



CITY COUNCIL AGENDA ITEM

August 30, 2010

TO: John Szerlag, City Manager

FROM: Mark F. Miller, Acting Assistant City Manager/Economic Development Services
Susan A. Leirstein, Purchasing Director
Timothy L. Richnak, Public Works Director

SUBJECT: Vehicle Auction Services

BACKGROUND

In right sizing the City's fleet of vehicles and equipment, it is the recommendation of staff to contract with an outside public auction site with live sales plus simulcast technology to target a potentially broader audience.

With reduced staff and an increased workload, using the Greater Detroit Auto Auction will shift the responsibility for advertising preparation, bidder interaction, administrative follow-up and paperwork to the auctioneer allowing for improved efficiencies within the department.

The MTIN surplus auction website will continue to serve as a viable option when in the City's best interest.

RECOMMENDATION

Authorization is requested to sell out-of-service and surplus vehicles and equipment on an as-needed basis at Greater Detroit Auto Auction, located in Brownstown, Michigan, for an auction fee of \$175.00 per vehicle (\$85.00 sale fee and \$90.00 towing fee) for a period of two years. On vehicles selling for \$10,000 or more, the sale fee is \$150.00 plus towing. The auction fee also includes vehicle/equipment storage, run fee, rerun fee, advertising on internet site (www.greaterdetroitaa.com), email to over 10,000 buyers, dealers and previous attendees, and auctioneer services. The Saturday auction draws an average of 200-300 attendees in the summer and 500-700 attendees in the winter months.

ADDITIONAL INFORMATION

This request would be reviewed at the conclusion of two years. Granting this authorization would expedite the sale of out-of-service/surplus vehicles and equipment, which in turn would bring a higher resale value. After sales close each month, a report would be sent to Council detailing the results of the sale.

Greater Detroit Auto Auction is located at 19865 Telegraph Rd., Brownstown, MI. Auctions are held on Wednesday at 5:00pm and Saturday at 10:00am. At this time internet bidding is for dealers only. A check is processed for the proceeds of the auction and mailed to the City within three business days of the sale less the fees for the auction service. (see Market Survey attached)

As the Fleet Division continues to reduce the number of vehicles, it will be necessary to acquire the services of heavy equipment and specialty auction sites in the near future.

FUND AVAILABILITY

Monies are budgeted in the Motor Pool fund under equipment operation and maintenance.

Prepared by: Samuel P. Lamerato, CPFP, Superintendent of Fleet Maintenance



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MARKET SURVEY

AUCTION HOUSE	LOCATION	DAYS HELD WEEKLY	FEES	PUBLIC AUCTION
Greater Detroit Auto	Brownstown	Wed (pm) /Sat (am)	\$175 includes towing – \$10K & over \$150 + towing	Yes
Motor City Auto	Fraser	Saturday (pm)	\$185 + towing, \$20 slot fee, NTE \$100 for five or more vehicles	Yes
Manheim Detroit	Carleton	Tuesday (am)	\$75 + towing, +\$30 if sold via internet	No, Dealer license required



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APPENDIX - Vehicle Auction Services

SUPPLEMENTAL INFORMATION

The Fleet Division continues to work to right size the City fleet due to the downsizing of City departments and vehicles reaching their replacement life cycle. The following vehicles and equipment will be auctioned. Additional vehicles and equipment will be added to the auction list in the near future.

YEAR	MAKE	MODEL	DEPARTMENT
1999	Plymouth	Breeze	Assessing
2002	Dodge	Ram Pickup	Building
2002	Dodge	Ram Pickup	Building
2002	Dodge	Ram Pickup	Building
2002	Dodge	Ram Pickup	Building
2002	Dodge	Ram Pickup	Building
2002	Dodge	Ram Pickup	Parks
2004	GMC	Pickup	Parks
1997	John Deere	Mower 1145	Parks
1999	John Deere	Mower 1145	Parks
1999	John Deere	Mower 1145	Parks
2007	Ford	Crown Victoria	Police
2007	Ford	Crown Victoria	Police
2004	Ford	Crown Victoria	Police
2005	Ford	Crown Victoria	Police
2005	Ford	Crown Victoria	Police
2005	Ford	Crown Victoria	Police

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