

MEMORANDUM

TO : Dudley R. Sykes, Commissioner
FROM : Robert C. Belfi, Director, A & E Div. (17)
SUBJECT: Request for Concurrence in the Sale of City Owned Rail Diesel Cars

DATE 9/19/84

The City owns 12 Rail Diesel Cars (RDC's). These are 85 feet, self-propelled, diesel engine driven, railroad passenger cars. These cars were purchased new from the Budd Company in the early 1960's and were used on the Foxchase and Newtown lines, as well as for service to Quakertown and Pottstown. Three of these cars are leased to the British Columbia Railway; the others, which have been out of service for 3 to 4 years, are stored at the Philadelphia Naval Shipyard (7 cars) and Wayne Junction (2 cars). The City pays in excess of \$20,000 per year to store the cars at the Navy Yard. There is no prospect that these cars will be used for passenger service by SEPTA in the future. Consequently, your concurrence in the following proposals is requested:

1. That at least the 9 cars now stored in Philadelphia, and, if possible, the 3 leased cars, be sold.
2. That A & E Division assist the Procurement Department in selling the cars, in order to obtain the best price.
3. That the proceeds from the sale be used as local share for future transit projects.

In order to properly market these cars, a budget of approximately \$10,000 will be required for staff costs and travel. This will, of course, be repaid from the proceeds of the sale.

The rationale for the above proposals is as follows:

1. Disposal (by sale) of the RDC cars is recommended for the following reasons:
 - a. There is no practical prospect of the cars being returned to service in Philadelphia.
 - b. The cars' value will decrease with time since they are stored out of service.
 - c. The cars still have some significant value. The exact amount won't be known until bids are opened, but should be at least \$25,000 per car, and may be significantly more.
 - d. It is costing over \$20,000 per year to store 7 cars.
 - e. The City Charter directs that surplus personal property be sold. (The Charter does not authorize leasing of surplus property.)



CITY OF PHILADELPHIA

Office of Transportation
Denise L. Goren
Director

October 16, 1989

Mr. Wayne M. Hale
Assistant General Manager
Metropolitan Transit
800 West Myrtle
P. O. Box 12489
San Antonio, Texas 78212

Re: Surplus Diesel Rail Equipment;
Your Letter of September 22, 1989

Dear Mr. Hale:

The City of Philadelphia at present owns no diesel rail passenger equipment. In 1981-1982, twelve City-owned Budd RDCs became surplus to the needs of SEPTA, the local transit authority, which had leased them from the City. The City subsequently sold three cars to the British Columbia Railway, and the balance to the MBTA in Boston.

I understand that some diesel locomotive-hauled cars recently were taken out of service in Pittsburgh; you may wish to contact Port Authority Transit officials to explore this a bit further.

Best of luck in your project to establish rail passenger service in San Antonio.

Sincerely yours,

A handwritten signature in cursive script that reads "Denise L. Goren".

Denise L. Goren
Director

cc: W. Millar, PAT

MEMORANDUM

CITY OF PHILADELPHIA

TO : Richard G. Gilmore, Director of Finance

FROM : Dudley R. Sykes, Commissioner, Department of Public Property *ML*

SUBJECT: Proceeds From Sale of City-Owned Rail Diesel Cars

DATE 2/25/85

On February 15, 1985, the Procurement Department opened bids for the sale of nine City-owned Budd Rail Diesel Cars (RDCs). These cars, part of a group of twelve RDCs purchased by the City's Passenger Service Improvement Corporation (PSIC) in 1962, had been used on the SEPTA Reading Division non-electrified commuter rail lines until these services were discontinued in 1981-1982. The apparent successful bidder (Boston and Maine Railroad) offered \$30,000 each or a total of \$270,000. The remaining three cars in the group were leased to the British Columbia Railway in 1983; we are attempting to negotiate an outright sale of these three cars to BCR at a price consistent with the \$30,000 received for the other nine cars.

I hereby request your concurrence in retaining the net proceeds from the sale of all twelve cars within my Department's transit capital budget. We are discussing with SEPTA the possibility of my staff's undertaking design and procurement of two prototype light rail vehicles (trolleys) for our Allegheny Avenue Light Rail project. The subject funds could be used for this purpose, or for general capital grant matching purposes for other City or SEPTA projects.

Please let me know if you have any questions. If you concur, please sign accordingly below. Thank you.

APPROVED

Richard G. Gilmore
Director of Finance

Leo A. Brooks
Managing Director

CC:

A. Dowd-Burton
P. Deegan
D. Goren
B. Kaplan
R. Belfi
C. Zearfoss

DRS/CZ/nr

**NOTICE OF AWARD
AND
SALVAGE REMOVAL ORDER**

CITY OF PHILADELPHIA
PROCUREMENT DEPARTMENT
1300 MUNICIPAL SERVICES BUILDING

BID NO. S-414

DEPARTMENT

Procurement

DIVISION

Surplus Property Disposal

DATE

2/2/89

BC Rail Ltd.
P.O. BOX 8770
Vancouver, BC, Canada V6B4X6
Att: D.L. Anstee, Mgr.

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
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Sale of three railroad diesel cars, as a lot, per all terms and conditions of bidding and sale as given in the bid.

RAILROAD DIESEL CARS, LOT OF 3.....\$120,000.00
(Car Nos. 9155, 9156 and 9160)

Please present in person or forward by registered mail a certified check made payable to the City of Philadelphia in the amount of \$120,000.00 in United States funds to the attention of Mr. Richard Allen, Procurement Department, 1320 Municipal Services Building, 15th Street and JFK Boulevard, Philadelphia, PA 19102-1686, no later than 12:00 noon on Wednesday, February 15, 1989.

Upon receipt of payment, the City of Philadelphia will transfer its title to the railroad diesel cars listed by number above and assign its interest in the lease now in force between the City of Philadelphia and the British Columbia Railroad Company.

Full documentation of the above will be sent your company by the City of Philadelphia Procurement and Law Departments.

Your bid deposit will be returned after finalization of payment.

Joseph D. ...
Deputy Procurement Commissioner



CITY OF PHILADELPHIA

DEPARTMENT OF PUBLIC PROPERTY
1020 Municipal Services Building
Philadelphia, Pa. 19102-1677

October 22, 1987

Mr. David Anstee
Manager - Materials Management
BC Rail, Ltd.
No. Vancouver, BC V6B 4X6
Canada
P.O. Box 8770

RE: Leased Rail Diesel Cars

Dear Mr. Anstee:

This is pursuant to your telephone inquiry of last month regarding the status of the three City of Philadelphia-owned Budd Rail Diesel Cars, which were leased to BC Rail for a five-year period which expires on October 1, 1988.

You expressed an interest in outright purchase of the cars, as was the approach regarding nine identical RDCs which the City sold to the Boston and Maine Corporation in February 1985.

I since have discussed this issue with other City officials. Our informal conclusion and offer to you is \$100,000 (U.S. Funds) for all three cars. This figure is based upon the \$30,000/car price for the cars sold to B&M in early 1985, escalated by 11.1% inflation (Philadelphia SMSA BLS) from December 1984 to July 1987. Unless we relate to this historical sale price, our Procurement Department regulations require an open competitive bid process, which process, of course, would risk your losing the cars.

If this price is agreeable to you, please submit a formal, written request on behalf of BC Rail. Thereupon, I will initiate formal City procedures required to conclude such a sale. Your request should be addressed to:

Honorable David A. Dambly
Commissioner
Department of Public Property
1020 Municipal Services Building
Philadelphia, Pennsylvania 19102
U.S.A.

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