



Legislation Text

File #: 2019-399, Version: 1

Report to Mayor and City Council

Tuesday, May 07, 2019

Consent

SUBJECT:

CONSIDERATION OF RESOLUTION NO. 19-087 RELATED TO AUTHORIZING THE UTILIZATION OF KEN PORTER AUCTIONS TO FACILITATE THE SURPLUS SALE OF VEHICLE NO. 793 (CITY COUNCIL)

I. SUMMARY

One inoperable bus is currently parked at the Corporate Yard. This bus, Vehicle No. 793, was originally purchased in 1998 through the City's General Fund for the Carson Circuit's fixed-route operations and for City-sponsored permit trips (Exhibit No.1). As this bus has well exceeded its expected ten-year life expectancy and is currently inoperable, Staff is unable to utilize this bus for future operations. The City Council is asked to review the procedure to surplus the bus, authorize the surplus of the bus, and to approve the services of Ken Porter Auctions to facilitate its surplus sale.

II. RECOMMENDATION

1. WAIVE further reading and ADOPT Resolution No. 19-087, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA AUTHORIZING THE UTILIZATION OF KEN PORTER AUCTIONS TO FACILITATE THE SURPLUS SALE OF VEHICLE NO. 793"

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Vehicle 793 was purchased in 1998 through the City's General Fund, Account 2918137801 -8002. Vehicle 793 was heavily used for the Carson Circuit's fixed-route operations and for City-sponsored permits trips. It was operated by both City operators and City-contracted operators. As its extensive use has led to costly repairs and numerous breakdowns in

recent years, Vehicle 793 is currently inoperable and is parked at the Corporate Yard.

The City, through the approval of the Purchasing Manager, may elect to dispose of surplus property by auction (Exhibit No. 2). Most recently, in November of 2018, Staff received the City Council's approval to utilize Ken Porter Auctions to facilitate the sale of eight inoperable City buses (Exhibit No. 3). A written contract agreement was executed on January 3, 2019 with a contract sum of \$24,750. This agreement provides for auctioneer services to include: buses, cars, trucks, office furniture, and other miscellaneous items. Ken Porter Auctions takes a percentage-based commission of the sale price plus any applicable fees associated with the sale (Exhibit No. 4). On February 16, 2019, Ken Porter Auctions was successful in auctioning off all eight buses in as-is condition and provided the City with a payment via check (Exhibit No. 5). As the total sale price of \$4,350.00 exceeded the total amount of commissions and fees of \$1,817.50, the City did not pay any dollar amounts to Ken Porter Auctions for the sales of these eight buses; rather, Ken Porter received a portion of the sales proceeds as a commission. The net amount of \$2,532.50 was processed on March 18, 2019 by the Treasurer's office and deposited into the City's General Fund Account 4900 - Miscellaneous Income 101-99-999-999-4900. At this time, there is still capacity in the Ken Porter Auctions contract at \$24,750 (Exhibit No. 6).

Tonight, Staff is requesting City Council authorization to surplus Vehicle No. 793, and to utilize the services of Ken Porter Auctions to facilitate its surplus sale by adopting Resolution 19-087 (Exhibit No. 7).

V. FISCAL IMPACT

Should the City Council approve the recommendation, funds from the proceeds of the sale shall be deposited into the City's General Fund Account 4900 - Miscellaneous Income 101-99-999-999-4900. Should the amount of payable auction fees and/or commissions exceed the amount of the proceeds from the sale, funds are budgeted in 218-90-940-101-6004.

VI. EXHIBITS

1. Vehicle No. 793 (page 3).
2. Carson Municipal Code Section 2614 (pages 4-6).
3. Staff Report 2018-754 for Ken Porter Auctions (pages 7-9).
4. Contract agreement with Ken Porter Auctions (pages 10-26).
5. Accounting of Surplus Sales from Ken Porter Auctions (pages 27-30).
6. Auction Process (pages 31-38).
7. Resolution No. 19-087 (pages 39-40).

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