

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

August 20, 2019

FROM

LAURIE ROZKO, Director, Purchasing Department

SUBJECT

Contracts for Auctioneer Services

RECOMMENDATION(S)

1. Approve the following four (4) agreements for the sale of County surplus personal property including vehicles, heavy equipment, and general equipment and furniture, at fixed rates listed in Attachment A, from August 21, 2019 through August 20, 2024:
 - a. JJ Kane Associates Inc. dba Ken Porter Auctions **Contract No. 19-564**
 - b. I-15 Auctions, Inc. **Contract No. 19-565**
 - c. IronPlanet, Inc./Ritchie Brothers Auctioneers, Inc. **Contract No. 19-566**
 - d. US Auctions **Contract No. 19-567**
2. Direct the County Administrative Office to establish a standard practice requiring departments to rotate vendors for auctioneer services.
(Presenter: Laurie Rozko, Director, 387-2074)

Board Direction: The Board directed staff to develop a standard practice that prioritizes local vendors.

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The County receives proceeds from items sold in auctions, less any commission and fees. Proceeds from vehicles offset the cost of replacement vehicles and heavy equipment for departments, and approximately \$150,000 from general equipment and furniture each year offsets the operating costs of the Surplus Property Division of the Purchasing Department.

BACKGROUND INFORMATION

The Purchasing Agent is mandated to direct the sale or disposal of County personal property no longer required for public use. County Policy 11-09 requires departments to coordinate disposal of surplus property through the Purchasing Department, and contracts for auctioneer services are used to facilitate liquidation of vehicles and equipment.

On July 18, 2018, the Purchasing Department released Request for Proposal (RFP) AGENCY19-PURC-3009 for Auctioneer Services. Seven proposals were received by the submittal deadline, and were evaluated based on Qualifications and Experience, Technical

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Work Plan, Revenue, Local Preference, and References. Staff recommended contracts with four vendors on September 25, 2018. Due to a vendor protest and allegations among the vendors regarding hidden fees, it was determined that the RFP would be terminated and reissued.

During the interim period, purchasing utilized an existing online auctioning contract with PublicSurplus.com, previously approved by the Board of Supervisors, and a competitively bid cooperative contract with GovDeals through the National Association of State Procurement Officials (NASPO) which the County can participate in as a subdivision of the State of California.

PROCUREMENT

Prior to releasing a new RFP, staff conducted additional research regarding extraneous fees, such as gate fees, as well as current contracts with neighboring county agencies. Other goals for the new RFP included adjusting the cost evaluation to better reflect net proceeds to the County, assessing recent auction returns on capital equipment for each vendor, and including commissions and buyers' premium costs in the formula to calculate overall best value.

On January 25, 2019, the Purchasing Department released RFP AGENCY19-PURC-3171 for Auctioneer Services. The following eight agencies submitted proposals by the deadline, including one additional vendor (PropertyRoom.com Inc.) that hadn't submitted a proposal in 2018.

Vendor	Headquarters Location
I-15 Auctions, Inc.	Hesperia, CA
JJ Kane Associates Inc. dba Ken Porter Auctions	Jurupa Valley, CA
IronPlanet, Inc./Ritchie Brothers Auctioneers, Inc.	Ft. Worth, TX
US Auctions	Upland, CA
GovDeals Inc.	Montgomery, AL
The Auction Company	Colton, CA
General Auction Company	Buena Park, CA
PropertyRoom.com Inc.	Frederick, MD

All proposals were evaluated based on Qualifications and Experience, Technical Work Plan, Cost/Revenue, Local Preference and References by a panel including representatives from the Sheriff-Coroner/Public Administrator (Sheriff), Fleet Management (Fleet), Public Works, and the Purchasing Surplus Property Division (Purchasing). Staff is recommending contracts with the four highest rated vendors to manage the County's varying needs and overall volume, and to enhance geographic coverage throughout the County. Intent to award and denial letters were sent on June 14, 2019, and no protests were received within the appeal period.

Attachment A reflects the fixed rates for each recommended vendor. In the case of a commission, the dollar amount will be deducted from the sales price and the remainder remitted to the County. In the case of a buyer's premium, the dollar amount is paid by the buyer in addition to the sales price. The premium is retained by the vendor and the full sales price is remitted to the County.

Vendors may handle seized assets, vehicles, heavy equipment and general surplus property as follows:

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Ken Porter can handle seized assets for the Sheriff, heavy equipment for Public Works, vehicles for both Fleet and the Sheriff, and general surplus property for Purchasing, including standalone or simultaneous online auctions of any of these items, and tiered online auctioning for Purchasing. Tiered online auctioning is offering surplus property to County departments for reuse prior to public auction.

US Auctions can handle seized assets for the Sheriff, heavy equipment for Public Works, vehicles for Fleet and the Sheriff, general surplus property for Purchasing, including simultaneous online auctions of any of these items.

Ritchie Bros. can handle heavy equipment for Public Works and vehicles for Fleet and the Sheriff, including standalone or simultaneous online auctions for these items.

I-15 Auctions can handle seized assets for the Sheriff, heavy equipment for Public Works, vehicles for Fleet and the Sheriff, and general surplus property for Purchasing, including standalone or simultaneous online auctions of any of these items, and tiered online auctioning for Purchasing.

Currently, County departments may utilize the vendor that best meets their needs for auction frequency, transportation or repair of equipment and vehicles, software features, marketing and customer service.

Recommendation No. 2 directs the County Administrative Office to establish a standard practice for departments to rotate auctioneer vendors.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on June 28, 2019; Risk Management (Leanna Williams, Director of Risk Management, 386-8623) on June 27, 2019; Finance (Allegra Pajot, Administrative Analyst, 387-5005) on July 4, 2019; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-4376) on July 8, 2019.

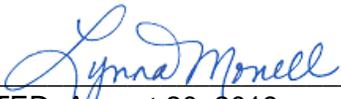
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Record of Action of the Board of Supervisors
County of San Bernardino

DEFERRED/APPROVED WITH BOARD DIRECTION

Moved: Josie Gonzales Seconded: Dawn Rowe
Ayes: Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales
Absent: Robert A. Lovingood

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 20, 2019



cc: Purchasing- Brock w/agree
 Contractor c/o Purchasing w/agree
 File- w/agree
vh 08/22/2019