

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE**

**Rachel Greene, Chair**

Tenth District PTSA

**Chris Hannan, Vice-Chair**

L.A. Co. Federation of Labor AFL-CIO

**Margaret Fuentes, Secretary**

LAUSD Student Parent

**Araceli Sandoval-Gonzalez, Executive Committee**

Early Education Coalition

**Alvin Trotter, Jr., Executive Committee**

L.A. Area Chamber of Commerce

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Government Financial Strategies

**Timothy Popejoy**

Bond Oversight Administrator

**Perla Zitle**

Bond Oversight Coordinator

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**RESOLUTION 2021-45**

**BOARD REPORT 139-21/22**

**RECOMMENDING BOARD APPROVAL OF AMENDMENT TO THE TRANSPORTATION SERVICES DIVISION STRATEGIC EXECUTION PLAN TO APPROVE THE PURCHASE OF DISTRICT SCHOOL BUSES**

WHEREAS, District Staff proposes that the Board of Education (Board) amend the Transportation Services Division (Transportation) Strategic Execution Plan (SEP) to approve the purchase of approximately 49 new Compressed Natural Gas (CNG) alternative fuel school buses at an estimated cost of \$10.3 million utilizing Measure RR and remaining Measure Q funding; and

WHEREAS, as there is an immediate need to replace 49 buses with expiring CNG tanks, Transportation has requested and received Board approval in the November 16, 2021 Board Meeting to make the initial purchase to replace these buses; and

WHEREAS, the initial purchase will be front-funded with mostly General Funds, the General Fund monies shall be reimbursed from Measure RR funds when released; and

WHEREAS, the Los Angeles Unified School District's Transportation Services Division owns, maintains, stores and operates 1,300 school buses with an average age of 10 years; and

WHEREAS, the Transportation Services Division developed the Project Charter that outlines the replacement of approximately 160 buses over a three-year period;

WHEREAS, the bond funds approved for Transportation bus purchases are limited for this project to the replacement of 49 CNG buses, and that Transportation will return to the BOC to seek approval of additional bus purchases and possibly related transportation facilities infrastructure in the future after additional planning is conducted and potential other sources of funding are identified, and

## **RESOLUTION 2021-45**

### **RECOMMENDING BOARD APPROVAL OF AMENDMENT TO THE TRANSPORTATION SERVICES DIVISION STRATEGIC EXECUTION PLAN TO APPROVE THE PURCHASE OF DISTRICT SCHOOL BUSES**

WHEREAS, cleaner alternatives to conventional diesel school buses exist, including those powered with compressed natural gas, propane, electricity, and ultra-low emission fuels that have been proven to be durable, and that emit less nitrogen oxides, particulate matter and air toxics than a conventional diesel school bus; and

WHEREAS, the use of alternative fuel school buses have significantly reduced emissions of particulate matter as compared to conventional diesel powered school buses and therefore provide increased protection of school children's health; and

WHEREAS, District Staff has concluded that the proposed SEP Amendment represents an appropriate and acceptable use of District bond proceeds and is consistent with the mission of the District and of the BOC, and

WHEREAS, District staff has concluded that the proposed SEP Amendment will help facilitate implementation of the Transportation SEP, and therefore, it will not adversely affect the District's ability to successfully complete the Transportation SEP.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Citizens' Bond Oversight Committee recommends that the Board of Education adopt the Transportation SEP amendment for the purchase of 49 new CNG alternative fuel school buses with a budget of \$10.3 million as described as an initial phase of the overall project proposed in Board Report 139-21/22, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Oversight Committee's website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the Oversight Committee and the District.

ADOPTED on December 2, 2021, by the following vote:

AYES: 11

ABSTENTIONS: 0

NAYS: 0

ABSENCES: 4

/Chris Hannan/

Chris Hannan  
Vice-Chair

/Margaret Fuentes/

Margaret Fuentes  
Secretary



## Board of Education Report

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**File #:** Rep-139-21/22, **Version:** 1

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### **Amendment to the Transportation Services Division Strategic Execution Plan to Approve the Purchase of District School Buses**

**December 7, 2021**

**Transportation Services Division**

#### **Action Proposed:**

Amend the Transportation Services Division (Transportation) Strategic Execution Plan (SEP) to approve the purchase of approximately 160 new alternative fuel school buses at an estimated cost of \$33.4 million. This will allow the District to replace buses equipped with compressed natural gas (CNG) tanks that are set to expire in 2022. It will also enable the District to replace the oldest buses in the fleet and ones that are required to meet regulatory compliance in future years. Staff further proposes that the Superintendent or her designee be authorized to execute on behalf of the District, all necessary documents, including but not limited to agreements, amendments, payment requests necessary to secure new bus purchases.

#### **Background:**

The District has been replacing its old diesel school buses with grant funds awarded by the South Coast Air Quality Management District (SCAQMD), Measure Y, and Measure Q.

#### **Expected Outcomes:**

The District shall spend approximately \$33.4 million from Measure RR for approximately 160 new alternative fuel buses. The first recommended purchase in 2021 will replace 49 buses with CNG tanks that are set to expire between March and May 2022. Per the National Fire Protection Association (NFPA), unless expiring tanks are replaced with new tanks, the buses must be removed from service. Since the cost for tank replacement far exceeds the residual value of the buses with expiring tanks, it is recommended that new buses be purchased.

The second and third purchases, which are projected to occur between 2022 and 2024, will replace the oldest buses in the fleet and buses that are anticipated to be out of regulatory compliance in future years.

The project is exempt under California Environmental Quality Act as determined by the Office of Environmental Health and Safety. Implementation of this project will improve the air quality in the Southern California air basin by reducing particulate matter.

#### **Board Options and Consequences:**

The Board may amend the SEP to approve the purchase of 160 new school buses to further modernize the District's fleet. If the Board opts not to, the District will run the risk of purchasing the buses at a higher cost in the future due to inflationary pressure and be out of compliance with regulatory requirements.

#### **Policy Implications:**

None

**Budget Impact:**

Due to the immediate need to replace 49 buses with CNG tanks that are set to expire between March and May 2022, Transportation has requested and received Board approval in the November 16, 2021 Board Meeting to make the first purchase to replace these buses. The purchase will mostly be front-funded by General Funds. The General Fund monies shall be reimbursed from Measure RR funds when released. A resolution to use voter approved Measure RR bond funding for school bus replacement is scheduled to be presented during the Bond Oversight Committee on December 2, 2021.

**Student Impact:**

The purchase of new school buses will support the District's goal of 100 percent attendance by improving the on-time pick-up and delivery of students to schools. Unlike old buses, new buses have significantly fewer breakdowns, which reduces repair down-times and transportation delays. This purchase will also support the District's goal of student safety. The new buses are clean burning and equipped with safety features such as three-point passenger restraints and anti-lock brake system.

**Equity Impact:**

See attached

**Issues and Analysis:**

Not Applicable.

**Attachments:**

Attachment A - Project Charter for the Replacement of District School Buses

Attachment B - BOC Resolution for Bus Purchase

**Informatives:**

Not Applicable.

**Submitted:**

11/18/21

**RESPECTFULLY SUBMITTED,**

**APPROVED & PRESENTED BY:**

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MEGAN K. REILLY  
Interim Superintendent

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LILIA MONTOYA-HERRERA  
Director  
Transportation Services Division

**REVIEWED BY:**

**APPROVED BY:**

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DEVORA NAVERA REED  
General Counsel

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JANICE J. SAWYER  
Business Manager  
Office of the Business Manager

\_\_\_ Approved as to form.

**REVIEWED BY:**

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TONY ATIENZA  
Director, Budget Services and Financial Planning

\_\_\_ Approved as to budget impact statement.

## ATTACHMENT A

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### **Project Charter for the Replacement of District School Buses**

**Transportation Services Division**  
*Los Angeles Unified School District*

**December 2021**





## **I. Project Description and Background**

The Transportation Services Division (TSD) has a continuing need to replace the oldest school buses in its fleet. With fewer breakdowns and cleaner burning engines, the new buses will improve the Division's ability to deliver students to their destinations on-time while improving the air quality of the community. This charter outlines the project to purchase 160 new alternative fuel buses to replace 49 buses with expiring CNG (compressed natural gas) tanks and 111 of the oldest buses and ones that are required to meet regulatory compliance in future years. The purchases will be funded by the voter-approved Measure RR bond.

The immediate need is the replacement of 49 bus equipped with CNG tanks that are set to expire between March 2022 and May 2022. Per the National Fire Protection Association (NFPA), unless the expiring tanks are replaced with new tanks, the buses must be removed from service. Since new buses take approximately six to eight months to build, the order needs to be placed this quarter so that the manufacturer can plan and start building the buses. If the order is delayed, the Division will have a shortage of buses to cover its bus routes when the buses with the expiring tanks are removed from service. The on-time delivery of students to schools will be negatively impacted.

### **A. Bus Replacement Goals**

Aside from retiring the oldest buses from the fleet, the school bus replacement project will, through the purchase of new buses, serve to optimize student safety, yield environmental benefits, and reduce maintenance costs.

New buses are equipped with the latest safety and comfort features including increased side impact protection around the fuel tank, three-point passenger restraint system, anti-lock brake system, additional warning lights and stop arms, air conditioning, and an ergonomically designed bus driver seating area.

The new buses will be alternative fueled and are in compliance with South Coast Air Quality Management District (SCAQMD) air regulatory requirement Rule 1195 and California Air Resources Board (CARB) Rule 2025. It would also be aligned with the Board of Education's Healthy Breathing Initiative to reduce school bus diesel exhaust emissions.



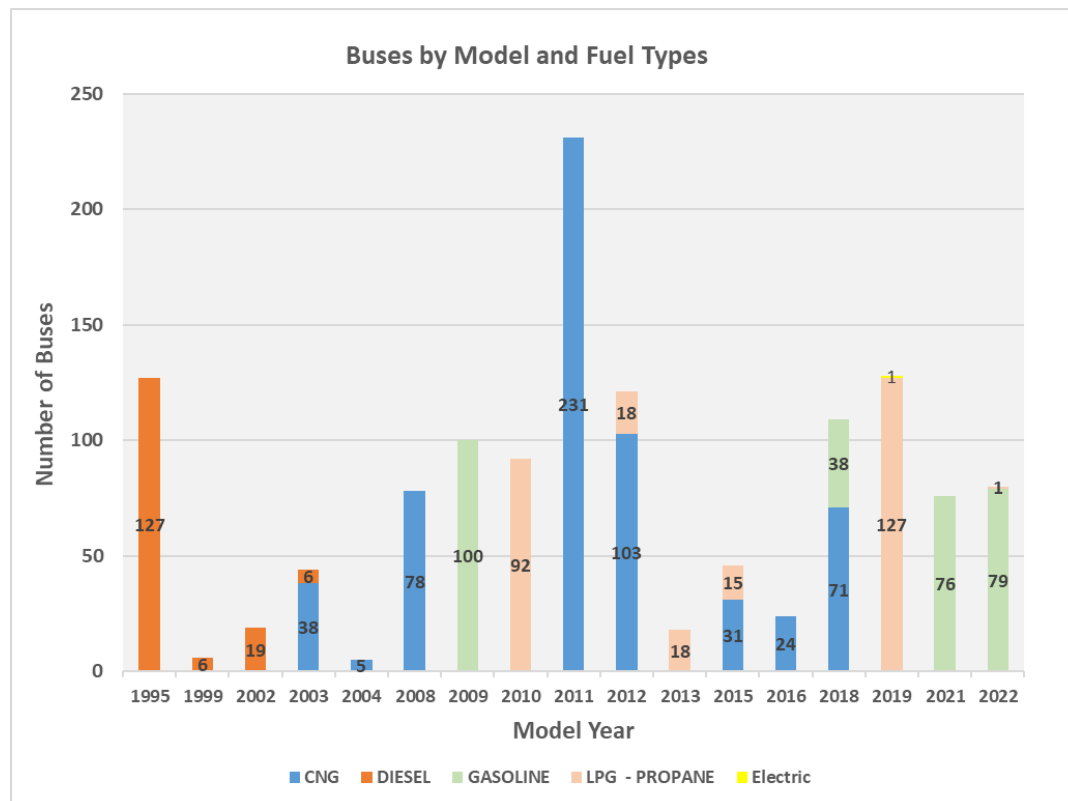
All new bus purchases include a 5-year warranty so that initial maintenance costs are minimized. The recommended replacement will yield a return on investment as new buses require lower maintenance costs than those that have significantly exceeded their useful lives.

## B. Size and Age of Bus Fleet

The District has 1,304 school buses of varying sizes in its fleet with an average age of 10 years. Approximately 40% of the fleet is comprised of large transit buses with seating capacity of at least 62 and are primarily used to transport integration students. The remaining 60% is comprised of medium-size and lift buses that are mainly utilized to transport students with special needs.

The following chart illustrates the makeup of the District's fleet by model year.

### Exhibit A



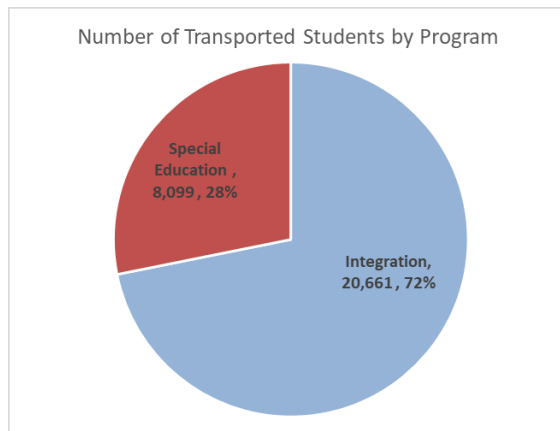
## C. Demand for Transportation Services



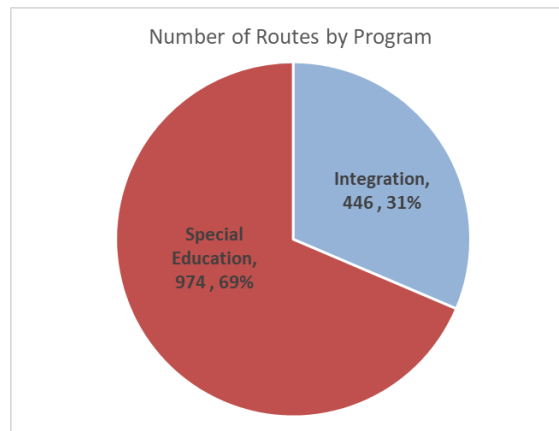


The Transportation Division transports approximately 29,000 traveling students daily for Special Education and Integration programs. Special Education routes average approximately eight students per bus due to the level of individualized service for students and the District policy to limit the maximum ride time to 90 minutes. As a result, even though special needs students account for 28% of the students transported (Exhibit B) , their routes account for 69% of the 1,420 total routes (Exhibit C).

**Exhibit B**



**Exhibit C**



## II. Bus Replacement History and Successes

The bus replacement plan was originally developed in the early 1990's and updated in 2004 in which three major purchases (5 years apart) was recommended. The plan was revised in 2007 in which a 'glide path' approach was introduced. Leveraging the grant awards offered through SCAQMD's Lower-Emission School Bus Replacement Program and Measure Q, the Division's aggressive bus replacement initiative has greatly lowered the age of the fleet from an average of over 19 years in 2009 to the current age of 10 years.

The Lower-Emission School Bus Replacement Program was adopted by the SCAQMD to reduce harmful school bus emissions. Because older buses emit high levels of harmful emissions, the program provided financial incentives for public school districts to purchase new clean fuel burning buses. Grant awards may exceed up to over 90% of the value of the bus. In return, the districts must remove from their fleet the same number of the oldest buses.



### **III. Bus Replacement Plan**

The approach taken in this project charter is to utilize the \$33.5 million from Measure RR and to leverage any external grants that may become available. The 111 buses scheduled for replacement are prioritized by bus age and regulatory compliance requirements.

#### **A. Required Replacement for Compliance**

As stated, the District has a requirement to replace 49 model year 2008 buses equipped with CNG tanks that are set to expire between March and May 2022. Unless the expiring tanks are replaced with new tanks, the buses must be removed from service. Since the cost for tank replacement far exceeds the residual value of the buses, it is recommended that new buses be purchased. These buses will be replaced with new CNG buses.

#### **B. Replacement to Modernize Fleet and for Future Compliance**

The remaining 111 buses that will be replaced with Measure RR funding will consist of the oldest buses in the fleet and buses that need to be replaced to meet regulatory compliance in future.

<b>Purchases</b>	<b>Projected # of Buses</b>	<b>Total Estimated Costs</b>
<b>CNG Buses - November 2021</b>	49	\$10.3 M
<b>Alternative Fuel Buses – 2022-23</b>	55	\$11.4 M
<b>Alternative Fuel Buses – 2023-24</b>	56	\$11.7 M
<b>Totals</b>	<b>160</b>	<b>\$33.4 M</b>

It is important to note that the Infrastructure Investment and Jobs Act recently passed by Congress has a provision to set aside \$2.5 billion for electric school buses and an additional \$2.5 billion for all types of low-emission school buses. TSD will leverage this funding when it becomes available to replace additional diesel buses and further increase the District's fleet of alternative-fueled buses.

ATTACHMENT B

LOS ANGELES UNIFIED SCHOOL DISTRICT

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RESOLUTION 2021-XX

BOARD REPORT 139-21/22

AMENDMENT TO THE TRANSPORTATION SERVICES DIVISION STRATEGIC EXECUTION PLAN TO APPROVE THE PURCHASE OF DISTRICT SCHOOL BUSES

WHEREAS, District Staff proposes that the Board of Education (Board) amend the Transportation Services Division (Transportation) Strategic Execution Plan (SEP) to approve the purchase of approximately 160 new alternative fuel school buses at estimated cost of \$33.4 million utilizing Measure RR and remaining Measure Q funding; and

WHEREAS, as there is an immediate need to replace 49 buses with expiring CNG tanks, Transportation has requested and received Board approval in the November 16, 2021 Board Meeting to make the initial purchase to replace these buses; and

WHEREAS, the initial purchase will be front-funded with mostly General Funds, the General Fund monies shall be reimbursed from Measure RR funds when released; and

WHEREAS, the Los Angeles Unified School District's Transportation Services Division owns, maintains, stores and operates 1,300 school buses with an average age of 10 years; and

WHEREAS, the Transportation Services Division developed the Project Charter that outlines the replacement of approximately 160 buses over a three-year period; and

WHEREAS, cleaner alternatives to conventional diesel school buses exist, including those powered with compressed natural gas, propane, electricity, and ultra-low emission fuels that have been proven to be durable, and that emit less nitrogen oxides, particulate matter and air toxics than a conventional diesel school bus; and

WHEREAS, the use of alternative fuel school buses have significantly reduced emissions of particulate matter as compared to conventional diesel powered school buses and therefore provide increased protection of school children's health; and

WHEREAS, District Staff has concluded that the proposed SEP Amendment represents an appropriate and acceptable use of District bond proceeds and is consistent with the mission of the District and of the BOC, and

WHEREAS, District staff has concluded that the proposed SEP Amendment will help facilitate implementation of the Transportation SEP, and therefore, it will not adversely affect the District's ability to successfully complete the Transportation SEP.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Citizens' Bond Oversight Committee recommends that the Board of Education adopt the Transportation SEP amendment as defined in Board Report 139-21/22, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Oversight Committee's website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the Oversight Committee and the District.

ADOPTED on December 2, 2021, by the following vote:

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