



PURCHASING ITEM FOR COUNCIL AGENDA

1. Agenda Item Number:

19

2. Council Meeting Date: August 28, 2008

TO: MAYOR & COUNCIL

3. Date Prepared: August 11, 2008

THROUGH: CITY MANAGER

4. Requesting Department: Management Services

5. SUBJECT: Approval to extend use of the City of Mesa contract for auction service with Sierra Auction through August 31, 2010.

6. RECOMMENDATION: Recommend approval to extend use of the City of Mesa contract for auction service with Sierra Auction through August 31, 2010.

7. HISTORICAL BACKGROUND/DISCUSSION: In November of 2005, City Council approved use of the City of Mesa contract with Sierra Auction for the sale of surplus property. This contract will expire August 31, 2008. The Mesa contract has been extended through August 31, 2010. Sierra Auction conducts an off-site public auction every month and has the capability to sell vehicles and other miscellaneous surplus property. By using the offsite auction, the City benefits from faster turnaround of property and less space occupied by surplus property. In FY 07/08, the City utilized Sierra Auction to sell approximately \$245,000 of surplus property. Auction expenses of \$16,000 were deducted from those proceeds.

8. EVALUATION PROCESS: The requested contract has been bid by the City of Mesa and included provisions for cooperative use. The City has been satisfied with services provided by Sierra Auction. The term of the contract is from September 1, 2008 through August 31, 2010.

Under the Mesa contract, 4.4 percent of the sale price plus associated cost (decal removal, transportation, washing and associated services) will be deducted from the sale proceeds.

9. FINANCIAL IMPLICATIONS:

Funds to pay contract fees will be deducted from sale proceeds. Proceeds from vehicle sales are deposited to the sale of fixed asset revenue account. Proceeds from the sale of miscellaneous surplus property are placed into the Surplus Property sales revenue account.

10. PROPOSED MOTION: Move to approve extension of the use of the City of Mesa contract for auction service with Sierra Auction through August 31, 2010.

APPROVALS

11. Requesting Department

William Robinson

[Signature]

12. Department Head

Dennis Strachota

[Signature]

13. Procurement Officer

Mike Mandt

[Signature]

14. City Manager

W. Mark Pentz

[Signature]

EXTENSION OF AGREEMENT TO PROVIDE SERVICES PURSUANT
TO S.A.V.E. COOPERATIVE PURCHASING AGREEMENT

The City of Chandler (hereinafter referred to as "CITY") and Sierra Auction, an Arizona corporation, (hereinafter referred to as "CONTRACTOR ") entered into an Agreement dated October 25, 2005 (AGREEMENT).

Whereas, the AGREEMENT provided that CONTRACTOR would provide a monthly auction and related services associated with the sale of CITY property in accordance with City of Mesa contract number 2005145, a cooperative contract between the City of Mesa and CONTRACTOR,

Now, therefore,

1. This contract is extended for a three-year period, September 1, 2008 through August 31, 2010.
2. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this 21st day of August, 2008.

CITY OF CHANDLER:

By: _____
MAYOR Date

APPROVED AS TO FORM:

City Attorney by: [Signature]

ATTEST:

City Clerk

CONTRACTOR

[Signature]

ATTEST: (If corporation)

[Signature]

SEAL