



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: GID-1415-42

File ID: GID-1415-42	Type: Declare Surplus/Obsolete	Status: Consent Item
Version: 1	Reference: Item No. 13	In Control: City Council
Department: Public Works Department	Cost:	File Created: 11/05/2014
File Name: Fleet Rightsizing/Elimination of Assets		Final Action:
Title: DECLARATION OF SURPLUS AND/OR OBSOLETE EQUIPMENT AND MATERIALS AND AUTHORIZING THE SALE THEREOF.		

Notes: ACTION NEEDED: Motion to declare the equipment to be surplus and/or obsolete; and, if so declared, authorize the sale thereof.

ACTION TAKEN: _____

Agenda Date: 11/25/2014

Agenda Number: 13

Attachments: Inventory of Goods.pdf

Project Manager: Mike White, Fleet Superintendent

Entered by: sharon.hamilton@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File GID-1415-42

Body

BACKGROUND: On March 12, 2013, City Council approved Fleet Management Analysis Services Contract K-1213-167 with Mercury Associates, Inc. of Gaithersburg, Maryland for the evaluation of all aspects of the City's fleet operation, overall effectiveness and identifying where "Best Fleet Practices" are being used.

On October 16, 2013, Mercury Associates, Inc. presented its findings of the Fleet Management Analysis to the Council Finance Committee including a recommendation to conduct a formal Fleet Rightsizing Study. A Fleet Rightsizing Study identifies opportunities to optimize the size of the City's fleet.

On December 23, 2013, City Council approved Amendment No. 1 to Contract K-1213-167 with Mercury Associates, Inc. to conduct a Fleet Rightsizing Study, in the amount of \$30,780.

On October 9, 2014, Mercury Associates, Inc. presented its findings of the Fleet Rightsizing Study to the Council Finance Committee.

Through the analysis of fleet utilization data, responses to a questionnaire and interviews with each city department, Mercury identified 28 assets to be removed from the fleet without significant impact to City operations. The elimination of these vehicles from the City's fleet will generate revenue in FYE 2015 of \$65,000

- \$75,000, annual operating cost savings of \$30,000 - \$42,500, and long-term cost avoidance of \$700,000. Recognizing their vehicles/equipment were underutilized, some departments turned their units over to the Fleet Division prior to completion of the Fleet Rightsizing Study as follows:

- **Unit No. 1156**, Police Department, 2004 Chevy Impala, auctioned October 29, 2014.
- **Unit No. 0676M**, Public Works Department, 1998 Alamo MB-21 sickle bar trimmer, auctioned October 29, 2014.
- **Unit No. 1082**, Police Department, 2006 Audi A4, returned to the Cleveland County District Attorney who had awarded the vehicle to the City of Norman on a 24-month loan after it was seized during a police investigation.
- **Unit No. 0676S**, Public Works Department, 2001 Alamo TC-60 mowing attachment, traded in as part of a permanent attachment on unit 0676, a 1998 New Holland 7740 tractor.

Therefore, of the 28 assets identified, four have been previously auctioned or returned. City Departments were also given the option to submit requests for substituting older, similar vehicles/equipment and repurposing the newer asset, allowing the city to retain newer vehicles.

- **Unit No. 0164**, Public Works Department, 1995 Ford Bronco, instead of Unit No. 0178, Public Works Department, 2011 Chevy 2500 pickup.
- **Unit No. 0104**, Public Works Department, 1989 EZ-GO golf cart, instead of Unit No. 0675, Public Works Department, 2001 Toro 3300 Truckster.

DISCUSSION: The attached list of vehicles and equipment has been identified as surplus or obsolete, and is therefore being prepared for sale at auction. This is in accordance with Section 8-301 of the Code of Ordinances of the City of Norman, which states, "City Council must declare surplus or obsolete any supplies, materials, or equipment where the valuation exceeds one thousand dollars (\$1,000) prior to the selling of such supplies, materials, or equipment." If approved, the next available online auction will be December 9, 2014, and conducted by Big Iron Auction Company which is currently under contract with the City for this purpose.

RECOMMENDATION: It is recommended that the attached list of vehicles and equipment be declared surplus or obsolete, and approved for sale at public auction.