

# DEKALB COUNTY, GEORGIA



## **PUBLIC WORKS –FLEET MANAGEMENT**

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### **AUDIT REPORT**

### **2014 SURPLUS AUCTION REVIEW**

**PREPARED BY  
FINANCE- INTERNAL AUDIT DIVISION**

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**Finance**  
Internal Audit & Licensing

Interim Chief Executive Officer

Lee May

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DATE: December 11, 2014

TO: Greg Brake, Associate Director-Department of Public Works, Fleet Management

FROM: Cornelia Louis, Deputy Director of Finance-Internal Audit & Licensing

SUBJECT: 2014 Surplus Auction Review

**General Information**

We conducted a review of the DeKalb County's Surplus Auction which was administered by Adesa-Atlanta LLC. Adesa provided online and live auction services simultaneously for the County. The auction was held on October 25, 2014 generated gross sales in the amount of \$1,265,850 of which \$1,162,817.50 was remitted to DeKalb County Government (County) after expenses were deducted. Although, the County auctioned surplus materials and equipment which includes, but is not limited to cars, on and off road equipment, heavy trucks, motorcycles, and other surplus items, only 234 vehicles were sold. This year, purchase fees were waived for residents of DeKalb County and DeKalb County employees. The surplus auction was organized by DeKalb County's Department of Public Works- Fleet Maintenance.

**Purpose and Scope**

The purpose of our review is to determine if Adesa- Atlanta LLC complied with the terms of the service agreement to provide auctioneering services for DeKalb County.

**Opinion**

In our opinion, Adesa-Atlanta LLC is in compliance with the terms of the service agreement.

**Comment – Contractual Agreement with Adesa-Atlanta LLC**

DeKalb solicited an Invitation to Bid this year for professional auction services for disposal of the county's surplus equipment and vehicles. During our review, Internal Audit obtained a copy of the new contract agreement executed between DeKalb County and Adesa, which automatically renews on "each January 1<sup>st</sup> and terminate each and every December 31<sup>st</sup> as required by O.C.G.A. 36-60-13." The contract will terminate, with no further renewals, on December 31, 2019, unless extended by change order, adopted and approved by the DeKalb County Governing Authority and the Contractor.

Adesa receives "6% of the gross sales from online auctions and auctions at contractor's site, unless changed by written Change Order in accordance with the terms of this Contract."

In the past, Adesa-Atlanta LLC has submitted the following net sales amount to the County.

<b>Year</b>	<b>Surplus Auction Gross Sales Amt</b>	<b>Net Sales Amt Remitted to DeKalb County</b>	<b>Amt Adesa Received from Surplus Auction</b>	<b>% of Gross Sales Adesa Received</b>
2009	\$ 451,705	\$ 393,308.47	\$ 58,396.53	12%
2010	\$2,043,610	\$1,869,940.40	\$173,669.60	8%
2011	\$1,199,985	\$ 837,591.35	\$362,393.65	30%
2012	\$1,325,816	\$1,214,787.71	\$111,028.29	8%
2013	\$1,207,890	\$1,100,441.50	\$107,448.50	8%
2014	\$1,265,850	\$1,162,817.50	\$103,032.50	8%

We appreciate the cooperation and assistance we received from your staff during this review.

Sincerely,



Cornelia Louis

cc: Finance, Audit, and Budget Committee  
Zachary L. Williams, Chief Operating Officer/Executive Assistant  
Gwen Brown-Patterson, Interim Chief Financial Officer/Finance Director  
Morris Williams, Deputy Chief Operating Officer of Infrastructure  
Claudette Leak, Administrative Project Manager

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