

City of South Daytona

Office of the City Manager

1672 S. Ridgewood Avenue • South Daytona, FL 32119 • 386/322-3014



MEMORANDUM

To: James L. Gillis Jr., City Manager
From: Becky Witte, Deputy City Clerk
Re: Consideration of approving the utilization of GovDeals for the online auctioning of City Surplus Items utilizing a cooperative purchasing agreement with Sourcwell
Date: April 21, 2023

Our Fleet Maintenance Department has several city-owned vehicles and items that have become obsolete for operations or too costly to repair. These items will be declared surplus and disposed of per City Policy. In the past, staff utilized auctioneering services and even held auctions on site. Fleet Maintenance Supervisor, Danny O' Flaherty, has had positive experiences using the services of GovDeals, an online auction house for surplus government and educational inventory.

GovDeals offers a success-based fee structure, charged only on completed auctions. There are no fees if an auction does not result in a completed sale. Items for sale are listed on the GovDeals website and the buyer is responsible for collecting the purchased items. Staff is not responsible for transportation of the items for sale as would be required in a live auction.

GovDeals has provided the City with the opportunity to piggyback off the competitively awarded Sourcwell contract. Sourcwell is an organization that local governments, non-profit organizations and school systems utilize for cooperative purchasing. The City of South Daytona has been a member of Sourcwell for many years.

Staff requests the City Council approve utilizing GovDeals for auctioning City's surplus items utilizing a piggyback agreement from Sourcwell.

Contract #012821-GDI Auction Services

Pricing Update

53. GovDeals offers a success-based fee structure, charged only on completed auctions. There will be no additional fees or charges for our standard services. There will be no fee if an auction does not result in a completed sale, and there will be no charges to the Member for any marketing efforts, training, software upgrades, or consultation and support provided on-site or remotely. The updated pricing model detailed below is consistent with our well-established US and Canadian market pricing.

The Member may choose to utilize GovDeals' system and service with our payment collection and remittance services (FSS) included or may elect to collect its own payments and be invoiced by GovDeals (Non-FSS).

Members already using GovDeals may continue at their current fee structure or adopt the updated pricing and program benefits outlined below.

Pricing

- US- 0% Seller Fee with 12.5% Buyer's Premium
- Canada- 7.5% Seller Fee with 6% Buyer's Premium

Elevated Services Pricing: Offered on a case-by-case basis. GovDeals recognizes that various government agencies have different needs. In this spirit, we offer ceiling pricing of an additional 20% fee (total fee up to 32.5%) to accommodate special circumstances warranting elevated services.

These services may include, in addition to the services offered herein, taking photographs/video of assets for promotion and sale purposes; uploading descriptive content and media to create auction listings; full-service tasks such as transportation and storage of assets (limited to areas where such service is offered) and total management of the auction process.

Note: When a client requests this elevated service model, GovDeals will review the client's specific needs, projected volume, and other relevant details of the prospective account to determine this option's availability on a per-case basis.

Real Estate related Services Pricing: Real estate category fees are aligned and consistent with the existing pricing structure of 12.5%, or significantly lower based on the specific type and price range of each parcel or group of parcels.

55. All Members will be eligible for GovDeals' Volume Discount Program (VDP). This program pays each Member a rebate of 1.25% (US) or 0.75% (Canada) for completed sales. The volume discount payments are now applied to each transaction, or if requested, may be remitted annually. If reduced pricing is offered, such as for higher-priced assets or real estate sales, a volume discount will not be paid on these sales.
