



## **EXECUTIVE SUMMARY**

**DATE:** 4 February, 2013  
**TO:** Bogdan Vitas, City Manager  
**FROM:** Michael Davila, Division Chief of Operations  
**SUBJECT:** Executive Summary – Sale of E-6 Fire Pumper

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### **PROJECT**

The Key West Fire Department is expecting delivery of a new Pierce Pumper in May 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. We propose to sell the old Engine 6 using a Fire Engine Broker to obtain the maximum price with minimum City time and effort. We have evaluated similar Fire Engines as our 1991 Quality 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 five different brokerage firms found in several trade magazines. We believe Firetec Used Apparatus sales 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 (one lesser known broker offers the service for only 7%)
- They would advertise the old Engine 6 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 6's present condition
- They do not require the seller to pay for transportation to the buyer's location
- The City of Key West has used Firetec Used Apparatus Sales 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 6 using Firetec Used Apparatus Sales as the Broker. 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:**

- Sell the old Engine 6 using Firetec Used Apparatus Sales as the broker
- Sell the old Engine 6 using another brokerage firm as the broker
- Sell the old Engine 6 by advertising in Trade Magazines and using City staff to accept bids, rate bids, determine an acceptable selling price
- Keep old Engine 6 as another back-up apparatus, and make needed repairs to pass NFPA requirements, storing the apparatus outside
- 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 \$27,000 with a \$30,000 sale and paying Firetec Used Apparatus Sales \$3000. The sales price would be dependant on the capabilities of the Broker.

### **RECOMMENDATION:**

The Key West Fire Department recommends selling old Engine 6 using Firetec Used Apparatus Sales 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 \$20,000, 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 \$20,000, Staff will bring back a resolution informing the Commission of the highest offer and request approval at that point.