



# City Council Report

**Date:** October 6, 2014  
**To:** City Council  
**Through:** Alex Deshuk, Manager of Technology and Innovation  
**From:** Edward Quedens, MPA, C.P.M., CPPO, Business Services Director  
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator  
**Subject:** Three-Year Term Contract for Auctioneering Services for the Fleet Services, Police and Business Services Departments **(Citywide)**

## Purpose and Recommendation

Council is requested to approve the Term Contract for Auctioneering Services as recommended. A committee representing Fleet Services, Materials and Supply, Police, Purchasing, and members from the cooperative (Cities of Peoria, Apache Junction and Chandler) evaluated responses.

The evaluation committee recommends awarding the contract to the highest scored Best and Final (BAFO) proposals from The Public Group, LLC and Sierra Auction Management, Inc.

## Background / Discussion

The City of Mesa (as the lead agency) solicited Request for Proposals (RFP) for Auctioneering Services for surplus City vehicles and equipment on June 19, 2014. Cooperative partners include: City of Chandler, City of Apache Junction, Town of Queen Creek, Town of Fountain Hills, Town of Gilbert, City of Peoria, City of Scottsdale, City of Glendale, City of Goodyear, City of Surprise, Maricopa County, Pinal County, Maricopa County Community College District, Pima Community College and Phoenix-Mesa Gateway Airport Authority. In addition, any and all S.A.V.E cooperative members may also purchase from the resulting contract.

The City currently uses a full service auction service to dispose of City vehicles, equipment, and other surplus property. The number of vehicles and heavy equipment being auctioned is approximately eighty per year. The variety of items sold include: Police cars, pickup trucks, utility trucks, backhoes, motorcycles and refuse trucks.

The auctioneer will dispose of surplus City vehicles, equipment, firearms and other surplus property as needed. The main objective is to maximize the return of surplus sales and minimize operational costs.

PropertyRoom's response was determined to be non-responsive because of unacceptable exceptions and for not following the required pricing structure.

Staff from Fleet Services, Materials and Supply, Police, and Purchasing, and members from the cooperative (Cities of Peoria, Apache Junction and Chandler) evaluated the

original proposal responses based on the evaluation elements as listed in the proposal, and then requested a Best and Final to obtain further clarification on Pricing. The highest scored BAFO proposals: The Public Group, LLC, and Sierra Auction Management, Inc., are being recommended for award. The evaluation committee unanimously agreed on the recommendation.

The Public Group offered the City and the cooperative members online auction services via their "Public Surplus" website with no fees to the seller to use their online system. Public Surplus fees are paid by the winning bidder. In addition, the City was able to negotiate with The Public Group to receive a revenue sharing option. The City would receive a 5% royalty of TPG's revenue from any participating cooperative members.

## **Alternatives**

Council may choose not to authorize the purchase and the City may use a State or County cooperative contract for these auctioneering services. This may yield less revenue from the City's surplus property sent to auction.

## **Fiscal Impact**

This contract provides revenue to the City based on the sale price of the item less any of the buyer's premium percentage and seller's premium percentage.

## **Coordinated With**

Fleet Services, Materials and Supply, Police, and Purchasing, and members from the cooperative (Cities of Peoria, Apache Junction and Chandler)

## **PURCHASING INFORMATION**

Action: Initial Award

Procurement Type: Request for Proposals

Solicitation Number: 2014085

Vendors Registered on Bid List: 47 (8 Mesa) and Vendor Self-Service 5

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Downloads: Twenty-One

Responses: Six

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Two, one-year renewals subject to future Council consideration

Prices: Future price increases are capped by the Consumer Price Index

Pricing Available to Other Cooperative Agencies: Yes

## **Proposals received on July 16, 2014:**

Bar None Enterprise dba Bar None Auction - Rancho Cordova, CA

GovDeals, Inc. - Montgomery, AL

PropertyRoom.com, Inc. - Frederick, MD

Sierra Auction Management, Inc. - Phoenix, AZ (Recommended)

The Public Group, LLC - Provo, UT (Recommended)

Western Sales Management Inc. dba WSM Auctioneers (WSM) - Phoenix, AZ

## EVALUATION SUMMARY

### On-Site Auctions

Criteria	Points Available	Bar None Auction	GovDeals	Property Room.com	Sierra Auction	The Public Group	WSM Auctioneers
Business Reputation	35	25			34		32
Qualifications	35	25			32		30
Pricing	30	24			24		25
<b>Total</b>	<b>100</b>	<b>74</b>	<b>n/a</b>	<b>n/a</b>	<b>90</b>	<b>n/a</b>	<b>87</b>

### Online Auctions

Criteria	Points Available	Bar None Auction	GovDeals	Property Room.com	Sierra Auction	The Public Group	WSM Auctioneers
Business Reputation	35	25	25		32	35	31
Qualifications	35	25	25		31	34	30
Pricing	30	14	26		26	24	6
<b>Total</b>	<b>100</b>	<b>64</b>	<b>76</b>	<b>Non-Responsive</b>	<b>89</b>	<b>93</b>	<b>67</b>

### Firearms

Criteria	Points Available	Bar None Auction	GovDeals	Property Room.com	Sierra Auction	The Public Group	WSM Auctioneers
Business Reputation	35				34		
Qualifications	35				33		
Pricing	30				20		
<b>Total</b>	<b>100</b>	<b>Non-Responsive</b>	<b>Non-Responsive</b>	<b>Non-Responsive</b>	<b>87</b>	<b>n/a</b>	<b>Non-Responsive</b>

**AWARD RECOMMENDATION**

***Sierra Auction Management, Inc.***  
**Phoenix, AZ**

Description
Auctioneering Services for <u>On-Site Auction, Online Auctions and Firearms</u> per Terms and Conditions and Specifications. Vendor is paid per the Buyer's and Seller's Premium Rates as identified in the BAFO.

***The Public Group, LLC***  
**Provo, UT**

Description
Auctioneering Services for <u>Online Auctions</u> per Terms and Conditions and Specifications. Vendor is paid per the Buyer's Premium Rate as identified in the BAFO.