



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-23

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

June 20, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-01306 and award a contract to Ken Porter Auctions, for auctioneering services for the period of one year, with the option of renewing for four additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

Council approval is being requested to enter into a Citywide contract for auctioneering services. Per City policies and procedures, the City is authorized to dispose of surplus City assets by public auction. The Public Works, Water and Harbor departments regularly dispose of surplus vehicles and equipment by this method. City-owned vehicles and equipment may be identified as surplus when they have reached or exceeded their useful life expectancy, or if they are no longer needed to provide City services. Vehicle retirements are evaluated through the City's multi-year vehicle replacement plan.

Under this auctioneering contract, bidders pay a 10 percent buyer's fee directly to the auctioneer, who then rebates a percentage of the revenue to the City, in addition to the bid price. The percentage rebate, which ranges from 1 to 4 percent, is based on a sliding scale, and varies with the amount of the individual sale.

On May 8, 2006, eight potential bidders specializing in auctioneering services were notified; none are Women-owned Business Enterprises (WBEs), one is a Minority-owned Business Enterprise (MBE), none are Long Beach businesses. The bid was advertised on May 10, 2006. The bid document was made available from the Purchasing Division located on the Plaza Level of City Hall and the Division's website at www.lbpurchasing.org. A bid announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 32 local, minority and women's business groups. Bids were opened on May 25, 2006. Ken Porter Auctions of North Hollywood, CA, is the highest revenue bidder.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on May 4, 2006 and Budget Management Officer David Wodynski on June 12, 2006.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-01306 and award the contract concurrently is requested on June 20, 2006 to ensure that the needs of the City are met in a timely manner.

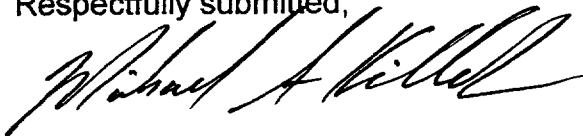
FISCAL IMPACT

It is anticipated that approximately \$325,000 in annual revenue will be realized to the Fleet Fund (IS 386) in the Department of Public Works (PW), Harbor Fund (HR 430) and Water Fund (ES 310).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS

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APPROVED:

for 
GERALD R. MILLER
CITY MANAGER