

Sale of Decommissioned Street Name Signs

Date:	October 25, 2013
To:	Public Works and Infrastructure Committee
From:	General Manager, Transportation Services Director, Purchasing and Materials Management
Wards:	All
Reference Number:	P:\2013\Cluster B\TRA\TMC\PW13005tmc.doc

SUMMARY

The purpose of this report is to request City Council's approval to sell decommissioned street name signs (not including oversized street name signs) utilizing the City's asset disposal process. Since the consolidation of street name sign design in 2007, Transportation Services has received approximately 3,500 requests to purchase decommissioned street name signs from the public. At the time of this report, there are approximately 1,200 decommissioned street name signs in stock.

To facilitate the sale of decommissioned street names signs, Transportation Services recommends using the City's asset disposal process which will allow the public to bid on individual decommissioned street name signs. A minimum bid price of \$30.00 will be required to purchase a sign. The \$30.00 minimum bid price is recommended and is based on the average scrap value per sign plus an estimated \$15.00 administrative cost per sign.

RECOMMENDATIONS

The General Manager, Transportation Services and the Director, Purchasing and Materials Management recommend that:

1. City Council approve the use of the City's asset disposal process to sell decommissioned street name signs, excluding oversized street name signs at a minimum bid price of \$30.00 each in compliance with the Terms and Conditions listed in Appendix 1.
2. City Council authorize Transportation Services to annually review and adjust the minimum bid price for the purchase of a decommissioned street name sign, excluding

oversized street name signs to reflect any changes in the scrap value and changes in administration costs.

Financial Impact

There will be a minor incremental financial impact resulting from the adoption of this report. Based on selling an average of approximately 200 decommissioned street name signs a year, it is estimated that revenue in the amount of \$6,000.00 per year will be realized less the commission rate payable to the vendor for asset disposal services.

The revenue from the sale of decommissioned street name signs less the commission rate for the asset disposal services fees will be deposited into the Transportation Services Division, Signs and Pavement Markings Unit, Sundry Revenue Account.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At the meeting of the Public Works and Infrastructure Committee held on May 16, 2012, a Member Motion from Councillor Vaughan on the "Sale of Decommissioned Street Name Signs – Motion MM22.3 was referred to the Acting General Manager of Transportation Services Division for a report back to the Public Works and Infrastructure Committee.

<http://www.toronto.ca/legdocs/mmis/2012/pw/bgrd/backgroundfile-46611.pdf>

At the meeting of the Public Works and Infrastructure Committee on May 15, 2013, the report titled "Sale of Decommissioned Street Name Signs – PW23.13" was referred back to the General Manager, Transportation Services Division for further consideration and to report to the Public Works and Infrastructure Committee.

<http://www.toronto.ca/legdocs/mmis/2013/pw/bgrd/backgroundfile-58170.pdf>

COMMENTS

Following amalgamation of the seven former municipalities in 1998, there were numerous styles, sizes, colours and formats of street name signs used by the former municipalities. Some of the former municipalities used "simple" street names signs that consisted of blue blades with white lettering while others use more decorative signs that consisted of a frame and white blade and black lettering. To address this issue, City Council adopted a new harmonized street name design to be used within the City of Toronto in 2007.

As it would be cost prohibitive to convert all existing street signs in a relatively short period of time, it was determined that the new street name signs would be installed when:

- a) existing street name signs became illegible due to age or damage;
- b) new sub-divisions or streets, or;
- c) when Business Improvement Areas requested and funded the change to the new design.

In a typical year, approximately 1,800 street name signs are replaced due to poor legibility or damage, of which, approximately 5 to 10 percent are deemed appropriate for sale. Signs that are damaged in such a way that would pose a hazard to the public (e.g. having extremely sharp edges or are totally unreadable) are currently sold as scrap metal at an average price of \$15.00 per sign. At the present time there are approximately 1,200 decommissioned street name signs in stock.

Since 2007, Transportation Services has received approximately 3,500 requests from the public to purchase street name signs that have been decommissioned. When receiving the requests, members of the public have expressed wanting a "piece of nostalgia" or other sentimental reasons for why they would like to purchase a street name sign.

In considering this motion, staff explored the following options as methods to sell decommissioned street name signs in a fair manner that would also ensure that the minimum scrap value and the administrative cost for the signs can be achieved:

- Develop an internal purchasing protocol that would utilize the City of Toronto's website to post an inventory of decommissioned street name signs available for purchase; and
- Utilize the City of Toronto's asset disposal process for individual decommissioned street name signs.

With respect to the possibility of utilizing the City website to post an inventory of decommissioned street names signs, staff found this method could be efficient from a staff and purchasers perspective. If the number of requests to purchase were relatively low, such as 100 to 200 requests per year. However, since Transportation Services is currently receiving more than 200 requests to purchase a year (3,500 in total), the impacts to manage and maintain the inventory and purchasing system exceeds staff's capacity.

In addition to the staff constraints mentioned above, there are concerns that by posting an inventory to the City's website, it would be difficult to manage "bulk purchases" by individual purchasers, thereby, reducing the availability of decommissioned street names signs to the public.

In regards to utilizing the City of Toronto's asset disposal process, Transportation Services staff determined that the existing contract with the City's asset disposal vendor does not currently allow for a minimum bid, and there is the potential to receive bids lower than the scrap value of a sign. The City's current contract for asset disposal services

expires on December 31, 2013 and the Purchasing and Materials Management Division is currently preparing a new Request for Quotation for asset disposal services that will include specific requirements associated with the sale of decommissioned street name signs. For instance, a minimum bid price can be established to ensure that the scrap value of a sign and administrative cost can be recovered. Also, by allowing for an open bidding process for each sign, the public will have an opportunity to bid on each sign, therefore, reducing the potential for "bulk purchases".

In determining a recommended sale price for each decommissioned sign, staff considered the scrap value of each sign and the associated administration cost to manage the inventory and to process a sign order. The \$30.00 recommended sale price is based on the average scrap value for each sign, estimated at \$15.00 each, plus the estimated \$15.00 administrative cost per sign.

It is expected that the value of scrap will vary from year to year and that the cost to administer the sale of decommissioned street name signs will also change, therefore, it appropriate to review and adjust the bid price, if required, on an annual basis.

Therefore, to ensure the public are given an opportunity to purchase a decommissioned street name sign through an open bidding process, it is recommended that sale of decommissioned street names be sold utilizing the City's asset disposal process at an initial minimum bid price of \$30.00 per sign in accordance with the Terms and Conditions listed in Appendix 1.

IMPLEMENTATION

It is expected that the new contract for asset disposal services be finalized in the last quarter of 2013 at which time the public will be able to bid on decommissioned street name signs in 2014. Prior to offering the decommissioned street names signs to the public, notices will be placed on the City's website regarding the sale of decommissioned street signs, as well as issuing a media release.

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SIGNATURE

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ATTACHMENTS

Appendix 1

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1. Decommissioned Street Name Signs to be sold individually,
2. Signs will be made available for sale for a minimum of 60 days,
3. A minimum \$30.00 bid price for all decommissioned street name signs,
4. Any decommissioned street name signs not sold via the auction within 60 days will be deemed surplus by the City of Toronto are not to be sold and are to be scrapped by the Auction Services Company in an environmentally responsible manner,
5. The purchaser of the decommissioned street name signs will be required to sign a waiver that they will not display the signs adjacent to any City of Toronto streets in such a way as to confuse road users