

May 22, 2007

School Board
Meridian CUSD #223

Via; Bob Prusator

Request for school buses for the 2007-2008 school year.

OBJECTIVE

Trade 3-5 District #223 school buses for 5 one year old or new, preferably 77 or 78 passenger school buses. Possibly lease instead of purchase the 3-5 new buses or 1 year old buses also preferably 77 or 78 passenger buses with 5 year attached Warranties. The buses must have hydraulic braking system. Re-new the lease on the one year old 24 passenger Chevrolet Mid Bus we already have, and also re-new lease on the Chevrolet White Activity Bus.

JUSTIFICATION

Half of our school bus fleet is older than 2000, Although not totally unreliable, the repair costs come directly out of district funds (no warranty) and are not eligible for the State 5 year reimbursement program. Advantage to purchasing or leasing 77 passenger buses gives us the needed extra seats on several routes. Purchasing or leasing two additional 24 or 29 passenger buses gives us the added flexibility to use them on 2 small routes and will free up two full size buses for route expansion. We may only need one smaller bus depending on student numbers enrolled in non Stillman School programs, which also means that one route will now need a mid-size or large bus.

My recommendation is to contract with Midwest Transit Equipment Co. to purchase at least three new 77 passenger buses, preferably five if available. The bids are attached for your consideration.

Although many schools are going to a lease schedule to minimize out of pocket expenses we could not see a great savings at this time.

Cost savings and reliability is our main objective.

Sincerely,
Duane M. Pansegrau

Bid 1. Central States Bus Sales, Inc. Available delivery late June 200

Bid 2: Midwest Transit Equipment Co. Available delivery in August.

Bid 1: Option A Purchase all vehicles. Central States

Total cost for five, one year old Blue Bird 78 passenger school buses.	\$319,865.00
\$63,973.00/bus	
Total cost for one, one year old Chevrolet 24 passenger bus and one 14 passenger Chevrolet White Activity Bus.	\$ 72,350.00
Total trade value for five District #223 school buses	-\$ 62,500.00
Grand total to District #223	<u>\$329,715.00</u>

Bid 1: Option Purchase new 77 Passenger school buses.	
\$ 75,752.00 / bus	\$378,760.00
Total cost for one, one year old Chevrolet 24 passenger bus and one 14 passenger Chevrolet White Activity Bus.	\$ 72,350.00
Total trade value for five District #223 school buses	-\$ 62,500.00
Grand total to District #223	<u>\$388,610.00</u>

Recommendation

Bid 2: Option Purchase 3 - New 2007 International 77 passenger School buses with 5 years Full Warranty. (No bus availability for any used one year old 77 passenger buses)

Total cost for three, new 2007 International 77 passenger School buses with full 5 year warranty	\$217,161.00
Total lease cost for one, one year old Chevrolet 24 passenger bus and one 14 passenger White Chevrolet Activity Bus.	\$ 17,405.00
Total trade value for three District #223 school buses	-\$34,500.00
Grand total to District #223	<u>\$200,066.00</u>

Bid 2: Buy 5 New 77 Passenger buses, Lease 1 or 2 - 24 Passenger buses and lease 1 - 24 Passenger bus. (Bus availability)

Total cost to buy five, new 2007 International 77 passenger School buses with 5 years Full Warranty.	\$ 361,935.00
Total lease cost for a one year old Chevrolet 24 passenger bus \$9405.00	\$ 9,405.00
and one Chevrolet 14 passenger activity bus. \$8,000.00	\$ 8,000.00
TOTAL	\$ 379,340.00
Total trade value for five District #223 school buses	-\$ 62,500.00
Grand total to District #223	<u>\$ 316,840.00</u>