



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT County Fire	(2) MEETING DATE 1/14/2020	(3) CONTACT/PHONE Josh Taylor, Assistant Chief 805-903-3404	
(4) SUBJECT Request to declare seventeen (17) vehicles surplus, authorize removal from the County fleet and sale through auction or negotiated sales to other interested governmental organizations to recover salvage value. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board declare the attached list of seventeen (17) vehicles as surplus, authorize removal from County fleet and sale to recover salvage value in accordance with County Code Section 2.36.030 (5) which provides the authority to sell, salvage, destroy or otherwise dispose of any personal property belonging to the county and found by the Board of Supervisors not to be required for public use.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts.			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: County Fire / Josh Taylor, Assistant Chief
805-903-3404

DATE: 1/14/2020

SUBJECT: Request to declare seventeen (17) vehicles surplus, authorize removal from the County fleet and sale through auction or negotiated sales to other interested governmental organizations to recover salvage value. All Districts.

RECOMMENDATION

It is recommended that the Board declare the attached list of seventeen (17) vehicles as surplus, authorize removal from County fleet and sale to recover salvage value in accordance with County Code Section 2.36.030 (5) which provides the authority to sell, salvage, destroy or otherwise dispose of any personal property belonging to the county and found by the Board of Supervisors not to be required for public use.

DISCUSSION

The Central Services Agency Director acts as the Purchasing Agent and is charged with the responsibility to handle and dispose of surplus property. Routinely, in accordance with the County Code, your Board is requested to declare items surplus for their disposal and recovery of salvage value. The disposal of vehicles is managed by the County Fleet Services Department in coordination with the County Purchasing Department and is conducted through a competitive bid process in accordance with Civil Service rules. This action is authorized by County Code Section 2.36.030 (5) which provides the authority to sell, salvage, destroy or otherwise dispose of any personal property belonging to the county and found by the Board of Supervisors not to be required for public use. As of 12/1/19, County Fire has accrued seventeen surplus vehicles (see Attachment A) which now need to be declared surplus.

Fleet Services provides continuous analysis of best practices to maintain the optimal cost effectiveness of the County Fleet. This analysis encompasses vehicle age, mileage, repair cost, safety and potential for catastrophic failure.

Fleet replacement considerations include fuel consumption, safety, reliability and the depreciating re-marketing value of each asset. The county suffers financially when a vehicle remains in the fleet too long as it loses much of its resale value. This is especially notable when we allow a vehicle to remain long enough to have a major component failure. In these cases, we lose virtually all salvage value.

As a rule, the County sets a vehicle's life expectancy at 8 years or 100,000 miles. The County tracks maintenance and repair costs and have identified rapidly increasing cost when these points are exceeded. As vehicles get close to these parameters they become candidates for replacement. This is not an automatic response however. The County manages the fleet to optimal levels of safety, fuel efficiency and reliability while timing the re-marketing to maximize resale value. The County carefully analyze each vehicle on the replacement list in hopes of extending the life expectancy as far as economically feasible.

In our efforts to maintain optimal vehicle reliability in the most cost effective manner, Fleet Services provides continuous management of these key indicators. The County considers depreciation, inflation, maintenance and repair cost to ensure that the County operations suffer little or no down time due to failed vehicles. A reliable fleet saves operating department's time and money.

County Fire has examined each of these seventeen vehicles and recommends each of them be declared surplus. The vehicles are deemed surplus as they have reached their useful life, sustained damage or have suffered major component failure and are of no further use to the County.

It is important this equipment be disposed of in an expeditious manner for Fleet Services to optimize the recovery of any residual or salvage value. This will allow funds to be generated to assist in purchasing replacement vehicles.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Fleet Manager has reviewed this request and agrees with the recommendation to surplus these assets. All departments participate in utilizing the fleet in some form. Departments and Fleet Services coordinate the regular replacement and disposal of vehicles as part of ongoing Fleet Services operations.

FINANCIAL CONSIDERATIONS

The sale of surplus vehicles represents revenue to the County, which is allocated to the appropriate funds. In the case of grant-funded vehicles, the net proceeds from disposal are returned to the contributing department. In the case of Fleet owned vehicles, the net proceeds are returned to the capital investment fund for purchase of future replacement vehicles. An estimate of the revenue that is generated by the sale of these vehicles is not known now since revenue realized is subject to variability associated with market conditions.

RESULTS

Periodic disposal of County surplus generates revenue and frees up limited storage space. Staff utilizes the most practical and efficient methods of disposal, thereby enhancing the County's surplus operations and contributing to a well governed community.

ATTACHMENTS

- 1 Attachment 1 - County Fire Surplus Equipment List