



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize Auction of One (1) Surplus Ford 675D Tractor/Backhoe (300U).
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	4/20/2021
Staff Contact:	Tony Ndah, 408-586-2602 Chris Schroeder, 408-586-3161
Recommendation:	Authorize the Purchasing Agent to sell One (1) Ford 675D Tractor/Backhoe (300U) at auction as surplus property.

Background:

In 1995, the City purchased a Ford 675D Tractor/Backhoe (300U) for use by the Utilities Maintenance Division of the Public Works Department. Following an analysis of the tractor/backhoe in 2018, staff determined that the 300U tractor/backhoe could not function adequately to meet the needs of the Department. As part of the FY2018-19 annual budget, Council approved funding for the purchase of a new Caterpillar Backhoe, to and the Ford 675D Tractor/Backhoe was placed in reserve status.

Staff is now looking to sell the Ford 675D Tractor/Backhoe to reduce the size of the City's excess and obsolete fleet. Staff estimates the final auction price of the tractor/backhoe will exceed \$5,000; as such, Council authorization is required for staff to sell this vehicle at auction in accordance with the City's Municipal Ordinance.

Analysis:

In accordance with Milpitas Municipal Ordinance I-2-7.03 "Disposal of Property with an Estimated Value of More Than Five Thousand Dollars (\$5,000)", Council authorization is required prior to the disposal of property that exceeds Five Thousand Dollars (\$5,000) in current market value.

Staff proposes to sell the tractor/backhoe at auction through the City's contract with GovPlanet, and the minimum reserve bid for the tractor/backhoe is expected to be \$12,500. Funds received at auction would be placed into the City's equipment replacement fund and would be available for other equipment purchase needs in the City.

Policy Alternatives:

Alternative 1: Direct City Staff to not proceed with auctioning the Ford 675D Tractor/Backhoe (300U).

Pros: Tractor/backhoe would remain in the City's inventory in reserve status.

Cons: City would not receive funds from the sale of the tractor/backhoe, expected to be a minimum of \$12,500.

Reason not recommended: Not proceeding with the equipment auction would result in the vehicle remaining in reserve status, which does not provide any benefits to the Department.

Fiscal Impact:

Funds received at auction would be returned to the Equipment Replacement Fund.

California Environmental Quality Act:

By the definition provided in the CEQA Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Recommendation:

Authorize the Purchasing Agent to sell One (1) Ford 675D Tractor/Backhoe (300U) at auction as surplus property.

Attachment

None