Legislation Details (With Text)

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Title:	CONSIDER APPROVING THE DISPOSAL OF EIGHT NON-OPERATIONAL BUSES, AND UTILIZING THE SERVICES OF KEN PORTER AUCTIONS TO FACILITATE THEIR SALE (CITY COUNCIL)				
Sponsors:	Community Services				
Indexes:					
Code sections:					
Attachments:	1. Resolution No. 18-141, 2. Surplus/obsolete buses assigned for auction, 3. MTA approval letter, 4. Ken Porter Auctions Service Agreement, 5. Ken Porter Consignment Form				

Date	Ver.	Action By	Action	Result

Report to Mayor and City Council

Wednesday, November 07, 2018

Consent

SUBJECT:

CONSIDER APPROVING THE DISPOSAL OF EIGHT NON-OPERATIONAL BUSES, AND UTILIZING THE SERVICES OF KEN PORTER AUCTIONS TO FACILITATE THEIR SALE (CITY COUNCIL)

I. SUMMARY

Eight inoperable buses are currently parked at the Corporate Yard. Purchased between 1997 and 2008, they were utilized for the Carson Circuit and/or City-sponsored trips. Staff has obtained the required approval from METRO to dispose of the four buses funded by the Federal Transit Administration (FTA) via Proposition A and/or C that have not surpassed their ten-year life span. The remaining vehicles do not require any outside agency authorization to be auctioned as they have well exceeded their ten-year life expectancy. Tonight, the City Council is asked to approve the disposal of all eight buses, and to utilize the services of Ken Porter Auctions to facilitate their sale.

II. RECOMMENDATION

TAKE the following actions:

1. AUTHORIZE the disposal of eight inoperable City buses.

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2. APPROVE and ADOPT Resolution No. 18-141, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA AUTHORIZING THE UTILIZATION OF KEN PORTER AUCTIONS TO FACILITATE THE SALE OF EIGHT INOPERABLE BUSES."

III. ALTERNATIVES

Take another action the City Council deems appropriate.

IV. BACKGROUND

As part of its contract with its prior fixed-route vendor, First Transit, the City purchased four (4) buses for Carson Circuit operations in 2008. These vehicles - Bus Nos. 807, 808, 809, and 810 - were used continually by the City until the end of First Transit's contract on December 31, 2015. Throughout the term of the agreement the buses were driven for 13 hours a day, six days per week, except on Thanksgiving Day, Christmas Day, and New Year's Day. This extensive use, coupled with the fact that many of Carson Circuit's routes run through neighborhoods that require constant stops and numerous turns, led to costly and numerous breakdowns and repairs, and the buses' ultimate demise. Funded by the FTA via Proposition A and/or C moneys and distributed through METRO, the disposal of these buses required METRO approval as they were three (3) years short of their 10-year life expectancy (Exhibit No. 3).

Four additional vehicles - Bus Nos. 753, 754, 792, and 874 - also require disposal. Air Quality Management District (AQMD) funds were utilized to purchase Bus Nos. 753 and 754. Bus No. 792 was paid for by the City's General Fund, while Bus No. 874 was funded by the FTA/Proposition A. All were used for either the Carson Circuit and/or City-sponsored programming. As they were utilized well beyond their 10-year life span, the buses are no longer operable and eligible for auction.

All eight buses are parked at the Corporate Yard, taking up valuable space that could be used for other purposes. As well, they pose a hazard to staff passing through that area, and for the City's current bus fleet when they are maneuvered in and out of their respective parking stalls.

Tonight, staff is requesting City Council authorization to dispose of these eight buses, and to approve Resolution No. 18-141 that will permit utilizing the services of Ken Porter Auctions to facilitate their sale.

V. FISCAL IMPACT

Should the City Council approve the recommendation, funds from the proceeds of the auction sales will be deposited into the appropriate Proposition A and/or Proposition C account at a rate of 52% on any sale amounts above $5,000 for Bus Nos. 807, 808, 809, and 810, per FTA guidelines. Proceeds under $5,000 may be kept by the City and deposited into the appropriate General Fund account. Full proceeds from Bus No. 753, 754, 792, and 874 will be deposited into the appropriate General Fund account. The auctioneer, Ken Porter Auctions, will be paid for their services based on their quoted rates

and terms as provided in Exhibit No. 5. Should any bus or buses not sell over two publicly -held auctions, the auctioneer will salvage the bus or buses at no additional cost to the City.

VI. EXHIBITS

1. Resolution No. 18-141 (pages. 4-5)
2. Surplus/obsolete buses assigned for auction (page 6)
3. MTA approval letter (page 7)
4. Ken Porter Auctions Service Agreement (pages 8-9)
5. Ken Porter Auctions Consignment Form (pages 10-11)

Prepared by: Jason Jo. Transportation Services Supervisor

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