

**City of Fayetteville Staff Review Form**

**2015-0415**

**Legistar File ID**

**9/15/2015**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Peggy Vice

8/28/2015

Purchasing /  
Finance & Internal Services Department  
**Division / Department**

**Submitted By**

**Submitted Date**

**Action Recommendation:**

Approval to utilize the NJPA GovDeals, Inc. contract #042911-GDI for Auction Services for Internet Surplus Asset Liquidation.

**Budget Impact:**

Miscellaneous	Miscellaneous
Account Number	Fund
N/A	N/A
Project Number	Project Title
<b>Budgeted Item?</b> <input type="checkbox"/>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance <input type="text" value="\$ -"/>
<b>Does item have a cost?</b> <input type="checkbox"/>	Item Cost
<b>Budget Adjustment Attached?</b> <input type="checkbox"/>	Budget Adjustment
	Remaining Budget <input type="text" value="\$ -"/>

V20140710

Previous Ordinance or Resolution # \_\_\_\_\_

Original Contract Number: \_\_\_\_\_

Approval Date: \_\_\_\_\_

Comments: Proceeds are deposited into Loss/Gain sale of assets in the fund that the asset belongs to.

# CITY COUNCIL AGENDA MEMO

To: Mayor and City Council  
Thru: Paul Becker, Finance & Internal Services Director  
From: Peggy Vice, Purchasing Manger  
Date: August 28<sup>th</sup>, 2015  
Subj: Online Auction Services

## Recommendation

Staff recommends approval to utilize the NJPA GovDeals, Inc. contract #042911-GDI for Auction Services for Internet Surplus Asset Liquidation

## Background

The City has been under contract with GovDeals Inc. since 2010 to sell surplus equipment and vehicles. The City has realized exceptional payback with GovDeals. For instance:

1. 2011 wrecked Tahoe brought \$15,501 or 62% of the original purchase price.
2. 2004 Compost Grinder brought \$181,250 or 76% of the original purchase price.
3. Fertilizer Spreader brought \$1,510 or 50% of the original purchase price.
4. 2007 Kawasaki Mule brought \$5,225 or 53% of the original purchase price.
5. 2013 John Deere Dozer brought \$180,200 or 78% of the original purchase price.
6. 1999 New Holland Ford Tractor brought \$26,125 or 56% of the original purchase price.
7. 2002 Ford F-350 brought \$19,001 or 64% of the original purchase price.

Note: All of the sales mentioned above are from sales in 2015.

The current contract with GovDeals is due to expire. GovDeals was selected and contracted under RFP 10-09. Units sold in the last twelve months have been approximately 80 units with gross sales of \$822,740.50 with a fee of \$67,205.79. The City's current fee is 7.5% with the Buyer paying 5%. This is selling everything from vehicles, heavy equipment, copiers, gym equipment, etc.

GovDeals has been in business for fifteen years. They have over 3,000 government clients. They provide training, advertising, collection of proceeds and remitting the proceeds to the City. The only equipment required of the City is a digital camera which

most divisions already access to. GovDeals notifies the City when payment has been made by the Buyer and the Buyer makes arrangements with the City to pick up their item within ten days. GovDeals remits the proceeds to the City weekly and GovDeals has a \$5,000,000 crime policy to protect the City from loss of proceeds.

## Discussion

The NJPA contract allows the City to set its fee structure. Based on the City's experience with GovDeals, staff recommends changing the fee structure where the Buyer would pay the entire 12.5% fee. We don't feel the fee change will dissuade buyers from bidding on the City's surplus equipment and vehicles but after a month's trial period the fee could be adjusted if needed. Piggy Backing from the NJPA contract will save considerable staff time and money without having to go out with another request for proposal when it has already been completed through NJPA.

Proposal Offering  
And Acceptance and Award  
RFP #042911

**FORM D**

**SURPLUS ASSET LIQUIDATION AND/OR AUCTION SERVICES WITH RELATED SOLUTIONS**

**Proposal Offering (To be Completed Only by Proposer)**

In compliance with the Request for proposal (RFP) for SURPLUS ASSET LIQUIDATION AND/OR AUCTION SERVICES WITH RELATED SOLUTIONS, the undersigned warrants that I/we have examined the RFP and, being familiar with all the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby offer and agree to furnish the defined services/products in compliance with all terms, conditions of the RFP, any applicable amendments of RFP, and all Proposer's response documentation. Proposer further understands they are the sole offeror herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this offer is the sole responsibility of the Proposer.

Company Name: GovDeals, Inc. Date: APRIL 26, 2011

Company Address: 5907 Carmichael Place

City: Montgomery State: AL Zip: 36117

Contact Person: Robert L. DeBardelaben Title: President

Authorized Signature (ink only) Robert L. DeBardelaben ROBERT L. DeBARDELABEN  
(Name printed or typed)

**Contract Acceptance and Award (To be completed only by NJPA)**

Your proposal offering is hereby accepted and awarded. As the awarded Proposer, you are now bound to provide the defined goods and services contained in your proposal offering according to all terms, conditions, and pricing set forth in the RFP, any amendments to the RFP, and the Proposer's Response. The effective date of this Contract shall be June 21, 2011 and continue for four years AND which is subject to annual renewal at the option of both parties.

**National Joint Powers Alliance® (NJPA)**

NJPA Authorized signature: Todd Lyzio TODD LYZIO  
(Name printed or typed)

Title: EXECUTIVE DIRECTOR

Awarded this 6/21/11 day of JUNE Contract Number # 042911-6DT

NJPA Authorized signature: Lane A. Wallich LANE A. WALICH  
(Name printed or typed)

Title: Board Clerk

Executed this 6/21/11 day of JUNE, 2011 Contract Number # 042911-6DT

# GovDeals

## Flexible Pricing Options (FPO)

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**The Client has the option to choose from the following alternative plans:**

**B - Client Elects GovDeals Financial Settlement Services (FSS) allowing GovDeals to Collect Proceeds. Only one option below can be used and once this option is chosen, it cannot be changed for twelve (12) months.**

**Option B1:** The Client pays a 7.5% fee, but not less than \$5.00, and the winning bidder pays a 5% Buyers Premium. \*

**Option B2:** The Client pays a 5% fee, but not less than \$5.00, and the winning bidder pays a 7.5% Buyers Premium.

**Option B3:** The Client pays a 2.5% fee, but not less than \$5.00, and the winning bidder pays a 10% Buyers Premium.

**Option B4:** The Client pays a 0% fee and the winning bidder pays a 12.50% Buyers Premium.

\*If the Client chooses to pay the full 7.5% fee (Option B1), they will have access to the **Tiered Fee Reduction Schedule**.

### **Tiered Fee Reduction Schedule (Only applies to Option B1)**

GovDeals' **Tiered Fee Reduction Schedule** below explains how the base auction fee of 7.5% is reduced for assets that sell in excess of \$100,000 on [www.govdeals.com](http://www.govdeals.com).

1. **When an asset sells for up to \$100,000 in a winning bid, the GovDeals fee is seven and one-half percent (7.5%) of the winning bid, but not less than \$5.00.**
2. Where an asset sells for more than \$100,000, but less than \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the winning bid up to \$100,000, plus five and one-half percent (5.5%) of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000.
3. Where an asset sells for greater than \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the bid amount in excess of \$500,000.
4. Where an asset sells for greater than \$1,000,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the next \$500,000 of the winning bid, plus a fee of two and one-half percent (2.5%) of the bid amount in excess of \$1,000,000.

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Please choose one fee option your government would like to use from the Pricing Schedule.

**Option B:** Client elects for GovDeals to collect all proceeds from the buyer:

- Option B1    Option B2    Option B3    Option B4
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Client Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_