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PUBLIC SAFETY COMMITTEE REPORT relative to the contract between the Los Angeles Police Department (LAPD) and PropertyRoom.com for internet auctioning services for unclaimed personal property.

Recommendation for Council action:

AUTHORIZE the Chief, LAPD, or designee, to execute a professional services agreement with PropertyRoom.com, Inc. for internet auctioning services for unclaimed personal property, for a term of five years effective from July 1, 2015 through June 30, 2020, and on a contingency fee basis, subject to the review and approval by the City Attorney as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the above recommendation will have no impact on the General Fund. The proposed contract is a no cost agreement and is solely revenue generating. Prior year auction receipts from net sales proceeds ranged from \$58,247 to \$154,827 for Fiscal Year 2012-13 through 2015-16. Future year revenue is difficult to project as it is dependent upon the amount of unclaimed personal property acquired and the success of its subsequent sale.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – MAY 5, 2017**

**(LAST DAY FOR COUNCIL ACTION – MAY 5, 2017)**

SUMMARY

At the meeting held on March 21, 2017, your Public Safety Committee considered a CAO report relative to the contract between the LAPD and PropertyRoom.com for internet auctioning services for unclaimed personal property. The CAO reports that on June 4, 2015, the LAPD issued a Request for Proposals (RFP) seeking a qualified contractor to perform internet auctioning services. The RFP was posted on the Business Assistance Virtual Network website with only one proposal being submitted that from PropertyRoom.com, which was deemed responsive to the RFP requirements. The Board of Police Commissioners approved the selection of the Contractor at its regular meeting on December 15, 2015. Contractor compensation is provided on a contingency basis, whereas sales commission payments are made to the Contractor when properties are sold. The Contractor's commission rate is 25-percent if the winning bid price is equal to or greater than \$1,000, or 50-percent should the winning bid price be less than \$1,000.

The remaining proceeds, from sales will continue to be payable to the LAPD on a monthly basis. Through the on-line auctioning services provided by the Contractor, the LAPD has recognized increased annual net revenues from sales proceeds during the past four years, as shown in the table below. Future year revenue is difficult to project as it is dependent upon the amount of unclaimed personal property acquired and the success of its subsequent sale. After an opportunity for public comment was held, the Committee moved to approve the recommendation presented in the CAO transmittal, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

PUBLIC SAFETY COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
ENGLANDER:	YES
BUSCAINO:	YES
BONIN:	ABSENT
O'FARRELL:	YES
MARTINEZ:	ABSENT

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**