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COMMISSION

AGENDA MEMORANDUM Item No. 8d

ACTION ITEM Date of Meeting March 12, 2024

DATE: February 1, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Delmas Whittaker, Director, Marine Maintenance

Shannon Zink, Sr. Manager, Fleet and Facilities, Marine Maintenance

Levi Clark, Manager, Fleet and Transportation, Marine Maintenance

Shayla Fortin, Fleet Asset Project Manager, Marine Maintenance

SUBJECT: Marine Maintenance Fleet Assets Surplus

Amount of this request: Estimated sales value of surplus items: \$730,000

ACTION REQUESTED

The Marine Maintenance Fleet Team requests Commission authorization for the Executive Director, or their designee, to dispose of surplus personal property, consisting of seventy (70) obsolete fleet assets in accordance with the General Delegation of Authority and Port Policy AC-13.

EXECUTIVE SUMMARY

The Marine Maintenance Fleet Team has planned for the replacement of seventy (70) obsolete fleet assets that are at the end of their useful life and no longer serve a functional purpose to the Port of Seattle and should be sent to public auction. The Port of Seattle regularly determines that personal property is no longer needed for port district purposes and prepares accordingly for its disposal. Commission authorization is required to grant the Executive Director authority to sell and convey port district personal property of \$23,000 or less in value in accordance with RCW 53.08.090.

Port Policy AC-13 was established to set standards to govern activities used to dispose of Port property consistent with the Port's General Delegation of Authority. AC-13 prescribes, "property should be disposed when it no longer serves its intended purpose, no alternate future use within 12 months exists, it is not considered a specialty item, and/or the Port no longer requires it to maximize the return on investment for the disposal of Port's property."

JUSTIFICATION

The Marine Maintenance Fleet Team has designated (70) seventy fleet assets as obsolete after determining fleet replacements that will progress the goals of electrification, environmental sustainability and responsible fleet stewardship detailed in the Sustainable Fleet Plan, the

Template revised January 10, 2019.

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Century Agenda and the Maritime Air and Action Climate Plan. The obsolete assets have been replaced or are in the process of replacement through the 2023-2024 Fleet Replacement cycle.

- The Century Agenda goal of "Be a Highly Effective Public Agency," aligns with this request by allowing the Port of Seattle to re-allocate fleet resources and equipment via public auction, right size vehicles in fleet to fit the correct application and end user and dispose of vehicles that no longer suit the needs of the Port of Seattle.
- Exercising vehicle disposal and surplus techniques instead of keeping obsolete assets showcases effective stewardship through responsible fleet management and proactive utilization of fleet assets.

Diversity in Contracting

No goal was established with Diversity in Contracting, as this request does not include any projects that will include procurement, contracting authority or the need for a WMBE vendor.

Schedule

Surplus Activities to Commence Upon Commission Authorization.

Commission authorization 2024 Quarter 2

Surplus Preparation Activities 2024 Quarter 3

Vehicle Sent to Auction 2024 Quarter 4

Proceeds From Auction Received 2025 Quarter 1

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 –No action taken.

Cost Implications: Increased maintenance and labor costs.

Pros:

- (1) No incurred costs from Surplus preparation.
- (2) Extra vehicles for motor pool and customer use.

Cons:

- (1) Surplus designated vehicles are determined to be obsolete and beyond useful life.
- (2) Older, less fuel-efficient vehicles may remain in the fleet, hampering electrification and improvement efforts.

This is not the recommended alternative.

Template revised June 27, 2019 (Diversity in Contracting).

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Alternative 2 – Transfer operational vehicles to other departments to utilize vehicles until the end of their useful mechanical life or capitalize on differing departmental and operational needs.

Cost Implications: Increased maintenance and labor costs.

Pros:

- (1) Other departments may have a better use case for older vehicles or equipment.
- (2) Capturing the full ROI of vehicle/equipment.

Cons:

- (1) Effective fleet management exercises a proactive fleet replacement plan that uses life cycle estimates to gain the full value of fleet assets.
- (2) Older fleet vehicles are not as fuel efficient as the new technology coming to market and will not help the Port of Seattle reach GHG reduction goals.

This is not the recommended alternative.

Alternative 3 – Surplus vehicles as requested.

Cost Implications: Money received from surplus sales of vehicles/equipment.

Pros:

- (1) Cash proceeds from auction sale.
- (2) The disposal of obsolete vehicles allows right-sizing of the fleet and gradual implementation of electrified vehicles to the Port of Seattle Fleet.

Cons:

- (1) Assets we have deemed to be obsolete and past their useful life may be sold into the secondary market.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

None.

Template revised June 27, 2019 (Diversity in Contracting).