



## Geneva Community Unit School District 304

Donna V. Oberg - Assistant Superintendent - Business Services

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### Memorandum

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**To:** Kent Mutchler, Superintendent

**From:** Donna Oberg, Assistant Superintendent – Business Services

**Date:** May 10, 2012

**Re:** FY 2013 Bus Lease

At the end of this school year, the buses purchased in July 2010 will be returned under the 2 year buy-back contract with Midwest Transit. The bus bid approved in December 2011 was for fifty four-71 passenger buses. I had intended to keep the two 24 passenger and two 35 passenger buses for an additional year. Upon informing the company of this extension, I found that the buses had already been sold to another district. Midwest Transit has made some date changes with other districts to provide our district with the four 24 passenger buses we need.

The District has several options:

- Option 1- Go out to bid for the buses. If the buses are put out for bid, they will not be delivered in time for the start of school. This will cause a shortage of transportation for transporting our students.
- Option 2- Lease the buses on a one year lease plan with an annual payment of \$35,928 with the option to purchase at the end of the lease period.
- Option 3- Lease the buses on a three year lease plan with an annual payment of \$33,296 with the option to purchase at the end of the lease period.

I am recommending a 1 year lease plan for next school year with a bid in December for the purchase of four 24 passenger buses for FY 2014 and FY 2015.

#### **Recommendation:**

I recommend that the Board of Education approve Quote A for a one-year lease plan at an annual payment of \$35,928 for FY 2013.