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Title: Staff Report for a City of San Leandro City Council Resolution Declaring Twenty-Five (25) Vehicles, Twelve (12) Pieces of Equipment, and Other Miscellaneous Items as Surplus and Authorizing the Sale of Said Surplus Assets at Public Auction

Sponsors: Debbie Pollart

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Staff Report for a City of San Leandro City Council Resolution Declaring Twenty-Five (25) Vehicles, Twelve (12) Pieces of Equipment, and Other Miscellaneous Items as Surplus and Authorizing the Sale of Said Surplus Assets at Public Auction

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council declare certain assets surplus and authorize sale of said items at public auction.

BACKGROUND

Historically, the San Leandro Unified School District (District) receives the first offer of the City’s surplus assets. Based on recent discussions between the Public Works Director and the District, the Public Works Director determined there is no interest from the District in purchasing any of the surplus vehicles. All the items, which are currently out-of-service, are being stored at the Public Works Service Center.

With the exception of the Niftylift (an aerial platform used in tree trimming work), and the Cimline crack sealer, all vehicles/equipment recommended for surplus have reached the end of their useful lives and meet the criteria of the City’s vehicle replacement policy. This includes the number of miles on each vehicle, run hours on equipment, increasing maintenance costs and other factors. In addition, each unit is fully depreciated.

The Niftylift, which was purchased in 2015, experienced a failed axel during routine field work, with the repair costs disproportionate to the remaining life expectancy. Given the occasional field usage of this piece of equipment, the costs for repairs were deemed excessive (and the equipment is currently out of the warranty period). Operational changes are available for the tree crew, which involve

occasional rental of similar equipment on an as-needed basis. The Cimline crack sealer was purchased in 2012 and was due to be replaced in Fiscal Year 2021. This model of crack sealing equipment was not envisioned to handle the increased amount of in-house paving work currently being accomplished and has experienced on-going parts failures. The Paving Section is testing different models of crack sealers that can perform at a higher standard and increased workload.

Section 1-6-500 of the San Leandro Municipal Code authorizes the Purchasing Agent to sell surplus items at public auction. Per the City Attorney, in the absence of a Purchasing Agent (this position is presently vacant), the Finance Director has the authority to sell surplus items. If staff's recommendation is approved, said vehicles/equipment will be sold at public auction by U.S. Auctions, most likely in January 2020. Public notice of the auction and auction preview will be posted on the City's website.

Fiscal Impact

The sale of these items at auction generates a moderate amount of one-time revenue. Although there is no guarantee of the revenues that an auction can generate, prior auctions of similar size have seen returns in the range of \$118,000 to \$201,000. Funds generated by the sale of equipment will be returned to the Equipment Maintenance Fund.

ATTACHMENT TO RESOLUTION

- List of vehicles (25), equipment (12) and miscellaneous items

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