



Legislation Text

File #: 21-0813, Version: 1

MOTION TO APPROVE THE SALE OF THE FIRE DEPARTMENT'S 2010 HORTON RESCUE AMBULANCE, CITY VEHICLE # 7716, TO MICHAEL KURT, IN THE AMOUNT OF \$23,000.

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 the 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. For most surplus equipment and vehicles, the City utilizes a Professional Auctioneering Company, Bidera, and the City relies on the Professional Auctioneering Company to determine the pricing. Similarly, for the sale of this vehicle, the City decided to work with a company that specializes in selling used Fire Equipment, as a result the City entered into an agreement with Brindlee Mountain Fire Apparatus.

4. 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.

5. 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.

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

7. 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

8. On January 13, 2021, the City Commission approved the sale of a 2010 Horton Rescue Ambulance, City Vehicle # 7713, to Chris Lenda, in the amount of \$20,000, including a 10% Commission Fee to Brindlee Mountain Fire Apparatus in the amount of \$2,000.

9. Based on Brindlee Mountain Fire Apparatus recommendations, in March 2021 the City listed another 2010 Horton Rescue Ambulance, City Vehicle # 7716, at a price of \$25,000 on Brindlee's website. In general, determining the value of an asset can be difficult as many factors play a role. However, the most important factor is what price someone is willing to buy the asset for. As a result, the best way to determine the price would be to list the asset for sale to the public and see what prices are offered for it.

10. The City has received some inquiries and offers, however the highest offer was from Michael

Kurt, a lead that was provided by Brindlee Mountain Fire Apparatus, to purchase the 2010 Horton Rescue Ambulance (City Vehicle # 7716) for \$23,000. As a result, the total net revenue to the City for the sale of the vehicle is \$20,700:

Description	Change
Sale of Vehicle including Tax	\$23,000
Minus 10% Commission Fee	-\$ 2,300
Total Revenue to the City	\$20,700

11. Similar to the previous 2010 Horton Rescue Ambulance that was sold to Chris Lenda, Michael Kurt plans to purchase this vehicle for personal use and convert it into a recreational vehicle. The City has already decommissioned this vehicle and removed any relevant decals and emergency equipment. In addition, Michael Kurt has signed the attached Bill of Sale and Indemnification Agreement and shall be responsible for paying the sales tax on the vehicle in the state in which the vehicle will be registered.

12. Due to the sale price of the vehicle being \$23,000 and the net revenue to the City being \$20,700, the sale of this vehicle requires the City Commission's approval, pursuant to 35.27(A) of the City's Code of Ordinances.

13. Request Commission to approve the sale of the Fire Department's 2010 Horton Rescue Ambulance, City Vehicle # 7716, to Michael Kurt, in the amount of \$23,000.

FINANCIAL IMPACT DETAIL:

- a) **Initial Cost:** Net Revenue of \$20,700.
- 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.