



1 amount not to exceed Two Hundred Thousand Dollars (\$200,000), until the  
2 Sourcewell contract expires on June 22, 2020, with the option to renew for as long  
3 as the Sourcewell Contract is in effect, at the discretion of the City Manager. To  
4 the extent that the Sourcewell Contract and this Agreement are inconsistent, the  
5 following priority shall govern: (1) this Agreement and (2) the Sourcewell Contract.

6 C. Payment for the surplus auction services with related solutions  
7 purchased from Contractor by the City shall be made by the City on delivery to and  
8 acceptance of the surplus auction services with related solutions by the City and  
9 submittal of an invoice to the City. Payment is due thirty (30) days after the date of  
10 the invoice.

11 D. All warranties shall accrue to the City of Long Beach.

12 2. Neither this Agreement nor any money that becomes due to  
13 Contractor under this Agreement may be assigned by Contractor without the prior written  
14 consent of the City Manager or his designee.

15 3. Any notice given under this Agreement shall be in writing and  
16 personally delivered or deposited in the U.S. Postal Service, return receipt, and shall be  
17 delivered or mailed to Contractor at the relevant address first stated above, and to the City  
18 at 333 West Ocean Boulevard, Long Beach, California 90802 Attn: City Manager. Notice  
19 shall be deemed given three days after deposit in the mail.

20 4. The terms appearing on the Sourcewell Contract are incorporated in  
21 this Agreement.

22 5. Contractor shall cooperate with the City in all matters relating to self-  
23 accrual of use tax. Contractor shall contact the City Treasurer for additional information  
24 regarding self-accrual.

25 6. This Agreement and all documents which are incorporated by  
26 reference in this Agreement constitute the entire understanding between the parties and  
27 supersede all other agreements, oral or written, with respect to the subject matter of this  
28 Agreement.

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

GOVDEALS, INC., a Delaware corporation

May 9, 2019

By [Signature]  
Name Roger Brasley  
Title President

May 9, 2019

Tom Modica  
Assistant City Manager

By [Signature]  
Name STEVE KRANZUSCH  
Title VP and GM

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER

"Contractor"  
CITY OF LONG BEACH, a municipal corporation

May 23, 2019

By [Signature]  
City Manager

"City"  
This Agreement is approved as to form on 5-13, 2019.

CHARLES PARKIN, City Attorney

By [Signature]  
Deputy

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

# EXHIBIT A

Source Contract between GovDeals and  
Sourcewell formerly the National Joint Powers Alliance (NJPA)

**Form C**

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,  
AND SOLUTIONS REQUEST**



Company Name: GovDeals, Inc.

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
		None	

Proposer's Signature: *Roger Sully* Date: 3/22/16

**NJPA's clarification on exceptions listed above:**

Contract Award  
RFP #041316

**FORM D**



**Formal Offering of Proposal**  
(To be completed only by the Proposer)

**SURPLUS AUCTION SERVICES WITH RELATED SOLUTIONS**

In compliance with the Request for Proposal (RFP) for SURPLUS AUCTION SERVICES WITH RELATED SOLUTIONS, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: GovDeals, Inc. Date: March 22, 2016

Company Address: 100 Capitol Commerce Blvd., Suite 110

City: Montgomery State: AL Zip: 36117

Contact Person: Roger Gravley Title: President

Authorized Signature: *Roger Gravley* Roger Gravley  
(Name printed or typed)

**FORM E**  
**CONTRACT ACCEPTANCE AND AWARD**



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

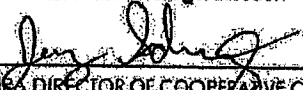
NJPA Contract #: 041316-GDI

Proposer's full legal name: GovDeals, Inc.

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

The effective date of the Contract will be June 22, 2016 and will expire on June 22, 2020 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

**NJPA Authorized Signatures:**

  
\_\_\_\_\_  
NJPA DIRECTOR OF COOPERATIVE CONTRACTS  
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwarz  
(NAME PRINTED OR TYPED)

  
\_\_\_\_\_  
NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette  
(NAME PRINTED OR TYPED)

Awarded on May 19, 2016

NJPA Contract # 041316-GDI

**Vendor Authorized Signatures:**

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name: GovDeals, Inc.

Authorized Signatory's Title: President

  
\_\_\_\_\_  
VENDOR AUTHORIZED SIGNATURE

Roger Gravley  
(NAME PRINTED OR TYPED)

Executed on May 19, 2016

NJPA Contract # 041316-GDI

**PROPOSER ASSURANCE OF COMPLIANCE**



**Proposal Affidavit Signature Page**

**PROPOSER'S AFFIDAVIT**

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.); either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]



By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: GovDeals, Inc.

Address: 100 Capitol Commerce Blvd., Suite 110

City/State/Zip: Montgomery, AL 36117

Telephone Number: Toll-Free: 1-800-613-0156 Ext. 4460 | Cell: 334-467-2411

E-mail Address: rgravley@govdeals.com

Authorized Signature: *Roger Gravley*

Authorized Name (printed): Roger Gravley

Title: President

Date: March 22, 2016

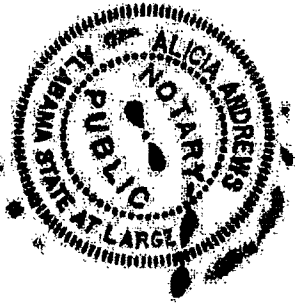
Notarized

Subscribed and sworn to before me this 22nd day of March, 20 16

Notary Public in and for the County of Montgomery State of Alabama

My commission expires: April 10, 2018

Signature: *Alicia Andrews*





**PROPOSER QUESTIONNAIRE**

**Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions**

Proposer Name: GovDeals, Inc.

Questionnaire completed by: Roger Gravley

**Payment Terms and Financing Options**

1) What are your payment terms (e.g., net 10, net 30)?

A large number of our clients elect to leverage GovDeals fully integrated and secure Financial Settlement Services (FSS) feature, allowing GovDeals will accept payment online from winning bidders. GovDeals remits each Client's net proceeds weekly, with.

If FSS is not elected, or if the Member chooses remittance of its gross proceeds, GovDeals will invoice the Member with payment terms of **net 30 days**.

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

*Not applicable. GovDeals provides a service, not commodities.*

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

GovDeals' system and service is designed to be used "at will" and as needed by each NJPA Member. The GovDeals platform is available for use 24/7 at the convenience of the Member. As we are providing a revenue-generating service, GovDeals does not require purchase orders. If the Member is required to issue purchase orders, GovDeals' Accounting Department will verify the payment amount and return the P.O. and invoice in compliance with the Member's procedures.

To simplify the onboarding process, the GovDeals website enables Members to sign-up online and designate NJPA as their contracting vehicle. GovDeals will receive this one-time "order," and the Member's account will be established according to the options chosen at sign-up.

GovDeals recognizes the importance and value of cooperative contracts and partner relationships. One of the company's senior managers, Christy Logan, oversees these partnerships. Contract compliance is ensured through quarterly and monthly reports detailing participating agencies' contract activity, as well as timely payment of applicable cooperative fees or revenue sharing. We have backend functionality in place to report all sales under the cooperative contract. GovDeals' system functionality also includes a simple way for NJPA to review the cooperative usage of its contract, and each cooperative agency's sales amount is included on this report, which NJPA may access at any time within its GovDeals account.

4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

*Yes, GovDeals accepts P-cards. There is no additional fee to use this service.*

## Warranty

5) Describe in detail your manufacture warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

- Do your warranties cover all products, parts, and labor?
- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will NJPA Members in these regions be provided service for warranty repair?
- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
- What are your proposed exchange and return programs and policies?

**As a service provider, warranty information as expressed above is not applicable to GovDeals.** GovDeals' auction platform is entirely web-based, and no software will be installed on any NJPA Member computer.

Rather, GovDeals makes a threefold pledge to NJPA that (1) its auction platform will be reliable and secure for NJPA Members and auction bidders; (2) GovDeals will shoulder liability of fraudulent financial transactions for Members who participate in our Financial Settlement Services program; and (3) GovDeals will provide service and support to NJPA Members through locally based CSRs and Sales Representatives, as well as Marketing, Accounting, Bidder Services, IT Support, and effective management oversight. We would be happy to discuss these matters in detail and provide documentation of our successful performance of these fundamental commitments.

- 1) GovDeals commits to maintain and operate its online auction system with an uptime percentage of 99.99%, aside from regularly scheduled maintenance, and Members will be notified prior to any such scheduled downtime.
- 2) GovDeals' fiduciary responsibilities to NJPA and its Members are guaranteed through a \$5,000,000 insurance policy. When an NJPA Member utilizes GovDeals' system and its Financial Settlement Services (FSS) payment collection and remittance program, the Member will not be liable for any payment fraud or chargebacks that may occur.
- 3) GovDeals is committed to providing personal, hands-on service locally through a Client Services Representative and Regional Business Development Representative, as well as a deep commitment to support from our corporate offices in the form of bidder help desk, marketing assets, accounting, and system upgrades. There will be no additional cost for these services.

6) Describe any service contract options for the items included in your proposal.

**Additional service models will be made available upon request at a rate to be determined by the specific needs of the NJPA Member.** This may include service such as creating auction listings and managing the auction process. More information is available to NJPA and its Members upon request. We have made provisions in our pricing model for these elevated services, although specific pricing will be determined by Member needs, asset quantity, and sales volume. GovDeals will follow NJPA's Cost Change Form procedure if and when elevated service models are negotiated that are beyond the scope of the pricing provided within this proposal.

**Pricing, Delivery, Audits, and Administrative Fee**

7) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

GovDeals proposes a success-based fee structure, charged only on successful auctions. There will be no additional fees or charges for our 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 pricing model detailed below is consistent with our well-established market pricing where the 12 Western states have lower base pricing than available to the rest of the US. Individual cooperative selling entities (clients) have access to a volume-based fee structure based on their actual annual sales on GovDeals or documented previous year(s) sales utilizing other disposition methods.

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).

① Under any of our pricing options, GovDeals' fee may be shared between the Member and winning bidders, or may be withheld from the Member's auction proceeds or wholly incurred by buyers. The most common option chosen is 7.5% paid by Client and 5% Buyer's Premium.

**'A' Pricing (Available in AK, AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA & WY)**

- 7.5% for Non-FSS
- 10% for FSS
- No Annual Volume Discount Program (AVDP) for 'A' Pricing

**'B' Pricing (All other US states not eligible for 'A' Pricing)**

- 7.5% for Non-FSS
- 12.5% for FSS
- Sellers paying 12.5% fee (not passing a portion of the fee to Buyers) qualify for AVDP.
- AVDP qualifying annual volume is based on an aggregation of only sellers paying 12.5%. All other 'B' Pricing categories do not qualify for AVDP.



8) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

The pricing offered in this proposal is consistent with our offers to state governments, cooperative entities, and large local government entities. The pricing offered in this proposal is consistent with our current NJPA award and offers to state governments, cooperative entities, and large local government entities.

- 9) The pricing offered in this proposal is
- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
  - b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
  - c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
  - d. other than what the Proposer typically offers (please describe).

- 10) Describe any quantity or volume discounts or rebate programs that you offer.

Volume of sales may qualify Members for an annual rebate. GovDeals' Annual Volume Discount Program (AVDP) is available to NJPA Members paying 12.5% fee under the "B" Pricing described on the previous page. All qualifying NJPA sellers' volume will be aggregated to determine the percentage rebate at the end of the contract year.

- 11) Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.

Not applicable; GovDeals does not sell commodities.

- 12) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

All costs are included in the pricing model(s) quoted above. There will be no additional fees for standard support, training, on-site service, platform upgrades, etc.

- 13) If delivery or shipping is an additional cost to the NJPA Member, describe the complete shipping and delivery program.

Not applicable; GovDeals does not sell commodities.

- 14) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Not applicable; GovDeals does not sell commodities.

- 15) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Not applicable; GovDeals does not sell commodities.

- 16) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, the Vendor reports all sales under the Contract each quarter, and the Vendor remits the proper administrative fee to NJPA.

GovDeals, in selling and billing a service, has very few pricing variables and they are based on the same criteria for all selling clients, whether under contract or not. Once a client account is established, the pricing is a fixed percentage of the price items sell for on GovDeals.com. Because of this, all pricing and pricing changes require management approval. We have established system utilities that track cooperative member sales in a real time report and this data is archived and essentially available, ad hoc, at any time. One senior staff person is dedicated to verifying the accuracy of the quarterly report and presenting it to a senior manager for payment approval. These same utilities and processes are in place for the Annual Volume Discount Program (AVDP) that has returned approximately \$375,000 in rebates directly to NJPA members for their contract sales during the current 5 year contract period.

- 17) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract; it is not a line item addition to the Member's cost of goods.

GovDeals proposes to pay 2% of what we are paid for our services. Example: A member utilizes the NJPA contract to sell an item for \$1,000 on GovDeals and the fee for this member is 12.5%. GovDeals is paid \$125 which represents the gross profit for the transaction. GovDeals will remit 2% of the \$125 (\$2.50) to NJPA when it makes its quarterly payment.

### Industry-Specific Questions

18) What is your US market share for the solutions that you are proposing in this response?

There are many ways to estimate the U.S. market for government surplus sales. Limiting the scope to companies providing self-service online sales of state and local government surplus, we estimate our market share is greater than 60%.

19) What is your Canadian market share (if any) for the solutions that you are proposing in this response?

Essentially, GovDeals' Canadian market share is 100%. Having overcome numerous cultural and regulatory headwinds, GovDeals is the only provider of a self-service online government surplus auction solution licensed to conduct business in Canada. The overall Canadian market is typically considered to be one-tenth (10%) of the U.S. market, with a high percentage of this opportunity centering on Ontario. GovDeals has experienced remarkable growth in its Canadian business during its first 3+ years operating there.

20) Identify the role of any subcontractors or third parties that will be involved in implementing your proposal.

Not applicable; GovDeals does not utilize the services of subcontractors. All services will be provided by full-time GovDeals employees.

21) Indicate which category of auction service (A through D) that you provide: A) online auction services, B) on-site live auction services, C) live streaming auction services, or D) any combination of auction services. Supply enough detail to substantiate that the Proposer properly fits within the indicated category.

GovDeals provides A) online auction services.

GovDeals is committed to providing a turnkey approach to selling government surplus assets via our online auction marketplace, [www.GovDeals.com](http://www.GovDeals.com), with the most efficient service offerings in the industry. More than 8,700 government agencies in the U.S. and Canada have transitioned some or all of their surplus sales to [GovDeals.com](http://GovDeals.com).

In tandem with our robust auction website, the GovDeals platform and service include, at no additional cost:

- Self-service functionality with unlimited users
- Real-time reporting tools within secure account
- Extensive marketing outreach to bidders
- Hands-on training for as many employees as desired
- On-site assistance posting auctions at implementation
- Personal service with 24/7 on-call availability
- Optional online payment collection service with 3-10 day remittance to Member

GovDeals' business model is as simple as it is unique: in support of our self-service online auction platform, the foundation of our company is our local staffing that provides direct service, local knowledge, best practices, and on-call assistance for our clients such as NJPA Members. We back up this hands-on relationship with robust and experienced staffing in all functional departments, including Marketing, Accounting, Bidder Services, and Client Help Desk.

Our platform's self-service functionality allows NJPA Members to have complete control over its auctions, including accessing real-time reports and interacting with bidders through our built-in Question and Answer feature. GovDeals will provide dedicated service to the Member to help list assets when a backlog is encountered, as well as direct access to technical support and strategy guidelines.

NJPA Members may utilize the GovDeals auction website via any major web browser, including the latest versions of Internet Explorer/Edge, Google Chrome, Apple Safari, and Mozilla Firefox. The Member will only need to provide a computer with web access and a digital camera or smartphone. No software will need to be installed on any Member computer.

Signature: Roger Daulton

Date: 3/22/16

# EXHIBIT "B"

# GovDeals.com

A Liquidity Services Marketplace

**GovDeals, Inc.**

Providing government-exclusive online auction services since 2001

100 Capital Commerce Blvd., Suite 110, Montgomery, AL 36117  
Steve Kranzusch, General Manager & VP  
[skranzusch@govdeals.com](mailto:skranzusch@govdeals.com) | 1-800-613-0156 Ext. 4455

April Walker, Community Projects Officer  
City of Long Beach  
333 W. Ocean Blvd.  
Long Beach, CA 90802

May 2, 2019

Re: *Sourcewell Cooperative Contract Terms*

Dear Ms. Walker & City Personnel:

GovDeals, Inc. will honor the contract terms, including pricing, of the Sourcewell cooperative contract in which the City of Long Beach will be participating.

Please know we greatly appreciate the opportunity to serve the City of Long Beach and look forward to our continued work together.

Best regards,



Steve Kranzusch, General Manager & VP  
[skranzusch@govdeals.com](mailto:skranzusch@govdeals.com) | Cell: 334-462-3962 | Office: 1-800-613-0156 Ext. 4455