

AGENDA ITEM
November 3, 2015

Subject: Internet-based Auction Services

Department: Finance

Proposals were requested for internet-based auction services in order to dispose of surplus equipment, vehicles and miscellaneous items. Each firm was reviewed for specialized experience, method of work plan, past performance and cost.

GovDeals Inc. and Purple Wave Inc. responded to our request.

Purple Wave provides knowledgeable staff to photograph and upload items to the auction website. In addition, they will complete title work and collect all payments on behalf of the City. Bids are accepted for 14-28 days. The minimum bid is \$10.00 and there is no reserve bidding. Payments are remitted to the City within 20 business days. Winning bidders are charged a 10% buyer's premium and no fees are charged to the City.

GovDeals will train City staff to post items to their site. Bids are accepted for 7-10 days and minimum bids and reserve bidding are controlled by the City. The buyer's premium is 7.5% if payments are collected by the City and 12.5% if payments are collected by GovDeals. No fees are charged to the City.

Both firms have comparable qualifications; however, Purple Wave can best meet our needs.

The attached agreement is for a period of two years and is non-exclusive.

BILL NO. 2015-059

ORDINANCE NO. 8078

A SPECIAL ORDINANCE OF THE CITY OF NEVADA, MISSOURI ACCEPTING THE PROPOSAL SUBMITTED BY PURPLE WAVE, INC. AND APPROVING AN AGREEMENT TO PROVIDE INTERNET-BASED AUCTION SERVICES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI THAT:

Section 1. This agreement attached hereto as "Exhibit A" is with Purple Wave, Inc. to provide internet-based auction services for the sale of surplus equipment, vehicles and miscellaneous items for a period of two years.

Section 2. The City Treasurer is hereby authorized and directed to execute said agreement on behalf of the City of Nevada, Missouri.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Nevada, Missouri, this 17th day of November, 2015.

Brian L. Leonard, Mayor

(seal)
ATTEST:

Bev Baker, City Clerk

RFP 2015-019 ONLINE AUCTION SERVICES QUALIFICATIONS

Auction Firm	Years In Business	Home Office	# Staff for Contract	References	Conflicts of Interest	Advertising & Marketing	Internet Security	City Website Link	Info Uploaded By	Auction Time Line	Reserve Bidding	Minimum Bids	Restrict Type of Bidders	Bidder Default Rate	Title Work Done By	Fees
GovDeals, Inc	14	Montgomery, AL	2-4	Springfield R-12, City of West Plains, Jasper County, State of MO Agency for Surplus Property	none	mailers, e-mails and listings on niche websites	yes	yes	trained City Staff	Bidding 7-10 days, buyer payment 7-10 days, asset pickup 3-5 days	Controlled by City	Controlled by City	Controlled by City	4%-5%	City Staff	7.5% buyers premium if payments are collected by City 12.5% buyers premium if payments collected by GovDeals and payment is remitted to City within 3-5 days
Purple Wave, Inc	15	Manhattan, KS	8	City of North Kansas City, MO, MO Dept Transportation, Harrisonville, Platte City Sheriff	none	mailers, e-mails and listings on 180 industry websites	yes	yes	Purple Wave Staff	Bidding 14-28 days, buyer payment 2 days, asset pickup 14 days	none	\$10.00	none	less than 1% per \$200,000	Purple Wave Staff	10% buyers premium, all payments collected by Purple Wave and payment remitted to City within 20 business days

UMBRELLA AUCTION AGREEMENT

Entity owning property to be sold: City of Nevada, Missouri
Contact Person: Kristie Modlin, City Treasurer
Address: City Hall, 110 S. Ash Street, Nevada, Missouri 64772
Telephone: 417.448.5503
Fax: 417.381.1938

AGREEMENT TO SELL AT AUCTION

Seller hires Purple Wave, Inc. ("Auctioneer") to sell, as Seller's agent, the Property listed on any valid Exhibit 1 to Umbrella Auction Agreement (each exhibit referred to herein individually and collectively as "Exhibit 1") provided to Auctioneer during the effective period of the Agreement (as defined below) at public auction (each auction referred to herein individually and collectively "Auction"), and Auctioneer agrees to use its best professional efforts to auction the Property. This auction contract sets out the parties' auction services agreement ("Agreement").

A. AUCTIONEER WILL DO THE FOLLOWING:

1. Exercise its best professional judgment and effort to lot and market the Property by Auction in a manner that is most likely to yield the best net sales prices under the circumstances. Although Auctioneer will use its best efforts, no guarantees or representations regarding the level of bidder interest the Property may attract number of bids or ultimate price that may be received are made by Auctioneer.
2. Use its best efforts to qualify bidders and collect payment from them when the Auction is over. However, Auctioneer does not guarantee collection of payment from winning bidders.
3. Settle the Auction with Seller within 20 business days after each Auction occurs. Any special settlement instructions should be given to Auctioneer before settlement is made ready.

B. SELLER UNDERSTANDS AND AGREES TO THE FOLLOWING:

1. Seller has the power to sell and convey the Property free and clear of any liens or encumbrances without consent or approval of any third party and without condition or contingency except as expressly noted otherwise in an Encumbrance Disclosure delivered to Auctioneer.
2. Seller will work with Auctioneer to complete all Exhibit 1 and related documents necessary to present full and accurate information about the Property to prospective bidders.
3. The property will be sold "absolute" and "without reserve, and the highest bid accepted by Auctioneer is the hammer price Seller will accept for the Property, less the compensation due Auctioneer. Once Auctioneer has placed the Property on www.purplewave.com and received a bid on it, the Auction has begun and the Property must and will be sold for the highest bid received by the end of the Auction. Auctioneer may use words indicating the absolute nature of the auction in its event advertising.
4. It is illegal and against Auctioneer's policies for Auctioneer (acting as Seller's agent), Seller or someone else acting on Seller's behalf to bid on the Property. In the event Seller or someone bidding on Seller's behalf bids on the Property, Seller will pay Auctioneer two times the Seller Commission and Buyer's Premium Auctioneer would have otherwise earned on the declared final bid price for the Property, regardless of whether Seller, Seller's agent or an innocent third party is the declared winner of the Property. If an innocent third party is the declared winner, then Auctioneer may complete the sale to that innocent third party and adjust the purchase price to reflect the last good faith bid.

5. If Seller notices anything missing or incorrect about the Property description on www.purplewave.com or in the auction advertising, then Seller will notify Auctioneer immediately.
6. The Property is free and clear of encumbrances except as indicated on an Encumbrance Disclosure forwarded with each Exhibit 1.
7. Seller will deliver to Auctioneer any certificate of title Seller has at the beginning of the Auction, endorsed in blank, and Auctioneer may defer commencement of the Auction until a certificate of title is delivered. Auctioneer covenants to handle all titles solely in its capacity as agent of Seller. Seller grants Auctioneer a limited power of attorney to endorse all titles on Seller's behalf for transfer to winning bidders. Seller agrees to provide all additional evidences of authority required by government agencies to demonstrate Auctioneer's power to endorse titles for the Property on Seller's behalf.
8. Seller agrees Auctioneer shall collect from each winning bidder a standard buyer's premium of 10% of the high bid(s) for the Property and retain those amounts as compensation for Auctioneer's services. Seller also agrees that Auctioneer may charge late payment fees from winning bidders. Auctioneer will deduct all buyer premiums and fees payable by Seller from Seller's gross auction proceeds and provide an itemized accounting.
9. Seller will not sell, remove or withdraw any portion of the Property from the Auction except with prior written consent by Auctioneer. Auctioneer is not required to give that consent, but if it does, Seller may be charged a cancellation fee plus (a) the full Buyer's Premium and Seller Commission for the Property based on a third party appraisal and (b) all expenses for advertising, advertising retractions, promotion, out of pocket expenditures, and Auction execution expenses accrued as of the date of cancellation or withdrawal.
10. The Property will be represented and sold in its "as is, where is" condition, without warranties of any kind by Seller or Auctioneer. Seller will complete all Property information and condition disclosure forms requested by Auctioneer. If there is a dispute with a winning bidder over the condition of the Property, Auctioneer will attempt to resolve the issue on behalf of the Seller but may, if necessary, seek Seller's assistance in the resolution.
11. Auctioneer will post the results of the Auction, including realized bid prices, on Auctioneer's website.
12. The Property will sell in an Internet-only auction on Auctioneer's website.

C. MISCELLANEOUS

1. This Agreement is agreed to be concluded in Missouri, and shall be governed by Missouri law, without regard to its law pertaining to conflict of laws, and any dispute shall be decided in the Circuitry Court of Vernon County, Missouri. The Parties consent to that venue and to that court's personal jurisdiction. This agreement may be executed in duplicate and in counterparts, but all counterpart signatures shall constitute one original. Facsimile signatures and scanned/emailed signatures on this Agreement shall be as sufficient as original ink signatures. This Agreement is the whole agreement between the parties and all prior discussions, agreements or understanding are completely merged into and superseded by this Agreement.
2. This contract is concluded by the parties in response by the Auction service to the City's requires for proposals. The terms of the Request for Proposals are acceptable to the Auctioneer and said Request is made a part of this agreement and both parties will be bound thereby.

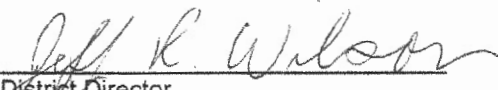
3. All other written terms of the agreement notwithstanding, either party may withdraw from further sales assignments under the contract at any time for a good reason, for a bad reason or for no reason at all.

The parties execute this Agreement this _____ day of _____, 2015:

SELLER, City of Nevada, Missouri:

JD Kehrman, City Manager

AUCTIONEER, Purple Wave, Inc.:



District Director

ENCUMBRANCES DISCLOSURE



Seller: City of Nevada, MO Customer Number: _____

Effective Date of Disclosure: _____ Auction Date: _____

Answer each of the following regarding assets we are contracting to sell.

- 1. Do you or your business own all the assets we are contracting to sell?
(If no, a seperate contract is required for each asset owner.) Yes: No:
- 2. Do you or your business owe money on these assets? Yes: No:
- 3. Do you or your business have a secured line of credit for which these assets may be considered collateral? Yes: No:
- 4. Do you or your business have any tax liens?
(If yes, contact Dave Sommers IMMEDIATELY.) Yes: No:
- 5. Have you been or are you involved in any recent, current or pending bankruptcy filings, lawsuits, or other events that could result in others making claims against the final settlement of asset proceeds? Yes: No:
- 6. Will any of these assets be part of a 1031 Like-Kind Exchange? Yes: No:

Additional Information Required

If you answered Yes to 2. or 3. above; please complete the following:

Lending Institution	Lender Contact	Lender Phone Number

Seller verifies the completeness and accuracy of the foregoing information to the best of Seller's knowledge. Seller agrees that Auctioneer may review public records as to lien-status of assets.

Seller Signature: x

Date: x

EXHIBIT 1 PROPERTY LIST

(print additional pages as needed)



Seller: City of Nevada, MO Customer Number: _____

ICN	Description of asset	Asset has title?

This Exhibit 1 establishes the assets list that will be auctioned under the terms and conditions of the attached Auction Agreement.

Please select one below if above is blank:

- You will be using the listing sheet(s) and/or data capture sheet(s) as Exhibit 1. (Seller initials required on each sheet)
- You will provide a separate list of assets to be consigned as Exhibit 1. (Seller signature is required on separate list)

Seller's Signature: x

Page ____ of ____

SPECIAL SETTLEMENT INSTRUCTIONS

(print additional pages as needed)



Seller: City of Nevada, MO Customer Number: _____

Auction Date: _____

INSTRUCTIONS

If Property is being sold as part of a Like-Kind Exchange, pursuant to section 1031 of the Internal Revenue Code as enacted by the Congress of the United States of America, please complete the 1031 Like-Kind Exchange Special Settlement Instructions form.

In accordance with the Internet Auction Agreement, net proceeds from the auction of your Property will be settled within 20 business days after the auction occurs.

By default, Purple Wave will disburse the net proceeds to you, by check, using the information on the Internet Auction Agreement. If you would like the proceeds dispersed to multiple payee's and/or via wire transfer or ACH, please complete the following information below.

I instruct Purple Wave, Inc., to disburse the net proceeds from auction of my Property as follows:

Payee #1

Payee Name: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone: _____
Email: _____

This Payee should receive (choose one):

- All net proceeds from all Property OR
- Net proceeds from the following lots within the auction:

Payee #1 Wire/ACH Instructions

Bank Name: _____
ABA Routing Number: _____
Account Name: _____
Account Number: _____

Payee #2

Payee Name: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone: _____
Email: _____

This Payee should receive (choose one):

- All net proceeds from all Property OR
- Net proceeds from the following lots within the auction:

Payee #2 Wire/ACH Instructions

Bank Name: _____
ABA Routing Number: _____
Account Name: _____
Account Number: _____

Seller Signature: x

Date x