

EXECUTIVE SUMMARY



TO: Bogdan Vitas, City Manager

COPIES: David Fernandez, Assistant City Manager
Mark Finigan, Assistant City Manager
Greg Veliz, Director Community Services
Rod Delostrinos, Deputy Director Community Services

FROM: Christina Hepworth, Fleet Manager – Community Services

DATE: October 23, 2013

SUBJECT: Vehicle Disposal

Action statement:

This resolution authorizes City staff to proceed with the disposal of twenty (20) City owned vehicles with original purchase prices in excess of \$20,000, pursuant to City of Key West Code of Ordinances, Subdivision II, Authority of Purchasing Agent, Section 2-771-(3)(c), *The City Manager shall have the authority to sell, trade or otherwise dispose of surplus and obsolete personal property belonging to the City either by sale, barter or exchange or by sealed bid, public auction, cannibalization, trade-in or any other means of disposal as may be appropriate and in the best interests of the city. Disposal of surplus or obsolete personal property with acquisition prices in excess of \$20,000.00 per item shall be made only after approval by the City Commission.*

Strategic Plan/Business Plan:

Staff is recommending a bulk sale approach for disposal of the vehicles. All vehicles would be sold in one transaction, to the highest bidder. Staff is also recommending that the vehicles be sold as salvage title only. This would ensure that any vehicles purchased would not be repaired and sold on the market for civilian use. Vehicles sold as salvage title can still be purchased locally, by a licensed salvage company, and can be sold for parts or scrap metal. Due to the condition of the vehicles, staff does not recommend they be sold with a standard title, which would allow for resale and possible operation on city streets.

Background:

The City has been storing decommissioned vehicles on the fourth floor of the Park and Ride on Grinnell Street for the past year. Minimum maintenance was being given to functional vehicles in order to keep a "backup" pool of vehicles in the event of a storm

emergency. These vehicles have continually deteriorated, to the point that they are no longer functional. None of the vehicles can operate normally and most have become unsafe to operate even if running repairs were made. We have attached the listing of vehicles that are being recommended for bulk sale.

Purpose and Justification:

The vehicles currently being stored at the Park and Ride garage have exceeded any possibility for keeping them operational at a reasonable cost. The vehicle values have declined steadily and the cost for maintenance has increased substantially. Most vehicles would now need major repairs to make them operational and safe.

Options:

- 1) The City Commission could approve the disposal of the twenty (20) surplus vehicles currently being stored on Park and Ride garage, allowing City staff to proceed with a bid request for bulk purchase with salvage title. This option would allow for expedited removal of the vehicles, clearing the Park and Ride garage while preventing unsafe vehicles from being sold and operated on City streets. Any company with a salvage license would be eligible to bid.
- 2) The Commission could decline to approve the disposal of the surplus vehicles. This option would result in the Park and Ride garage losing potential revenue where the twenty (20) spaces are currently occupied by these surplus vehicles as well as the visual nuisance.

Financial Impact:

The sale of the vehicles would result in a positive budget impact for the city. It would also remove the budgetary burden on the Fleet Maintenance Department with escalating costs to keep the vehicles in working condition.

Recommendation:

Staff recommends Option #1, approve the disposal of the twenty (20) surplus vehicles currently being stored on Park and Ride garage, allowing City staff to proceed with a bid request for bulk purchase with salvage title.