



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-7

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

October 23, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP. FM12-041 and award a contract to Ken Porter Auctions, of Carson, CA (not an MBE, WBE, SBE or Local), for auctioneer services, for the period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

Council approval is 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 that is overseen by the Department of Public Works, Fleet Services Bureau.

The Request for Proposals (RFP) were evaluated on the basis of vendors' experience in auctioneer services, reasonableness of cost, expertise and availability of key personnel, financial stability, and conformance with the terms of the RFP. Ken Porter Auctions is recommended for the award because they best met all of the RFP evaluation criteria. In their proposal, they provided the lowest premium (10 percent) to be paid by buyers 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. The proposal submitted by Ken Porter Auctions was the only one to include this kind of rebate as part of their proposal.

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The RFP was issued on August 7, 2012, and 1,154 potential bidders specializing in auctioneer services were notified of the RFP opportunity. Of those bidders, 18 downloaded the bid via our electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Three proposals were received on September 13, 2012. Of those three bidders, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local).

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit bids for City contracts. The Purchasing Division also assisted business with registering on the Bids Online database to download the bid specifications. Through outreach, 157 Long Beach vendors were contacted to submit bids, of which one downloaded and submitted a bid. 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 Amy R. Webber and Budget Management Officer Victoria Bell on October 4, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP FM12-041 and award a contract concurrently is requested on October 23, 2012, to ensure that the contract is in place expeditiously.

FISCAL IMPACT

The revenue generated from this contract will be realized in the Fleet Fund (IS 386) in the Department of Public Works (PW), the Harbor Operations Fund (HR 430) and Water Fund (EF 310). The award of this contract will provide continued support to our local economy by assisting in the preservation of seven full-time employees residing in Long Beach with employment.

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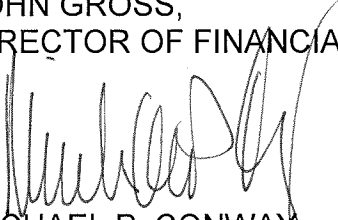
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




JOHN GROSS,
DIRECTOR OF FINANCIAL MANAGEMENT



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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APPROVED:



PATRICK H. WEST
CITY MANAGER