



EXECUTIVE SUMMARY

DATE: May 28, 2013

TO: Bogdan Vitas, City Manager

FROM: Michael Davila, Division Chief of Operations

SUBJECT: Executive Summary – Sale of Old E-6 Fire Pumper

PROJECT

The Key West Fire Department is expecting delivery of a new Pierce Pumper in June 2013. This new apparatus will replace Engine 4 as a front line Pumper allowing Engine 4 to become a back-up apparatus. Engine 6 is a 1991 Quality Spartan pumper which will no longer be needed as a back-up apparatus. Old Engine 6 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 6 will have to be stored outside after the delivery of the new Pierce Fire Engine.

We therefore propose to sell old Engine 6 to a community that could use a fire engine in its present condition and was granted permission by Resolution #13-064. We evaluated similar Fire Engines as our 1991 Quality Spartan and believed the value to be between \$20,000 and \$30,000. Firetec brokerage firm listed our pumper in industry publications as well as their web-site for sale at \$20,000 with no inquiries for four weeks. The broker recommended lowering the asking price due to the age and mechanical condition of the pumper. Subsequent to Commission authority to list at \$20,000, Fire Management was given direction by City Management to list at no less than \$10,000 to encourage interest. Firetec advised us of multiple inquiries, with no offers made for over six weeks. We now have an offer from a prospective buyer who would like to purchase for \$10,000, less brokerage fees if applicable.

Pursuant to City Code 2-771(3), the Fire Department proposes to sell old Engine 6 for the lower price of \$10,000. Firetec Used Apparatus Sales will receive 10% of the sale price for the advertising and brokering service. The community that buys the old Engine 6 will be required to transport the apparatus to their location.

OPTIONS:

1. Sell the old Engine 6 using Firetec Used Apparatus Sales as the broker
2. Sell the old Engine 6 using another brokerage firm as the broker
3. Sell the old Engine 6 by advertising in Trade Magazines and using City staff to accept bids, rate bids, determine an acceptable selling price
4. Keep old Engine 6 as another back-up apparatus, and make needed repairs to pass NFPA requirements, storing the apparatus outside
5. Keep old Engine 6 as another back-up apparatus, and not make needed repairs to pass NFPA requirements, storing the apparatus outside

ADVANTAGES:

- Selling the old Engine 6 using Firetec Used Apparatus Sales 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 Firetec Used Apparatus Sales, leaving a higher profit to the City of Key West.

DISADVANTAGES:

- The storing the old Engine 6 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 tampering with an unprotected Fire Truck.

FINANCIAL IMPACT:

- The City could net \$9,000 with a \$10,000 sale and paying Firetec Used Apparatus Sales \$1,000. The sales price would be dependent on the buyer's continued interest.

RECOMMENDATION:

The Key West Fire Department recommends selling old Engine 6 using Firetec Used Apparatus Sales as the Broker to the interested buyer for \$10,000. Additionally, Staff requests the Key West City Commission approve the sale in advance provided the final sales price (net of brokerage fees) matches \$9,000, 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 match \$9,000, Staff will bring back a resolution informing the Commission of the highest offer and request approval at that point.