

Mayor and Council Communication

DATE: 06/02/20

M&C FILE NUMBER: M&C 20-0353

LOG NAME: 13P20-0039 AUCTION SERVICES LSJ PMD

SUBJECT

Authorize the Execution of a Revenue Agreement with Lone Star Auctioneers, Inc. for Auction Services of City Owned Vehicles and Equipment and Authorize Four Annual Renewal Options for the Property Management Department (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a revenue agreement with Lone Star Auctioneers, Inc., for auction services of City owned vehicles and equipment, and authorize four annual renewal options for the Property Management Department.

DISCUSSION:

The Property Management Department (PMD) approached the Purchasing Division for assistance with securing an agreement for auction services of City-owned vehicles and equipment that will be purchased on an as-needed basis. Purchasing Staff issued an Invitation to Bid (ITB) that consisted of detailed specifications describing services the auctioneer is to perform under this Revenue Agreement (Agreement).

The Bid was advertised in the *Fort Worth Star-Telegram* on December 24, 2019, January 1, 2020, January 8, 2020 January 15, 2020, January 22, 2020 and January 29, 2020. Thirty-six vendors were solicited from the purchasing vendor database and three responses were received. The proposals were reviewed by an evaluation committee consisting of staff from the Police Department and Property Management Department. The evaluation factors included listing, vendors' qualifications and Governmental Auctions Industry References, and experience with auctioning services. The committee provided ratings for all three responses and the bid response from Lone Star Auctioneers, Inc. received the highest ratings and is determined to provide the best value to the City of Fort Worth.

Lone Star Auctioneers, Inc. will be required to facilitate the sale of City-owned salvage, operational or non-repairable vehicles, and equipment primarily during online internet auctions and at live public auctions. This is a revenue generating agreement with auction proceeds credited to the appropriate City fund account center.

PRICE ANALYSIS - Lone Star Auctioneers, Inc. offers 5% on the collected selling price of each vehicle. Overall, percentages being recommended are considered fair and reasonable. No guarantee has been made that a specific amount of vehicles and equipment will be sold; however, 375 vehicles were sold in the last two years, which generated a revenue of \$1,013,635.00.

An administrative change order or increase may be made by the City Manager in an amount up to \$50,000.00 and does not require specific City Council approval as long as sufficient funds have been appropriated.

M/WBE OFFICE - A waiver of the goal for MBE/SBE subcontracting requirements was requested by the Purchasing Division and approved by the M/WBE Office, in accordance with the BDE Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

Upon City Council approval, the Agreement shall begin upon execution of the Agreement and expire one year from that date.

RENEWAL OPTIONS - This Agreement may be renewed for four additional one-year renewal periods. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the contract, funds will be deposited to the General Fund. The Property Management Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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