

C-7

January 18, 2022

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Adopt Specifications No. RFP FS21-094 and award contracts to J. J. Kane Associates, Inc., dba Ken Porter Auction Co., of Jurupa, CA, and Armando Camarena, dba U.S. Auctions, of Upland, CA, for auction services for City of Long Beach retired vehicles and equipment, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager; and, authorize the City Manager, or designee, to execute all documents necessary to enter into contracts including any necessary amendments. (Citywide)

DISCUSSION

City Council approval is requested to enter into contracts with J. J. Kane Associates, Inc., dba Ken Porter Auction Co. (Ken Porter Auction Co.), and Armando Camarena, dba U.S. Auctions (U.S. Auctions), for auction services for City of Long Beach (City) retired vehicles and equipment.

The City's fleet has approximately 2,200 units and about 200 of these are replaced annually. When retired, they are stripped of City-owned equipment and markings and are ready for auction. These two auction service companies will pick up the retired vehicles and perform all related auction services, including advertising for sale (online and other media), preparation for sale, actual auction, and DMV documentation. Proceeds from the sale of retired units are returned to the user department replacement collections in the Fleet Services Fund Group to offset the cost of future unit purchases. FY 21 revenue from vehicle and equipment auctions was \$954,171, which is higher than normal due to an unusually large number of vehicles retired. Annual revenue is expected to track closer to \$750,000 under the proposed contract term.

The Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on September 17, 2021, and ten potential proposers specializing in auction services were notified of the RFP opportunity. Of those proposers, seven downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the 6th 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 38 local, minority-owned, and women-owned business groups. There were two proposals received on October 7, 2021. Of those two proposers, one was a Minority-owned Business

Enterprise (MBE) and a certified Small Business Enterprise (SBE), none were Women-owned Business Enterprises (WBEs), and none were Long Beach vendors (Local). The selection committee determined that Ken Porter Auction Co. (not a MBE, WBE, SBE, or Local), and U.S. Auctions (an MBE and SBE) were both qualified firms to provide the services.

Use of two companies for auction services provides the opportunity to explore new venues for vehicle and equipment sales as well as the exposure to different potential buyers, in turn maximizing the City's revenue. Fleet Services will also be able to evaluate whether better results are obtained for specific types of vehicles or equipment with each company.

Local Business Outreach

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 PlanetBids database to download RFP specifications. Through outreach, one Long Beach vendor was notified to submit proposals, of which none downloaded or 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 Taylor M. Anderson on December 21, 2021, Business Services Bureau Manager Tara Mortensen on December 9, 2021, and by Revenue Management Officer Geraldine Alejo on December 15, 2021.

SUSTAINABILITY

California state and local environmental policies govern the sale of vehicles to potential buyers. All vehicles not meeting current emission standards must be sold only for out-of-state operations.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP FS21-094 and award contracts concurrently is requested on January 18, 2022, to ensure the contracts are in place expeditiously.

FISCAL IMPACT

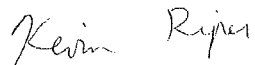
Auction services will be provided at no cost to the City. Services will be paid for through fees directly assessed to the bidders by the auction service companies. Projected revenue from vehicle and equipment sales is estimated at \$750,000. Revenues will be deposited to the Fleet Services Fund Group and will be used to offset the cost of future unit purchases across various user departments. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER