



Legislation Text

File #: 21-0018, Version: 1

MOTION TO APPROVE THE SALE OF THE FIRE DEPARTMENT'S 2010 HORTON RESCUE AMBULANCE, CITY VEHICLE # 7713, TO CHRIS LENDA, IN THE AMOUNT OF \$21,400, WHICH INCLUDES A 7% SALES TAX OF \$1,400.

PROCUREMENT PROCESS TAKEN:

- *Chapter 35 of the City's Code of Ordinances is titled "PROCUREMENT PROCEDURES, PUBLIC FUNDS."*
- *Section 35.18 of the City's Code of Ordinances is regarding "COMPETITIVE BIDDING OR COMPETITIVE PROPOSALS REQUIRED; EXCEPTIONS."*
- *Section 35.18(C) states that "Only the following situations are exempt from the competitive bid and competitive proposal requirements of this section:"*
- *Section 35.18(C)(5) states "Commodities or services that are the subject of contracts with the state its political subdivisions or other governmental entities including the United States Government, are exempt from the competitive procurement process."*
- *Section 35.27 of the City's Code of Ordinances is titled "SURPLUS PROPERTY."*
- *Section 35.27(A) states, "The Chief Procurement Officer may sell, trade or otherwise dispose of surplus and obsolete personal property belonging to the city either by sale, barter or exchange, by competitive 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 in excess of \$20,000 per item shall be made only after approval by the City Commission. No employee of the Procurement Department having direct control of the surplus property or handling the disposition of the property shall be entitled to purchase any such property."*

SUMMARY EXPLANATION AND BACKGROUND:

1. In the past the City has traded-in Fire Rescue Ambulances to the companies that we were purchasing the replacement vehicles from. Below is a summary of recent trade-in values:

Year	Trade-In Unit	Age at Trade-In	
		Sale	Value
2015	2000 Horton Ambulance	15	\$ 8,000
2015	2000 Horton Ambulance	15	\$ 8,500
2017	2010 Horton Ambulance	7	\$ 11,500
2017	2010 Horton Ambulance	7	\$ 11,500

2018 2010 Horton Ambulance 8 \$ 15,000

2. In lieu of trading in vehicles, the City sought alternative methods to gain more revenue for the sale of surplus Fire Ambulance and Apparatus.

3. On July 28, 2020, Brindlee Mountain Fire Apparatus entered into Master Price Agreement with the League of Oregon Cities pursuant to Fire Apparatus RFP #1905, for services related to the purchase and resale of fire vehicles.

4. On October 20, 2020, pursuant to section 35.18(C)(5) of the City's Code of Ordinances, the City of Pembroke Pines and Brindlee Mountain Fire Apparatus entered into an agreement utilizing the same pricing arrangement as the League of Oregon Cities, with the terms and conditions agreeable to the City of Pembroke Pines.

5. The agreement between the City of Pembroke Pines and Brindlee Mountain Fire Apparatus was for an initial period commencing on October 20, 2020 and expiring on July 27, 2023, with three (3) additional one year renewal periods.

6. As part of the agreement with Brindlee Mountain Fire Apparatus, the City agrees to pay Brindlee Mountain Fire Apparatus a brokerage commission only if a vehicle is purchased by a lead sent by Brindlee Mountain Fire Apparatus pursuant to an applicable listing and marketing conducted by Brindlee Mountain Fire Apparatus.

The Commission fee is based on the final sales price for a vehicle as listed below:

Charge	Final Sales Price of Vehicle
10%	Under \$125,000
7%	Between \$125,000 and \$200,000
5%	\$200,000 and above

7. The City has received an offer from Chris Lenda, a lead that was provided by Brindlee Mountain Fire Apparatus, to purchase the 2010 Horton Rescue Ambulance for \$20,000. In addition, the sales tax of 7% will be added to the cost, resulting in a total payment from Chris Lenda in the amount of \$21,400.

8. As a result, the total net revenue to the City for the sale of the vehicle is \$18,000:

Description	Change
Sale of Vehicle including Tax	\$21,400
Minus 7% Sales Tax	-\$ 1,400
Minus 10% Commission Fee	-\$ 2,000
Total Revenue to the City	\$18,000

9. Even though the sale price of the vehicle is \$20,000 and the net revenue to the City is \$18,000, since the gross sale price including sales tax exceeds \$20,000, the sale of this vehicle requires the City Commission's approval, pursuant to 35.27(A) of the City's Code of Ordinances.

10. Request Commission to sell the 2010 Horton Rescue Ambulance, City Vehicle # 7713, to Chris Lenda, in the amount of \$21,400, which includes a 7% sales tax of \$1,400.

FINANCIAL IMPACT DETAIL:

- a) **Initial Cost:** Net Revenue of \$18,000.
- b) **Amount budgeted for this item in Account No:** Not applicable, however the sale proceeds will be deposited into account # 1-365000 (Scrap or Surplus Sales).
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) **5 year projection of the operational cost of the project:** Not Applicable.
- e) **Detail of additional staff requirements:** Not Applicable.