

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
JUNE 2, 2009 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Authorize the Disposal of Surplus Vehicles and Equipment	Resolution ✓ Ordinance Motion Discussion Only	Nan Newlon Director of Public Works

SYNOPSIS

An ordinance has been prepared declaring items to be considered surplus and authorizing staff to dispose of them.

FISCAL IMPACT

Funds resulting from the disposal of the surplus vehicles and equipment will be deposited in the Equipment Replacement Fund.

UPDATE & RECOMMENDATION

This item was discussed at the May 26, 2009 workshop. During the workshop the Village Council requested that staff compile a report which compares the fee structures of several potential vehicle auction vendors. Utilizing vehicle auction data from 2008, staff has compared the fee rates of four vendors: DuPage Mayors and Managers (DMMC), EBay, Obenauf Auctions and Manheim Arena. A cost analysis of four auction vendors is attached. The ordinance has been amended to state that the vehicles and equipment may be sold at auction as determined by the Village Manager.

1. DMMC – The DuPage Mayors and Managers Conference provides semi-annual vehicle auction services. This requires the Village to store auction vehicles for several months prior to the event. During this time the vehicles may be losing auction value. The DMMC charges a 15% fee on the sale price of each vehicle. Additionally, the Village is required to provide two mechanics to staff the DMMC auction. These two mechanics are paid overtime by the Village for staffing the event, which results in additional costs. While the 15% fee represents the highest rate of the four vendors, the DMMC auction also serves the secondary purpose as a fundraising event for the organization which helps to keep annual municipal membership rates low. If all communities elected not to participate in the DMMC vehicle auction, it is likely the Village’s annual DMMC membership costs would increase. The Village is required to transport the vehicles to the DMMC auction.

2. EBay – Ebay is an internet-based auction site which charges a flat \$125 Listing Fee plus a \$9.95 CarAd Listing Software Fee for each vehicle auctioned on the site. This results in a total in a total charge of \$134.95 per vehicle auctioned on the site. Of the four auction vendors compared in the report, EBay auctions require the greatest amount of monitoring and oversight by staff. Prior to placing any vehicle auction advertisement on EBay, staff is required to wash the car, clean the interior, photograph the interior and exterior of the vehicle, write a description of the vehicle which details any issues the item may have (past accidents, damage, maintenance, etc.) and submit the advertisement to EBay for review. After the advertisement has been posted, a member of Village staff must be available by phone at all times to answer questions from any potential bidders. The Village could auction vehicles via EBay at any time throughout the year.

3. Obenauf Auctions – Obenauf Auctions provides both on-site auction house services and internet auction services. For the on-site auctions, the Village is required to photograph vehicle, provide a brief description of the vehicle and transport any vehicles to the location. On-site auctions are held at various locations in Illinois throughout the year. For the online auction, Village staff is also required to photograph the vehicle and provide a more detailed description of any vehicle issues (past accidents, damage, maintenance, etc.). Obenauf Auctions charges a 6% fee on the sale price of each vehicle for both online and on-site auctions. The Village could auction vehicles via the online service at any time.

4. Manheim Arena – Manheim Arena provides both on-site auction house services and internet auction services and is based in Bolingbrook, Illinois. The vendor charges a flat fee of \$200 per vehicle auctioned, plus a \$25 vacuum and wash fee. Manheim Arena charges \$20 for any unsold vehicles. The Village would be required to transport the vehicles to the site, which would then auction the vehicles either on-site or via the internet in real time.

Staff recommends approval on the June 2, 2009 active agenda.

BACKGROUND

The Village has acquired a surplus of retired vehicles and equipment. These vehicles and equipment have been removed from service and are being decommissioned. The attached ordinance contains information for each vehicle.

The Dupage Mayors and Managers Conference (DMMC) auction is the semi-annual auction widely advertised and used by municipalities and other units of government in the county. Staff has established minimum bids for vehicles based upon conservative Kelly Blue Book values. The Village Manager or his designee may accept a bid below the minimum stated if needed. The Conference charges a \$50.00 fee for unsold items as well as an administrative fee of 15% of any sales for conducting the auction.

ATTACHMENTS

Ordinance

2009 Surplus Equipment Disposal List

TYPE OF ITEM CAR, TRUCK, EQUIP.	YEAR	MAKE	MODEL	UNIT #	MIN. SALES PRICE	AUCTION SELLING PRICE	DMMC (15%)	EBAY		OBENAUF AUCTIONS (6%)	MANHEIM ARENA (\$200 per Listing, \$25 Vacuum and Wash Fee)
								(\$125 Listing Fee, \$9.95 CarAd Listing Software Fee)			
TRUCK	1998	FORD	RANGER	651	\$ 500.00	\$ 3,000.00	\$ 2,550.00	\$ 2,865.05	\$ 2,820.00	\$ 2,775.00	
TRUCK	1998	FORD	RANGER	652	\$ 500.00	\$ 3,800.00	\$ 3,230.00	\$ 3,665.05	\$ 3,572.00	\$ 3,575.00	
CAR	1998	PLYMOUTH	BREEZE	601	\$ 300.00	\$ 1,900.00	\$ 1,615.00	\$ 1,765.05	\$ 1,786.00	\$ 1,675.00	
CAR	1998	PLYMOUTH	BREEZE	602	\$ 300.00	\$ 1,800.00	\$ 1,530.00	\$ 1,665.05	\$ 1,692.00	\$ 1,575.00	
CAR	1998	PLYMOUTH	BREEZE	603	\$ 300.00	\$ 2,100.00	\$ 1,785.00	\$ 1,965.05	\$ 1,974.00	\$ 1,875.00	
CAR	2001	FORD	TAURUS	604	\$ 500.00	\$ 2,500.00	\$ 2,125.00	\$ 2,365.05	\$ 2,350.00	\$ 2,275.00	
CAR	2001	FORD	TAURUS	605	\$ 500.00	\$ 2,300.00	\$ 1,955.00	\$ 2,165.05	\$ 2,162.00	\$ 2,075.00	
CAR	2001	FORD	TAURUS	606	\$ 500.00	\$ 2,700.00	\$ 2,295.00	\$ 2,565.05	\$ 2,538.00	\$ 2,475.00	
CAR	2001	FORD	TAURUS	607	\$ 500.00	\$ 3,700.00	\$ 3,145.00	\$ 3,565.05	\$ 3,478.00	\$ 3,475.00	
CAR	2001	FORD	TAURUS	608	\$ 500.00	\$ 1,400.00	\$ 1,190.00	\$ 1,265.05	\$ 1,316.00	\$ 1,175.00	
SUV	2000	FORD	EXCURSION	914	\$ 1,000.00	\$ 4,500.00	\$ 3,825.00	\$ 4,365.05	\$ 4,230.00	\$ 4,275.00	
BUS	1992	GILLIG	PHANTOM	13	\$ 100.00	\$ 1,900.00	\$ 1,615.00	\$ 1,765.05	\$ 1,786.00	\$ 1,675.00	
CAR	2000	FORD	ESCORT	622	\$ 300.00	\$ 2,700.00	\$ 2,295.00	\$ 2,565.05	\$ 2,538.00	\$ 2,475.00	
TOTAL					\$	34,300.00	\$29,155.00	\$ 32,545.65	\$ 32,242.00	\$ 31,375.00	

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Public Works **DATE:** June 2, 2009
(Name)

RECOMMENDATION FROM: N/A **FILE REF:** _____
(Board or Department)

NATURE OF ACTION:

- Ordinance
- Resolution
- Motion
- Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion to Adopt "AN ORDINANCE AUTHORIZING THE SALE BY PUBLIC AUCTION OF PERSONAL PROPERTY OWNED BY THE VILLAGE OF DOWNERS GROVE", as presented.

SUMMARY OF ITEM:

Adoption of this ordinance will authorize the sale of various property owned by the Village of Downers Grove at public auction.

RECORD OF ACTION TAKEN:

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE SALE BY PUBLIC AUCTION OF PERSONAL PROPERTY OWNED BY THE VILLAGE OF DOWNERS GROVE

WHEREAS, the Village Council of the Village of Downers Grove has determined that it is no longer necessary or useful to, or in the best interests of, the Village of Downers Grove to retain ownership of the personal property hereinafter described; and

WHEREAS, the Village of Downers Grove is a home-rule unit pursuant to the laws and constitution of the State of Illinois; and

WHEREAS, the Mayor and Village Council have determined it is in the best interest of the Village to sell the personal property.

NOW, THEREFORE BE IT ORDAINED by the Village Council of the Village of Downers Grove as follows:

Section 1. The provisions set forth in the preamble are hereby incorporated into this ordinance.

Section 2. Pursuant to the home-rule powers of the Village, and the Illinois Municipal Code (65 ILCS 5/11-76-4) the Village Council finds that the following described personal property now owned by the Village of Downers Grove is no longer is necessary or useful to the Village, and the best interests of the Village will be served by its sale:

See attached Exhibit A

Section 3. The Village Manager is authorized and directed to sell the aforementioned personal property now owned by the Village of Downers Grove at the DuPage Mayors and Managers Conference Public Auction on June 13, 2009 at the Meadowbrook Shopping Center, 2003-2015 63rd Street, Downers Grove, Illinois or through any other auction service, including but not limited to internet auction services, as approved by the Village Manager.

Section 4. That the Village Manager is hereby authorized and may direct the DuPage Mayors and Managers Conference to advertise the sale of the aforementioned personal property in a newspaper published within the community before the date of said public auction.

Section 5. No bid which is less than the minimum price set forth in the list of property to be sold shall be accepted except as authorized by the Village Manager or his/her agent.

Section 6. The Village Manager is authorized and may direct the DuPage Mayors and Managers Conference to enter into agreement for the sale of said personal property. The Conference will charge an administrative fee which will come out of the proceeds of the sale of surplus vehicles and equipment.

Section 7. The Village Manager is hereby authorized and directed to convey and transfer title to the aforesaid personal property to the successful bidder upon payment in full.

Section 8. That the Village Manager is further authorized and directed to dispose of any remaining auction items in accordance with the terms and provisions of Section 2-35 of the Downers Grove Municipal Code.

Section 9. This ordinance shall be in full force and effect from and after its passage and approval in a manner provided by law.

Mayor

Passed:

Published:

Attest: _____
Village Clerk

