



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: FEBRUARY 6, 2013

FROM: CONTRACTS AND PURCHASING

**SUBJECT: RESOLUTION NO. _____ - PROPOSED SALE OF VEHICLE TO
RETIRED CITY ATTORNEY MR. THOMAS RUSSELL**

SUMMARY:

In December 2012, Mr. Thomas Russell, General Counsel for the City of Los Angeles Harbor Department (Harbor Department), retired from the City of Los Angeles (City). Mr. Russell has requested to purchase his assigned City vehicle. The Contracts and Purchasing Division is requesting that the Board of Harbor Commissioners approve the sale of a City vehicle to Mr. Russell.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find and determine that the City of Los Angeles vehicle is no longer suitable for use by the City of Los Angeles;
2. Find and determine that a private sale of the vehicle to Mr. Thomas Russell is in the best interest of the City of Los Angeles;
3. Authorize the Executive Directive or her designee to sell the City of Los Angeles vehicle to Mr. Thomas Russell for \$3,418, pursuant to Los Angeles Administrative Code Section 7.71; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – As General Counsel to the Harbor Department, Mr. Thomas Russell was assigned a City vehicle during his tenure with the Harbor Department. In December 2012, Mr. Russell retired from the City and has requested to purchase his assigned City vehicle. Prior to Mr. Russell's retirement, the Construction and Maintenance Division (C&M) was planning to remove the vehicle from the Harbor Department's fleet due to high mileage. In general, C&M replaces fleet vehicles once they reach 10 years and/or 100,000 miles. Mr. Russell's assigned vehicle is a 2004 natural gas Crown Victoria with approximately 130,000 miles.

SUBJECT: SALE OF CITY VEHICLE

Summary - Pursuant to Section 7.71 (a) of the Los Angeles Administrative Code (LAAC), any personal property belonging to the City that is no longer required for use may be sold at the request of or with the approval of the Board. In order to effectuate the sale, the Board must determine that the property is no longer necessary or suitable for use by the Harbor Department. In addition, the Board must also determine the most appropriate manner of sale of the property. Section 7.71 (b) of the LAAC provides that the sale may be either a public or private sale.

Given the high mileage and age of the vehicle, the Contracts and Purchasing Division (CPD) is recommending that the Board find that the vehicle is no longer suitable for use by the City. CPD contacted the General Services Department (GSD) to determine the average salvage price of comparable City vehicles. GSD indicates that comparable vehicles are typically sold at auctions for \$2,000-\$2,500. According to the Kelley Blue Book, the retail value of the vehicle is \$3,993 and has a trade value of \$2,843. Given the administrative processes involved with salvaging City property and the average auction price of comparable vehicles, CPD finds that it is in the best interest of the City to privately sell the vehicle to Mr. Russell. CPD is recommending that the Harbor Department sell the vehicle to Mr. Russell for the average price of the retail and trade values at an amount of \$3,418.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval to sell a City vehicle that had been assigned to Mr. Thomas Russell during his tenure with the Harbor Department to Mr. Russell. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC IMPACT:

This Board action will have no employment impact.

FINANCIAL IMPACT:

The proposed Board action recommends that the Board authorize the sale of a City vehicle to Mr. Thomas Russell. The General Services Department indicates that comparable vehicles are typically sold at auctions for \$2,000-\$2,500. The proposed Board action recommends that the vehicle be sold to Mr. Russell in the amount of \$3,418.

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CITY ATTORNEY:

This Board Report is consistent with the requirements of the City of Los Angeles Administrative Code and raises no legal issues at this time.

FIS Approval: GR (initials)
CA Approval: GR (initials)


GLENN R. ROBISON
Director of Contracts & Purchasing


MOLLY CAMPBELL
Deputy Executive Director

APPROVED:


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GR/tc
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