

A special meeting of the Lake Wales City Commission was held on June 22, 2010 at 5:15 p.m. in the employee lunch room at the Municipal Administration Building. The meeting was called to order by Mayor L. Jack Van Sickle.

**COMMISSIONERS PRESENT:** Terrye Y. Howell; Michael S. Carter; Jonathan Thornhill; John Paul Rogers; Mayor L. Jack Van Sickle.

**COMMISSIONERS ABSENT:** None.

**CITY REPRESENTATIVES PRESENT:** Judith H. Delmar, City Manager; Albert C. Galloway, Jr., City Attorney; Jennifer Nanek, Grants Administrator.

**Agenda Item 1.           ROLL CALL**

All City Commissioners were present.

**Agenda Item 2.           Auction of Surplus Property**

Ms. Hodge reviewed Agenda Item 2. The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Bonnie Hodge, Purchasing Director]

**SYNOPSIS**

Staff is asking for approval to piggy-back off of the Polk County contract with Garner & Associate Auctioneers, Inc. and to send surplus vehicles and equipment to Garner & Associates Auctioneers, Inc. for auction.

**RECOMMENDATION**

It is recommended that the City Commission take the following action:

1. Approve piggy-backing off of the contract between the Board of County Commissioners, Polk County and Garner & Associates Auctioneers, Inc. for the auctioning of Surplus Vehicles, Equipment and Related Machinery identified in Schedule A of Surplus Equipment 2010.

**BACKGROUND**

In the past City staff has handled the auction of surplus vehicles and equipment by advertising the auction, receiving sealed bids and awarding the sale to the highest bidder. This procedure requires the Purchasing Director to determine a minimum bid for each vehicle and piece of equipment, set aside a day for interested bidders to have a chance to view the equipment, receive the bids, tabulate them and notify the highest bidder. The City Manager would sign the title, the Purchasing Director would provide each buyer with a bill of sale and the sale was paid for in the Cashier's office.

This year the City has a large inventory of surplus vehicles, mostly due to the fact that the Police Department has leased 17 vehicles from Polk County, therefore they have declared as many vehicles as surplus.

The Board of County Commissioners, Polk County, Florida, prepared an Invitation to Bid on May 26, 2009 for the auctioning of surplus vehicles, equipment and related machinery. This contract was awarded to Garner & Associates Auctioneers, Inc. This contract expires June 30, 2010; however, an amendment to extend the contract went before the Board of County Commissioners on June 16, 2010 and was approved to extend the contract until June 20, 2011. The award was based on (a) lowest total percentage retained by the vendor and lowest transportation costs for items less than \$50,000.00 and (b)

the highest and best bid, including transportation costs for item \$50,001.00 and over. All of the vehicles and equipment that the City of Lake Wales has determined surplus, identified in Schedule A, will meet condition (a). There will be no transportation costs. City staff will drive or transport everything to Garner to save transportation costs.

Staff has determined that piggy-backing off of a contract between the Board of County Commissioners and Garner & Associates, Inc. would be the most cost effective means of handling the public auction. Garner & Associates Auctioneers, Inc. holds a public auction the first Saturday of every month. Their auctions are publicly advertised on their website and they also have online bidding. A typical auction draws 300 people, a much wider response than the City would draw by doing the auction themselves.

Staff has spoken with Mike Garner of Garner & Associates Auctioneers, Inc. regarding this auction. Mr. Garner informed staff that he has had several calls from the counties and municipalities who send their surplus vehicles and equipment to him informing him that they would not be sending him any surplus in July. They will all be sending him their surplus for the August auction. Mr. Garner indicated that he will be inundated with surplus in August, therefore he will have a small inventory to auction in July. This should be to the City's advantage as there will be much less competition.

Staff has received permission from the Board of County Commissions and Garner & Associates Auctioneers, Inc. to piggy-back off of this contract. Garner has offered the same commission rate to the City as is in their contract with Polk County.

Schedule A identifies vehicles and equipment that can be transported by City staff to Garner Associates Auctioneers, Inc.

#### **FISCAL IMPACT**

Proceeds from the public auction will be deposited into the general fund. Garner & Associates Auctioneers, Inc. retains a commission of 6% per item.

[End agenda memo]

Bonnie Hodge, Purchasing Director, reported that the county's contract said that Garner & Associates Auctioneers, Inc. get 6% of the total.

Commissioner Rogers said 6% is a good deal because auctioneers usually get 10% or above.

Commissioner Thornhill asked if Garner gets 6% straight out because according to the schedule sheet in the county's contract with Garner it states that they get 6% for \$1.00 - \$10,000.00; 4% for \$10,001.00 - \$25,000.00; and 3% for \$25,001.00 - \$50,000.00.

Mr. Garner from Garner & Associate Auctioneers, Inc. confirmed that the rates do vary according to the amount of sale for each item.

Commissioner Howell said this seemed to be a much easier way to get rid of the surplus property.

Commissioner Carter asked what happens to the items that are not sold. Mr. Garner said that seldom happens as they usually get a bid, especially on vehicles and equipment. People bid on items whether they are operable or not.

Commissioner Carter asked Mr. Garner how long he has been an auctioneer. Mr. Garner said he started when he was 15 years old and has had a contract with Polk County for 21 years.

Commissioner Carter asked how many patrol cars would be left for reserve. Ms. Hodge said she was not sure but there are nine police cars parked behind the Police Department everyday and she assumed those are spare cars.

Commissioner Carter asked if equipment such as mowers would have to be replaced soon. Ms. Hodge said that the equipment had already been replaced.

Commissioner Rogers made a motion to approve piggy-backing off of the contract between the Board of County Commissioners, Polk County and Garner & Associates Auctioneers, Inc. for the auctioning of Surplus Vehicles, Equipment, and Related Machinery identified in Schedule A of Surplus Equipment 2010. The motion was seconded by Commissioner Howell.

By Voice Vote:

Commissioner Rogers	"YES"
Commissioner Howell	"YES"
Commissioner Carter	"YES"
Commissioner Thornhill	"YES"
Mayor Van Sickle	"YES"

The motion carried 5-0

There being no further business the meeting was adjourned.

  
\_\_\_\_\_  
Mayor/Commissioner

ATTEST:

  
\_\_\_\_\_  
City Clerk