

# **Livonia Public Schools**

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## ***Finance Office***

Date: January 14, 2020

To: Andrea Oquist, Superintendent

From: Alison Smith, Director of Finance

Re: School Bus Purchase

We would like to discuss a recommendation to purchase buses at the January 21, 2020 Finance Committee meeting. We are pleased to share that the district has been awarded grant funds to replace 22 of our older full size, 77-passenger buses used to transport our students. This purchase was made possible by a grant that was applied for by our Fleet Garage Supervisor, Transportation Supervisor, and Accounting Supervisor. It will reimburse the district 40% of the cost of these twenty-two buses. Funds to support this grant opportunity come from the State of Michigan Department of Environmental Quality and the Volkswagen State of Michigan trust.

Our current fleet of buses include both gas and diesel engines. If approved, this purchase would add propane engines to our fleet. After much consideration of the current research on propane buses as well as the provisions of the grant that provide a larger reimbursement if the district replaces our older buses with propane buses, administration is confident in bringing this purchase recommendation to the Board of Education.

Sinking Funds are not an allowable source of funds for school bus purchases. Bond funds may be used to purchase school buses if approved by the voters. The district was very fortunate to be able to replace 66 of our 110 school buses over a number of years through the 2013 Bond. Through the use of General Funds and a DEQ DERA grant, we have been able to replace 21 buses over the last two years. That leaves 23 out of our 110 school buses that are over ten years old. If approved by the Board, this purchase would replace 22 out of 23 older buses.

This grant stipulates that the funds will be issued to the district on a reimbursement basis, meaning we pay the full cost out of the General Fund and then 40% reimbursement is made once we submit to the granting agency proof of payment and proof of delivery of the buses.

This proposed purchase would take place through the Michigan School Business Officials bus purchasing program which fulfills purchasing requirements.

Attached is a page out of the grant application as well as the quote that was submitted along with the grant application.

Please include this item on the agenda. Thank you.

AS/kp

Attachment

c: Board of Education