenance costs. The Board decided that it could prevent these problems by replacing its fleet as rapidly as possible with newer buses.

Since 1993, the agency had a policy of acquiring only alternative fuel vehicles. But because of developments in diesel engine technology, staff thought that it would be possible for the Board to adopt a 50% clean diesel and 50% alternative fuel policy, and still meet current California Air Resources Board and Environmental Protection Agency standards.

Staff's preference for a mixed fleet was also a result of its experience with CNG: CNG buses could not travel as far as their diesel counterparts; they needed to be refueled more frequently. The alternatively fueled buses were also more expensive to maintain and had proven unreliable, even dangerous—one bus had actually exploded.

Reliability was important for management, because it needed to meet target load factors set by the Special Master, empowered to enforce the Consent Decree. CNG buses did not evince reliability, but clean diesel did.

CNG buses were also more expensive. Staff estimated that alternatively fueled buses would cost \$40,000 - \$50,000 per vehicle more than diesel ones. Additionally, CNG buses required expensive fueling facilities, which had not yet been built.

The Board reaffirmed its commitment to a fleet of buses powered by alternative fuel. It also opted to purchase no more than 400 buses per year because experience had shown that large bus deliveries caused problems when the buses reached retirement age.

Last Board Action

October 22, 1998 – Accelerated Bus Procurement

The Board approved the funding plan for items A, B & C and amended to include capital formula funds up to \$40,000,000 for the Municipal Transit Operators for FY 1998-04, and that these funds be flexible in use in so far as they support capital improvements that promote a young and well maintained fleet service.

- A. adoption of an Accelerated Bus Procurement Plan.
- B. negotiation and exercise of a Change

Order with Neoplan USA to purchase up to 100 additional Neoplan High Floor CNG buses (subject to resolution of remaining warranty issues) in an amount not to exceed \$38 million, which is inclusive of funding required for taxes, delivery, spares and optional equipment.

- C. negotiation and exercise of a Change Order with New Flyer of North America on the base 222 bus buy to change to a low floor configuration, at a cost not to exceed \$900,000.

See Related

[Alternative Fuel Initiative](#)