



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-5400 • Fax (562) 570-5414

October 11, 2016

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Adopt Specifications No. RFP FM16-125 and award a contract to CHP Enterprises, dba Ken Porter Auctions (KPA), of Carson, CA, to provide auctioneering services, for a period of two years, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a citywide contract with Ken Porter Auctions (KPA) to provide auctioneering services. In accordance with City policies and procedures, the City is authorized to dispose of surplus City assets by public auction. The City, including the Water and Harbor Departments, regularly dispose of surplus City-owned vehicles, equipment, and other miscellaneous items using this method 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 annual vehicle replacement plan that is overseen by the Financial Management Department (FM), Fleet Services Bureau.

Under this contract, buyers pay a 15 percent fee directly to the auctioneer to cover the cost of services. The auctioneer then rebates a percentage of the sale price to the City. The percentage rebate, which ranges from 1 to 10 percent, is based on a sliding scale, and varies with the amount of the individual sale.

A Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on June 3, 2016, and 1,203 potential proposers specializing in auctioneer services were notified of the RFP opportunity. Of those proposers, 16 downloaded the RFP via the City's electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority and women-owned business groups. Six proposals were received on June 22, 2016. Of those six proposals, one was a Minority-owned Business Enterprise (MBE) and none were Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Long Beach businesses (Local).

The six proposals were reviewed to ensure all mandatory requirements of the RFP were met. Of the six proposals, two were deemed non-responsive for not meeting all mandatory requirements.

A three-member selection committee comprised of an Administrative Analyst, an Acquisitions Supervisor from FM, Fleet Services Bureau, and a Procurement and Warehouse Officer from the Water Department (WA), reviewed the four qualified proposals and evaluated each firm based on the following criteria: demonstrated competence; experience in performance of comparable services; expertise and availability of key personnel; financial stability; conformance with the terms of the RFP; and reasonableness of cost. The committee determined that CHP Enterprises, dba Ken Porter Auctions, of Carson, CA (not an MBE, WBE, SBE or Local), was the highest revenue bidder and most qualified firm to provide the services.

The proposal submitted by KPA described the firm's 52 years of extensive experience in the auctioneering industry. The proposal also summarized the firm's expertise and availability of staff, which includes 37 full-time employees. KPA also offered a competitive rebate based on gross vehicle and miscellaneous sales. KPA's proposal demonstrated that they have ample auction and storage spaces, and their ability to provide two auction events per month. KPA has proven experience providing auctioneering services, which extends to many other municipalities in the region. Current clients include San Bernardino Public Works, the City of Los Angeles, San Bernardino Sheriffs, Los Angeles Department of Water and Power, and the County of Los Angeles. KPA's proposal presented a 14-point Environmental Policy, which is reviewed annually, which includes employee training, local community involvement, raw materials, energy and supplies reduction.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 167 Long Beach vendors were notified to submit proposals, of which one downloaded, and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on September 14, 2016 and by Assistant Finance Director Lea Eriksen on September 20, 2016.

TIMING CONSIDERATIONS

City Council action to adopt Specification No. RFP FM16-125 and award a contract concurrently is requested on October 11, 2016, to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The revenue generated from this contract will be realized in the Fleet Fund (IS 386) in the Financial Management Department (FM), the Harbor Operations Fund (HR 430) in the Harbor Department (HA), and the Water Fund (EF 310) in the Water Department (WA). The revenue will be dependent on the vehicles or equipment that the Fleet Services Bureau is retiring from service, their condition at the time of retirement, their assessed value, and market demand. The award of this contract will provide continued support to our local economy by assisting in the preservation of five full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB:dh

APPROVED:



PATRICK H. WEST
CITY MANAGER