

City Manager's Report
May 27, 2014 City Council Meeting
Prepared by: Steve Youel, Director of Community Services
Item #: 8.6



Subject: Adopt a Resolution:

1. Declaring certain vehicles and equipment as surplus property as identified in Attachment "A"; and
2. Authorizing an agreement with Bar None Auctions to provide a public auction of the said surplus property; and
3. Authorizing the Director of Community Services to execute the same.

Discussion: The City has accumulated a number of vehicles that no longer meet California emissions standards as defined by the State of California Air Resources Board. City staff has determined that two vehicles have little or no value to the Community Services Department in their current state and should be sold at public auction. The vehicles to be sold at auction include a year 2000 Ford F-550 Chassis and a 2002 CASE 4X4 Backhoe and attachment. The estimated return on the F-550 is \$8,000 and \$31,500 has been estimated for the backhoe and attachment.

With City Council approval, City staff will engage Bar None Auction to conduct a live public auction of surplus City property. The auction will be held at 4751 Power Inn Road Sacramento. The auction is scheduled to begin at 8:00 AM on June 14, 2014. The Auctioneer will take on the responsibility for all advertising, sale and point of sale transactions. Auctioneer will pay the City less any commission or fees due within 30 days following the auction. Additional services provided within the proposed agreement include the following:

- Smog inspection and certificate
- Removal of agency decal and service name and numbers from vehicles
- Detailing of Vehicles

For a complete review of the terms and conditions associated with the services provided by Bar None Auction, please refer to the attached Consignment Agreement.

Cost: Bar None Auction provides the most local and affordable alternative available to the City at this time. The Auctioneer will receive a 10% commission for all items. The percentage is consistent with the industry standards for auctions held in Northern California and provides for all inclusive service. Bar None Auction is currently under contract with Cal –Trans and locally with the El Dorado Irrigation District and the County of El Dorado.

Budget Impact: The surplus City property has an estimated auction value of \$39,500. Assuming all items were sold at auction, the City would receive a check in the approximate amount of \$35,550. Proceeds from the sale could be used to help offset the cost of future equipment purchases.

Alternatives: Defer sale of surplus property to a later date potentially compromising the City's return on investment.

Recommendation:

Adopt a Resolution:

1. Declaring certain vehicles and equipment as surplus property as identified in Attachment "A"; and
2. Authorizing an agreement bwith Bar None Auctions to provide a public auction of the said surplus property; and
3. Authorizing the Director of Community Services to execute the same.

Attachment A: Consignment Agreement


M. Cleve Morris, City Manager


Steve Youel, Director of Community Services


Dave Warren, Director of Finance

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PLACERVILLE DECLARING CERTAIN CORPORATION YARD VEHICLES
AND EQUIPMENT SURPLUS PROPERTY AND DIRECTING STAFF TO
ENGAGE BAR NONE AUCTION TO CONDUCT A LIVE PUBLIC AUCTION
OF SURPLUS CITY PROPERTY.**

WHEREAS, the City of Placerville has accumulated a number of vehicles that no longer meet California emission standards as defined by the State of California Air Resources Board and can no longer be operated by City staff and therefore determined to be surplus; and

WHEREAS, Bar None Auction conducts Public Auctions throughout Northern California; and

WHEREAS, removal of surplus property from the Corporation Yard will improve operations and safety conditions throughout the yard; and

WHEREAS, proceeds from the sale of surplus property can help offset the cost of purchasing equipment in the future; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Placerville:

1. Declares that the vehicles and equipment shown on Attachment "A" as surplus property with an estimated sale value of \$39,500.
2. Approves an agreement with Bar None Auctions to provide a public auction of surplus property owned by the City of Placerville; and
3. Authorizes the Director of Community Services to execute the same.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on May 27, 2014, by Council member _____, who moved its adoption. The motion was seconded by Council member _____. A poll vote was taken, which stood as follows:

AYES:
NOES:
ABSENT:
ABSTAIN:

There being a majority of votes "AYE", Motion carried and was so ordered.

Mayor Carl Hagan

Attest:

Susan Zito, CMC, City Clerk



Absolute Public Auctions!

Sacramento CA San Bernardino CA
 (916) 383-2000 phone (909) 383-5500 phone
 (916) 383-6865 fax (909) 383-5503 fax

866-372-1700

Consignment Agreement

Todays Date: May 22, 2014 Auction Date June 14, 2014 Auction Location SACRAMENTO
 Sellers Name City of Placerville Attn: Steve Yovel Consignor # _____
 Address _____ City Placerville State CA Zip _____
 Phone 530.642.5540 Fax 530.642.5236 E-mail _____

The Seller herein agrees to the following Terms and Conditions

- 1.) Seller herein covenants and agrees that he/she is the owner of record and Seller has good title and the legal right to sell the listed inventory.
- 2.) Seller must provide Bar None with clear title and transfer documents at least 2 days prior to the auction.
- 3.) Seller must provide inventory to the Auction site at least 3 days prior to the auction to be included in the auction preview/inspection.
- 4.) Bar None will pay seller less any commission or fees due within 20 days following the auction, but not prior to 10 days following the auction in case the buyer's funds cannot be certified or are not collectable.
- 5.) Should a bidders funds be uncertifiable the Seller agrees to take back that inventory and agrees Bar None will not be liable for payment to the Seller on that inventory. No sale commission will be charged to the Seller on any unpaid items.
- 6.) Seller agrees that all inventory listed herein will be sold at auction without reserve. The inventory will be sold to the highest bidder and there will be no guarantee whatsoever by Bar None as to the gross proceeds to be realized from the sale of the inventory.
- 7.) Seller will provide each vehicle with at least 3 gallons of fuel and a charged battery. Seller herein authorizes Bar None to deduct costs for fuel, tire, and/or battery replacement as necessary from the seller's proceeds. A minimum \$20.00 will be charged whenever any fuel must be added by Bar None.
- 8.) Once an item is consigned to Bar None the item shall not be removed from the auction without mutual consent from the Seller and Bar None. In the event that an item is pulled and cannot be sold the Seller agrees to pay Bar None commissions on that item.
- 9.) Seller herein authorizes Bar None to use Sellers name, trademark, or logo in advertising this inventory for auction.
- 10.) Seller further agrees to pay Bar None a minimum consignment fee of \$500.00 on any advertised item pulled from the auction, and \$250.00 on any non-advertised item pulled from the auction.
- 11.) Seller assumes responsibility for any personal injury or property damage caused by the seller or his agents, and further agrees to hold Bar None Auction harmless for any personal injury to himself or his agents, and any property damage incurred on the sale premises. Bar None Auction is not responsible for any stolen or damaged property.
- 12.) Seller herein agrees to make Bar None aware of any mechanical problems, and shall disclose any drive train or other defects that a unit may have.
- 13.) Bar None reserves the right to cancel sale of any vehicle with non-disclosed defects and charge the seller full sale commission and any buyers fees as if the unit had sold.
- 14.) Seller agrees to remove unsold items from auction site within 7 days after the sale. Failure to remove the item will result in a \$25.00 per day storage fee for each item not removed. All items must be removed from the Auction site within 7 days after the auction.
- 15.) If Bar None transports your inventory, Seller agrees that Bar None is not responsible for any damages or mechanical failures on that item.
- 16.) Receipt by Bar None via facsimile of a signed copy of this agreement, shall upon acceptance by Bar None, be considered binding.
- 17.) Any changes must be made in writing and signed by both Bar None Auction and Seller.

Special Instructions: Seller to SMOG Vehicle for #65 - Remove I.D. Decals

Clean and Detail - 10% Commission

Year of Manufacture	Item Description - Manufacture, Model, Serial Number, Description	Stock/Lot #
<u>2000</u>	<u>FORD F-550 Cab + Chassis Vin# EE58597 Unit# 12</u>	
<u>1998</u>	<u>BRADCO Skidsteer backhoe Attachment Vin# 1373</u>	
<u>2002</u>	<u>LASE 580M Loader Backhoe Vin# JJ60310474</u>	

Seller agrees to pay Bar None Auction a sale commission as follows:
 (a) 10% for any rolling inventory item realizing more than \$2,500 and
 (b) 15% for any rolling inventory item realizing less than \$ 2,500 or less but with a minimum \$125 fee per item.
 (c) 20% for any stationary item, minimum \$50 fee per lot.
 (d) 25% for on-site business liquidations, plus advertising.

Sellers Signature _____
 Transporter _____
 Received By _____