



**Request for City Council Committee Action
From the Department of Public Works**

Date: November 10, 2008
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Subject: **Request for Sale – Hot-Mix Asphalt Plant**

Recommendation:
Authorize proper City officials to issue a Request for Sale (RFS) to seek proposals for the purchase of the Hot-Mix Asphalt Plant located at the Hiawatha Maintenance Facility.

Previous Directives:
None

Prepared by: Paul Miller, Sr. Project Manager

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Mike Kennedy, Director, Transportation Maintenance and Repair

Reviews

Permanent Review Committee (PRC):	Approval	Yes	Date	10/29/08
Civil Rights Affirmative Action Plan	Approval	NA	Date	
Policy Review Group (PRG):	Approval	NA	Date	

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan: ___ Action is within the plan. ___ Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department’s Finance Dept. contact when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification: Not Applicable
- City Goals: Not Applicable
- Comprehensive Plan: Not Applicable
- Zoning Code: Not Applicable

Background/Supporting Information

Currently, the Department of Public Works operates a construction and maintenance facility on a site located at 1901 E. 26th Street and Hiawatha Ave. S., in Minneapolis (the Hiawatha Maintenance Facility). The Department of Public Works is currently working on plans for a new facility to be constructed on the site. Consequently, to make room for the proposed facility a significant amount of demolition and site preparation is necessary.

The City's Hot-Mix Asphalt Plant is included amongst the existing facilities located on the site. At the end of the construction season in 2003, the Asphalt Plant was taken out of operation due to reduced demand and increases in maintenance costs. In January of 2005 the Public Works Department completed an operational assessment of the Asphalt Plant, and determined that continued operation of the plant was not feasible and the plant was subsequently de-commissioned. Although not in operation, the Asphalt Plant has been deemed to have some value. At various times since the Asphalt Plant was de-commissioned, private businesses have made inquiries of the City for purchase of the plant as a whole or in parts.

The City's Code of Ordinances at Section 18.160 enables a City department to sell and dispose of surplus property. The Ordinance indicates a procedure to be followed by the City department and procurement director to facilitate the disposition of the surplus equipment and personal property. Upon its review of the Request for Sale (RFS), the Permanent Review Committee (PRC) recommended that the Department of Public Works seek City Council approval to waive certain procedures contained in Section 18.160. Specifically, the PRC recommends that the Department of Public Works be relieved of the requirement to offer the surplus property that is the subject of the RFS to other City departments, Special School District No. 1 and other entities as provided in the Ordinance and simply advertise the surplus property for sale in accordance with the RFS terms and the procedures of the City's Department of Finance as provided in clause (7) of the Ordinance. The PRC's recommendation is designed to facilitate a timely offer, purchase and removal of the personal property, equipment and appurtenances that comprise the Hot Mix Asphalt Plant. The PRC and the Department of Public Works both believe that the unique nature of this surplus property dictates that it need not be offered to other City departments and entities indicated in the Ordinance. Any entities will still have notice of the RFS when it is posted on the City's web site.

Proceeds of the sale will be applied to the Hiawatha Maintenance Project (CPSD0208100).

Therefore this request asks for authorization of the proper City officials to issue a RFS to seek proposals for the purchase of the Hot-Mix Asphalt Plant and/or its parts and accessories.