

RESOLUTION NO. 10-096

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING THE SALE OF ONE SURPLUS 1989 FMC SPARTAN PUMPER (KNOWN AS ENGINE 5) USING THE SERVICES OF ENGINE BROKER TEN-8 FIRE EQUIPMENT, AND PROVIDED THE SALE AMOUNT EQUALS OR EXCEED \$25,000.00 (NET OF BROKERAGE FEES); PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, pursuant to section 2-771(3)c of the Code of Ordinances, the City may sell surplus personal property; and

WHEREAS, staff has determined that there is an extremely limited local market for used fire equipment, and it would be reasonable to use the services of an organization with national or regional experience in marketing to the fire protection/public safety market; and

WHEREAS, City staff reviewed information from five companies with experience brokering the sale of used fire equipment, and determined that Ten-8 Fire Equipment would provide the City of Key West with the maximum return in revenue, in exchange for its commission fee.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the sale of a 1989 FMC Spartan Pumper (Engine 5), using the services of Ten-8 Fire Equipment, is hereby authorized, provided the sale amount equals or exceeds \$25,000.00 (net of brokerage fees).

Section 2: That in the event the price obtained by the broker does not equal or exceed \$25,000.00, the City Manager is directed to present lesser price bids to the City Commission for consideration at a regular meeting.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 16th day of March, 2010.

Authenticated by the presiding officer and Clerk of the Commission on March 17, 2010.

Filed with the Clerk March 17, 2010.



CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK



EXECUTIVE SUMMARY

DATE: 25 February, 2010
TO: Jim Scholl, City Manager
FROM: Michael Davila, Division Chief of Operations
SUBJECT: Executive Summary – Sale of FMC Fire Pumper

PROJECT

The Key West Fire Department is expecting delivery of a new Pierce Pumper in May 2010. This new apparatus will replace Engine 8 as a front line Pumper allowing Engine 8 to become a back-up apparatus. Engine 5 is a 1989 FMC Spartan pumper which will no longer be needed as a back-up apparatus. Engine 5 has multiple mechanical issues with escalating repair costs just to keep it operational as a back up apparatus, including the inability to pass an NFPA pump test. To bring the apparatus into compliance would be extremely cost prohibitive. Due to lack of engine room storage spaces, the old Engine 5 will have to be stored outside after the delivery of the new Pierce Fire Engine.

We therefore propose to sell old Engine 5 to a community that could use a Fire Engine in its present condition. We propose to sell the old Engine 5 using a Fire Engine Broker to obtain the maximum price with minimum City time and effort. We have evaluated similar Fire Engines as our 1989 FMC Spartan and believe the value to be between \$20,000 and \$30,000. All brokerage firms will do a more thorough evaluation once a contract is agreed upon. We have studied six different brokerage firms found in several trade magazines. We believe Ten-8 Fire Equipment would be the best broker for our needs due to the following reasons:

- The company has more than 20 years experience in selling apparatus and is a leader in the Florida Fire Truck industry
- They agree to a 10% sellers fee which is standard in the industry
- They would advertise the old Engine 5 in all trade magazines as well as their web-site and other publications used by communities looking for used Fire Trucks
- They have several salesmen who would promote our apparatus to the communities who could use an apparatus in Engine 5's present condition
- They deal only in the southeastern portion of the United States, which is the area most likely to be interested in our apparatus
- They are the only broker in our area who does not require the seller to pay for transportation to the buyer's location
- The City of Key West has used Ten-8 Fire Equipment in the past and we are confident in their capabilities

Pursuant to City Code 2-771(3), the Fire Department proposes to sell old Engine 5 using Ten-8 Fire Equipment as the Broker. Ten-8 will receive 10% of the sale price

for the advertising and brokering service. The community that buys the old Engine 5 will be required to transport the apparatus to their location.

OPTIONS:

- Sell the old Engine 5 using Ten-8 Fire Equipment as the broker
- Sell the old Engine 5 using another brokerage firm as the broker
- Sell the old Engine 5 by advertising in Trade Magazines and using City staff to accept bids, rate bids, determine an acceptable selling price
- Keep old Engine 5 as another back-up apparatus, and make needed repairs to pass NFPA requirements, storing the apparatus outside
- Keep old Engine 5 as another back-up apparatus, and not make needed repairs to pass NFPA requirements, storing the apparatus outside

ADVANTAGES:

- Selling the old Engine 5 using Ten-8 Fire Equipment would bring the highest sales price with the least amount of City time and effort. The costs of transporting the apparatus would be avoided using Ten-8 Fire Equipment, leaving a higher profit to the City of Key West.

DISADVANTAGES:

- The storing the old Engine 5 outside and exposed to the weather would only speed up the deterioration process. This would rapidly lessen the value if we wished to sell the Fire Truck in the future. Storing the apparatus outside could be a liability if someone were to get hurt while playing on an unprotected Fire Truck.

FINANCIAL IMPACT:

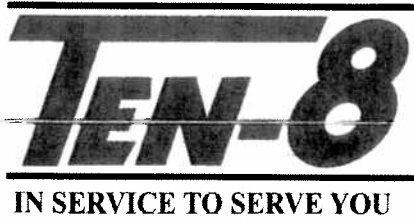
- The City could net \$27,000 with a \$30,000 sale and paying Ten-8 Fire Equipment \$3000. The sales price would be dependant on the capabilities of the Broker.

RECOMMENDATION:

The Key West Fire Department recommends selling old Engine 5 using Ten-8 Fire Equipment as the Broker. Additionally, Staff requests the Key West City Commission approve the sale in advance provided the final sales price (net of brokerage fees) exceeds \$25,000, and authorizes the City Manager to execute any required agreement or contract to effectuate the sale. In the event the net sales price does not exceed \$25,000, Staff will bring back a resolution informing the Commission of the highest offer and request approval at that point.

Fire Engine Brokerages
Analysis

Company	Location	Contact Person	Phone #	Fee
Ten-8 Fire Equipment Ten-8 requires the buyer to pay for transport after the sale.	Bradenton, FL	Stacey Failing	800-228-8368	10%, minimum \$2500
Brindlee Mtn. Fire Equip. Mr. Wesesel later e-mailed saying they were not interested in selling our truck due to age and configuration.	Union Grove, AL	James Wessel	256-498-0188	10%, no minimum
Fenton Fire Equipment	New York	James Campbell	314-227-0133	7% under \$100 000.00, 5% above \$100 000.00
Bradford County Fire It is the responsibility of the seller to transport the truck to the buyer.	Ft. Myers Beach, FL	Jim Bradford	239-229-9400	10%, no minimum
Firetec Firetec has sold two trucks for us in the past. We would collect for the sale, and then pay Firetec the 10% after the sale. Firetec requires the seller to transport the truck to the buyer.	Randolph VT	Barbara Baumann	800-347-3832	10%, no minimum



TEN-8 FIRE EQUIPMENT INC.
NEW AND USED

2904 59th Ave. Drive East

Bradenton, FL 34203

Phone: 800-228-8368 · Fax: 941-756-2598

EXCLUSIVE BROKER SERVICE AGREEMENT

This agreement is made by and between Ten-8 Fire Equipment Inc. (hereinafter TEN-8), a Florida Corporation at 2904 59th Ave. Drive East, Bradenton, FL 34203, and **{customer name and address}**

1. WHEREAS, TEN-8 desires to provide a broker service and **{customer name}** desires to use that broker service to sell vehicle per attachment "A" and therefore **{customer name}** agrees to work with TEN-8 for a term of six (6) months beginning **{start date}** and terminating **{end date}** or until termination of the agreement by either party upon 30 days written notice. Ten-8 agrees to aggressively promote and advertise vehicle in attachment "A" to expedite the sale.

2. PRICE AND COMPENSATION. **{customer name}** agrees to pay a ten percent seller's fee (\$2,500.00 minimum) to TEN-8 as compensation for services in marketing and selling of vehicle per attachment "A" during the term of this Agreement. The highest possible sale price shall be obtained. Unit shall be marketed at a selling price of **{selling price}**. A fair and equitable price will be sought from any prospective buyer. All offers shall be presented to **{customer name}** for consideration. If **{customer name}** completes a sale of the vehicle directly with any buyer or agent of buyer during the 6-month term of this agreement, **{customer name}** shall pay TEN-8 the ten percent seller's fee (\$2,500.00 minimum).

3. SALES LEADS, A representative of TEN-8 will coordinate with prospective buyers to inspect the vehicle and will present all offers in writing to **{customer name}**. Any cost associated with advertising and showing of vehicle shall be paid by TEN-8 Fire Equipment Inc.

4. FAX COPIES AND APPLICABLE LAW. A duly signed copy of this agreement transmitted by electronic facsimile shall be construed, valid and enforceable as an original agreement between the parties. This Agreement shall be governed by the laws of the State of Florida.

Stacey Failing, Sales & Marketing Manager
Ten-8 Fire Equipment Inc., Broker

{customer name}

Title:

Date: