



# City of Norman, OK

Municipal Building Council  
Chambers  
201 West Gray Street  
Norman, OK 73069

## Master

**File Number: K-1213-122**

**File ID:** K-1213-122

**Type:** Contract

**Status:** ATS Paused

**Version:** 1

**Reference:** Item No. 21

**In Control:** City Council

**Department:** Finance Department

**Cost:**

**File Created:** 03/19/2013

**File Name:** Big Iron Online Auction Service

**Final Action:**

**Title:** CONTRACT NO. K-1213-122: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND BIG IRON ONLINE AUCTIONS TO PROVIDE AUCTIONEER SERVICES FOR THE CITY OF NORMAN AND PERFORMANCE BOND NO. B-1213-98.

**Notes:** ACTION NEEDED: Motion to approve or reject Contract No. K-1213-122 with Big Iron Online Auctions and Performance Bond No. B-1213-98; and, if approved, authorize the execution of the contract and performance bond and direct the filing of the bond.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 07/09/2013

**Agenda Number:** 21

**Attachments:** Text File Auction, Bid Record Auction, Perf B-1213-98

**Project Manager:** Fred Duke, Procurement Analyst

**Entered by:** Ellen.Usry@NormanOK.gov

**Effective Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File K-1213-122

Body

**BACKGROUND:** Pursuant to Article III of Section 8 of the City Code, the City of Norman has an ongoing process of declaring items/equipment as surplus and/or obsolete and selling surplus items at auction. Throughout the years, the City has utilized the services of several different auction companies to sell these items.

**DESCRIPTION:** On December 3, 2012, Request for Proposal RFP-1213-59 for auction services was mailed to three vendors and advertised in The Norman Transcript. The closing date for the RFP was December 18, 2012. All three vendors responded with proposals as follows:

Govdeals is an online auction company which charges up to a 7.5% buyer's premium (the premium varies based on the amount of the item being auctioned);

Big Iron Online Auctions charges up to 7% commission with no buyer's premium;

Rosenfelt Auction Services charges a 15% commission.

It is proposed to utilize an online auction service for the vehicles and equipment stored at the Fleet Maintenance Division as online auctions for vehicles tend to generate higher revenue versus traditional auction methods. A buyer's premium is a percentage additional charge on the winning bid at auction that must be paid by the winner. It is typically charged by the auctioneer to cover administrative expenses. The buyer's premium goes directly to the auction house and not to the seller.

Under Govdeals' proposal, the City would photograph the items and upload them onto the Govdeals website. The City would be responsible for invoicing the winning bidder for the bid plus the buyer's premium, collecting payment, and remitting the buyer's premium to Govdeals as invoiced.

Rosenfelt Auction Services was the only vendor that submitted a proposal for live auctions. It is anticipated that Rosenfelt will be used for all other general merchandise. Rosenfelt will also be responsible for the storage and safekeeping of surplus items, and for accounting for the auction proceeds. Rosenfelt Auction Services has been used by the City of Norman with very positive results for the disposal of surplus items. Rosenfelt meets specifications and will offer a complete turnkey operation. Rosenfelt will be responsible for transferring the property to their location for inclusion in their auctions.

Big Iron Online Auctions is based in Ada, Oklahoma. Under the Big Iron proposal, Big Iron would photograph and post all vehicles and equipment at Fleet Maintenance as well as post video of operational equipment. Color brochures would also be distributed and Big Iron would administer all aspects of the bidding and collection process. The City of Ada, Dewey County Commissioners, and Pottawatomie County use Big Iron and recommend their services. Based on the services they proposed, Big Iron Online Auctions was selected as the best online auction service for the City of Norman.

Big Iron Online Auctions has executed the attached Contract as well as the attached Performance Bond in the amount of \$50,000. Under the terms of the Contract, Big Iron will hold online auction for the following surplus items: vehicles; office equipment; supplies of any description; tools of any description; equipment of any description; personal property; jewelry; bicycles; and miscellaneous items. Items listed with Big Iron Online Auctions will be exclusive listings. None of the items will have a reserve price. The auctioneer will disburse the funds owed the City of Norman within fourteen business days of the end of the auction. Big Iron Online Auctions agrees to protect, defend, indemnify and hold harmless the City of Norman and its officers, employees and agents from and against any and all losses, penalties, damages, settlements, claims, costs charges for other expenses, or liabilities of every and any kind including attorney fees, in connection with or arising directly or indirectly out of the work agreed to be performed by the Auctioneer. Big Iron shall provide Worker's Compensation insurance in accordance with State Laws and Liability Insurance of at least \$1,000,000 per occurrence.

**RECOMMENDATION:** Staff recommends approval of Contract K-1213-122 with Big Iron Online Auctions and Performance Bond No. B-1213-98. The contract for services will for one year from the date of City Council approval. The City reserves the right to extend the contract for up to three (3) one-year periods, providing all parties agree to the extension.