

Metro Board Approved Policy

Expanded Donation Policy

Adopted: September 21, 1995

Historical Perspective

This policy was last amended on January 25, 2018.

Before this policy was adopted, we had a long-standing practice of not donating assets because the donation may have been construed as a “gift of public funds,” which is prohibited under the California Constitution. However, the donation is permitted if the item is for a public transit related purpose and will be used in our jurisdiction.

The practice had been to sell surplus or obsolete assets to the general public through competitive bidding or dispose of them. This policy made this practice a formality.

In September 2017, Motion #49 by Directors Garcia, Garcetti, Hahn, Solis, and Dupont-Walker was approved by the Metro Board and directed the CEO to develop an expanded donation/retirement policy for the historical preservation of the rail and bus vehicle fleet and to research transit museums.

Metro operates and maintains a fleet of over 2,200 buses, 239 light rail, and 104 heavy rail cars. The light rail fleet consists of Nippon Sharyo P865 and P2020, Siemens P2000, Ansaldo-Breda P2550, and Kinkisharyo P3010 light rail vehicles. Metro's Rail Fleet Services department maintains a schedule for the retirement of the fleet that is consistent with the fleet management plan which focuses on age and condition investment needs, requirements, and new rail projects. P865 fleet retirement criteria includes assessment of vehicle and required maintenance activities based on age, useful-life, and State of Good Repair criteria consistent with regulatory requirements; identification of vehicles with the highest mileage. Challenges related to the historical preservation of vehicle fleets by Metro include lack of yard space to devote to long term storage; parts and materials obsolescence; know-how/training to address long-term P865 fleet repair activities; and regulatory challenges of keeping vehicles on Metro property for special operations. The existing donation policy does not allow for rail cars and/or buses to be

donated unless the donation is for continued transit operation.

Protection and preservation of transit vehicles is important to our agency and our industry, and therefore staff revised the bus and rail vehicle donation policy outlined in Attachment B. Because this motion specifically requested that rail vehicle 100 be made available to the City of Long Beach, staff reviewed the P865 rail car retirement schedule and will retain car 100 in accordance with the guidelines set by the proposed donation policy. Metro staff will also continue to proactively review existing bus retirement schedules in anticipation of donation requests for historical preservation purposes, or other well-intentioned civic uses that benefit the citizens of L.A. County. To address all future bus and rail vehicle preservation efforts, Metro staff will pursue the pathway listed below until a volunteer group is established and functional.



Metro

Existing Metro Acquisition Policy and Procedure Manual

(From Chapter 12 – Surplus Sales Contracts)

12.8 Donations

- ~~A. The donation of any material, equipment or non-revenue vehicle to a public agency, private or Non-Profit organization is permitted if it meets one of the following conditions:~~
- ~~B. If the asset has value, it must be determined that the asset will be used for some public transit related purpose within the MTA's jurisdiction; or~~
- ~~C. It must be determined that the asset has no market/salvage value; or~~
- ~~D. It must be determined that the cost to remove or dispose of the asset will exceed the estimated revenue or return from the sale.~~
- ~~E. This policy shall be implemented in concert with the prohibitions against gifts of public funds.~~

Revised Metro Acquisition Policy and Procedure Manual

12.8 Donations

Metro may make donations of its available surplus material, equipment, revenue service vehicles and non-revenue vehicles ("Surplus Asset") to Public Agencies, Municipalities, School Districts and Non-Profit Organizations ("Eligible Donee") for continued public transit services, or for other re-purposed public uses and services that benefits all Los Angeles County citizens.

Approved donation requests shall meet the policy standard that all donations shall not constitute a gift of public funds. In order to meet that standard a Cost/Benefit Analysis shall be performed on each donation request to ensure that the well-intended use of the Surplus Asset by the Eligible Donee is greater than the value that Metro would earn through the sale or salvage of the Surplus Asset.

- A. The Eligible Donee shall submit a Donation request to Vendor/Contract Management for a specific Surplus Asset. The Donation request shall provide a detailed description of the well-intended uses of the Surplus Asset, including the real value to be earned from the continued transit use of the Surplus Asset, and any factors that describe the real or intrinsic value of any repurposed use.
- B. Vendor/Contract Management shall perform a Cost/Benefit Analysis that first identifies the net value of the Surplus Asset to Metro. The net value includes the estimated market value for the sale or salvage of the Surplus Asset minus the cost to remove or dispose of the Surplus Asset.

The Cost/Benefit Analysis shall measure the net value of the Surplus Asset against the value of the services or re-purposed uses of the Surplus Asset by the Eligible Donee.

- C. The Chief of Vendor/Contract Management may approve the donation of Metro Assets if the Cost/Benefit Analysis performed by Metro demonstrates that the well-intentioned use by the Eligible Donee has greater value to all citizens of Los Angeles County than the net value of the Surplus Asset to Metro.
- D. Once a donation is approved by Metro the Eligible Donee is responsible for all costs associated with the transfer, storage, maintenance and re-title of the Surplus Asset. The Eligible Donee must remove and take possession of the Surplus Asset within 120 days of Metro's approval.
- E. The Eligible Donee shall indemnify Metro for any claims in connection with or relating to, the transfer, use or services performed by the Eligible Donee with the Surplus Asset.