



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** November 14, 2023

**REQUESTER:** Mike White, Fleet Program Manager

**PRESENTER:** Shawn O'Leary, Director of Public Works

**ITEM TITLE:** CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2324-74: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AND THE NORMAN UTILITIES AUTHORITY, APPROPRIATING \$198,417.47 FROM THE SEPTEMBER 27, 2023 CITY AUCTION OF USED VEHICLES AND EQUIPMENT THROUGH BIG IRON AUCTIONS TO FUND THE REPLACEMENTS OF VEHICLES AND EQUIPMENT THAT HAVE EXCEEDED THEIR USEFUL LIFE.

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### **BACKGROUND:**

On August 12, 2020, the City Council approved contract K-2021-25 with Big Iron Auction Services. Under this contract, Big Iron is responsible for cataloging and listing, for sale, all items approved by the City Council as surplus through their online auction site, "bigiron.com." By contract, Big Iron charges seven (7) percent for this service. The City conducts approximately two (2) auctions per year for surplus items such as vehicles, furniture, and electronics. On September 27, 2023, Big Iron completed the sale of surplus vehicles and equipment. This auction consisted of 34 pieces sold at a total net sale of \$198,417.47, including \$49,383 to the Utilities Enterprise Fund and \$149,034.47 to the General Fund.

### **DISCUSSION:**

Annually, Fleet staff performs Citywide rankings for the upcoming fiscal years' vehicle and equipment replacements. Replacement needs are determined by the use of the City's Fleet Management Information System (FMIS) software. This software assigns a utilization number ranking based on the lifecycle cost of maintenance, age, and miles. A five (5) person Fleet committee evaluates this report and assists in determining the best-suited units to replace while considering annual department needs. A final list of all recommended units is then submitted to the City Council for approval. The approved list of replacement and quantity is limited by annual available funding.

Continued operation of older units in the City Fleet increases costs to City departments by continuing to operate vehicles and equipment that have exceeded their useful life and are beginning to become less

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reliable and at a higher cost to maintain. Often, these units experience unscheduled repairs or breakdowns that result in service delays for the citizens of Norman.

The primary source of funding for vehicle replacement in the City's general governmental operations (General Fund) is an allocation from the City's 0.7% Capital Sales Tax (Fund 50). Funds are transferred from the Capital Fund to the General Fund or Westwood Fund for the replacement of vehicles that are assigned to operational departments that have vehicles that are ranked for replacement. Approximately \$2,100,000 per year is made available from this source. This allocation allows for the replacement of approximately 28 vehicles per year. The City's utility enterprise funds (Sanitation, Water, Wastewater Reclamation) budget separately for replacement of vehicles assigned to their operations, based on available funding.

In FYE 24, 128 units were evaluated and requested for routine replacements in the General Fund. The top 46 units were approved for replacement, including a total of 18 police units from the State Seizure Fund (Fund 25) for a total cost of \$6,982,497. In the last five (5) years, Fleet has requested an average of \$8,839,985 or 154 units to be replaced in the City Fleet. The average age of the requested replacements is nine (9) years old.

#### **RECOMMENDATION 1:**

Fleet staff recommends the approval of Resolution R-2324-74 for the appropriation of \$149,034 from General Fund Other Revenue – Sale of Vehicles/Equipment (Account #109-373153) into the vehicle purchase accounts listed below. These funds will be used to purchase and refurbish vehicles and equipment that ranked high on the City's FYE 2024 Vehicle Replacement Requests, but fell below the available funding. Currently, the staff proposes utilizing these funds for the following:

Patrol Service Equipment – Police Cars (Account #10660322-45002)

Replace Unit #1153, a 2013 Ford Interceptor for the City of Norman Police Department

- Cost: \$82,800

Street Maintenance Service Equipment – Light Duty (Account #10550221-45009)

Replace Unit #652, a 2012 John Deere Mower, for the Public Works Streets Division

- Cost: \$15,300

Street Maintenance Service Equipment – Heavy Duty (Account # 10550221-45008)

Refurbish Unit #135, a 2006 Broce RJ Road Broom, for the Public Works Streets Division

- Cost: \$50,934

Approving the refurbishment of Unit #135, a 2006 Broce RJ Road Broom, will result in a significant cost-saving of approximately \$50,000 by delaying the need for a purchase of a new unit. Additionally, it will extend the operational life of the unit for the Public Works Street Division by an additional five (5) years. Total funding for all three (3) units: \$149,034.

**RECOMMENDATION 2:**

Fleet staff recommends the approval of Resolution R-2324-74 for the appropriation of \$49,383 from Sanitation Fund Other Revenue – Sale of Vehicles/Equipment (Account #109-373153) into the Capital Purchase Accounts listed below. These funds will be used to purchase and refurbish vehicles and equipment that ranked high on the City's FYE 2024 Vehicle Replacement Requests, but fell below the available funding in the Utilities Enterprise Fund. Currently, staff propose utilizing these funds for the following:

Waste Disposal Service Equipment – Light Duty (Account #33955163-45009)

Replace Unit #200, a 2009 Chevy Colorado, for the Utilities Sanitation Waste Disposal Division.

- Cost: \$33,800

Waste Disposal Service Equipment – Trailers (Account #33955163-45010)

Refurbish Unit #292T, a 2018 Titan Trailer, for the Utilities Sanitation Waste Disposal Division.

- Cost: \$15,583

The current price of a Refuge 48' Walking Floor Trailer is \$120,000. Approving the refurbishment of Unit #292T will extend the operational lifespan of the trailer in the Waste Disposal Division by an additional four (4) years, resulting in savings of up to \$104,417 by delaying the need for a purchase of a new trailer. Total funding requirement: \$49,383.

**Attachments:**

Big Iron September 27, 2023, Auction Settlement