

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 5/27/2020

**Staff Report No.** 20-211

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Fiscal Year 2019-20 Third Quarter Surplus and Obsolete Materials Report

### BRIEFING ITEM

#### **RECOMMENDED ACTION(S):**

Consider receiving the FY 2019-20 Third Quarter Surplus and Obsolete Materials Report.

#### **STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

The use of a public auction for the disposition of surplus and obsolete materials provides the District an opportunity to regain proceeds from the sale of items that have long lost their usefulness.

#### **BUDGETARY/FISCAL IMPACT:**

After commissions and other costs associated with the sale of surplus and obsolete equipment, net sales proceeds in the amount of \$60,113.06 has been applied to the General Fund.

There is no other budgetary or fiscal impact associated with this report.

#### **BACKGROUND/RATIONALE:**

During the Third Quarter of FY 2019-20, the District sold at auction sixteen (16) 2003 40-foot NABI low floor coaches, nine (9) 2003 60-foot VanHool articulated coaches, and one lot of engine and transmission cores for a net return of \$60,113.06. After subtracting commission and transport costs, there were no remaining sales proceeds. All items identified in the attachment have surpassed their useful life expectancy, and the cost of retaining obsolete inventory outweighs its net book value. All vehicles have been sold at auction for fair market value at the time of the sale in accordance with the methods outlined in District Board Policy 461.

#### **ADVANTAGES/DISADVANTAGES:**

The Board of Directors has requested a quarterly report on obsolete and surplus sales.

#### **ALTERNATIVES ANALYSIS:**

Staff found no practical alternatives to the course of action recommended in this report.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Board Policy 461: Disposition of surplus equipment, supplies, and other tangible personal property of the District.

**ATTACHMENTS:**

1. Equipment Disposal List
2. Core Disposal List

**Prepared by:**

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**Approved/Reviewed by:**

Gene Clark, Director of Procurement and Materials

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