

ADVERTISEMENT  
REQUEST FOR BIDS  
EQUIPMENT AUCTION SERVICES CONTRACT  
AT  
CITY OF PONTIAC, MICHIGAN

The City of Pontiac requests bids and qualifications for providing equipment auction services for the liquidation of various City of Pontiac surplus vehicles, equipment, and other items. The successful Proponent(s) shall supply all of the necessary equipment, personnel and supplies needed to perform the work.

Bids must be received in the City Clerk's office, City Hall, 47450 Woodward Avenue, Pontiac, MI 48342, prior to 2:00 p.m., Eastern Standard Time on Monday, March 10, 2008. Proposals must be submitted in a sealed envelope, via mail or in person, plainly marked "Equipment Auction Services Bid." Bids will be accepted only during the normal course of business from 8:00 a.m. until 5:00 p.m., Monday through Friday, prior to 2:00 p.m. on Monday, March 10, 2008. No bid will be considered which is received after the time mentioned.

Copies of the Request for Bid and Qualifications will be available on Monday, February 25, 2008, and can be obtained at the Department of Public Works and Utilities offices, located at 55 Wessen Street, Pontiac, MI 48341. Office hours are from 8:00 a.m. until 5:00 p.m., Monday through Friday. Copies of the Request for Bid and Qualifications are also available from the City of Pontiac Web Site at [www.pontiac.mi.us](http://www.pontiac.mi.us)

Questions about the request for bid(s) may be directed to Daniel Rhodes, General Services Superintendent at (248) 758-3700, [drhodes@pontiac.mi.us](mailto:drhodes@pontiac.mi.us)

The contract to be executed by the successful Proponent and the city will be furnished by the City of Pontiac. No bid once submitted may be withdrawn for at least 60 days after the actual opening of the bid.

The right to accept any proposal, to reject any or all bids, and to waive defects in bids, in the best interest of the City, is reserved by the City of Pontiac.

\_\_\_\_\_  
**Allan E. Schneck P.E., Executive Director**  
**Public Works and Utilities Department**

\_\_\_\_\_  
**By Order of Clarence E. Phillips**  
**Mayor City of Pontiac**

**CITY OF PONTIAC**

**Equipment Auction Services Contract**

This contract made this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the City of Pontiac, a municipal corporation, whose address is City Hall, 47450 Woodward, Pontiac, Michigan 48342 (“City”). And \_\_\_\_\_ (“Contractor”) through its principal. \_\_\_\_\_.

**I. ENGAGEMENT OF CONTRACTOR**

- 1.01 The City engages the Contractor and the Contractor agrees to provide and perform equipment/property auction services for the City, for a five year period beginning May 1, 2008, as required by the City.

**II. TITLE**

- 2.01 The Contractor is hereby designated “City Auctioneer/Contractor”.

**III. INDEPENDENT CONTRACTOR**

3.01 The parties agree that the relationship of the Contractor to the City is to be that of an independent contractor and no liability or benefits, such as workers compensation rights or liabilities, retirement benefits or liabilities, pension rights or liabilities, insurance rights or liabilities, holiday pay, sick pay, vacation pay, personal injury or property insurance rights or liabilities, or other such rights, provisions or liabilities arising out of a contract of hire or employer-employee relationship, either express or implied, shall arise or accrue to either party as the result of this agreement and undertaking. This contract shall not constitute either party to be the legal representative, employee or agent of the other, nor shall either party have any right or authority to assume, create or incur any liability or obligation of any kind, express or implied, against or in the name of or on behalf of the other party.

**IV. SCOPE OF SERVICES**

4.01 The Contractor shall perform in a satisfactory and proper manner the services outlined in Section 4.02. The Contractor shall, during the contract term, use its best efforts and devote such time, attention, skill, knowledge and professional ability to effectively carry out and perform the services.

- 4.02 The Contractor will perform the following specific services:

- 1) Provide and host up to two public equipment/vehicle/property auctions per year for five years at the below designated location.

- 2) The designated site of the auction will be in the City of Pontiac owned parking lot located within tax ID 14-27-400-025. This location is more commonly known as the Silverdome South Auxiliary Lot. This site is rented to the auctioneer as-is with no maintenance or operational support provided by the City. Upon completion of the auction, the auctioneer will return the site to the City in the same condition that it was rented. The auctioneer will pay the City \$2,500.00 per auction event day as site rent for each public auction event held in the described location. The auctioneer will have the right to use the parking lot for up to two weeks for each auction. An auction event day is a day where auctioning of items is actually occurring. An auction is one or more sequential auction event days needed to sell items.
- 3) The auctioneer will sell to the highest bidder, through public auction, items provided by the city. The auctioneer may also sell at the same public auction, items provided to the auctioneer by third parties.
- 4) Items provided by the City for sale in the auction will be free of liens, encumbrances, etc. The City will deliver the designated City items and associated owner records/titles/deeds etc. to the auction site within the time frame agreed to between the City and the Auctioneer for each specific auction event. It is understood that some items such as real estate and items too large to be moved may be sold at the designated auction without the item actually being present at the auction event. The City will provide one digital picture and a brief written description of each City item to be entered into an auction within the time frame agreed to between the City and the Auctioneer.
- 5) The Auctioneer will sell all accepted City provided items as-is where-is. The auctioneer has the right to combine City provided items into lots if individual items in the lot are estimated by the auctioneer to otherwise sell for less than \$100.00. The auctioneer agrees to make live on site bidding, live phone bidding, and live internet bidding available to potential bidders. The auctioneer also agrees to make competitive bids for potential buyers who cannot attend but who have submitted their maximum bid amounts to the Auctioneer in advance of the auction.
- 6) The Auctioneer has the right to refuse to accept items for sale if the item(s) do not meet the criteria listed in this contract.
- 7) The auctioneer agrees to pre-register each potential bidder.

- 8) The auctioneer agrees to accept payment from winning bidders in the form of cash, Visa, Master Card, and/or cashiers check. Personal or company checks will only be acceptable if accompanied with a irrevocable letter of guarantee from the issuing bank guaranteeing payment to the Auctioneer.
- 9) The auction will include a maximum of 5% buyers premium charge for credit card purchases and a maximum of 2% buyers premium on cash and certified funds purchases. The buyers premium remains the property of the auctioneer.
- 10) The auctioneer agrees to make Pre-auction equipment financing approvals available to qualifying potential bidders, through a qualified funding corporation.
- 11) The auctioneer must also be a motor vehicle broker in the State of Michigan. As broker the auctioneer will charge a maximum of \$110 title and plate transfer fee on titled vehicles in addition to sales tax, buyers premium and winning bid amounts. If the buyer is a dealer registered in Michigan than the maximum title transfer fee on titled vehicles will be \$25.
- 12) The auctioneer is responsible for all costs associated with providing the auction, advertising for the auction, and buyer processing.
- 13) The Auctioneer will provide a list of advertising methods that it will use and this list will be considered in determining the best auction services bid. The auctioneer will also provide a list of experience and qualifications and this list will be considered in determining the best auction services bid.
- 14) The auctioneer agrees to charge the City a fixed percentage of the hammer price for all city items sold. The hammer price does not include buyers premium charges or the other buyer fees that are described above. The auctioneer charge to the City for City items sold will be \_\_\_\_\_% of the hammer price.
- 15) The auctioneer agrees to provide 24 hour a day security for the auction location to guard against theft and vandalisim of items placed in the auction. The auctioneer agrees to not allow possession of any items by the winning bidder until the item has been paid for in full. The auctioneer agrees to not allow any auction items to be removed from the auction location until that item has been paid for in full by the successful bidder.

16) Labor, Materials, Equipment. For all services performed by Contractor pursuant to the terms of this Agreement, Contractor shall furnish all labor, materials, equipment and insurance, as specified herein. Contractor shall be responsible to maintain, store and secure its own equipment and, except for acts of willful misconduct or gross negligence by the City or any of its employees, agents representatives or contractors, the City shall not be liable for any damage to any equipment.

## **V. CONTRACT TERM**

- 5.01 The services of the Contractor are to commence immediately upon notification to proceed by the City or May 1, 2008, (which ever is later). This service contract will expire on April 30, 2013.

## **VI. SPECIAL CONSIDERATION**

- 6.01 While it is understood that the Auctioneer does not guarantee the success of the City's equipment and property auctions, the Auctioner does guarantee to sell each city item for the highest amount that competitive bidding in a well advertised auction will allow.

## **VII. METHOD OF PAYMENT**

8.01 The Contractor shall provide the City a statement of services rendered at the end of each auction. The Contractor's statement of services shall include a detailed sales list describing each City item sold, City item hammer price, auctioneer charge on item, and the item net revenue to the City after deducting the auctioneer percentage charge. This list will include a total net revenue due to the City for the auction. An auction net revenue check made payable to "The City of Pontiac" will be delivered within 14 days after the final day of the auction to the City of Pontiac Revolving Fund "Attn Rob Englund" at 55 Wessen St, Pontiac, MI 48341. This net revenue check and associated itemized sales list of City items, will also include the payment to the City for use of the auction site.

## **IX. INDEMNITY**

9.01 The Contractor agrees to defend, indemnify, and hold harmless the City from and against any all liabilities, obligations, damages, penalties, claims, actions, lawsuits, judgments, losses, costs, charges and expenses (including without limitation, fees and expenses of attorneys, expert witnesses and other consultants) arising as a result of any act or omission of Contractors or from any breach, error, failure, default, and any of the Contractor's covenants, representations and warranties under this contract.

- 9.02 The Contractor also agrees that it is the Contractor's responsibility and not the

responsibility of the City to safeguard its property and materials that the Contractor uses pursuant to the Contractor's performance under this contract. Further, the Contractor agrees to defend, indemnify and hold the City harmless for any loss of such property and materials used by the Contractor.

9.03 The Contractor shall procure and maintain during the term of this Contract, the insurance coverage's outline below. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverage shall be with insurance carriers acceptable to the City of Pontiac.

1. Workers Compensation Insurance: The Contractor shall procure and maintain during the life of this Contract, Workers Compensation Insurance, including employers liability in accordance with all applicable statutes of the State of Michigan.
2. Commercial General Liability Insurance: The Contract shall procure and maintain during the life of this contract, Commercial General Liability Insurance on an "occurrence basis" with limits of liability of not less than \$2,000,000.00 (two million dollars) per occurrence and/or aggregate combined single limit, personal injury, bodily injury and proper.
  - (a). Contractual Liability;
  - (b). Products & Completed Operations Coverage;
  - ©. Independent Contractors Coverage;
  - (d). Broad Form General Liability Extension or equivalent;
  - (e). Deletion of all Explosion, Collapse and Underground (XCU) Exclusions, if applicable;
  - (f). Annual contract aggregate applicable to this contract
3. Motor Vehicle Liability: The Contract shall procure and maintain during the life of this contract, Motor Vehicle Liability Insurance, Including Michigan no-fault coverage's, with limits of liability of not less than \$2,000,000.00 (two million dollars) per occurrence combined single limit Bodily Injury and Property Damage. Coverage shall include all owned, non-owned and hired vehicles.
4. Additional Insured: Commercial General Liability Insurance, and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following as "Additional Insured": The City of Pontiac, all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof.
5. Cancellation Notice: Workers Compensation Insurance, Commercial

General Liability Insurance, and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following: “It is understood and agreed that thirty (30) days advance Written Notice of Cancellation, Non-Renewal, Reduction and/or Material Change shall be sent to: Risk Management, 47450 Woodward Avenue, Pontiac, Michigan 48342

6. Proof of Insurance: The Contract shall, prior to the commencement of work under this contract, deliver to Risk Management, Certificated of Insurance evidencing the coverages outlined above. If so requested, the Contractor shall deliver to the City of Pontiac representative certified copies of all policies outlined above.

## **X. TERMINATION**

10.01 The City has the right, within its sole discretion, to terminate this contract with or without cause by giving notice to the Contractor of such termination, specifying the effective date thereof, at least forty-five days before the effective date of such termination, and this contract shall terminate in all respects as if such date was the date originally given for the expiration of the contract.

## **XI. COMPLIANCE WITH LAWS**

11.01 The Contractor shall comply with all applicable federal, state, or local laws (including all City policies and procedures) ordinances, codes, rules or regulations in the performance of services.

## **XII. CONFLICT OF INTEREST**

12.01 The Contractor covenants that it presently has no personal or financial interest and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of the services under this contract. The Contractor further covenants that no officer, member or employee of the City and not other public official who exercise any functions or responsibilities in their review or approval of the undertaking or carrying out of this contract, has any personal or financial interest, direct or indirect, in this contract.

## **XIII. DEBT TO CITY**

13.01 The Contractor conveys that it is not and will not become in arrears to the City upon contract, debt, or any other obligation to the City including real property, personal property and income tax.

## **XIV. ASSIGNMENT OR SUBCONTRACTING**

14.01 This contract is personal between the Contractor and the City and may not be assigned nor may the services be subcontracted to be performed by anyone other than the Contractor

#### **XV. OTHER CONTRACTS**

15.01 The Contractor may perform the same or similar services for other clients provided that the performance of such other contracts do not interfere with the Contractor's performance of this contract.

#### **XVI. NOTICE**

16.01 Any notice required or permitted to be given pursuant to this contract shall be made in writing and shall be sufficiently given if delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at the addresses indicated above or at such other addresses as notified in writing by a party.

#### **XVII. WAIVER OF BREACH**

17.01 The waiver of a breach of any provisions of this contract shall not operate or be construed as a waiver of any subsequent breach. Each and every right, remedy and power granted to either party where allowed it by law shall be cumulative and not exclusive of any other.

#### **XVIII. AMENDMENT**

18.01 This contract may be amended only by instrument in writing signed by the parties.

#### **XIX. ENTIRE CONTRACT**

19.01 The parties mutually agree that this contract constitutes the entire contract between the parties regarding the subject matter and supersedes any and all agreements, negotiations and discussions, either oral or written.

#### **XX. GOVERNING LAW**

The parties mutually agree that this contract shall be governed and construed in accordance with the law of the State of Michigan.

#### **EQUIPMENT REQUIREMENTS**

Contractor shall furnish all equipment necessary to accomplish the specified work. The Contractor shall absorb all costs of equipment including expenses for routine maintenance and any necessary repairs. Contractor must have sufficient back up equipment to assure continuity of activities in the event of equipment breakdowns.

## ORGANIZATION CHARTS

Attach proposed Organizational Chart.

Detail all employees assigned to this Contract. “Note that Pontiac encourages the use of Pontiac based businesses and the employment of Pontiac residents.”

**CONTRACT AGREEMENT  
BETWEEN  
THE CITY OF PONTIAC  
AND**

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In witness whereof, the parties have executed this agreement the day and year last written below.

WITNESSES:

1) \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_ Date

2) \_\_\_\_\_

LAW DEPARTMENT

Approved As To Form

RISK MANAGEMENT DIVISION

\_\_\_\_\_  
By: \_\_\_\_\_ Date  
City Attorney/Deputy City Attorney

\_\_\_\_\_  
By: Paulette Poehlman Date  
Its: Administrator

WITNESSES:

1) \_\_\_\_\_

FINANCE DEPARTMENT

\_\_\_\_\_  
By: Raymond Cochran Date  
Its: Director, Dept. of Finance

2) \_\_\_\_\_

WITNESSES:

1) \_\_\_\_\_

CITY OF PONTIAC

\_\_\_\_\_  
By: Allan Schneck P.E. Date  
Its: Director, DPW&U

2) \_\_\_\_\_

WITNESSES:

1) \_\_\_\_\_

CITY OF PONTIAC

\_\_\_\_\_  
By: Clarence E. Phillips Date  
Its: Mayor

2) \_\_\_\_\_





