

Agenda Report

November 1, 2021

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: SALVAGE A JOHN DEERE 444K WHEEL LOADER USING A PUBLIC AUCTION DISPOSITION METHOD

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a "project" subject to the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21065 and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for this action;
2. Authorize the City Manager to salvage a John Deere 444k Wheel Loader using the public auction disposition method.

BACKGROUND:

The Water and Power Department ("PWP") seeks to salvage a John Deere 444K Wheel Loader, vehicle # 2263, using the public auction disposition method. The equipment was purchased in 2008 for \$120,738, and has been in operation since 2009. The equipment is currently inoperable due to engine failure. The estimated cost to replace the engine is \$21,785 and has an approximate residual value of \$60,000. The total lifetime repair and maintenance cost for this vehicle is \$89,709. A wheel loader's average lifespan is about 10 years. The decision to decommission the equipment is based on the combination of the high repair costs combined with the increased maintenance costs to sustain it beyond its useful life. Staff repurposed an older backhoe to perform the Wheel Loader's functions and are not looking to replace this unit.

The proposed action complies with the Disposition of Salvage and Scrap Property Ordinance P.M.C. 4.04.020 and the rules and regulations promulgated thereunder. Salvage property of a reasonable value in excess of \$25,000 shall not be sold without authorization of the City Council. PWP estimates the sale of this equipment will exceed the \$25,000 threshold in P.M.C. 4.04.020. PWP will coordinate with the Public Works and Finance Departments to complete the disposition procedures.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council Strategic Planning Goals to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed contract is not a "project" subject to CEQA pursuant to Public Resources Code Section 21065 and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for this action.

FISCAL IMPACT:

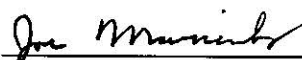
All proceeds of the sale shall be recorded in the Water Operating Fund.

Respectfully submitted,



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General Manager
Water and Power Department

Prepared by:



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Water Operations Manager

Approved by:



STEVE MERMELL
City Manager