SUBJECT: CONTRACT WITH PROPERTYROOM.COM TO DISPOSE OF SURPLUS PROPERTY AND EQUIPMENT.

RECOMMENDATION

Staff recommends that the City Council adopt **Resolution No. 2012-079**, “Authorizing the Contract with PropertyRoom.com to Dispose of Surplus and Evidence Room Property & Equipment”.

BACKGROUND

The City of Rio Vista does not currently have a working mechanism in place to dispose of surplus and evidence room property and as such the property steadily accumulates. The surplus property takes up valuable space and does not generate any income. One example is the Police Department currently has over 150 bicycles accumulated over the past 15 years and the Public Works Department has 3 vehicles that have been parked at the corporation yard for several years.

REVIEW AND ANALYSIS

PropertyRoom.com works with law enforcement, local and state governments nationwide to provide full-service outsourcing for seized, found, stolen, recovered and surplus items. PropertyRoom.com also decommissions and de-programs equipment for resale, making sure private information is not released when items are sold. Free pick up of designated items is provided. Testing, cleaning, evaluation, and appraisal of all items is conducted prior to sale. PropertyRoom.com will also conduct necessary repairs to items as needed. Complete reporting, audit, reconciliation services are provided. Financial reporting and checks are sent to the participating agencies monthly.

PropertyRoom.com is currently used by 6 Solano County police agencies and 19 surrounding agencies within a 40 mile radius. Staff has spoken to other agencies using PropertyRoom.com and received positive reviews for their service. PropertyRoom.com combines property from law enforcement agencies throughout the country where it is presented to a nationwide audience of millions of potential bidders. PropertyRoom.com staff will bar code, pick up, digitally photograph, describe, upload and list property for auction. At the conclusion of the auction, funds are collected and PropertyRoom.com personnel pack and ship items to the winning bidder. The revenue share varies by the value of the items sold. For items sold under $1,000 there is a 50%-50% split of the selling price. Any items sold for over $1,000 the City would receive 75% of the selling price. Exploring other means of surplus property sales will help to ensure that the City takes full advantage of its surplus revenue recovery options.
Staff recommends a One (1) year contact period with PropertyRoom.com. There is no direct cost for establishing a contract.

The National Joint Powers Alliance (NJPA) executed a Request for Proposal (RFP) #042911 for the procurement of Surplus asset Liquidation and/or auction service with related solutions and PropertyRoom.com was an approved vendor.

The NJPA is a public agency serving as a national municipal contracting agency established under the Service Cooperative statue by Minnesota Legislative Statute. NJPA currently serves over 30,000 member agencies in all states. The City of Rio Vista is currently a member of this organization, NJPA member # 72509

See attachments concerning PropertyRoom.com, NJPA, NJPA’s RFP and award of RFP.

**FINANCIAL CONSIDERATIONS**

The City may continue the past practice and not realize a financial gain from the disposal of surplus and police evidence room property. Implementing this proposal will task 2-3I employees for a minimal amount of time, initially estimated at 4 hours each to assist with the initial process setup and meeting. This initial time investment is a one-time only expense. Further collection of surplus property and police evidence room property will require minimal personnel costs, such as maintaining a presence while Propertyroom.com personnel pickup items.

An initial estimate of having City personnel only handling the tasks of inventory, cataloging, packaging and disposal of property indicates at least 50 hours of labor that must be conducted on an overtime basis due to staffing shortages across all City departments.

**ALTERNATIVES**

1. The City can continue to accumulate surplus property and store it as it has in the past without gain.

2. The City can use substantial staff time and resources to organize, appraise, test, clean, and prepare the surplus property for an onsite auction which would draw from a limited pool of buyers in a small geographical area.

Greg Bowman, Police Chief

Attachment: Resolution
             Cost Proposal
RESOLUTION NO. 2012-079

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO VISTA AUTHORIZING A CONTRACT WITH PROPERTYROOM.COM TO DISPOSE OF SURPLUS PROPERTY AND EQUIPMENT.

WHEREAS, the City and its various Departments continuously accumulate various items of recovered, inoperable, and/or outdated equipment; and

WHEREAS, this equipment assumes the use of valuable storage space; and

WHEREAS, the disposal of various surplus items is a time consuming process not readily accomplished by the City’s current staff; and

WHEREAS, the disposal of surplus equipment has the potential to generate revenue for the City for a small investment of staff labor; and

WHEREAS, Propertyroom.com is an established vendor skilled in this scope of work and is immediately accessible under current Joint Powers Agreement (JPA) guidelines;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIO VISTA that the City Council does hereby authorize the City Manager or his designee to enter into a one year contract with Propertyroom.com for the purposes of relieving the City of equipment and property deemed “surplus”, and further authorizes the City Manager to authorize extensions of said contract based upon satisfactory performance and JPA guidelines.

PASSED, ADOPTED AND APPROVED this 6th day of September 2012 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Anna Olea-Moger, CMC, City Clerk