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October 12, 2016

The Honorable Mayor Dan Devine  
and Common Council Members  
City of West Allis  
7525 W. Greenfield Ave.  
West Allis WI 53214

Dear Mayor Devine and Common Council Members:

The Finance Department is responsible for the proper disposal of surplus equipment. Since the Fire Department put its new Seagrave Fire Engine into service earlier this year, it has retired a 1985 Ford Fire Engine. Additionally, the Fire Department has two ambulances ready for disposal.

Historically, surplus vehicles of this type have been disposed of via a public auction conducted semi-annually by Milwaukee County. While this method has accomplished the goal of timely disposing of surplus equipment, the sale prices obtained through this method have been below market value for this type of used equipment. As a result, Assistant Fire Chief Kurt Zellman and DPW Fleet Superintendent Jim Leu have been investigating alternative options to maximize the City's return on the sale of its surplus equipment.

For fire engines and ambulances, they recommend listing these items for sale with FireTec, a broker that specializes in the sale of used fire apparatus. FireTec will list and advertise the City's equipment through its existing nationwide marketing program at a price specified by the City. When the equipment sells, FireTec collects a commission for its efforts (currently estimated at approximately 5% of the sale price), and the remaining proceeds are remitted to the City. Note that Milwaukee County collects a commission fee for items sold through its auction as well. The primary difference between the Milwaukee County auction and the FireTec sale is the broader market that FireTec can reach through its nationwide marketing efforts. The other major difference between the Milwaukee County auction method and the FireTec listing is that a fixed price would be set by the City when listing the item for sale rather than letting the auction process determine the price. Assistant Chief Zellman estimates that listing these vehicles for sale with FireTec could potentially double the amount the City has traditionally obtained by selling these vehicles through Milwaukee County's local auction process. Attached for your review is some additional information regarding FireTec from its website.

As mentioned, the Finance Department is responsible for the disposal of surplus equipment. City Policy 1507 and RMC 2.673 requires that the disposal be through a public auction or other public competitive process, unless otherwise authorized by the Common Council. In order to pursue listing this equipment for sale with FireTec, Common Council approval is needed. I respectfully request your approval.

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Upon your approval of this concept, the terms and conditions of listing the equipment with FireTec will be sent to the City Attorney for review. Upon the City Attorney's approval of the terms and conditions, the equipment will be listed with FireTec at a price determined by appropriate Fire Department and DPW-Fleet Division staff.

I will be happy to answer any questions or provide further information.

Sincerely,

*Kris Moen*

Kris Moen,  
Interim Finance Director/Comptroller/City Treasurer

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