

COUNCIL WORKSHOP ITEM

ITEM: Sale of Surplus Fire Equipment
DATE: April 1, 2003
PREPARED BY: John J. Bajor, Jr., Director of Public Works
Jim Jackson, Deputy Fire Chief
Stan Balicki, Support Services Manager
PURPOSE: Authorize Sale

DISCUSSION:

Staff from the Public Works and Fire Departments have worked together over the past several months to evaluate options for disposing of two pieces of surplus fire equipment. Specifically, the Fire Department is seeking to dispose of a 1993 Ford Medtec Ambulance and a 1990 Ford Frontline Heavy Rescue Vehicle. Three basic options exist for selling this equipment: 1) the Village can advertise the sale of this equipment through an invitation to bid in municipal and trade publications, 2) the equipment can be taken to the semi-annual auction coordinated by the DuPage Mayors and Managers Conference, and 3) the Village can contract with an equipment broker to market the equipment and locate an interested buyer.

Of the three options, staff believes that contracting with an equipment broker will provide the best possible return. A local broker, B&P Apparatus Inc. of Aurora operates a nationwide used fire apparatus brokerage service. Upon execution of a brokerage sales contract, B&P assumes full responsibility for marketing the equipment such as placing an ad on their web site and including the items for sale in their own direct mail advertising newsletter distributed to over 17,000 volunteer fire departments. After listing the equipment, B&P videotapes and photographs the used equipment and sends that information along with a detailed description of the unit to prospective customers. Besides advertising, B&P has developed a network of over 60 used apparatus dealers across the United States and Canada with whom they cooperate to maximize exposure.

When an offer is received from a prospective buyer, B&P reviews that offer with Village staff for approval. If the offer is acceptable to the Village, the purchaser places a deposit of 10% of the sale price with B&P to take the unit off the market. It is the purchaser's responsibility to pick up the used apparatus. The purchaser provides a cashier's check or certified check in the amount of the outstanding balance (90%) payable to the Village at the time of delivery, and after final payment takes possession of the vehicle, title and bill of sale specifically acknowledging the fact that the vehicle is sold "as is" with no express or implied warranty. The 10% deposit is retained by B&P as a sales commission for the marketing services provided.

B&P Apparatus has brokered sales of used fire equipment for at least 39 Chicago-area communities and fire districts. Several of these agencies have used B&P repeatedly. Some examples included in this list are Arlington Heights, Schaumburg, Wilmette, Glenview, Oak Park and Orland Park. B&P has inspected and appraised the Village's two pieces of equipment and staff recommends that the Village accept not less than \$6,000.00 for the sale of the 1993

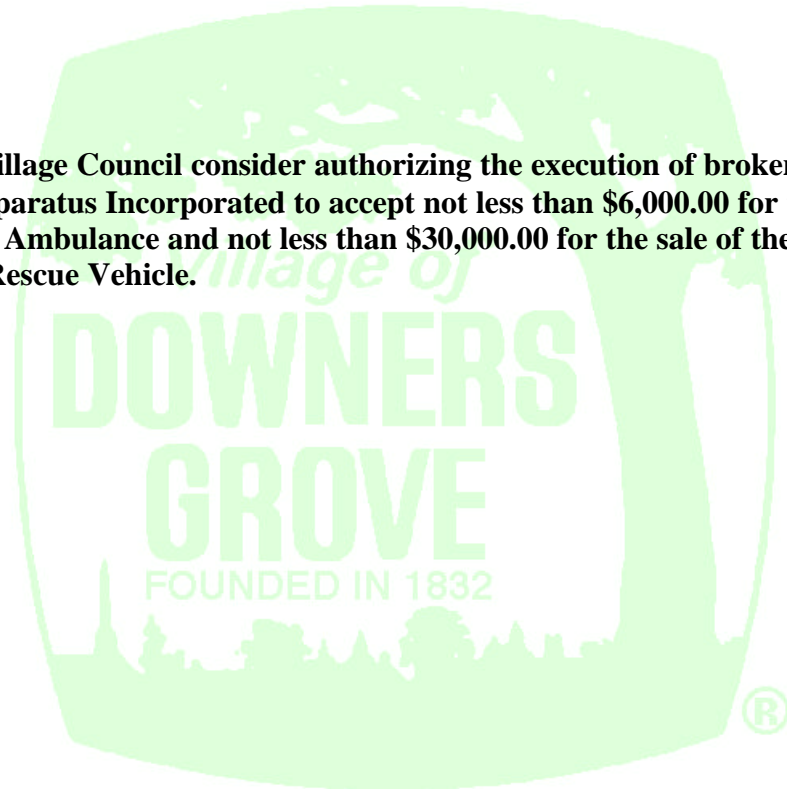
Ford Medtec Ambulance and not less than \$30,000.00 for the sale of the 1990 Ford Frontline Heavy Rescue Vehicle.

ATTACHMENT:

- 1) Fire Apparatus Listing Agreement with B&P Apparatus for 1993 Ford Medtec Ambulance
- 2) Fire Apparatus Listing Agreement with B&P Apparatus for 1990 Ford Frontline Heavy Rescue Vehicle

RECOMMENDATION:

Staff recommends that the Village Council consider authorizing the execution of brokerage sales contracts with B&P Apparatus Incorporated to accept not less than \$6,000.00 for the sale of the 1993 Ford Medtec Ambulance and not less than \$30,000.00 for the sale of the 1990 Ford Frontline Heavy Rescue Vehicle.



RESOLUTION NO. ____

**A RESOLUTION AUTHORIZING EXECUTION OF A
FIRE APPARATUS LISTING AGREEMENT BETWEEN THE
VILLAGE OF DOWNERS GROVE AND B&P APPARATUS, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the "Agreement"), between the Village of Downers Grove (the "Owner") and B&P Apparatus, Inc. ("B&P Apparatus"), to act as sales agent and list certain pieces of surplus Village-owned fire equipment for sale, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk

Listing only

B & P APPARATUS INC.
FIRE APPARATUS LISTING AGREEMENT

This Agreement is made this _____ day of, _____ 2003 , by and between
B & P APPARATUS INC., 1552 Bryan Ct. Aurora IL. 60504, (Hereinafter referred to as
"B & P Apparatus") , as sales agent,

(hereinafter referred to as "Owner"),

WHEREAS, in consideration of B & P Apparatus promise to use its efforts to sell the fire
apparatus (The "Apparatus") hereby described as:

And in consideration of the mutual covenants, conditions and undertakings herein contained, the
parties agree as follows:

1. Beginning 12:01 a.m. Day ___ Month _____ Year 2003 and terminating 11:59 p.m.
Day ___ Month ___ Year 200 .
the undersigned **Owner** grants to **B & P Apparatus** the right to sell the **Apparatus** to qualified
purchasers; and to advertise the **Apparatus**.
2. The minimum listing price for the **Apparatus** shall be \$ _____ . However, **B & P
Apparatus** has authority
to sell the **Apparatus** for a greater amount and **Owner** may elect to accept a lesser amount.
3. The undersigned **Owner** warrants and represents that Title to the **Apparatus** is in the name of
Owner , free and clear of all liens and encumbrances , and the **Owner** has the authority to sell
the **Apparatus** and the undersigned has the authority to bind the **Owner** to the terms hereof.
4. Possession of the **Apparatus** shall be given _____ Provided payment in full has been
tendered by Cashiers check or Bank transfer to **Owner**. Said vehicle will be sold "as is" no
warranty expressed or implied.
5. All permanently mounted pumps, generators, plumbing and electrical systems, fixtures. all hard
suction hose, booster hose, ground ladders, warning lights, sirens, horns, all available manuals,
specifications and service records shall remain with the **Apparatus**, are included in the sale
price, and shall be transferred to the Buyer at the time of sale. The following specific items shall
also be left on the **Apparatus** and shall be conveyed to Buyer at time of sale:

6. The **Owner** warrants and represents that Title to all of the aforementioned equipment remaining with the **Apparatus** is in the name of **Owner**, free and clear of all liens and encumbrances, and equipment will be in good operating condition at the time of sale, except for the following:

7. The **Owner** has no knowledge of any assessments or liens against the **Apparatus** and in the event the **Owner** hereafter receives any notice of such, it will immediately notify **B & P Apparatus** of the same.

8. **B & P Apparatus** sole duty is to arrange for the sale of the **Apparatus**. **B & P Apparatus** shall have no responsibility for the custody or care of the **Apparatus**, its maintenance, upkeep or repair. **B & P Apparatus** shall not be liable for any damage to the **Apparatus**. **Owner** shall maintain adequate insurance coverage on the **Apparatus** during the term of this Agreement.

9. **B & P Apparatus** is authorized and shall, at sole cost to **B & P Apparatus**, advertise the **Apparatus** for sale, take and retain any necessary photographs, and show the **Apparatus** at reasonable times. Driving and pumping demonstrations, if necessary, will be the responsibility of the **Owner** and will be provided at the **Owner's** expense.

10. Upon any final sale, the **Owner** agrees to furnish to Buyer a clear title for the **Apparatus** and related equipment, free and clear of any liens or encumbrances.

11. If any sale of the **Apparatus** by **B & P Apparatus** is made by any party during the term hereof, **Owner** agrees to pay **B & P Apparatus** a commission of 10% of the gross sale price.

12. In the event a sale is consummated through **B & P Apparatus** subsequent to the expiration of the term of this Agreement with a buyer who has viewed the **Apparatus** during the term hereof or extension thereof, then the aforementioned commission shall be deemed earned by **B & P Apparatus**.

13. Said commission shall be payable to **B & P Apparatus** at such time as payment is received by the **Owner** at the time of closing or settlement.

14. Any earnest money deposit paid shall be held by **B & P Apparatus** as Escrow Agent, any remaining balance shall be paid to the **Owner** at closing.

15. In the event of a buyer's forfeiture or default under a purchase contract, the earnest money shall be split, 50% payable to **Owner**, and 50% payable to **B & P Apparatus**.

16. No alterations in the terms hereof shall be valid or binding unless made in writing and signed by the parties hereto.

17. This Agreement represents the entire Agreement between the parties hereto and shall be interpreted at all times in accordance with Illinois Law.

18. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of and shall be enforceable by the successors and assigns of the parties hereto, except that the responsibilities of **B & P Apparatus** hereunder shall not be assignable.

19. In the event any provision of this Agreement is adjudicated to be invalid or unenforceable, such invalidity or unenforceability shall not effect the other provisions or application of this Agreement.

ACCEPTED:

OWNER: _____

OWNER: _____

BY: _____

BY: _____

TITLE: _____

TITLE: _____

B & P APPARATUS, INC.

BY: Brian Clark

TITLE: President

DATE: _____ Owner's Current Address: _____

APPARATUS TO BE STORED AND VIEWED AT: _____