CONTRACT FOR SERVICE

CONTRACT NO: 1453-13450

FOR

ON-LINE AUCTION SERVICES

BETWEEN

COOK COUNTY GOVERNMENT
OFFICE OF THE CHIEF PROCUREMENT OFFICER

AND

THE PUBLIC GROUP, LLC
(Based on City of Tucson Request for Proposal No. 110163)

APPROVED BY BOARD OF
COOK COUNTY COMMISSIONERS

APR 9 2014

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CONTRACT FOR SERVICES

TABLE OF CONTENTS

AGREEMENT 1
BACKGROUND 1
INCORPORATION OF BACKGROUND INFORMATION 2
INCORPORATION OF EXHIBITS 2

List of Exhibits

Exhibit 1	General Conditions
Exhibit 2	Special Conditions
Exhibit 3	On-Line Seller Agreement
Exhibit 4	On-Line Agreement for Payment Processing
Exhibit 5	Scope of Work/Pricing Proposal
Exhibit 6	Evidence of Insurance
Exhibit 7	Cook County Board of Commissioners Authorization
Exhibit 8	Economic Disclosure Statement (EDS) Forms

List of Attachments

Attachment 1	City of Tucson Contract (RFP No. 110163)

CONTRACT NO: 1453-13450

AGREEMENT

This Agreement is made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, hereinafter referred to as "County" and The Public Group, LLC, doing business as a corporation of the State of Utah, hereinafter referred to as "Contractor", pursuant to authorization by the Cook County Board of Commissioners on the 9th day of April, 2014, (the "Effective Date") as evidenced by the Board of Authorization letter attached herein as Exhibit "7".

BACKGROUND

Whereas, the County, pursuant to Section 34-140 (the Reference Contract Ordinance") of the Cook County Procurement Code, states: "If a governmental agency has awarded a contract through a competitive method for the same or similar supplies, equipment, goods or services as that sought by the County, the Procurement may be made from that vendor at a price or rate at least as favorable as that obtained by that government agency without utilizing a competitive procurement method set forth in this Procurement Code;" and

Whereas, the City of Tucson ("the City") solicited a formal Bid process for Auction Services, and the Contractor was identified as the qualified and best value provider for the services; and

Whereas, the City of Tucson ("the City") entered into a contract on May 9, 2011 for the provision of services by the Contractor for the City relative to Auction Services, a copy which is attached hereto as Attachment "1" for reference purposes only, but such attachment is not made part of or incorporated into this Agreement, and in no way does such document govern the parties performance under this Agreement; and

Whereas, the County through the City-County collaboration initiative, wishes to leverage the procurement efforts of the City; and

Whereas, this contract made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, herein after the "County" and The Public Group, LLC, herein after the "Contractor"; and

Whereas, the County, through the Office of the Chief Procurement Officer, desires certain similar services of the Contractor; and

Whereas, County Offices, Departments, and Agencies may utilize this agreement for specific contracted procurement efforts; and

Whereas, the Contractor agrees to provide to the County auction services, incorporated as Exhibit "5", Scope of Work/Price Proposal; and

Whereas, the Contractor warrants that it is ready, willing and able to deliver these services set forth in Exhibit "5", Scope of Services/Pricing Proposal, all on pricing and payment terms equivalent to or more favorable to the County than those contained in the City Contract as set forth in Attachment "1", City of Tucson Request for Proposal, and incorporated herein by reference; and

Whereas, this Contract shall be effective for twelve (12) months effective May 1, 2014 through April 30, 2015 with two, one (1) year renewal options, after award by the Board of Commissioners and after proper execution of the Contract Documents; and

Whereas, Payment terms shall be as set forth in Exhibit "5", Scope of Services/Pricing Proposal; and

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the sufficiency of which is acknowledged by each of the Parties, the Contractor and the County agree and the information set forth is incorporated by reference herein.

INCORPORATION OF BACKGROUND INFORMATION

The Background Information set forth above is incorporated and made a part of this Agreement by reference.

INCORPORATION OF EXHIBITS

The following attached Exhibits are made a part of this Agreement:

Exhibit 1	General Conditions
Exhibit 2	Special Conditions
Exhibit 3	On-Line Seller Agreement
Exhibit 4	On-Line Agreement for Payment Processing
Exhibit 5	Scope of Work/Pricing Proposal
Exhibit 6	Evidence of Insurance
Exhibit 7	Cook County Board of Commissioners Authorization
Exhibit 8	Economic Disclosure Statement (EDS) Forms

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EXHIBIT 1

GENERAL CONDITIONS

GENERAL CONDITIONS

GC-01 SUBCONTRACTING OR ASSIGNMENT OF CONTRACT OR CONTRACT FUNDS

Once awarded, this Contract shall not be subcontracted or assigned, in whole or in part, without the advance written approval of the Chief Procurement Officer, which approval shall be granted or withheld at the sole discretion of the Chief Procurement Officer. In no case, however, shall such approval relieve the Contractor from its obligations or change the terms of the Contract. The Contractor shall not transfer or assign any Contract funds or any interest therein due or to become due without the advance written approval of the Chief Procurement Officer. The unauthorized subcontracting or assignment of the Contract, in whole or in part, or the unauthorized transfer or assignment of any Contract funds, either in whole or in part, or any interest therein, which shall be due or are to become due the Contractor shall have no effect on the County and are null and void.

Prior to the commencement of the Contract, the Contractor shall identify in writing to the Chief Procurement Officer the any and all subcontractors it intends to use in the performance of the Contract. The Chief Procurement Officer shall have the right to disapprove any subcontractor. Identification of subcontractors to the Chief Procurement Officer shall be in addition to any communications with County offices other than the Chief Procurement Officer. All subcontractors shall be subject to the terms of this Contract. Contractor shall incorporate into all subcontracts all of the provisions of the Contract which affect such subcontract. Copies of subcontracts shall be provided to the Chief Procurement Officer upon request.

The Contractor must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Contractor has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Contractor is not required to disclose employees who are paid or estimated to be paid. The Contractor is not required to disclose employees who are paid solely through the contractor's regular payroll. "Lobbyist" means any person or entity who undertakes to influence any legislation or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2), himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action. If the Contractor is uncertain whether a disclosure is required under this Section, the Contractor must either ask the County, whether disclosure is required or make the disclosure.

The County reserves the right to prohibit any person from entering any County facility for any reason. All contractors and subcontractors of the Contractor shall be accountable to the Director of the Using Department or his designee while on any County property and shall abide by all rules and regulations imposed by the County.

GC-02 PERSONNEL

The quality, experience and availability of personnel employed by the Contractor is of the essence. The Contractor shall provide the County with a list of all key personnel to be used on the project and their designated assignment. The list shall include the qualifications of each person named. The County may at any time request, in writing, the Contractor to remove any of the Contractor's assigned personnel for cause and forthwith furnish to the County other acceptable personnel with thirty (30) days of notification. Notwithstanding the County's approval of Contractor's personnel, the Contractor shall be fully responsible to County for all work performed pursuant to this Contract by Contractor's employees, subcontractors or others who may be retained by the Contractor with the approval of the County.

GC-03 INSURANCE REQUIREMENTS

1) The Contractor shall require all policies of insurance that are in any way related to the work and are secured and maintained by Contractor and all tiers of subcontractors to include clauses providing that each underwriter shall waive all of its rights of recovery, under subrogation or otherwise, against Cook County, Board of Commissioners and employees of the County.

2) The Contractor shall waive all rights of recovery against Cook County, Board of Commissioners, employees of the County and other Contractors and subcontractors which Contractor may have or acquired because of deductible clauses in or inadequacy of limits of any policies of insurance that are in any way related to the work and that are secured and maintained by Contractor.

3) The Contractor shall require all tiers of subcontractors to waive the rights of recovery against Cook County and all tiers of subcontractors.

Insurance Requirements of the Contractor

Prior to the effective date of this Contract, the Contractor, at its cost, shall secure and maintain at all times, unless specified otherwise, until completion of the term of this Contract the insurance specified below.

Nothing contained in these insurance requirements is to be construed as limiting the extent of the Contractor's responsibility for payment of damages resulting from its operations under this Contract. The insurance purchased and maintained by the Contractor shall be primary and not excess or pro rata to any other insurance issued to the County.

The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

The limits of liability shall be as stated below, unless, prior to the effective date of this Contract, written approval is granted by the Cook County Department of Risk Management for variance from those limits.

1. Coverages

(a) **Workers Compensation Insurance**
Workers' Compensation shall be in accordance with the laws of the State of Illinois or any other applicable jurisdiction.

The Workers Compensation policy shall also include the following provisions:

1) Employers' Liability coverage with a limit of
$500,000 each Accident
$500,000 each Employee
$500,000 Policy Limit for Disease

2) Broad form all states coverage

(b) **Commercial General Liability Insurance**

1) The Commercial General Liability shall be on an occurrence form basis to cover bodily injury and property damage including loss of use.

General Liability limits shall not be less than $1,000,000 per occurrence and $2,000,000 aggregate combined single limit for bodily injury and property damage. The General Liability policy shall include, without limitation the following coverages:

(a) All premises and operations;

(b) Broad Form Blanket Contractual Liability;

(c) Products/Completed Operations;

(d) Broad Form Property Damage Liability;

(e) Cross Liability.

(c) **Comprehensive Automobile Liability Insurance**
Comprehensive Automobile Liability to cover all owned, non-owned and hired automobiles, trucks and trailers. The Comprehensive Automobile Liability limits shall not be less than the following:

1) Liability - All Autos: Bodily Injury & Property Damage - $1,000,000 per Occurrence

2) Uninsured/Motorists: Per Illinois Requirements

(d) **Umbrella/Excess Liability Insurance**
In addition to the coverages and limits specified above, Contractor and Sub-Contractors of any tier shall secure and maintain a limit of liability no less than:

1) $2,000,000 each occurrence for all liability

2) $2,000,000 in the aggregate per policy year separately with respect to products and completed operations

2. Additional requirements

(a) Additional Insured
Cook County, its officials, employees and agents shall be named as additional insureds under the Commercial General Liability policy.

(b) Qualification of Insurers
All insurance companies providing coverage shall be licensed or approved by the Department of Insurance, State of Illinois, and shall have a financial rating no lower than (A-) VII as listed in A.M. Best's Key Rating Guide, current edition or interim report. Companies with ratings lower than (A-) VII will be acceptable only upon written consent of the Cook County Department of Risk Management.

(c) Insurance Notices
All policies of insurance which may be required under terms of this Contract shall be endorsed to provide that the insurance company shall notify the Cook County Office of the Chief Procurement Officer, 118 North Clark Street, Room 1018, Chicago, Illinois 60602 at least 30 days prior to the effective date of any cancellation or modification of such policies. Prior to the date on which Contractor commences performance of its part of the work, Contractor shall furnish to the County certificates of insurance maintained by Contractor.

In no event shall any failure of the County to receive Certificates of Insurance required hereof or to demand receipt of such Certificates of Insurance be construed as a waiver of Contractor's obligations to obtain insurance pursuant to these insurance requirements.

GC-04 INSPECTION AND RESPONSIBILITY

At any and at all times during the term of the Contract and at any location where the Contract is performed, the County shall have a right to inspect any Deliverables provided in carrying out this Contract. The Contractor shall be solely responsible for the quality and standards of all Deliverables furnished under this Contract. Deliverables may be rejected by the Chief Procurement Officer and/or the Director of the Using Department if they fail to meet Contract requirements or are provided in a manner which does not meet Contract requirements. In the event of such rejection, Deliverables shall be replaced and/or re-performed by the Contractor promptly and at no additional cost to the County. Any Deliverables rejected shall be removed within a reasonable time from the premises of the County at the entire expense of the Contractor, after notice has been given by the County to the Contractor that such Deliverables have been rejected.

GC-05 INDEMNIFICATION

The Contractor covenants and agrees to indemnify and save harmless the County and its commissioners, officials, employees, agents and representatives, and their respective heirs, successors and assigns, from and against any and all costs, expenses, attorney's fees, losses, damages and liabilities incurred or suffered directly or indirectly from or attributable to any claims arising out of or incident to the performance or nonperformance of the Contract by the Contractor, or the acts or omissions of the officers, agents, employees, contractors, subcontractors, licensees or invitees of the Contractor. The Contractor expressly understands and agrees that any Performance Bond or insurance protection required of the Contractor, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify the County as hereinabove provided.

GC-06 PAYMENT

All invoices submitted by the Contractor shall be in accordance with the cost provisions contained in the Contract Documents and shall contain a detailed description of the Deliverables for which payment is requested. All invoices shall reflect the amounts invoiced by and the amounts paid to the Contractor as of the date of the invoice, and shall be submitted together with a properly completed County Voucher form (29A). Invoices for new charges shall not include "past due" amounts, if any, which amounts must be set forth on a separate invoice. No payments shall be made with respect to invoices which do not include the County Voucher form or which otherwise fail to comply with the requirements of this paragraph. Contractor shall not be entitled to invoice the County for any late fees or other penalties.

GC-07 PREPAID FEES

In the event this Contract is terminated by either party, for cause or otherwise, and the County has prepaid for any Deliverables, Contractor shall refund to the County, on a prorated basis to the effective date of termination, all amounts prepaid for Deliverables not actually provided as of the effective date of the termination. The refund shall be made within fourteen (14) days of the effective date of termination.

GC-08 TAXES

Federal Excise Tax does not apply to materials purchased by the County by virtue of Exemption Certificate No. 36-75-0038K. Illinois Retailers' Occupation Tax, Use Tax and Municipal Retailers' Occupation Tax do not apply to deliverables, materials or services purchased by the County by virtue of statute. The price or prices quoted herein shall include any and all other federal and/or state, direct and/or indirect taxes which apply to this Contract. The County's State of Illinois Sales Tax Exemption Identification No. is E-9998-2013-05.

GC-09 PRICE REDUCTION

If at any time after the contract award, Contractor makes a general price reduction in the price of any of the Deliverables, the equivalent price reduction based on similar quantities and/or considerations shall apply to this Contract for the duration of the Contract period. For purposes of this Section GC-09, Price Reduction, a general price reduction shall include reductions in the effective price charged by Contractor by reason of rebates, financial incentives, discounts, value points or other benefits with respect to the purchase of the Deliverables. Such price reductions shall be effective at the same time and in the same manner as the reduction Contractor makes in the price of the Deliverables to its prospective customers generally.

GC-10 CONTRACTOR CREDITS

To the extent the Contractor gives credits toward future purchases of goods or services, financial incentives, discounts, value points or other benefits based on the purchase of the materials or services provided for under this Contract, such credits belong to the County and not any specific using department. Contractor shall reflect any such credits on its invoices and in the amounts it invoices the County.

GC-11 DISPUTES

Any dispute arising under the Contract between the County and Contractor shall be decided by the Chief Procurement Officer. The complaining party shall submit a written statement detailing the dispute and specifying the specific relevant Contract provision(s) to the Chief Procurement Officer. Upon request of the Chief Procurement Officer, the party complained against shall respond to the complaint in writing within five days of such request. The Chief Procurement Officer will reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor and the Director of the Using Department. Dispute resolution as provided herein shall be a condition precedent to any other action at law or in equity. However, unless a notice is issued by the Chief Procurement Officer indicating that additional time is required to review a dispute, the parties may exercise their contractual remedies, if any, if no decision is made within sixty (60) days following notification to the Chief Procurement Officer of a dispute. No inference shall be drawn from the absence of a decision by the Chief Procurement Officer. Notwithstanding a dispute, Contractor shall continue to discharge all its obligations, duties and responsibilities set forth in the Contract during any dispute resolution proceeding unless otherwise agreed to by the County in writing.

GC-12 DEFAULT

Contractor shall be in default hereunder in the event of a material breach by Contractor of any term or condition of this Contract including, but not limited to, a representation or warranty, where Contractor has failed to cure such breach within ten (10) days after written notice of breach is given to Contractor by the County, setting forth the nature of such breach.

In the event Contractor shall breach any material terms or conditions of this Contract on more than one occasion during any twelve month period during the term hereof, or in the event Contractor expresses an unwillingness or inability to continue performing the Contract in accordance with its terms, the County may, at its option, declare the Contractor to be in default and the County shall be entitled to exercise all available remedies including, but not limited to, termination of the Contract, without affording the Contractor further opportunity to cure such breach. Failure of County to give written notice of breach to the Contractor shall not be deemed to be a waiver of the County's right to assert such breach at a later time, should the Contractor commit a subsequent breach of this Contract.

A material breach of the contract by the Contractor includes but is not limited to the following:

1. Failure to begin performance under this Contract within the specified time;

2. Failure to perform under this Contract with sufficient personnel, equipment, or materials to ensure completion of said performance within the specified time or failure to assign qualified personnel to ensure completion within the specified time;

3. Performance of this contract in an unsatisfactory manner;

4. Refusal to perform services deemed to be defective or unsuitable;

5. Discontinuance of performance of Contractor's obligations under the Contract or the impairment or the reasonable progress of performance;

6. Becoming insolvent, being declared bankrupt or committing any act of bankruptcy or insolvency;

7. Any assignment of this contract for the benefit of creditors;

8. Any cause whatsoever which impairs performance in an acceptable manner; or

9. Any other material breach of any term or condition of this Contract.

County shall be in default hereunder if any material breach of the Contract by County occurs which is not cured by the County within ninety (90) days after written notice has been given by Contractor to the County, setting forth the nature of such breach.

GC-13 COUNTY'S REMEDIES

Following notice of material breach to Contractor, the County reserves the right to withhold payments otherwise owed to Contractor until such time as Contractor has cured the breach.

If the Contractor fails to remedy a material breach during the ten (10) day cure period pursuant to General Condition GC-12, Default, or if Contractor commits a subsequent material breach within a twelve month period or expresses an unwillingness or inability to continue performing the Contract in accordance with its terms, the County shall have the right to terminate this Contract upon written notice to the Contractor which shall set forth the effective date of such termination.

In addition, the County shall have the right to pursue all remedies in law or equity.

GC-14 CONTRACTOR'S REMEDIES

If the County has been notified of breach and fails to remedy the breach during the ninety(90) day cure period pursuant to General Condition GC-12, Default, the Contractor shall have the right to terminate this Contract upon not less than thirty (30) days prior written notice to the County, which notice shall set forth the effective date of termination.

Contractor shall have the right to pursue all remedies available in law or equity. In all cases the Contractor's damages shall be those actual provable damages not to exceed the amount of the Contract as awarded by the Cook County Board of Commissioners less all amounts paid to Contractor. In no event shall Contractor be entitled to any consequential damages. Irrespective of the exercise of remedies hereunder, Contractor shall not disrupt the County's operations or repossess any component thereof.

GC-15 DELAYS

Contractor agrees that no charges or claims for damages shall be made by Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of this Contract.

GC-16 MODIFICATIONS AND AMENDMENTS

The parties may during the term of the Contract make modifications and amendments to the Contract but only as provided in this section. Such modifications and amendments shall only be made by mutual agreement in writing.

In the case of Contracts not approved by the Board, the Chief Procurement Officer may amend a contract provided that any such amendment does not extend the Contract by more than one (1) year, and further provided that the total cost of all such amendments does not increase the total amount of the Contract beyond $150,000. Such action may only be made with the advance written approval of the Chief Procurement Officer. If the amendment extends the Contract beyond one (1) year or increases the total award amount beyond $150,000, then Board approval will be required.

No County department or employee thereof has authority to make any modifications or amendments to this Contract. Any modifications or amendments to this Contract made without the express written approval of the Chief Procurement Officer is void and unenforceable.

Contractor is hereby notified that, except for modifications and amendments which are made in accordance with this GC-16, Modifications and Amendments, no County department or employee thereof has authority to make any modifications or amendments to this Contract.

GC-17 PATENTS, COPYRIGHTS AND LICENSES

Contractor shall furnish the Director of the Using Department with all licenses required for the County to utilize any software, including firmware or middleware, provided by Contractor as part of the Deliverables. Such licenses shall be clearly marked with a reference to the number of this County Contract. Contractor shall also furnish a copy of such licenses to the Chief Procurement Officer. Unless otherwise stated in these Contract documents, such licenses shall be perpetual and shall not limit the number of persons who may utilize the software on behalf of the County.

Contractor agrees to hold harmless and indemnify the County, its officers, agents, employees and affiliates from and defend, at its own expense (including reasonable attorneys', accountants' and consultants' fees), any suit or proceeding brought against County based upon a claim that the ownership and/or use of equipment, hardware and software or any part thereof provided to the County or utilized in performing Contractor's services constitutes an infringement of any patent, copyright or license or any other property right.

In the event the use of any equipment, hardware or software or any part thereof is enjoined, Contractor with all reasonable speed and due diligence shall provide or otherwise secure for County, at the Contractor's election, one of the following: the right to continue use of the equipment, hardware or software; an equivalent system having the Specifications as provided in this Contract; or Contractor shall modify the system or its component parts so that they become non-infringing while performing in a substantially similar manner to the original system, meeting the requirements of this Contract.

GC-18 COMPLIANCE WITH THE LAWS

The Contractor shall observe and comply with the laws, ordinances, regulations and codes of the Federal, State, County and other local government agencies which may in any manner affect the performance of the Contract including, but not limited to, those County Ordinances set forth in the Certifications attached hereto and incorporated herein. Assurance of compliance with this requirement by the Contractor's employees, agents or subcontractors shall be the responsibility of the Contractor.

The Contractor shall secure and pay for all federal, state and local licenses, permits and fees required hereunder.

GC-19 MATERIAL DATA SAFETY SHEET

Where required under the Illinois "Toxic Substance Disclosure To Employees Act", Illinois Compiled Statutes, 2002, 820 ILCS 255/1, Contractor shall submit with each delivery of Deliverables, a Material Safety Data Sheet.

GC-20 CONDUCT OF THE CONTRACTOR

The Contractor agrees to inform the County on a timely basis of all of the Contractor's interests, if any, which are or which the Contractor reasonably believes may be incompatible with any interest of the County. The Contractor shall take notice of and comply with the Cook County Lobbyist Registration Ordinance (No. 93-0-22, 6-22-93). Neither the Contractor nor any of its employees, agents or subcontractors shall use for business or personal gain, or make other improper use of, confidential information which is acquired in connection with the Contract. To the extent Contractor will have access to the County's protected health information in performing its responsibilities under this Contract, Contractor shall contact the Chief Privacy Officer for the Using Department(s) and shall execute the County's business associate agreement prior to performing any responsibilities which involve access to protected health information.

GC-21 ACCIDENT REPORTS

Contractor shall provide the Chief Procurement Officer and the Director of the Using Department with prompt written notification (no later than twenty-four (24) hours) of any occurrence, on County premises or otherwise, which pertains in any way to this Contract and which results in either bodily injury to employees or third parties or property damage. The report shall include the name of person(s) injured, if any; name of the injured person's employer, if any; the date, time and location of the occurrence; description of the extent of injury and/or damage; the name(s) of witnesses; the names of any providers known to have provided treatment for injuries sustained; and such other information as may be required by the County. The Contractor shall notify the local police regarding any occurrence requiring an official police record. The report submitted to the County should indicate whether the police were notified and, if so, the number of the police report.

GC-22 USE OF COUNTY PREMISES AND RESOURCES

Contractor shall confer with the Director of the Using Department to ascertain full knowledge of all rules and regulations of the County facilities relative to this Contract and shall cause all of its employees, agents and subcontractors to comply therewith. The Contractor shall confine the operations of its employees, agents and subcontractors on County premises to the performance of the Contract consistent with limits indicated by laws, ordinances, permits and/or direction of the Director of the Using Department and shall not encumber the premises with materials or debris. In performing the Contract, the Contractor shall not cause or permit a condition that endangers the safety of others and shall not load or permit any part of a structure to be loaded with a weight that will endanger the safety of the structure or any persons.

GC-23 TERMINATION FOR CONVENIENCE AND SUSPENSION OF CONTRACT

The County may terminate this Contract, or any portion, at any time by notice in writing from the County to the Contractor. Unless otherwise stated in the notice, the effective date of such termination shall be three business days after the date the notice of termination is mailed by the County. If the County elects to terminate the Contract in full, unless otherwise specified in the notice of termination, the Contractor shall immediately cease performance and shall promptly tender to the County all Deliverables, whether completed or in process. If the County elects to terminate the Contract in part, unless otherwise specified in the notice of partial termination, the Contractor shall immediately cease performance of those portions of the Contract which are terminated and shall promptly tender to the County all Deliverables relating to said portions of the Contract, whether completed or in process. Contractor shall refrain from incurring any further costs with respect to portions of the Contract which are terminated except as specifically approved by the Chief Procurement Officer.

GC-24 GENERAL NOTICE

All notices required pursuant to this Contract shall be in writing and addressed to the parties at their respective addresses set forth below. All such notices shall be deemed duly given if hand delivered or if deposited in the United States mail, postage prepaid, registered or certified, return receipt requested. Notice as provided herein does not waive service of summons or process.

TO THE COUNTY:

COOK COUNTY CHIEF PROCUREMENT OFFICER
118 North Clark Street. Room 1018
Chicago, Illinois 60602
Include County Contract Number in all notices)

TO THE CONTRACTOR:

At address provided on the Execution Pages or as otherwise indicated in writing to County Chief Procurement Officer in a written document which, in bold face type, references the name of the Contractor, the County Contract Number and states "NOTIFICATION OF CHANGE IN ADDRESS."

GC-25 GUARANTEES AND WARRANTIES

The Contractor shall furnish all guarantees and warranties applicable to the Deliverables to the Director of the Using Department prior to or at the time of delivery. All Deliverables shall be covered by the most favorable commercial warranties and guarantees the Contractor gives to any customer for the same or substantially similar Deliverables or Services. The rights and remedies so provided shall be in addition to and shall not limit any rights afforded to County under this Contract.

GC-25 GUARANTEES AND WARRANTIES (CON'T.)

To the extent Contractor provides Deliverables manufactured by another entity, Contractor shall transfer original product warranty and any rights to manufacturer's related services to the County and shall submit all appropriate documentation of said transfer to the Director of the Using Department prior to or at the time the Contractor tenders the Deliverables.

GC-26 STANDARD OF DELIVERABLES

Except as may be expressly stated in the Special Conditions or Specifications of this Contract, only new, originally manufactured Deliverables will be accepted by the County. The County will not accept any Deliverables that have been refurbished, rebuilt, restored or renovated in any manner. In addition, experimental materials will not be acceptable. Deliverables not produced by regular production methods and/or which have not been offered for sale to the public through accepted industry trade channels for a reasonable period of time prior to the commencement of the Contract will be considered experimental.

GC-27 DELIVERY

All Contract Goods shipped to the County shall be shipped F.O.B., DESTINATION, FREIGHT PREPAID. Arrangements shall be made in advance by the Contractor in order that the County may arrange for receipt of the materials. Truck deliveries will be accepted before 3:00 P.M. on weekdays only. No deliveries will be accepted on Saturdays, Sundays or County Holidays. The County is not responsible for delivery delays due to waiting times for loading and unloading at dock locations.

The quantity of Contract Goods delivered by truck will be ascertained from a weight certificate issued by a duly licensed Public Weight-Master. In the case of delivery by rail, weight will be ascertained from bill of lading from originating line, but the County reserves the right to re-weigh at the nearest available railroad scale.

The County reserves the right to add new delivery locations or delete previously listed delivery locations as required during the Contract period. The only restriction regarding the County's right to add new delivery locations shall be that any new or additional location shall be within the geographical boundaries of the County of Cook.

GC-28 QUANTITIES

Any quantities of indicated in the Proposal Pages for the performance of the Contract are estimates for the purpose of determining an approximate total Contract amount and may not be the actual quantities required by the County during the term of the Contract. The County reserves the right to increase or decrease such quantities at the Contract price to correspond to the actual needs of the County. If the County increases the quantities required, any such increase shall be subject to an agreed written amendment in the Contract Amount. The County will be obligated to order and pay for only such quantities as are from time to time ordered, delivered, and accepted on purchase orders issued by the Chief Procurement Officer.

GC-29 CONTRACT INTERPRETATION

Whenever the singular is used herein, the masculine, feminine and neuter gender shall be deemed to include the others. The headings of articles, paragraphs and sections in this Contract are included for convenience only and shall not be considered by either party in construing the meaning of this Contract. If any provision or clause of this Contract shall be held to be invalid, such provision or clause shall be deleted from the Contract and the Contract shall be construed to give effect to the remaining portions thereof.

This Contract shall be interpreted and construed based upon the following order of precedence of component parts. Such order of precedence shall govern to resolve all cases of conflict, ambiguity or inconsistency.

1. General Conditions
2. Special Conditions
3. On-Line Seller Agreement
4. On-Line Agreement for Payment Processing.
5. Scope of Work/Pricing Proposal
6. Evidence of Insurance
7. Cook County Board of Commissioners Authorization
8. Economic Disclosure Statement (EDS) Forms

GC-30 CONFIDENTIALITY AND OWNERSHIP OF DOCUMENTS

Contractor acknowledges and agrees that information regarding this Contract is confidential and shall not be disclosed, directly, indirectly or by implication, or be used by Contractor in any way, whether during the term of this Contract or at any time thereafter, except solely as required in the course of Contractor's performance hereunder. Contractor shall comply with the applicable privacy laws and regulations affecting County and will not disclose any of County's records, materials, or other data to any third party. Notwithstanding the foregoing, County of Cook acknowledges and agrees that information and other data it posts on Contractor's site is not confidential and is intended to be public information. Contractor shall not have the right to compile and distribute statistical analyses and reports utilizing data derived from information or data obtained from County without the prior written approval of County. In the event such approval is given, any such reports published and distributed by Contractor shall be furnished to County without charge.

The County and its designees shall be afforded full access to the Documents and the work at all times.

GC-31 GOVERNING LAW

This Contract shall be governed by and construed under the laws of the State of Illinois. The Contractor irrevocably agrees that, subject to the County's sole and absolute election to the contrary, any action or proceeding in any way, manner or respect arising out of the Contract, or arising from any dispute or controversy arising in connection with or related to the Contract, shall be litigated only in courts within the Circuit Court of Cook County in the City of Chicago, County of Cook, State of Illinois, and the Contractor consents and submits to the jurisdiction thereof. In accordance with these provisions, Contractor waives any right it may have to transfer or change the venue of any litigation brought against it by the County pursuant to this Contract.

GC-32 WAIVER

No term or provision of this Contract shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. The waiver of any such provision shall be strictly limited to the identified provision.

GC-33 ENTIRE CONTRACT

It is expressly agreed that the provisions set forth in this Contract constitute all the understandings and agreements between the parties. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Contract are of no force and effect.

GC-34 AUDIT; EXAMINATION OF RECORDS

The Contractor agrees that the Cook County Auditor or any of its duly authorized representatives shall, until expiration of three (3) years after the final payment under the Contract, have access and the right to examine any books, documents, papers, canceled checks, bank statements, purveyor's and other invoices, and records of the Contractor related to the Contract, or to Contractor's compliance with any term, condition or provision thereof. The Contractor shall be responsible for establishing and maintaining records sufficient to document the costs associated with performance under the terms of this Contract.

The Contractor further agrees that it shall include in all of its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Cook County Auditor or any of its duly authorized representatives shall, until expiration of three (3) years after final payment under the subcontract, have access and the right to examine any books, documents, papers, canceled checks, bank statements, purveyor's and other invoices and records of such subcontractor involving transactions relating to the subcontract, or to such subcontractor's compliance with any term, condition or provision thereunder or under the Contract.

In the event the Contractor receives payment under the Contract, reimbursement for which is later disallowed by the County, the Contractor shall promptly refund the disallowed amount to the County on request, or at the County's option, the County may credit the amount disallowed from the next payment due or to become due to the Contractor under any contract with the County.

GC-34 AUDIT; EXAMINATION OF RECORDS (CON'T.)

To the extent this Contract pertains to Deliverables which may be reimbursable under the Medicaid or Medicare Programs, Contractor shall retain and make available upon request, for a period of four (4) years after furnishing services pursuant to this Agreement, the contract, books, documents and records which are necessary to certify the nature and extent of the costs of such services if requested by the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives. If Contractor carries out any of its duties under the Agreement through a subcontract with a related organization involving a value of cost of $10,000.00 or more over a 12 month period, Contractor will cause such subcontract to contain a clause to the effect that, until the expiration of four years after the furnishing of any service pursuant to said subcontract, the related organization will make available upon request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, copies of said subcontract and any books, documents, records and other data of said related organization that are necessary to certify the nature and extent of such costs. This paragraph relating to the retention and production of documents is included because of possible application of Section 1861(v)(1)(I) of the Social Security Act to this Agreement; if this Section should be found to be inapplicable, then this paragraph shall be deemed inoperative and without force and effect.

GC-35 FORCE MAJEURE OR UNAVOIDABLE DELAYS

Neither Contractor nor County shall be liable for failing to fulfill any obligation under this Contract if such failure is caused by an event beyond such party's reasonable control which is not caused by such party's fault or negligence. Such events shall be limited to acts of God, acts of war, fires, lightning, floods, epidemics, or riots.

GC-36 INDEPENDENT CONTRACTOR STATUS; NO THIRD PARTY BENEFICIARIES

The Contractor and its employees, agents and subcontractors are, for all purposes arising out of the Contract, independent contractors and not employees of the County. It is expressly understood and agreed that neither the Contractor nor Contractor's employees, agents or subcontractors shall be entitled to any benefit to which County employees may be entitled including, but not limited to, overtime or unemployment compensation, insurance or retirement benefits, workers' compensation or occupational disease benefits or other compensation or leave arrangements.

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent or of partnership or of joint venturer or any relationship between the parties hereto other than that of independent contractors. Nothing herein shall be construed to confer upon any third parties the status of third party beneficiary.

GC-37 GOVERNMENTAL JOINT PURCHASING AGREEMENT

Pursuant to Section 4 of the Illinois Governmental Joint Purchasing Act (30 ILCS 525) and the Joint Purchase Agreement approved by the Cook County Board of Commissioners (April 9, 1965), other units of government may purchase goods or services under this contract.

GC-38 COOPERATIVE PURCHASING

As permitted by the County of Cook, other government entities may wish to also participate under the same terms and conditions contained in this contract (piggyback). Each entity wishing to piggyback must have prior authorization from the County of Cook and vendor. If such participation is authorized, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. The County shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by these entities. Each entity reserves the right to determine their participation in this contract.

GC-39 COOPERATION WITH INSPECTOR GENERAL

Persons or businesses seeking County contracts are required to abide by all of the applicable provisions of the Office of the Independent Inspector General Ordinance (Section 2-281 et. seq. of the Cook County Code of Ordinances). Failure to cooperate as required may result in monetary and/or other penalties.

GC-40 COOPERATION WITH INSPECTOR GENERAL

Contractors, subcontractors, licensees, grantees or persons or businesses who have a County contract, grant, license, or certification of elegibility for County contracts shall abide by all of the applicable provisions of the Office of the Independent Inspector General Ordinance. Failure to cooperate as required may result in monetary and/or other penalties.

GC-41 FEDERAL CLAUSES
(Intentionally Omitted)

CONTRACT NO: 1453-13450

EXHIBIT 2

SPECIAL CONDITIONS

SPECIAL CONDITIONS

SC-01 COUNTY DATA

For purposes of this Agreement, "County Data" means all data provided by the County to Contractor, provided by third parties to the Contractor for purposes relating to this Agreement, or otherwise encountered by Contractor for purposes relating to this Agreement, including, without limitation, all data sent to Contractor by the County and/or stored by Contractor on any media relating to the Agreement, including metadata about such data. To the extent there is any uncertainty as to whether any data constitutes County Data, the data in question shall be treated as County Data.

The County and Contractor expressly agree County Data **shall not** include individual's government-issued identification number (including social security number, driver's license number of state-issued identification number), federal employee identification number, any financial account information, credit card number debit card number, credit card information, with or without any required security code, access code, personal identification number of password, that would permit access to an individual's financial account ("Highly-Sensitive Personal Information") information submitted by any person or legal entity, to utilize the Contractor's online auction site,

All County Data, both in motion and at rest, shall be stored only within the continental United States.

SC-02 DATA OWNERSHIP

Contractor will not withhold from the County, Deliverables, including documents and County Data, under this Agreement.

For purposes of this Contract, "**Deliverable**" shall include work product, such as written reviews, recommendations, reports and analyses, audits produced by the Contractor, or for the Contractor, to provide the Services to the County.

SC-03 DATA SECURITY

Contractor will safeguard and secure County's Data and Highly Sensitive Personal Information as required by law and in compliance with industry-standard best practices as updated, including but not limited to Payment Card Industry ("PCI") Security Standards Council ("SSC") standards (collectively, "Data Security"). Specifically, and not to the exclusion of other standards, Contractor's Data Security shall include compliance with PCI Data Security Standard ("DSS") as updated and PCI Payment Application Data Security Standard ("PA-DSS") as updated and as applicable.

SC-03 DATA SECURITY (CON'T.)

Upon the effective date of this Agreement, annually thereafter, and upon reasonable written request by the County, and at Contractor's expense and with no cost to the County, Contractor shall provide sufficient evidence of Contractor's Data Security. Specifically, and not to the exclusion of other evidence, such sufficient evidence shall include all validating documentation required to demonstrate compliance with PCI SSC standards, for example, reports on compliance, network scans, attestations of compliance, or self-assessment questionnaires. Should Contractor tender a self-assessment questionnaire ("SAQ") to the County, Contractor shall ensure that a PCI Qualified Security Assessor's ("QSA") has certified the accuracy of such SAQ.

To the extent that the Contractor relies upon, outsources to, or uses the services of third parties in the performance of Contractor's obligations under this Agreement, the Contractor shall ensure and assume all responsibility, and accompanying liability, that such third parties safeguard and secure County's Data as required by law and in compliance with industry-standard best practices as updated.

SC-04 DATA RETENTION, DELIVERY AND DESTRUCTION

The Contractor shall retrieve, retain, deliver and destroy the Deliverables, including documents and County Data, in compliance with laws pertaining to the County, including but not limited to the Local Records Act as applicable or other applicable laws. Upon termination of the Agreement, whether upon expiration, upon breach, or otherwise, and at no cost to the County, Contractor shall retrieve, retain, deliver, or destroy the Deliverables and County Data as the County directs.

SC-05 PROTECTION AND PRIVACY

Contractor shall implement and maintain a disaster recovery plan (the "*DR Plan*") materially in accordance with industry standards, which County shall have the right to review upon providing reasonable written notice to the Contractor.

SC-06 PROTECTION AND SECURITY

Contractor will safeguard and secure County's Data and any Highly Sensitive Personal Information as required by all applicable laws, and will maintain a security program that is available for the County's review, and that is materially in compliance with all applicable laws, including Illinois Personal Information Protection Act, 815 ILCS 530/1, and with commonly accepted industry-standard best practices, The Contractor shall reasonably ensure the security and integrity of the County's confidential information (including third party data that the County may collect, process or retain) and protect against threats or hazards to the security of such data during the Term of the Agreement.

To the extent that the Contractor relies upon, outsources to, or uses the services of third parties in the performance of Contractor's obligations under this Agreement, the Contractor shall ensure and assume all responsibility, and accompanying liability, that such third parties safeguard and secure County's Data as required by law and in compliance with industry-standard best practices as updated.

SC-07 THIRD-PARTY REQUESTS

If Contractor is served with a warrant, subpoena or any other order or request from a government body or any other person for any Deliverables, including Documents and County Data, Contractor shall immediately deliver to County a copy of such warrant, subpoena, order or request and will not produce documents, County Data, or other Deliverables without first giving the County and opportunity to contest such warrant, subpoena, order or other lawful request.

SC-08 INCIDENT RESPONSE

Contractor shall create and implement an incident response plan ("Incident Response Plan") addressing a third party's unauthorized access to the Deliverables, including Documents, any information and County Data, under this Agreement ("Data Breach"). The Incident Response Plan shall, at a minimum: (a) meet all legal requirements and industry-standard best practices, including but not limited to PCI DSS compliance; (b) require that Contractor immediately notify the County where it has reason to know of or receives notice that a Data Breach may have occurred; (c) require annual testing and preparedness exercises; and (d) specify that Contractor assumes all liability and responsibility for investigating, responding to, and mitigating Data Breaches, but shall coordinate such response and mitigation with the County. The Incident Response Plan shall be subject to the County's approval. Contractor shall provide a copy of the Incident Response Plan to the County within thirty (30) business days upon request by the County.

SC-09 REPRESENTATIONS AND WARRANTIES

In connection with signing and carrying out this Agreement, Contractor:

i) warrants that, if required Contractor is appropriately licensed under Illinois law to perform the Services required under this Agreement and will perform no Services for which a professional license is required by law and for which Contractor is not appropriately licensed;

ii) warrants it is financially solvent; it and each of its employees, agents and Subcontractors of any tier are competent to perform the Services required under this Agreement; and Contractor is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated in this Agreement;

iii) warrants that it will not knowingly use the services of any ineligible consultant or Subcontractor for any purpose in the performance of its Services under this Agreement;

iv) warrants that Contractor are not in default at the time this Agreement is signed, and have not been considered by the Chief Procurement Officer to have, within 5 years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the County;

SC-09 REPRESENTATIONS AND WARRANTIES (CON'T.)

v) represents that it has carefully examined and analyzed the provisions and requirements of this Agreement; it understands the nature of the Services required; from its own analysis it has satisfied itself as to the nature of all things needed for the performance of this Agreement; this Agreement is feasible of performance in accordance with all of its provisions and requirements, and Contractor warrants it can and will perform, or cause to be performed, the Services in strict accordance with the provisions and requirements of this Agreement;

vi) represents that Contractor and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of the Illinois Criminal Code, 720 ILCS 5/33E as amended;

vii) acknowledges that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination under this Agreement; and

viii) warrants that, at all times, it has exercised and will exercise commercially reasonable efforts to exclude unauthorized access by third parties, undisclosed programs, or extraneous code or data that may be reasonably expected to damage County Data.

SC-10 AUDIT RIGHTS

The audit right set forth in Exhibit 1, General Conditions, GC-34 Audit; Examination of Records, shall also apply and extend to the Director of the Department of Revenue.

CONTRACT NO: 1453-13450

EXHIBIT 3

ON-LINE SELLER AGREEMENT

Public Surplus
Seller Agreement

Public Group, LLC, a Utah limited liability company that sometimes does business as "Public Surplus" (**"Public Surplus"**, **"We" "Us"**), provides online bid boards, auctions and stores and facilitates other online transactions on www.publicsurplus.com and other websites (collectively, the **"Site"**) for governmental bodies and others (**"Sellers"** or **"You"**) to sell surplus goods and other property and assets to buyers of all types (**"Buyers"**). As a condition to accessing and using the Site and receiving the benefit of Public Surplus' services provided through the Site and otherwise (the **"Services"**), Public Surplus requires that You review and accept this Seller Agreement (this **"Agreement"** or **"Exhibit"**).

BY REGISTERING TO USE THE SITE AND THE SERVICES, YOU ACCEPT AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT WITH PUBLIC SURPLUS. IF YOU DO NOT AGREE TO ACCEPT THIS AGREEMENT, YOU MAY NOT ACCESS THE SITE OR OTHERWISE USE THE SERVICES OR THE SITE. YOU AGREE THAT YOU HAVE RECEIVED GOOD AND VALUABLE CONSIDERATION IN EXCHANGE FOR ENTERING INTO THIS AGREEMENT.

1. ACCESSING OUR SITE AND USING OUR SERVICES

1.1. Eligibility. You may only use our Services if You are at least 18 years of age, are mentally competent, and can form legally binding contracts under applicable law. You may not assign or transfer Your account or user identification to any other party.

1.2. Seller Affirmations in Connection with Offers and Sales. In using our Site and Services, You agree as follows:

(a) No contingency to Your sales offer exists other than those stated in the listing at the time of sale.

(b) You will be responsible for delivering property sold using Your username and password.

(c) You are fully capable of transferring title to the property offered for sale in a timely manner.

(d) You are a real person or entity, with a verifiable address, telephone number and email address as provided to Us.

(e) You are dealing in good faith and are not attempting to defraud, cheat, or wrong Public Surplus or any Buyer.

1.3. Accuracy and Nature of Your Information. You are solely responsible for all information You provide to Us or other users on our Site ("Your Information"). We act as a passive conduit for the online distribution and publication of Your Information. You agree that Your Information (i) will not be false, inaccurate, or misleading; (ii) will not violate any law, statute, ordinance or regulation; and (iii) will not be defamatory, trade libelous, unlawfully threatening or unlawfully harassing. In providing Your Information, You grant to Us a non-exclusive, worldwide, royalty-free, sub-licensable (through multiple tiers) right to use and exercise the copyright, publicity, and database rights You have in Your Information for purposes of facilitating the communications and transactions made through our Site.

1.4. Fees. Public Surplus charges no fees for You to register to list property for sale on the Site. However, You will owe a transaction fee for each completed sale through the Site. Other fees may apply for other Services as shown on the Site. Our fees may change from time to time. You are responsible for paying all fees and any applicable taxes associated with transactions effected through the Site in a timely manner and with a valid payment method. If Your payment method fails or Your account is past due, We may collect fees owed using other collection mechanisms.

1.5. No Disruption to Our Site or Services. You agree not to attempt any action that may disrupt our Site or our Services. Among other things, You agree that (i) Your Information and all other input on our Site will not contain any viruses, Trojan horses, worms, time bombs, cancelbots, easter eggs or other software, devices, files or routines that may damage, interfere with, copy, reproduce, intercept or expropriate any system, data or personal information; (ii) You will not create liability for Us or cause Us to lose (in whole or in part) the services of our Internet Service Providers or other vendors; (iii) You will not use our Site to obtain e-mail addresses for bulk e-mail solicitations or otherwise; (iv) You will not reverse engineer any of our Services, programs, or infrastructure; (v) You will not use any robot, spider, other automatic device, or manual process to monitor, copy or reproduce our web pages or the content contained herein without our prior express written permission; and (vi) You will not take any action that imposes an unreasonable or disproportionately large load on our infrastructure.

1.6. User Password. During the registration process, You will select a username and a password. You agree that You are solely responsible for preserving the confidentiality of Your username and Your password, and You will be responsible for all activities and charges related to the use of Your username and password, including unauthorized use. You agree not to furnish Your username, password or other information to any other party for use of the Site and the Services. You agree to notify Public Surplus immediately of any unauthorized use of Your personal password or username and any other breach of security regarding the Services.

1.7. Obligation to Ensure Compliance with this Agreement. You agree that You will take all steps necessary to ensure that Your employees, contractors, and agents comply with the covenants, terms , and provisions of this Agreement, including but not limited to the covenants contained in sections 1.5 and 7.8 of this Agreement. You acknowledge that You will be responsible and liable for any damages, claims, liabilities, and expenses of any kind suffered by Public Surplus or any of Our affiliated companies arising from any and all actions or failures to act taken by any party using Your username and password or taken by Your employees, contractors, or agents, whether or not in accordance with the terms or intent of this Agreement.

1.8. Consent to E-Mail Correspondence from Public Surplus. You hereby agree that We may send future correspondence to You via electronic mail ("e-mail") that notifies You of sales opportunities or other matters that We believe may interest You. Any e-mail correspondence to You (i) will be clearly and conspicuously identified as sent by Public Surplus; and (ii) will clearly and conspicuously display a functioning return e-mail address to enable You to reply to Public Surplus.

1.9. Electronic Signature. You are notified by this statement that Your consent to these terms and conditions by checking the box indicating Your agreement to be bound to these terms, meets the requirements of Section 101(c) (1) (C) (ii), the Consumer Consent Provision, of the Electronic Signatures in Global and National Commerce Act (ESIGN). You may print these terms and conditions, but they are subject to change by Us. Changes to the terms and conditions will be effective from the time they are placed on our Site, in the terms and conditions section of the Site, or any other section where they may appear.

2. SELLER UNDERSTANDINGS AND OBLIGATIONS

In listing or offering items for sale on our Site or otherwise accessing our Site and Services in any way, You represent, warrant and agree to the following:

2.1. Shipment. At the close of an auction in which You have a winning bidder, You agree to make the property immediately available for pickup and/or shipment.

2.2. Deposits. We reserve the right to require an earnest money deposit from Buyers, or from You in the event you are acting as a Buyer and not a Seller, prior to or during the listing on certain items at our sole discretion. Any such deposits will be retained and applied in Public Surplus' discretion.

2.3. Legal Compliance. You will comply with all applicable laws, statutes, ordinances and regulations regarding Your use of our Site and Services and the offer and sale of property. Offering property for sale with the intent not to complete the transaction, causing disruption to the sale process on our Site, and not completing transactions will be considered in most jurisdictions as fraud and may be prosecuted to the fullest extent of the law.

3. PAYMENT PROCESSING SERVICES

3.1. Payment Processing Services Under Separate Agreement with Affiliate. In the event that You elect to have Our affiliate, Public Processing, LLC, a Nevada limited liability company (**"Public Processing"**), receive and process on Your behalf payments made by Buyers (the **"Processing Services"**), You agree to the provisions set forth in this Agreement and in a separate agreement with Public Processing.

4. LIABILITY LIMITATIONS AND RELEASES

4.1. Absence of Liability. You will not hold Public Surplus responsible for actions or inactions of Buyers or other users, including the failure of a Buyer to take delivery or make payment for an item. You acknowledge that We are not a traditional auctioneer and We are not the Buyer of property sold through our Site. Instead, the Site provides a marketplace for users to offer, sell, and buy items of all kinds in a variety of pricing formats and venues. We are not involved in the actual transaction between You and Buyers. We have no control over and do not guarantee such things as the quality, safety or legality of items advertised, the truth or accuracy of listings, the ability of Buyers to purchase and make payment for items, or the completion of a sale by You, even upon a successful bidding and acceptance process. Without limitation of the generality of the foregoing, We will not be liable for lost profits or any special, incidental or consequential damages arising out of or in connection with the Site, our Services, or this Agreement.

4.2. Disclaimer of Warranties. THE SITE AND SERVICES, INCLUDING ALL CONTENT, FUNCTIONS, MATERIALS, AND INFORMATION ON OR ACCESSED THROUGH THE SITE OR SERVICES, ARE PROVIDED ON AN "AS IS," "AS AVAILABLE" BASIS. PUBLIC SURPLUS DISCLAIMS ANY WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, DATA ACCURACY, SYSTEM INTEGRATION, OR QUIET ENJOYMENT. PUBLIC SURPLUS DOES NOT WARRANT THAT THE SERVICES, FUNCTIONS, FEATURES OR CONTENT WILL BE FUNCTIONAL, TIMELY, SECURE, UNINTERRUPTED OR ERROR FREE, OR THAT DEFECTS WILL BE CORRECTED. PUBLIC SURPLUS MAKES NO WARRANTY THAT SALES WILL BE COMPLETED THROUGH THE SITE OR THAT THE SITE OR SERVICES WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS, EXPRESSLY DISCLAIMS ANY WARRANTIES OR GUARANTEES THAT BY LISTING THE LISTED ASSETS, THE LISTED ASSETS WILL BE SOLD. PUBLIC SURPLUS MAKES NO WARRANTY OF ANY KIND REGARDING ANY LISTED ASSETS OR ANY TRANSACTIONS ENTERED INTO THROUGH THE SERVICES. PUBLIC SURPLUS EXPRESSLY DISCLAIMS ANY ENDORSEMENT OR WARRANTY OF ANY LISTED ASSETS SOLD ON OR THROUGH THE SITE OR THE SERVICES, AND ANY RESPONSIBILITY FOR ANY MISREPRESENTATIONS OR BREACHES COMMITTED BY ANY BUYER OR OTHER USER.

4.3. Interruption of Service. Public Surplus is not responsible for any damages or losses related to any system errors or interruptions affecting its Site and the processing of any solicitations, requests, offers, bids, auctions, or sales. You understand and acknowledge that the Site and our Services may be unavailable unexpectedly.

4.4. Third Party Links. The Site may contain links to other websites or resources for Your convenience in locating related information and services. You acknowledge and agree that Public Surplus is not responsible or liable for (i) the availability or accuracy of such sites or resources, or (ii) the content, advertising or products on or available from such sites or resources. The inclusion of any link on the Site does not imply that Public Surplus endorses the linked site. You use the links at Your own risk.

4.5. Release. If You have a dispute with a Buyer or any other Seller or user of our Site, You release Us (and our officers, directors, agents, subsidiaries, joint ventures and employees) from claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, arising out of or in any way connected with such disputes. You will settle all disputes with other users of our Site without our involvement, and We will have no liability whatsoever arising from communications made or transactions effected through our Site. If You are a California resident, You waive California Civil Code §1542, which says: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

5. PRIVACY

We do not sell or rent Your personal information to third parties for their marketing purposes without Your explicit consent. We use Your information only as described in Public Surplus' Privacy Policy. We view protection of privacy as a very important community principle. We store and process Your information on computers located in the United States that are protected by physical as well as technological security devices. You can access and modify the information You provide Us. For a complete description of how We use and protect Your personal information, see Public Surplus' Privacy Policy. If You object to Your Information being transferred or used in this way please do not use our services.

6. TERMINATION OR SUSPENSION

Public Surplus reserves the right to suspend or terminate Your access to our Site and Services for any reason or no reason with ninety (90) days prior written notice to You. Among other reasons, We may suspend or terminate Your access to our Services if (a) You breach any of the provisions of this Agreement; (b) We suspect that You have engaged in fraudulent activity of any kind in connection with our Site; (c) You manipulate the price of any item or interfere with another user's communications or transactions; (d) We are unable to verify or authenticate any information You provide to Us; or (e) We believe that Your actions may cause legal liability for You, our users or Us.

7. MISCELLANEOUS

7.1. Changes to Site and Services. Public Surplus reserves the right, in its sole discretion, to modify, suspend or terminate any aspect of our Site and Services, including, but not limited to, content, auction features, news and information, and product categories without notice.

7.2. Record Keeping. Public Surplus cannot guarantee the preservation or maintenance of records relating to historical auction transactions and bidding activity, beyond three (3) years and encourages You to keep individual records and an accounting of all activity conducted through our Site.

7.3. Notice and Communication. Unless stated otherwise, all notice and communication with You will be provided by e-mail to the e-mail address provided by You in their registration application. Notice will be deemed to have been provided 24 hours after the e-mail was transmitted by Public Surplus.

7.4. Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois. Any right to trial by jury with respect to any claim, action, suit or proceeding arising out of this Agreement or any of the matters contemplated hereby is waived. You further agree to the exercise of personal jurisdiction in the State of Illinois in connection with any dispute or claim involving Public Surplus.

7.5. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision will be enforced to the maximum extent permissible and the remainder of this Agreement will continue in full force and effect.

7.6. Waiver. The failure of Public Surplus to exercise or enforce any right or provision of this Agreement will not be deemed a waiver of such right or provision in the future.

7.7. Independent Contractor Relationship. The relationship between You and Public Surplus is that of an independent contractor. No agency, partnership, joint venture or franchise relationship is implied, intended or created by this Agreement.

7.8. Intellectual Property. All inventions, know how, improvements, discoveries, methods, processes, concepts, designs, ideas, prototypes, samples, drawings, documents, blueprints, specifications, computer or intellectual property programs, methods of doing business, data in Public Surplus' databases (including but not limited to databases containing bidders, Buyers and other users of the Site and their names and contact information), systems, copyrights, trademarks, trade names, software and/or other works conceived of and/or reduced to practice or writing or otherwise relating in any way to the Site or the Services are the exclusive intellectual property of Public Surplus (the **"Public Surplus IP"**). In addition, all content contained on the Site, excluding County Data, as defined in the Special Conditions, SC-01, is Public Surplus IP that is copyrighted material, and Public Surplus retains and reserves all rights and interests in the content. Public Surplus IP may be created by one of more of Public Surplus' employee(s) alone or jointly with a user or users of the Site or Services arising from the users' use and development of the Services or as a result of feedback regarding the Site or Services (**"Feedback"**). All right, title, and interest in any Public Surplus IP will belong to Public Surplus and will be subject to the conditions of this Agreement. You hereby irrevocably assign to Public Surplus all right, title, and interest You may acquire in any Public Surplus IP, whether or not generated from Feedback. Public Surplus may, at its option, file an application for intellectual property protection for Public Surplus IP. If any such Public Surplus IP is created with Your participation or Feedback, You agree to cooperate with Public Surplus to assure that such application(s) will cover, to the best of Your knowledge, all related assets, including all features of commercial interest and importance. Public Surplus IP is the sole and exclusive property of Public Surplus and may not be used, copied, reproduced, modified, published, transmitted, distributed, displayed, or sold, or derivative works created, without the prior written consent of Public Surplus. Furthermore, You may not provide access to, or information from, the Site to any other party without Public Surplus' prior written consent.

7.9. Copyrights. The Site may contain copyrighted, trademarked, or other proprietary materials that belong to third parties and are used with the owner's permission. You agree not to copy, modify, distribute, or create any derivative work from such materials without prior written consent from the owner.

7.10. Trademarks. The Site and Public Surplus' tradenames, domain names and logos found on the Site are trademarks or service marks of Public Surplus. No display or use of such marks may be made without the express written permission of Public Surplus. All other designated trademarks or service marks are the property of their respective owners.

7.11. Assignment. This Agreement may not be assigned by You or by operation of law to any other person, persons, firms or corporations without the express written approval of Public Surplus. However, You agree that this Agreement and all incorporated agreements may be assigned and delegated by Public Surplus, with Your prior written permission, to any party and will be assigned and delegated automatically in the event of a merger of Public Surplus with another party, provided that such other party is authorized to do business with Cook County, in accordance with the Cook County Code of Ordinances. You agree that such permission shall not be unreasonably withheld.

7.13. Survival. The warranties, covenants and representations of the parties to this Agreement will survive termination of this Agreement.

7.14. Headings. Headings are for reference purposes only and in no way affect the interpretation of this Agreement.

7.15. Oral Statements by Representatives. Any oral statement or representation by any representative of Public Surplus changing or supplementing this Agreement or any terms of bidding or sale on the Site, is unauthorized and ineffective and confers no right on You and may not be relied upon by You. No interpretation or purported amendment or change of any provision of this Agreement, including applicable performance requirements, is binding on Public Surplus unless agreed to, in writing, by Public Surplus.

EXHIBIT 4

ON-LINE AGREEMENT FOR PAYMENT PROCESSING

Public Processing, LLC
Agreement for Payment Processing

Public Processing, LLC, a Nevada limited liability company ("**Public Processing**", "**We**" "**Us**") processes payments made by buyers of all types ("**Buyers**") for surplus goods and other property and assets sold by a governmental body or other party ("**Seller**" or "**You**") through online bid boards, auctions and stores, and other online transactions on www.publicsurplus.com and other websites (collectively, the "**Site**") operated by our affiliate, The Public Group, LLC, a Utah limited liability company that sometimes does business as "Public Surplus" ("**Public Surplus**").

If elected by You, Public Processing will agree to receive and process payments made by Buyers and forward to You the amounts paid, in accordance with the terms set forth below. As a condition to accessing and using the Site and receiving the benefit of the payment processing services provided through the Site and otherwise (the "**Services**"), Public Processing requires that You review and accept this Agreement for Payment Processing (this "**Agreement**").

BY REGISTERING TO USE THE SITE AND THE SERVICES, YOU ACCEPT AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO ACCEPT THIS AGREEMENT, YOU MAY NOT ACCESS THE SITE OR OTHERWISE USE THE SERVICES OR THE SITE. YOU AGREE THAT YOU HAVE RECEIVED GOOD AND VALUABLE CONSIDERATION IN EXCHANGE FOR ENTERING INTO THIS AGREEMENT.

1. ACCESSING THE SITE AND USING THE SERVICES

1.1. Eligibility. You may only use the Services if You are at least 18 years of age, are mentally competent, and can form legally binding contracts under applicable law. You may not assign or transfer Your account or user identification to any other party.

1.2. Seller Agreement with Public Surplus. By using our Site and the Services, You acknowledge, agree, and confirm that You have agreed to the form of the separate Seller Agreement with Public Surplus on the Site that is required to be accepted by you upon registration upon the Site (the "**Seller Agreement**"). In the event of any inconsistency between the provisions of this Agreement and the Seller Agreement, this Agreement will govern.

1.3. Seller Affirmations in Connection with Offers and Sales. In using the Site and Services, You agree as follows:

1. You will be responsible for delivering property sold using Your username and password.

2. You are fully capable of transferring title to the property offered for sale in a timely manner.

3. You are a real person or entity, with a verifiable address, telephone number and email address as provided to Us.

4. You are dealing in good faith and are not attempting to defraud, cheat, or wrong Public Processing or any Buyer.

1.4. Accuracy and Nature of Your Information. You are solely responsible for all information You provide to Us or other users on the Site ("**Your Information**"). We act as a passive conduit for the online distribution and publication of Your Information. You agree that Your Information (i) will not be false, inaccurate, or misleading; (ii) will not violate any law, statute, ordinance or regulation; and (iii) will not be defamatory, trade libelous, unlawfully threatening or unlawfully harassing. In providing Your Information, You grant to Us a non-exclusive, worldwide, royalty-free, sub-licensable (through multiple tiers) right to use and exercise the copyright, publicity, and database rights You have in Your Information for purposes of facilitating the communications and transactions made through the Site.

1.5. Fees. Fees apply for the Services available through the Site. Our fees may change from time to time as specified on the Site or by written communication to You (by e-mail or otherwise). You are responsible for paying all fees and any applicable taxes associated with completed transactions effected through the Site in a timely manner and with a valid payment method. You agree that the fees and any taxes due may be deducted and retained by Us from any payment amounts processed by Us. If Your payment method fails or Your account is past due, We may collect the fees and taxes owed using other collection mechanisms.

1.6. No Disruption to The Site or Services. You agree not to attempt any action that may disrupt the Site or the Services. Among other things, You agree that (i) Your Information and all other input on the Site will not contain any viruses, Trojan horses, worms, time bombs, cancelbots, easter eggs or other software, devices, files or routines that may damage, interfere with, copy, reproduce, intercept or expropriate any system, data or personal information; (ii) You will not create liability for Us or cause Us to lose (in whole or in part) the services of our Internet Service Providers or other vendors; (iii) You will not use the Site to obtain e-mail addresses for bulk e-mail solicitations or otherwise; (iv) You will not reverse engineer any of the Services, programs, or infrastructure; (v) You will not use any robot, spider, other automatic device, or manual process to monitor, copy or reproduce the Site or the content contained herein without our prior express written permission; and (vi) You will not take any action that imposes an unreasonable or disproportionately large load on the Site infrastructure.

1.7. User Password. During the registration process, You will select a username and a password. You agree that You are solely responsible for preserving the confidentiality of Your username and Your password, and You will be responsible for all activities and charges related to the use of Your username and password, including unauthorized use. You agree not to furnish Your username, password or other information to any other party for use of the Site and the Services. You agree to notify Public Processing immediately of any unauthorized use of Your personal password or username and any other breach of security regarding the Services.

1.8. Obligation to Ensure Compliance with this Agreement. You agree that You will take all steps necessary to ensure that Your employees, contractors, and agents comply with the covenants, terms and provisions of this Agreement, including but not limited to the covenants contained in sections 1.6 and 7.8 of this Agreement. You acknowledge that You will be responsible and liable for any damages, claims, liabilities, and expenses of any kind suffered by Public Processing arising from any and all actions or failures to act taken by any party using Your username and password or taken by Your employees, contractors, or agents, whether or not in accordance with the terms or intent of this Agreement.

1.9. Electronic Signature. You are notified by this statement that Your consent to these terms and conditions by checking the box indicating Your agreement to be bound to these terms, meets the requirements of Section 101(c) (1) (C) (ii), the Consumer Consent Provision, of the Electronic Signatures in Global and National Commerce Act (ESIGN). You may print these terms and conditions, but they are subject to change by Us. Changes to the terms and conditions will be effective from the time they are placed on the Site, in the terms and conditions section of the Site, or any other section where they may appear.

2. SELLER UNDERSTANDINGS AND OBLIGATIONS

In listing or offering items for sale on the Site or otherwise accessing the Site and Services in any way, You represent, warrant and agree to the following:

2.1. Shipment. At the close of an auction in which You have a winning bidder, You agree to make the property available for prompt pickup and/or shipment.

2.2. Deposits. Public Surplus and Public Processing reserve the right to require an earnest money deposit from Buyers, or from You in the event You are acting as Buyer and not a Seller, prior to or during the listing on certain items at their sole discretion. Any such deposits will be retained and applied in their discretion.

2.3. Legal Compliance. You will comply with all applicable laws, statutes, ordinances and regulations regarding Your use of the Site and Services and the offer and sale of property. Offering property for sale with the intent not to complete the transaction, causing disruption to the sale process on the Site, and not completing transactions will be considered in most jurisdictions as fraud and may be prosecuted to the fullest extent of the law.

3. PAYMENT PROCESSING SERVICES

3.1. Scope of Payment Processing Services. In the event that You elect to have Us receive and process on Your behalf payments made by Buyers, You agree to the provisions set forth in this Agreement relating thereto. You understand and agree as follows:

1. The Services do not include risk or fraud management, dispute management, collection agency services, or electronic checks;
2. We will not perform Services with respect to transactions prohibited by the applicable laws or by bank, financial institution, or credit card association bylaws or rules;
3. We will not provide Services with incomplete transaction information or if transaction information cannot be confirmed;
4. We will only perform Services for domestic credit cards; and
5. You will not engage any other person to perform Services while we are providing them under this Agreement.

3.2 Buyer Steps & Procedures for Payment. We will receive and process payments on Your behalf only if Buyers make the payments by following the steps, instructions, and procedures included on the Site and sent by e-mail to winning Buyers and in compliance with applicable laws and bank, financial institution, or credit card association rules and procedures (including but not limited to PCI Security Standards). Among other things, the payment for each successful bid must be made (a) to Public Surplus or Public Processing, (b) by certain means (credit cards, wire transfers, etc.) specified on the Site that vary based upon the amount of the payment, (c) in a timely manner as specified on the Site, and (d) in a single payment by a single authorized means (no partial payments, multiple payments, or payment by two different means allowed).

3.3. Sales Tax Processing. If You elect, We will under the conditions specified in this Agreement, agree to receive sales tax payments made by Buyers and remit the sales tax payments to the applicable sales tax authority in the state in which You are located (the "**State**"). You understand and agree as follows:

1. We will receive and remit to the State sales tax amounts paid by Buyers only if and to the extent of the amount of sales tax with respect to a particular transaction is added to the price and other payments otherwise payable by the Buyers.
2. We rely on You to inform us of the applicable sales tax rate and to provide us with Your applicable tax identification number. You hereby authorize and direct Us to remit payment of the sales tax amounts directly to the applicable sales tax authority in the State using the tax identification number that You provide to Us.
3. Except for remitting funds we receive as payment for sales tax to the extent such funds exceed the price and other payments due from the Buyers, We will have no responsibility or liability for ensuring that payments are received and collected as required under all applicable laws or for making payment to any governmental body or authority entitled to sales or use tax payments.
4. We will receive and process sales tax payments on Your behalf only if Buyers make the payments by following the steps, instructions, and procedures included on the Site and sent by e-mail to winning Buyers and in compliance with applicable laws and bank, financial institution, or credit card association rules and procedures.

3.4. Liability and Risk of Loss for Failure to Pay, Charge Backs, and Other Items. You will bear the burden and risk of any and all loss, liability, and exposure arising from any of the following circumstances: (a) a Buyer does not make a payment, (b) a charge back occurs with respect to a payment made, (c) a payment is not made in good funds, (d) a check does not clear, (e) a refund to a Buyer is made, (f) fraud, deception, misrepresentation, or any other impropriety occurs with respect to a transaction or a payment, (g) the action, inaction, refusal, or delay of any bank, financial institution, or credit card association in processing any payment transaction, (h) the assessment of any fees, fines, or penalties by a bank, financial institution, or credit card association relating to a charge back or other matter, or (i) any other cause results in payment not being credited for a transaction involving Your property,. Because Public Processing is merely processing payments for You, You understand that We assume no responsibility, burden, or risk of loss whatsoever for any of such circumstances. You expressly agree that We may offset the amounts arising from any such circumstances against other amounts payable by Us to You. You also agree that we may charge an extra processing fee if we make refunds relating to sales of Your property. You understand that the level of charge backs, fraud, or other circumstances may cause Us to decide to terminate rendering the Services under this Agreement.

3.5. Public Processing Not A Seller, Nor A Collection Agency; No Consignment. You acknowledge and agree that Public Processing does not (a) assume the role of seller of Your property, (b) make any representations or statements about Your property, (c) act as a collection agency to collect monies unpaid by Buyers, (d) take consignment of Your property, nor (e) undertake or assume any other role or responsibility not contemplated by this Agreement. You agree that You and Your employees and representatives will not make any statements or act in any way inconsistent with Public Processing's limited role under this Agreement.

3.6. Public Processing Payment to You. Public Processing will keep records of all amounts received in good funds on Your behalf. Public Processing will make payment to You monthly (unless otherwise agreed) of amounts received (net of fees, offsets, and any taxes). Unless otherwise agreed by Us, You agree that payment will only be made by Automated Clearing House (ACH) deposits to an account specified and properly maintained by You. You agree to provide promptly the authorizations needed for such ACH deposits and to be responsible and liable for any and all fees relating to such ACH deposits. You also agree to monitor the account and the deposits therein. You will bear the burden of any and all loss, liability, and risk of loss arising from any fraud, theft, mistake, or deception involving such ACH deposits, unless they arise from fraud, mistake, or deception by Us or our employees or agents.

3.7. Minimum Amount Required for Payment. Public Processing will make payment to You, as set forth above, of all amounts received (net of fees, offsets, and any taxes) on Your behalf, so long as the total amount received is $100 or more. We will not make payments to You of less than $100. Where any amount or amounts received on Your behalf total less than $100, payment will be made to You upon receipt of additional funds that bring Your balance above $99. Public Processing will own the interest on any balance held because it is below $100. When You close Your account with Public Surplus and Us, any remaining balance will be paid to You, regardless of the minimum balance requirements stated above.

4. LIABILITY LIMITATIONS AND RELEASES

4.1. Absence of Liability. You will not hold Public Processing responsible for actions or inactions of Buyers or other users, including the failure of a Buyer to take delivery or make payment for an item. You acknowledge that We and Public Surplus are not traditional auctioneers and We are not the Buyer of property sold through the Site. Instead, the Site provides a marketplace for users to offer, sell, and buy items of all kinds in a variety of pricing formats and venues. We are not involved in the actual transaction between You and Buyers. We have no control over and do not guarantee such things as the quality, safety, or legality of items advertised, the truth or accuracy of listings, the ability of Buyers to purchase and make payment for items, or the completion of a sale by You, even upon a successful bidding and acceptance process. Without limitation of the generality of the foregoing, We will not be liable for lost profits or any special, incidental, or consequential damages arising out of or in connection with the Site, the Services, or this Agreement.

4.2. Disclaimer of Warranties. THE SITE AND SERVICES, INCLUDING ALL CONTENT, FUNCTIONS, MATERIALS AND INFORMATION ON OR ACCESSED THROUGH THE SITE OR SERVICES, ARE PROVIDED ON AN "AS IS," "AS AVAILABLE" BASIS. PUBLIC PROCESSING DISCLAIMS ANY WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, DATA ACCURACY, SYSTEM INTEGRATION, OR QUIET ENJOYMENT. PUBLIC PROCESSING DOES NOT WARRANT THAT THE SERVICES, FUNCTIONS, FEATURES OR CONTENT WILL BE FUNCTIONAL, TIMELY, SECURE, UNINTERRUPTED OR ERROR FREE, OR THAT DEFECTS WILL BE CORRECTED. PUBLIC PROCESSING MAKES NO WARRANTY THAT SALES WILL BE COMPLETED THROUGH THE SITE OR THAT THE SITE OR SERVICES WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OR GUARANTEES THAT BY LISTING THE LISTED ASSETS, THE LISTED ASSETS WILL BE SOLD. PUBLIC PROCESSING MAKES NO WARRANTY OF ANY KIND REGARDING ANY LISTED ASSETS OR ANY TRANSACTIONS ENTERED INTO THROUGH THE SERVICES. PUBLIC PROCESSING EXPRESSLY DISCLAIMS ANY ENDORSEMENT OR WARRANTY OF ANY LISTED ASSETS SOLD ON OR THROUGH THE SITE OR THE SERVICES, AND ANY RESPONSIBILITY FOR ANY MISREPRESENTATIONS OR BREACHES COMMITTED BY ANY BUYER OR OTHER USER.

4.3. Interruption of Service. Public Processing is not responsible for any damages or losses related to any system errors or interruptions affecting its Site and the processing of any solicitations, requests, offers, bids, auctions, or sales. You understand and acknowledge that the Site and the Services may be unavailable unexpectedly.

4.4. Third Party Links. The Site may contain links to other websites or resources for Your convenience in locating related information and services. You acknowledge and agree that Public Processing is not responsible or liable for (i) the availability or accuracy of such sites or resources, or (ii) the content, advertising or products on or available from such sites or resources. The inclusion of any link on the Site does not imply that Public Processing endorses the linked site. You use the links at Your own risk.

4.5. Release. If You have a dispute with a Buyer or any other Seller or user of the Site, You release Us (and our officers, directors, agents, subsidiaries, joint ventures and employees) from claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, arising out of or in any way connected with such disputes. You will settle all disputes with other users of the Site without our involvement, and We will have no liability whatsoever arising from communications made or transactions effected through the Site. If You are a California resident, You waive California Civil Code §1542, which says: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

5. PRIVACY

We do not sell or rent Your personal information to third parties for their marketing purposes without Your explicit consent. We use Your information only as described in Public Surplus' Privacy Policy. We view protection of privacy as a very important community principle. We store and process Your information on computers located in the United States that are protected by physical as well as technological security devices. You can access and modify the information You provide Us. For a complete description of how We use and protect Your personal information, see Public Surplus' Privacy Policy. If You object to Your Information being transferred or used in this way please do not use the Services.

6. TERMINATION OR SUSPENSION

Public Processing reserves the right to suspend or terminate Your access to the Site and Services for any reason or no reason with ninety (90) days prior written notice to You. Among other reasons, We may suspend or terminate Your access to the Services if (a) You breach any of the provisions of this Agreement; (b) We suspect that You have engaged in fraudulent activity of any kind in connection with the Site; (c) You manipulate the price of any item or interfere with another user's communications or transactions; (d) We are unable to verify or authenticate any information You provide to Us; or (e) We believe that Your actions may cause legal liability for You, our users or Us.

7. MISCELLANEOUS

7.1. Changes to Site and Services. Public Processing reserves the right, in its sole discretion, to modify, suspend, or terminate any aspect of the Site and Services, including, but not limited to, content, auction features, news and information, and product categories without notice.

7.2. Record Keeping. Public Processing cannot guarantee the preservation or maintenance of records relating to historical auction transactions and bidding activity , beyond three (3) years and encourages You to keep individual records and an accounting of all activity conducted through the Site.

7.3. Notice and Communication. Unless stated otherwise, all notice and communication with You will be provided by e-mail to the e-mail address provided by You in Your registration application or via posting on the Site. Notice will be deemed to have been provided 24 hours after the e-mail was transmitted by Public Processing.

7.4. Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois. Any right to trial by jury with respect to any claim, action, suit or proceeding arising out of this Agreement or any of the matters contemplated hereby is waived. You further agree to the exercise of personal jurisdiction in the State of Illinois in connection with any dispute or claim involving Public Processing.

7.5. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision will be enforced to the maximum extent permissible and the remainder of this Agreement will continue in full force and effect.

7.6. Waiver. The failure of Public Processing to exercise or enforce any right or provision of this Agreement will not be deemed a waiver of such right or provision in the future.

7. 7. Independent Contractor Relationship. The relationship between You and Public Processing is that of an independent contractor. No agency, partnership, joint venture or franchise relationship is implied, intended or created by this Agreement.

7.8. Intellectual Property. All inventions, know how, improvements, discoveries, methods, processes, concepts, designs, ideas, prototypes, samples, drawings, documents, blueprints, specifications, computer or intellectual property programs, methods of doing business, **data in Public Surplus' databases (including but not limited to databases containing bidders, buyers and other users of the Site and their names and contact information),** systems, copyrights, trademarks, trade names, software and/or other works conceived of and/or reduced to practice or writing or otherwise relating in any way to the Site or the Services are the exclusive intellectual property of Public Surplus (the **"Public Surplus IP"**). In addition, all content contained on the Site, excluding County Data, as defined in the Special Conditions, SC-01, is Public Surplus IP that is copyrighted material, and Public Surplus retains and reserves all rights and interests in the content. Public Surplus IP may be created by one or more of Public Surplus' employee(s) alone or jointly with a user or users of the Site or Services arising from the users' use and development of the Services or as a result of feedback regarding the Site or Services (**"Feedback"**). All right, title, and interest in any Public Surplus IP will belong to Public Surplus and will be subject to the conditions of this Agreement. You hereby irrevocably assign to Public Surplus all right, title, and interest You may acquire in any Public Surplus IP, whether or not generated from Feedback. Public Surplus may, at its option, file an application for intellectual property protection for Public Surplus IP. If any such Public Surplus IP is created with Your participation or Feedback, You agree to cooperate with Public Surplus to assure that such application(s) will cover, to the best of Your knowledge, all related assets, including all features of commercial interest and importance. Public Surplus IP is the sole and exclusive property of Public Surplus and may not be used, copied, reproduced, modified, published, transmitted, distributed, displayed, or sold, or derivative works created, without the prior written consent of Public Surplus. Furthermore, You may not provide access to, or information from, the Site to any other party without Public Surplus' prior written consent.

7.9. Copyrights. The Site may contain copyrighted, trademarked, or other proprietary materials that belong to third parties and are used with the owner's permission. You agree not to copy, modify, distribute, or create any derivative work from such materials without prior written consent from the owner.

7.10. Trademarks. The Site and Public Processing' tradenames, domain names and logos found on the Site are trademarks or service marks of Public Processing. No display or use of such marks may be made without the express written permission of Public Processing.

7.11. Assignment. This Agreement may not be assigned by You or by operation of law to any other person, persons, firms or corporations without the express written approval of Public Processing. Any purported assignment in violation of this provision will be void. However, You agree that this Agreement and all incorporated agreements may be assigned and delegated by Public Processing, with Your prior written permission, and will be assigned and delegated automatically in the event of a merger of Public Processing with another party provided that such other party is authorized to do business with Cook County, in accordance with the Cook County Code of Ordinances. You agree that such permission shall not be unreasonably withheld.

7.12. Entire Agreement. This Agreement, concerning payment processing for Cook County constitutes the entire agreement between You and Public Processing, and supersedes any previous agreements, whether oral or in writing, between You and Public Processing relating to the subject matter hereof. Public Processing may, at its sole discretion, remove or change any aspect of this Agreement at any time by providing notice to You.

7.13. Survival. The warranties, covenants and representations of the parties to this Agreement will survive termination of this Agreement.

7.14. Headings. Headings are for reference purposes only and in no way affect the interpretation of this Agreement.

7.15. Oral Statements by Representatives. Any oral statement or representation by any representative of Public Processing changing or supplementing this Agreement or any terms of bidding or sale on the Site, is unauthorized and ineffective and confers no right on You and may not be relied upon by You. No interpretation or purported amendment or change of any provision of this Agreement, including applicable performance requirements, is binding on Public Processing unless agreed to, in writing, by Public Processing.

CONTRACT NO: 1453-13450

EXHIBIT 5

SCOPE OF WORK/PRICING PROPOSAL

Scope of Work/Pricing Proposal

Scope of Work Statement:
This Scope of Work Statement explains in general terms the services offered to Cook County, IL by The Public Group, LLC ("Public Surplus," "We," "Our," or "Us") through Our online auction and surplus management system.

Registration:
Public Surplus will assist Cook County ("Agency") to register with and set up an account on Public Surplus. Registration of an account does not obligate Agency to use the account. Use of Agency's account will be at Agency's discretion for as long as Agency chooses.

Training/Support:
Public Surplus will assist and train as many employees of Agency as is necessary to utilize Our system. Training will be done online and on dates and times convenient to the Agency. Public Surplus will also offer user support for Agency Monday-Friday 7 AM – 4 PM MT. Agency will have access to an account manager by cell phone after hours if needed to resolve any unforeseen training or support issues.

Buyer Training/Support:
Agency will have access to Public Surplus' diverse database of buyers at no additional cost. Public Surplus has a buyer support team that is available by email or online chat Monday-Friday 7 AM – 4 PM MT to assist, at no charge, buyers interested in Agency's auctions.

Auction Management:
Agency will have total control over their auction process. Agency will be responsible for pictures and descriptions of auction items and for creating the auction on Public Surplus' site. This process is simple and usually takes only a few minutes per auction to create and list on our site. Agency will be responsible for answering buyer's questions and basic auction management. Agency will be able to upload onto Our site its own terms and conditions of sale. Buyers must agree to Agency's terms and conditions using their legally binding digital signature before they can bid on Agency's auctions.

Payment/Fees:
Public Surplus outsources its payment processing to Public Processing, LLC ("Public Processing"), a third party payment processing company. Public Processing will process all payments made by buyers for Agency's auctions. Winning bidders will be charged a [10%] Buyer's Premium on auction items. Public Processing will deduct this fee from the proceeds collected and return the remaining auction proceeds to Agency. If Agency elects, Public Processing will receive sales tax payments made by buyers and remit those payments to the applicable sales tax authority. Public Processing will generally pay to Agency the net proceeds within 60 days after a buyer's payment has cleared. For example, proceeds from an auction paid for in January will typically be paid to Agency during the first two weeks of March. Payments $99 or less will be paid upon receipt of additional proceeds that make the payment more than $100. Agency will receive free bid deposits for all listings that exceed $500.00.

All payments to Cook County shall be made to Cook County Department of Revenue
118 North Clark Street, Room 1160
Chicago, IL 60602

Auction Follow Up:
Public Surplus will notify the winning bidder by email that they need to contact Agency to arrange for pickup (and payment, if applicable) of the auction item. Buyers agree to these conditions of pickup and payment upon registration with Us. As noted above, Agency will be able to upload onto Our site additional terms and conditions of sale, such as how long each buyer has to make payment and pickup an auction item. Buyers must agree to Agency's terms and conditions using their legally binding digital signature before they can bid on Agency's auctions.

Account Administration:
Public Surplus will assign Agency a representative to assist with creating and managing their surplus auctions. The President of The Public Group, LLC, Eric Heaps, has the authority to sign and approve all necessary documentation the Agency would need in administering their use of the Public Surplus system.

Required Reports:
If the County discovers any objectionable material on web pages utilized by the Public Group to sell the County's surplus or auction items, the County reserves the right to demand the removal of such objectionable material. If such objectionable material is not removed within five (5) business days, then the County reserves the right to discontinue internet auctions of its auction items.

The Public Group will be required to furnish the following reports to the County:

• Monthly reports of all of County's surplus or auctioned items that have been sold by the Public Group and the prices at which any such items were sold. This report should fees as well as sales taxes and credit card fees on each item.
• Quarterly (unaudited) and Annual (audited) Financial Statements.
• Monthly statements of complaints by any purchasers.
• Any and all ad hoc reports that are requested by the County Office.

The reports should be sent to the attention of
Cook County Department of Revenue
118 North Clark Street, Room 1160
Chicago, Illinois 60602
Attention: Director

Customization and Added Services:
Public Surplus realizes that no two agencies are the same. The Agency may have need for enhancements and additions to our standard system to realize the full effectiveness of online auctions. We at Public Surplus are committed to working with Agency if these changes are needed. Some of these services are customized reporting tools, integration to existing software, and customized branding. We bring years of experience and our desire to see each of our clients succeed with this new and exciting technology.

Enhanced Auctions Services:
For an additional fee Public Surplus may offer onsite auction technician to assist Agency with the auction creation process, including: taking photographs, gathering and writing descriptions and creating the auctions.

System Accessibility/Reliability:
The Public Surplus system is accessible 24 hours a day/7 days a week for buyers and sellers. When we do take down the system for maintenance it is done late at night so as not to interrupt service. Our servers are located in a secure environment with multiple redundant connections and equipment.

Terms and Conditions of Use:
This Scope of Work Statement ("Statement") is intended to set forth in general terms the services offered to Agency by Public Surplus through Our online auction and surplus management system. These services are subject to the terms and conditions of use set forth in the online Seller Agreement, which is incorporated herein by reference as if set forth in full. Nothing in this Statement is intended to supersede or take precedence over the terms and conditions of the Seller Agreement. If there is a conflict between a provision of this Statement and the Seller Agreement, the Seller Agreement shall control.

The Public Group, LLC
P.O. Box 50676
Provo, UT 84606

Eric Heaps
President
ph 800.591.5546 x 151
fx 801.932.7001
erich@thepublicgroup.com

EXHIBIT 6

EVIDENCE OF INSURANCE

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

TNF R054

DATE (MM/DD/YYYY) 3/21/2014

THIS CERTIFICATEIS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATIONIS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

HARTFORD FIRE INSURANCE CO
250765 P: F:
PO BOX 33015
SAN ANTONIO TX 78265

CONTACT NAME: The Hartford
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC#
INSURER A: Hartford Casualty Ins Co	29424
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED

THE PUBLIC GROUP LLC, THE PUBLIC GROUP OF CALIFORNIA
PO BOX 50676
PROVO UT 84605

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [ ] OCCUR [X] X General Liab	X		76 SBW VK7481	02/15/2014	02/15/2015	EACH OCCURRENCE	$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$4,000,000
	POLICY [ ] PRO-JECT [X] LOC						PRODUCTS - COMP/OP AGG	$4,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS [ ] SCHEDULED AUTOS X HIRED AUTOS [X] NON-OWNED AUTOS			76 SBW VK7481	02/15/2014	02/15/2015	COMBINED SINGLE LIMIT (Ea accident)	$2,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB [X] OCCUR			76 SBW VK7481	02/15/2014	02/15/2015	EACH OCCURRENCE	$1,000,000
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$1,000,000
	DED [X] RETENTION $ 10,000							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE- EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Those usual to the Insured's Operations.Certificate Holder is an Additional Insured per the Business Liability Coverage Form SS0008 attached to this policy.

CERTIFICATE HOLDER

Cook County IL
Special Assistant for Legal Affairs
Office of the Cheif Procurement Officer
118 N CLARK ST STE 1018
CHICAGO, IL 60602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Mar Maillox

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ACORD®

CERTIFICATE OF LIABILITY INSURANCE

TNF R054

DATE (MM/DD/YYYY) 3/21/2014

THIS CERTIFICATEIS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATIONIS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

HARTFORD FIRE INSURANCE CO
250765 P: F:
PO BOX 33015
SAN ANTONIO TX 78265

CONTACT NAME: The Hartford
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC#
INSURER A: Hartford Casualty Ins Co	29424
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED

THE PUBLIC GROUP LLC, THE PUBLIC GROUP OF CALIFORNIA
PO BOX 50676
PROVO UT 84605

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [ ] OCCUR [X] [X] General Liab	X		76 SBW VK7481	02/15/2014	02/15/2015	EACH OCCURRENCE	$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$4,000,000
	POLICY [ ] PRO-JECT [ ] LOC [X]						PRODUCTS - COMP/OP AGG	$4,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY ANY AUTO			76 SBW VK7481	02/15/2014	02/15/2015	COMBINED SINGLE LIMIT (Ea accident)	$2,000,000
							BODILY INJURY (Per person)	$
	ALL OWNED AUTOS [ ] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	[X] HIRED AUTOS [X] NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
A	[X] UMBRELLA LIAB [X] OCCUR			76 SBW VK7481	02/15/2014	02/15/2015	EACH OCCURRENCE	$1,000,000
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$1,000,000
	DED [X] RETENTION $ 10,000							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE [ ] OTH-ER [ ]	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE- EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Those usual to the Insured's Operations.Certificate Holder is an Additional Insured per the Business Liability Coverage Form SS0008 attached to this policy.

CERTIFICATE HOLDER

Cook County IL
Special Assistant for Legal Affairs
Office of the Cheif Procurement Officer
118 N CLARK ST STE 1018
CHICAGO, IL 60602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Marc Maillox

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/21/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Jeff Utz c/o Diversified Insurance Brokers of Utah
136 East South Temple
Suite 2300
Salt Lake City, UT 84111

CONTACT NAME:
PHONE (A/C, No, Ext): (801) 325-5000 FAX (A/C, No): (801) 532-2804
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : American Zurich Insurance Company	40142
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
A Plus Benefits, Inc. Alt. Emp: The Public Group, LLC
395 West 600 North Suite 100
Lindon, UT 84042

COVERAGES **CERTIFICATE NUMBER:** 14UT012848100 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	CLAIMS-MADE / OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	POLICY / PRO-JECT / LOC							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		WC 55-35-232-01	03/01/2014	03/01/2015	X WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
				Location Coverage Period:	03/01/2014	03/01/2015	**Client#** 13-3569-IL	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Coverage is provided for only those employees leased to but not subcontractors of:
The Public Group, LLC
708 Shaw Ct
Schaumburg, IL 60194

CERTIFICATE HOLDER

Cook County Illinois; Special Assistant for Legal Affairs
Office of the Chief Procurement Officer
118 North Clark Street, Room 1018
Chicago , IL 60602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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EXHIBIT 7

COOK COUNTY BOARD OF COMMISSIONERS AUTHORIZATION

EXHIBIT 8

ECONOMIC DISCLOSURE STATEMENT (EDS) FORMS

ECONOMIC DISCLOSURE STATEMENT
AND EXECUTION DOCUMENT
INDEX

Section	Description	Pages
Instructions	Instructions for Completion of EDS	EDS i - ii
1	Certifications	EDS 1, 2
2	Economic and Other Disclosures, Affidavit of Child Support Obligations and Disclosure of Ownership Interest	EDS 3 – 9
3	Sole Proprietor Signature Page	EDS 10a/b/c
4	Partnership Signature Page	EDS 11/a/b/c
5	Limited Liability Corporation Signature Page	EDS 12a/b/c
6	Corporation Signature Page	EDS 13a/b/c
7	Cook County Signature Page	EDS 14

INSTRUCTIONS FOR COMPLETION OF ECONOMIC DISCLOSURE STATEMENT AND EXECUTION DOCUMENT

This Economic Disclosure Statement and Execution Document ("EDS") is to be completed and executed by every Bidder on a County contract, every party responding to a Request for Proposals or Request for Qualifications "(Proposer"), and others as required by the Chief Procurement Officer. If the Undersigned is awarded a contract pursuant to the procurement process for which this EDS was submitted (the "Contract"), this Economic Disclosure Statement and Execution Document shall stand as the Undersigned's execution of the Contract.

Definitions. Capitalized terms used in this EDS and not otherwise defined herein shall have the meanings given to such terms in the Instructions to Bidders, General Conditions, Request for Proposals, Request for Qualifications, or other documents, as applicable.

"Affiliated Entity" means a person or entity that, directly or indirectly: controls the Bidder, is controlled by the Bidder, or is, with the Bidder, under common control of another person or entity. Indicia of control include, without limitation, interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; and organization of a business entity following the ineligibility of a business entity to do business with the County under the standards set forth in the Certifications included in this EDS, using substantially the same management, ownership or principals as the ineligible entity.

"Bidder," "Proposer," "Undersigned," or **"Applicant,"** is the person or entity executing this EDS. Upon award and execution of a Contract by the County, the Bidder, Proposer, Undersigned or Applicant, as the case may be, shall become the Contractor or Contracting Party.

"Proposal," for purposes of this EDS, is the Undersigned's complete response to an RFP/RFQ, or if no RFQ/RFP was issued by the County, the "Proposal" is such other proposal, quote or offer submitted by the Undersigned, and in any event a "Proposal" includes this EDS .

"Code" means the Code of Ordinances, Cook County, Illinois available through the Cook County Clerk's Office website (http://www.cookctyclerk.com/sub/ordinances.asp). This page can also be accessed by going to www.cookctyclerk.com, clicking on the tab labeled "County Board Proceedings," and then clicking on the link to "Cook County Ordinances."

"Contractor" or **"Contracting Party"** means the Bidder, Proposer or Applicant with whom the County has entered into a Contract.

"EDS" means this complete Economic Disclosure Statement and Execution Document, including all sections listed in the Index and any attachments.

"Lobby" or **"lobbying"** means to, for compensation, attempt to influence a County official or County employee with respect to any County matter.

"Lobbyist" means any person or entity who lobbies.

"Prohibited Acts" means any of the actions or occurrences which form the basis for disqualification under the Code, or under the Certifications hereinafter set forth.

Section 1: Certifications. Section 1 sets forth certifications that are required for contracting parties under the Code. Execution of this EDS constitutes a warranty that all the statements and certifications contained, and all the facts stated, in the Certifications are true, correct and complete as of the date of execution.

Section 2: Economic and Other Disclosures Statement. Section 2 is the County's required Economic and Other Disclosures Statement form. Execution of this EDS constitutes a warranty that all the information provided in the EDS is true, correct and complete as of the date of execution, and binds the Undersigned to the warranties, representations, agreements and acknowledgements contained therein.

INSTRUCTIONS FOR COMPLETION OF ECONOMIC DISCLOSURE STATEMENT AND EXECUTION DOCUMENT

Sections 3,4,5,6,and 7: Execution Forms. The Bidder executes this EDS, and the Contract, by completing and signing three copies of the appropriate Signature Page. Section 3 is the form for a sole proprietor; Section 4 is the form for a partnership or joint venture; Section 5 is the form for a Limited Liability Corporation, and Section 6 is the form for a corporation. Proper execution requires THREE ORIGINALS; therefore, the appropriate Signature Page must be filled in, three copies made, and all three copies must be properly signed, notarized and submitted. The forms may be printed and completed by typing or hand writing the information required.

Required Updates. The information provided in this EDS will be kept current. In the event of any change in any information provided, including but not limited to any change which would render inaccurate or incomplete any certification or statement made in this EDS, the Undersigned will supplement this EDS up to the time the County takes action, by filing an amended EDS or such other documentation as is requested.

Additional Information. The County's Governmental Ethics and Campaign Financing Ordinances, impose certain duties and obligations on persons or entities seeking County contracts, work, business, or transactions. For further information please contact the Director of Ethics at (312) 603-4304 (69 W. Washington St. Suite 3040, Chicago, IL 60602) or visit our web-site at www.cookcountygov.com and go to the Ethics Department link. The Bidder must comply fully with the applicable ordinances.

ECONOMIC DISCLOSURE STATEMENT

CERTIFICATIONS (SECTION 1)

THE FOLLOWING CERTIFICATIONS ARE MADE PURSUANT TO STATE LAW AND THE CODE. THE UNDERSIGNED IS CAUTIONED TO CAREFULLY READ THESE CERTIFICATIONS PRIOR TO SIGNING THE SIGNATURE PAGE. SIGNING THE SIGNATURE PAGE SHALL CONSTITUTE A WARRANTY BY THE UNDERSIGNED THAT ALL THE STATEMENTS, CERTIFICATIONS AND INFORMATION SET FORTH WITHIN THESE CERTIFICATIONS ARE TRUE, COMPLETE AND CORRECT AS OF THE DATE THE SIGNATURE PAGE IS SIGNED. THE UNDERSIGNED IS NOTIFIED THAT IF THE COUNTY LEARNS THAT ANY OF THE FOLLOWING CERTIFICATIONS WERE FALSELY MADE, THAT ANY CONTRACT ENTERED INTO WITH THE UNDERSIGNED SHALL BE SUBJECT TO TERMINATION.

A. PERSONS AND ENTITIES SUBJECT TO DISQUALIFICATION

No person or business entity shall be awarded a contract or sub-contract, for a period of five (5) years from the date of conviction or entry of a plea or admission of guilt, civil or criminal, if that person or business entity:

1) Has been convicted of an act committed, within the State of Illinois, of bribery or attempting to bribe an officer or employee of a unit of state, federal or local government or school district in the State of Illinois in that officer's or employee's official capacity;

2) Has been convicted by federal, state or local government of an act of bid-rigging or attempting to rig bids as defined in the Sherman Anti-Trust Act and Clayton Act. Act. 15 U.S.C. Section 1 et seq.;

3) Has been convicted of bid-rigging or attempting to rig bids under the laws of federal, state or local government;

4) Has been convicted of an act committed, within the State, of price-fixing or attempting to fix prices as defined by the Sherman Anti-Trust Act and the Clayton Act. 15 U.S.C. Section 1, et seq.;

5) Has been convicted of price-fixing or attempting to fix prices under the laws the State;

6) Has been convicted of defrauding or attempting to defraud any unit of state or local government or school district within the State of Illinois;

7) Has made an admission of guilt of such conduct as set forth in subsections (1) through (6) above which admission is a matter of record, whether or not such person or business entity was subject to prosecution for the offense or offenses admitted to; or

8) Has entered a plea of nolo contendere to charge of bribery, price-fixing, bid-rigging, or fraud, as set forth in sub-paragraphs (1) through (6) above.

In the case of bribery or attempting to bribe, a business entity may not be awarded a contract if an official, agent or employee of such business entity committed the Prohibited Act on behalf of the business entity and pursuant to the direction or authorization of an officer, director or other responsible official of the business entity, and such Prohibited Act occurred within three years prior to the award of the contract. In addition, a business entity shall be disqualified if an owner, partner or shareholder controlling, directly or indirectly, 20 % or more of the business entity, or an officer of the business entity has performed any Prohibited Act within five years prior to the award of the Contract.

THE UNDERSIGNED HEREBY CERTIFIES THAT: The Undersigned has read the provisions of Section A, Persons and Entities Subject to Disqualification, that the Undersigned has not committed any Prohibited Act set forth in Section A, and that award of the Contract to the Undersigned would not violate the provisions of such Section or of the Code.

B. BID-RIGGING OR BID ROTATING

THE UNDERSIGNED HEREBY CERTIFIES THAT: In accordance with 720 ILCS 5/33 E-11, neither the Undersigned nor any Affiliated Entity is barred from award of this Contract as a result of a conviction for the violation of State laws prohibiting bid-rigging or bid rotating.

C. DRUG FREE WORKPLACE ACT

THE UNDERSIGNED HEREBY CERTIFIES THAT: The Undersigned will provide a drug free workplace, as required by Public Act 86-1459 (30 ILCS 580/2-11).

D. DELINQUENCY IN PAYMENT OF TAXES

THE UNDERSIGNED HEREBY CERTIFIES THAT: The Undersigned is not an owner or a party responsible for the payment of any tax or fee administered by Cook County, by a local municipality, or by the Illinois Department of Revenue, which such tax or fee is delinquent, such as bar award of a contract or subcontract pursuant to the Code, Chapter 34, Section 34-129.

E. HUMAN RIGHTS ORDINANCE

No person who is a party to a contract with Cook County ("County") shall engage in unlawful discrimination or sexual harassment against any individual in the terms or conditions of employment, credit, public accommodations, housing, or provision of County facilities, services or programs (Code Chapter 42, Section 42-30 et seq).

F. ILLINOIS HUMAN RIGHTS ACT

THE UNDERSIGNED HEREBY CERTIFIES THAT: It is in compliance with the the Illinois Human Rights Act (775 ILCS 5/2-105), and agrees to abide by the requirements of the Act as part of its contractual obligations.

G. MACBRIDE PRINCIPLES, CODE CHAPTER 34, SECTION 34-132

If the primary contractor currently conducts business operations in Northern Ireland, or will conduct business during the projected duration of a County contract, the primary contractor shall make all reasonable and good faith efforts to conduct any such business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390.

H. LIVING WAGE ORDINANCE PREFERENCE (COOK COUNTY CODE, CHAPTER 34, SECTION 34-127;

The Code requires that a living wage must be paid to individuals employed by a Contractor which has a County Contract and by all subcontractors of such Contractor under a County Contract, throughout the duration of such County Contract. The amount of such living wage is determined from time to time by, and is available from, the Chief Financial Officer of the County.

For purposes of this EDS Section 4, H, "Contract" means any written agreement whereby the County is committed to or does expend funds in connection with the agreement or subcontract thereof. The term "Contract" as used in this EDS, Section 4, I, specifically excludes contracts with the following:

1) Not-For Profit Organizations (defined as a corporation having tax exempt status under Section 501(C)(3) of the United State Internal Revenue Code and recognized under the Illinois State not-for -profit law);

2) Community Development Block Grants;

3) Cook County Works Department;

4) Sheriff's Work Alternative Program; and

5) Department of Correction inmates.

REQUIRED DISCLOSURES (SECTION 2)

1. DISCLOSURE OF LOBBYIST CONTACTS

List all persons or entities that have made lobbying contacts on your behalf with respect to this contract:

Name Address

_____

_____

_____

2. LOCAL BUSINESS PREFERENCE DISCLOSURE: CODE, CHAPTER 34, SECTION 34-151(p):

"Local Business" shall mean a person authorized to transact business in this State and having a bona fide establishment for transacting business located within Cook County at which it was actually transacting business on the date when any competitive solicitation for a public contract is first advertised or announced and further which employs the majority of its regular, full time work force within Cook County, including a foreign corporation duly authorized to transact business in this State and which has a bona fide establishment for transacting business located within Cook County at which it was actually transacting business on the date when any competitive solicitation for a public contract is first advertised or announced and further which employs the majority of its regular, full time work force within Cook County.

a) Is Bidder a "Local Business" as defined above?

Yes _____ No ___X___

b) If yes, list business addresses within Cook County:

_____

_____

_____

c) Does Bidder employ the majority of its regular full-time workforce within Cook County?

Yes _____ No ___X___

3. THE CHILD SUPPORT ENFORCEMENT ORDINANCE (PREFERENCE (CODE, CHAPTER 34, SECTION 34-366)

Every Applicant for a County Privilege shall be in full compliance with any child support order before such Applicant is entitled to receive or renew a County Privilege. When delinquent child support exists, the County shall not issue or renew any County Privilege, and may revoke any County Privilege.

All Applicants are required to review the Cook County Affidavit of Child Support Obligations attached to this EDS (EDS-8) and complete the following, based upon the definitions and other information included in such Affidavit.

4. REAL ESTATE OWNERSHIP DISCLOSURES.

The Undersigned must indicate by checking the appropriate provision below and providing all required information that either:

a) The following is a complete list of all real estate owned by the Undersigned in Cook County:

PERMANENT INDEX NUMBER(S):_____

_____

_____

(ATTACH SHEET IF NECESSARY TO LIST ADDITIONAL INDEX NUMBERS)

OR:

b) X____The Undersigned owns no real estate in Cook County.

5. EXCEPTIONS TO CERTIFICATIONS OR DISCLOSURES.

If the Undersigned is unable to certify to any of the Certifications or any other statements contained in this EDS and not explained elsewhere in this EDS, the Undersigned must explain below:

_____

_____

If the letters, "NA", the word "None" or "No Response" appears above, or if the space is left blank, it will be conclusively presumed that the Undersigned certified to all Certifications and other statements contained in this EDS.

ECONOMIC DISCLOSURE STATEMENT

COOK COUNTY DISCLOSURE OF OWNERSHIP INTEREST STATEMENT

The Cook County Code of Ordinances (§2-610 et seq.) requires that any Applicant for any County Action must disclose information concerning ownership interests in the Applicant. This Disclosure of Ownership Interest Statement must be completed with all information current as of the date this Statement is signed. Furthermore, this Statement must be kept current, by filing an amended Statement, until such time as the County Board or County Agency shall take action on the application. The information contained in this Statement will be maintained in a database and made available for public viewing.

If you are asked to list names, but there are no applicable names to list, you must state NONE. An incomplete Statement will be returned and any action regarding this contract will be delayed. A failure to fully comply with the ordinance may result in the action taken by the County Board or County Agency being voided.

"Applicant" means any Entity or person making an application to the County for any County Action.

"County Action" means any action by a County Agency, a County Department, or the County Board regarding an ordinance or ordinance amendment, a County Board approval, or other County agency approval, with respect to contracts, leases, or sale or purchase of real estate.

"Entity" or "Legal Entity" means a sole proprietorship, corporation, partnership, association, business trust, estate, two or more persons having a joint or common interest, trustee of a land trust, other commercial or legal entity or any beneficiary or beneficiaries thereof.

This Disclosure of Ownership Interest Statement must be submitted by :

1. An Applicant for County Action and

2. An individual or Legal Entity that holds stock or a beneficial interest in the Applicant and is listed on the Applicant's Statement (a "Holder") must file a Statement and complete #1 only under Ownership Interest Declaration.

Please print or type responses clearly and legibly. Add additional pages if needed, being careful to identify each portion of the form to which each additional page refers.

This Statement is being made by the [X] Applicant or [Stock/Beneficial Interest Holder

This Statement is an: [X] Original Statement or [ ] Amended Statement

Identifying Information:

Name: The Public Group D/B/A: Public Surplus EIN NO.: 91-2198936

Street Address: 1503 S. 40 E. Suite 350

City: Provo State: UT Zip Code: 84606

Phone No.: 801-932-7000

Form of Legal Entity:

[ ] Sole Proprietor [ ] Partnership [ ] Corporation [ ] Trustee of Land Trust

[ ] Business Trust [ ] Estate [ ] Association [ ] Joint Venture

[X] Other (describe) LLC

ECONOMIC DISCLOSURE STATEMENT

Ownership Interest Declaration:

1. List the name(s), address, and percent ownership of each individual and each Entity having a legal or beneficial interest (including ownership) of more than five percent (5%) in the Applicant/Holder.

Name	Address	Percentage Interest in Applicant/Holder
MacFarnett LLC	P.O. Box 530861, Henderson, NV 89053	82%
Luis Londono	P.O. Box 50676 Provo, UT 84605	12%

2. If the interest of any individual or any Entity listed in (1) above is held as an agent or agents, or a nominee or nominees, list the name and address of the principal on whose behalf the interest is held.

Name of Agent/Nominee	Name of Principal	Principal's Address
MacFarnett, LLC	Derek MacFarland	PO Box 530861 Henderson, NV 89053

3. Is the Applicant constructively controlled by another person or Legal Entity? [ ] Yes [X] No

If yes, state the name, address and percentage of beneficial interest of such person or legal entity, and the relationship under which such control is being or may be exercised.

Name	Address	Percentage of Beneficial Interest	Relationship

Declaration (check the applicable box):

[X] I state under oath that the Applicant has withheld no disclosure as to ownership interest in the Applicant nor reserved any information, data or plan as to the intended use or purpose for which the Applicant seeks County Board or other County Agency action.

[ ] I state under oath that the Holder has withheld no disclosure as to ownership interest nor reserved any information required to be disclosed.

Eric Heaps — Name of Authorized Applicant/Holder Representative (please print or type)

Director of Sales and Marketing — Title

Signature

3/5/14 — Date

erich@thepublicgroup.com — E-mail address

801-932-7000 — Phone Number

Subscribed to and sworn before me this 5 day of March, 20 14.

My commission expires:

x Talona Slack

Notary Public Signature

Notary Seal

TALONA SLACK
Notary Public
State of Utah
Comm. No. 609337
My Comm. Expires Jun 6, 2015

ECONOMIC DISCLOSURE STATEMENT

COOK COUNTY BOARD OF ETHICS
69 W. WASHINGTON STREET, SUITE 3040
CHICAGO, ILLINOIS 60602
312/603-4304
312/603-9988 FAX 312/603-1011 TT/TDD

FAMILIAL RELATIONSHIP DISCLOSURE PROVISION:

Section 2-582 of the Cook County Ethics Ordinance requires any person or persons doing business with Cook County, upon execution of a contract with Cook County, to disclose to the Cook County Board of Ethics the existence of familial relationships they may have with all persons holding elective office in the State of Illinois, the County of Cook, or in any municipality within the County of Cook.

The disclosure required by this section shall be filed by January 1 of each calendar year or within thirty (30) days of the execution of any contract or lease. Any person filing a late disclosure statement after January 31 shall be assessed a late filing fee of $100.00 per day that the disclosure is late. Any person found guilty of violating any provision of this section or knowingly filing a false, misleading, or incomplete disclosure to the Cook County Board of Ethics shall be prohibited, for a period of three (3) years, from engaging, directly or indirectly, in any business with Cook County. Note: Please see Chapter 2 Administration, Article VII Ethics, Section 2-582 of the Cook County Code to view the full provisions of this section.

If you have questions concerning this disclosure requirement, please call the Cook County Board of Ethics at (312) 603-4304. Note: A current list of contractors doing business with Cook County is available via the Cook County Board of Ethics' website at: http://www.cookcountygov.com/taxonomy/ethics/Listings/cc_ethics_VendorList_.pdf

DEFINITIONS:

"Calendar year" means January 1 to December 31 of each year.

"Doing business" for this Ordinance provision means any one or any combination of leases, contracts, or purchases to or with Cook County or any Cook County agency in excess of $25,000 in any calendar year.

"Familial relationship" means a person who is related to an official or employee as spouse or any of the following, whether by blood, marriage or adoption:

Parent	Grandparent	Stepfather
Child	Grandchild	Stepmother
Brother	Father-in-law	Stepson
Sister	Mother-in-law	Stepdaughter
Aunt	Son-in-law	Stepbrother
Uncle	Daughter-in-law	Stepsister
Niece	Brother-in-law	Half-brother
Nephew	Sister-in-law	Half-sister

"Person" means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, and whether or not operated for profit.

ECONOMIC DISCLOSURE STATEMENT

SWORN FAMILIAL RELATIONSHIP DISCLOSURE FORM

Pursuant to Section 2-582 of the Cook County Ethics Ordinance, any person* doing business* with Cook County must disclose, to the Cook County Board of Ethics, the existence of familial relationships* to any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County. Please print your responses.

Name of Owner/Employee:_____ Title:_____

Business Entity Name:_____ Phone:_____

Business Entity Address:_____

_____The following familial relationship exists between the owner or any employee of the business entity contracted to do business with Cook County and any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County.

Owner/Employee Name: Related to: Relationship:

1._____

2._____

3._____

4._____

5._____

If more space is needed, attach an additional sheet following the above format.

_X_There is no familial relationship that exists between the owner or any employee of the business entity contracted to do business with Cook County and any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County.

To the best of my knowledge and belief, the information provided above is true and complete.

_____ 3/5/14

Owner/Employee's Signature Date

Subscribe and sworn before me this 5 day of March, 20 14.

a Notary Public in and for Utah County

_____

(Signature)

NOTARY PUBLIC My Commission expires 6-6-15

Talona Slack

SEAL

Completed forms must be filed within 30 days of the execution of any contract or lease with Cook County and should be mailed to:

TALONA SLACK
Notary Public
State of Utah
Comm. No. 609337
My Comm. Expires Jun 6, 2015

Cook County Board of Ethics
69 West Washington Street,
Suite 3040
Chicago, Illinois 60602

EDS-9

SIGNATURE BY A SOLE PROPRIETOR

(SECTION 3)

The Undersigned hereby certifies and warrants: that all of the statements, certifications and representations set forth in this EDS are true, complete and correct; that the Undersigned is in full compliance and will continue to be in compliance throughout the term of the Contract or County Privilege issued to the Undersigned with all the policies and requirements set forth in this EDS; and that all facts and information provided by the Undersigned in this EDS are true, complete and correct. The Undersigned agrees to inform the Chief Procurement Officer in writing if any of such statements, certifications, representations, facts or information becomes or is found to be untrue, incomplete or incorrect during the term of the Contract or County Privilege.

BUSINESS NAME:_____

BUSINESS ADDRESS:_____

_____

BUSINESS TELEPHONE:_____ FAX NUMBER:_____

FEIN/SSN:_____

COOK COUNTY BUSINESS REGISTRATION NUMBER:_____

SOLE PROPRIETOR'S SIGNATURE:_____

PRINT NAME:_____

DATE:_____

Subscribed to and sworn before me

this ____ day of _____, 20____.

X_____

Notary Public Signature

My commission expires:

_____

Notary Seal

SIGNATURE BY A PARTNERSHIP (AND/OR A JOINT VENTURE)

(SECTION 4)

The Undersigned hereby certifies and warrants: that all of the statements, certifications and representations set forth in this EDS are true, complete and correct; that the Undersigned is in full compliance and will continue to be in compliance throughout the term of the Contract or County Privilege issued to the Undersigned with all the policies and requirements set forth in this EDS; and that all facts and information provided by the Undersigned in this EDS are true, complete and correct. The Undersigned agrees to inform the Chief Procurement Officer in writing if any of such statements, certifications, representations, facts or information becomes or is found to be untrue, incomplete or incorrect during the term of the Contract or County Privilege.

BUSINESS NAME: _____

BUSINESS ADDRESS: _____

_____

BUSINESS TELEPHONE: _____ FAX NUMBER: _____

FEIN/SSN: _____

*COOK COUNTY BUSINESS REGISTRATION NUMBER: _____

SIGNATURE OF PARTNER AUTHORIZED TO EXECUTE CONTRACTS ON BEHALF OF PARTNERSHIP:

*BY: _____

DATE: _____

Subscribed to and sworn before me

this ____ day of _____, 20____.

X_____

Notary Public Signature

My commission expires:

_____

Notary Seal

* Attach hereto a partnership resolution or other document authorizing the individual signing this Signature Page to so sign on behalf of the Partnership.

ECONOMIC DISCLOSURE STATEMENT

SIGNATURE BY A LIMITED LIABILITY CORPORATION

(SECTION 5)

The Undersigned hereby certifies and warrants: that all of the statements, certifications and representations set forth in this EDS are true, complete and correct; that the Undersigned is in full compliance and will continue to be in compliance throughout the term of the Contract or County Privilege issued to the Undersigned with all the policies and requirements set forth in this EDS; and that all facts and information provided by the Undersigned in this EDS are true, complete and correct. The Undersigned agrees to inform the Chief Procurement Officer in writing if any of such statements, certifications, representations, facts or information becomes or is found to be untrue, incomplete or incorrect during the term of the Contract or County Privilege.

BUSINESS NAME: The Public Group

BUSINESS ADDRESS: 1503 S. 40 E. Suite 350 Provo, UT 84606

BUSINESS TELEPHONE: 801-932-7000 FAX NUMBER: 801-932-7001

CONTACT PERSON: Eric Heaps

FEIN: 91-2198986 *CORPORATE FILE NUMBER: 01974394

MANAGING MEMBER: Derek MacFarland MANAGING MEMBER:

**SIGNATURE OF MANAGER:

ATTEST:

Subscribed to and sworn before me

this 5 day of March, 2014

X

Notary Public Signature

CRYSTAL HILL
Notary Public, State of Nevada
Appointment No. 05-94638-1
My Appt. Expires February 3, 2017
Notary Seal

*** If the LLC is not registered in the State of Illinois, a copy of a current Certificate of Good Standing from the state of incorporation must be submitted with this Signature Page.**

**** Attach either a certified copy of the by-laws, articles, resolution or other authorization demonstrating such persons to sign the Signature Page on behalf of the LLC.**

ECONOMIC DISCLOSURE STATEMENT

SIGNATURE BY A CORPORATION

(SECTION 6)

The Undersigned hereby certifies and warrants: that all of the statements, certifications and representations set forth in this EDS are true, complete and correct; that the Undersigned is in full compliance and will continue to be in compliance throughout the term of the Contract or County Privilege issued to the Undersigned with all the policies and requirements set forth in this EDS; and that all facts and information provided by the Undersigned in this EDS are true, complete and correct. The Undersigned agrees to inform the Chief Procurement Officer in writing if any of such statements, certifications, representations, facts or information becomes or is found to be untrue, incomplete or incorrect during the term of the Contract or County Privilege.

BUSINESS NAME: _____

BUSINESS ADDRESS: _____

_____

BUSINESS TELEPHONE: _____ FAX NUMBER: _____

CONTACT PERSON: _____

FEIN: _____ *CORPORATE FILE NUMBER: _____

PLEASE LIST THE FOLLOWING OFFICERS:

PRESIDENT: _____ VICE PRESIDENT: _____

SECRETARY: _____ TREASURER: _____

****SIGNATURE OF PRESIDENT:** _____

ATTEST: _____ **(CORPORATE SECRETARY)**

Subscribed to and sworn before me

this ____ day of _____, 20____.

X_____

Notary Public Signature

My commission expires:

_____

Notary Seal

***If the corporation is not registered in the State of Illinois, a copy of the Certificate of Good Standing from the state of incorporation must be submitted with this Signature Page.**

****In the event that this Signature Page is signed by any persons than the President and Secretary, attach either a certified copy of the corporate by-laws, resolution or other authorization by the corporation, authorizing such persons to sign the Signature Page on behalf of the corporation.**

Attachment 1

City of Tucson Contract (RFP No. 110163)

CITY OF TUCSON
REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER:	**110163**
PROPOSAL DUE DATE:	**March 8, 2011, AT 4:00 P.M. LOCAL AZ TIME**
PROPOSAL SUBMITTAL LOCATION:	**Department of Procurement** **255 W. Alameda, 6th Floor, Tucson, AZ 85701**
MATERIAL OR SERVICE:	**Auction Services**
PRE-PROPOSAL CONFERENCE DATE:	**February 15, 2011**
TIME:	**11:00 A.M., Local AZ time**
LOCATION:	**City Hall, 255 W. Alameda, Tucson AZ** **6th Floor Procurement Conference Room**
CONTRACT OFFICER:	**Ruth Estrada**
TELEPHONE NUMBER:	**(520) 837-4132** **Ruth.Estrada@tucsonaz.gov**

Interested offerors may obtain a copy of this complete solicitation by calling (520) 791-4217. A copy of this solicitation and possible future amendments may also be obtained from our Internet site at: http://www.tucsonprocurement.com/ by selecting the Bid Opportunities link and the associated solicitation number.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

******NOTICE******

Effective July 1, 2009, the City will no longer mail Notices of available solicitations via the U.S. Postal Service. Email notifications will be provided to those vendors that have updated their vendor record and selected email as their preferred delivery method. For information on how to update your vendor record, please visit www.tucsonprocurement.com, click on What's New? and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

TS

PUBLISH DATE: February 9, 2011

INTRODUCTION

The City of Tucson intends to establish a contract with one or more auction service providers to dispose of all designated City surplus. The City anticipates awarding one or more contracts to a firm(s) that offers a comprehensive live-auction service and one or more contracts to a firm(s) that offers a comprehensive web based auction system.

The resultant contracts shall be utilized on an as-needed, if-needed basis. The City reserves the sole right to determine what auction method, online, live or a combination of the two, it will use to dispose of surplus items, in accordance with City, State and Federal law.

In addition, it is the City's intent to offer this contract to public and non-profit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson. Cooperative agencies shall be permitted to utilize the services provided for under this resultant contract and each agency will determine what auction method, online, live or a combination of the two, it will use.

BACKGROUND

The City has 19 departments that include Tucson Convention Center, Fire, Police, Parks and Recreation, Environmental Services, Transportation, and Water. Approximately 5,400 permanent full-time employees support the functions of the City. For further information, including information on the City's capital and operating budget, Offerors are encouraged to visit the City's website at www.tucsonaz.gov.

The City has been disposing its various surplus items contractually via an internet auction site (domain name of citysurplus.org) since July 2005. Surplus items include:

1. Miscellaneous Surplus (e.g. office equipment, office furniture, dead stock, etc.)
2. Lost or Unclaimed Property
3. Confiscated Property
4. Vehicles and Heavy Equipment

The City has been paying an auction fee of 6.75% since July 2007 (Attachment A lists the current rate structure). The total number of auctions posted, number of auctions that were sold and paid, the number of unsold auctions (due to a combination of reserve not being met, bidder default and City withdrawal) and corresponding net revenue, by contract year, is as follows:

- July 2005 – June 2006
  Number of Posted Auctions = 776
  Number of Sold & Paid Auctions = 655
  Number of Unsold Auctions - 121
  Net Revenue = $1,830,340

- July 2006 – June 2007
  Number of Posted Auctions = 636
  Number of Sold & Paid Auctions = 545
  Number of Unsold Auctions = 91
  Net Revenue = $953,875

- July 2007 – June 2008
  Number of Posted Auctions = 692
  Number of Sold & Paid Auctions = 544
  Number of Unsold Auctions = 148
  Net Revenue = $1,188,138

- July 2008 – June 2009
  Number of Posted Auctions = 670
  Number of Sold & Paid Auctions = 469
  Number of Unsold Auctions = 201
  Net Revenue = $1,317,717

- July 2009 to June 2010
  Number of Posted Auctions = 1,493
  Number of Sold & Paid Auctions = 1,150
  Number of Unsold Auctions = 343
  Net Revenue = $1,308,050

Miscellaneous surplus, lost or unclaimed property and confiscated property make up the bulk volume of transactions; while vehicle and heavy equipment make up the majority of the dollars. On average, the City has sold about 200 vehicles per year via the online auction site.

On November 23, 2010, the City moved the location of its surplus (all non-rolling stock) operation. Now, all unclaimed, confiscated and surplus property as well as rolling stock is located at Price Service Center, 4004 S. Park Avenue, Tucson, AZ 85714; with the exception of items that are occasionally sold "in place" (e.g. water tanks, generators, trailers).

The City reserves the sole right to determine what auction method, online, live or a combination of the two, it will use to dispose of surplus items. In addition, the Procurement Director may determine that certain surplus items be disposed of through internal reallocation, by competitive bid or quote (when applicable), by donation (if approved in accordance with the Tucson Procurement Code), or in any other manner deemed to be in the City's best interest.

SCOPE OF WORK

The City has defined, in order of importance, the primary performance objectives of its surplus auction program, regardless of the disposal method; i.e. online or live. For each disposal method, a list of City requirements has been provided. However, some requirements are intentionally generalized to avoid stifling creativity in proposed solutions. Offerors are highly encouraged to provide creative solutions and identify additional options (scope, requirements, and fees) that may be of interest to the City. The City expects the Offeror to propose a complete, detailed surplus auction program, system and implementation solution, addressing all relevant areas which may pertain to establishing and maintaining this type of program. Offerors may submit one or more proposals on one or both disposal methods.

A. Surplus Auction Performance Objectives: The City's primary performance objectives, listed in order of importance, are:

1. Ability to sell all miscellaneous surplus, vehicles, heavy equipment, lost, unclaimed and confiscated property;
2. Increased bid prices for auctioned items;
3. Convenient auction participation for the Tucson bidding community;
4. Ease of program administration for City staff;
5. Reduction in on-hand surplus inventory and related inventory carrying costs;
6. Increased market presence and bidder base;
7. Reduction in direct and indirect auction costs;
8. Reduction in the number of buyers who renege on payment.

B. Online Auction Requirements: The following minimum requirements shall apply to any proposed online auction system:

1. Contractor shall provide a fully hosted website. The City shall have the ability to have a link, which is seamless to the bidding community, from its auction domain name (citysurplus.org) to the Contractor's website, which allows bidders direct access to City auctions, with minimal clicks.
2. Ability to sell surplus property online, 24 hours a day, 7 days a week.
3. Ability for the City to manage all aspects of the bidding process online, from creating auction text, uploading photos, responding to bidder questions, blocking default bidders and recording of payment receipt data as well as having the option to have the Contractor manage many of these aspects.
4. Ease of program administration, including but not limited to posting of auctions, marketing of auctions, receiving payment from bidders, blocking bidders, invoicing, etc.
5. Contractor shall provide ongoing training opportunities and documentation for the City and the buyers. Training can be conducted through webinars.
6. Contractor shall provide easily accessible and highly responsive technical support and customer service. Contractor will endeavor to respond within one-hour, and absolutely shall respond within one business day, to all inquiries from the City, its cooperative partners and buyers. In addition, technical issues identified by the Contractor, which have the potential to disrupt business, must be relayed to the City and to all Cooperative Agencies within one business day of issue identification.
7. The City shall have the ability to block bidders from City auctions at the City's sole discretion.
8. Option for a City pays or Buyer pays auction fees arrangement or a combination of the two.
9. The online system must be able to automatically notify the City and the winning bidder of awarded auctions.

10. At a minimum, the Contractor shall offer a fee structure wherein the Contractor's fee is a percentage based on the actual amount for which an auctioned item is sold (excluding sales tax). The Contractor will be responsible for the payment of all Contractor costs associated with the auction from fees the Contractor charges and receives from the City. An itemized expense schedule and fee report shall be prepared for each auction. The Contractor will only be paid its auction fee on items that have sold and have been paid. The Contractor can propose other fee structures in addition to the scenario stated above.
11. The City must have access to bidder profile information in order to call, fax or email any bidder.
12. The City must have the ability to view a detailed bid history of its auctions at any time during the auction or after it closes.
13. Contractor shall actively market auctions to prospective bidders in order to expand the Contractor's bidders list.
14. Contractor shall provide a report, on a quarterly basis, that identifies all cooperative agencies that are utilizing the City of Tucson contract. The report will also clearly identify new contract users and their respective "go-live" date.
15. The Contractor will work directly with the City on marketing of new functionality or services to cooperative agencies utilizing the City's contract. Contract amendments detailing new functionality or services shall be executed before new functionality or services options can be exercised by the City or cooperative agencies.
16. There may be a transition period between award of a new contract and closing of auctions currently posted on the City's auction site and on the auction sites of current cooperative agencies. The Contractor shall dedicated adequate resources to ensure that the City and its current cooperative agencies are transitioned in the most efficient and least disruptive manner.

C. Live Auction Requirements: Because the City has not participated in live auctions since 2004, the City is requesting that Offerors provide solutions and options for the disposal of all surplus items. With the exception of the following requirements, Offerors are not restricted when proposing live auction solutions:

1. Offeror shall clearly identify the City's roles and responsibilities from the Contractor's roles and responsibilities.
2. The City anticipates being responsible for clearing title for each auction and ensuring that the vehicle's registration and license plates are removed. In addition, the City anticipates the Contractor to manage title transfer, obtain duplicate title if necessary and to respond to all title inquiries from the public.
3. Proceeds from items identified as court forfeitures shall be submitted separate from general auction proceeds.

4. At a minimum, the Contractor shall offer a fee structure wherein the Contractor's fee is a percentage based on the actual amount for which an auctioned item is sold (excluding sales tax). The Contractor will be responsible for the payment of all Contractor costs associated with the auction, from the fees the Contractor charges and receives from the City. The Contractor is responsible for collecting and paying all appropriate taxes. An itemized expense schedule and commission fee report shall be prepared for each auction. The Contractor will only be paid its auction fee on items that have sold and have been paid. It is preferred that the Agency receives auction proceeds within 14 days after close of auction. The contractor can propose other fee structures in addition to the scenario stated above.
5. The City reserves the sole right to set reserve prices for all vehicle auctions.
6. Contractor shall be responsible for advertising auctions in a manner which will maximize auction attendance and revenue. At a minimum, the Contractor shall advertise in a local newspaper or a publication of the agency's choosing.
7. Contractor shall actively market auctions to prospective bidders in order to expand the Contractor's bidders list.
8. Contractor shall provide a report, on a quarterly basis, that identifies all cooperative agencies that are utilizing the City of Tucson contract.
9. Contractor shall provide all facilities necessary to conduct the auction. Contractor's facilities shall be secure and in compliance with the Americans with Disabilities Act (ADA) Title III covering public accommodations and commercial facilities and provide adequate space, seating and restrooms for the public.
10. The Contractor shall be responsible for the loading and transport of all rolling stock and miscellaneous property identified for auction to the auction site.
11. Contractor shall not charge a "buyers premium" on any City auction.
12. The City reserves the right to withdraw any item from the auction at any time prior to final commitment to the buyer.
13. The City shall have the ability to block bidders from City auctions at the City's sole discretion.
14. The City reserves the right to reject any or all bids on auction items.
15. The Contractor is not permitted to transport City surplus property to another state to auction. It is the City's preference for all property to be auctioned from within Tucson city limits and within the boundaries of Pima County.

D. Cooperative Purchasing Provision

1. The City's current contract contains a Cooperative Purchasing provision whereby public and non-profit agencies nationwide can utilize the services provided for under this resultant contract. The ability to "piggy-back" on the contract eliminates the need for these agencies to conduct a competitive source selection process for auction services since the competitive requirements were already satisfied by the City of Tucson's source selection process. The Cooperative Purchasing provision is beneficial to both the City and to other agencies. Therefore, the resultant contract will also provide for this arrangement.

2. Attachment B lists all cooperative agencies who have utilized the City's Online Auction contract.

3. Special Terms and Conditions, Paragraph 5 provides a web address to a list all agencies that have entered into a Cooperative Purchasing Agreement with the City. The City does not guarantee that all or some of the listed agencies will utilize the resultant contract. The City anticipates partnering with the contracted provider(s) in marketing the contract to existing cooperative agencies and to other agencies nationwide. As the Lead Agency for this contract, the City invests many staff hours developing a contract that appeals to the diverse needs of existing and potential Cooperative agencies as well as offering auction/surplus program development assistance to agencies. Because of this effort, the City anticipates establishing a revenue share agreement with the successful contractor(s). Under the current contract, the City receives 5% of the fees that its contracted provider collects from the sales generated by cooperative agencies that utilize the City's contract. Over the five-year contract term, the City was paid $25,741.93.

INSTRUCTIONS TO OFFERORS

1. **DEFINITION OF KEY WORDS USED IN THE SOLICITATION:**
For purposes of this solicitation and subsequent contract, the following definitions shall apply:
City: The City of Tucson, Arizona
Contract: The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.
Contractor/Consultant: The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.
Contract Representative: The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.
Director of Procurement: The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.
May: Indicates something that is not mandatory but permissible.
Offeror: The individual, partnership, or corporation who submits a proposal in response to a solicitation.
Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.
Should: Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

2. **PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.

3. **INQUIRIES:** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

4. **AMENDMENT OF REQUEST FOR PROPOSAL:** The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.

5. **FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror. There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

6. **PREPARATION OF PROPOSAL:**
   A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.
   B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.

C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.
D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
F. Periods of time, stated as a number of days, shall be in calendar days.
G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.
H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.

7. **PAYMENT DISCOUNTS:** Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period.

8. **TAXES:** The City of Tucson is exempt from federal excise tax, including the federal transportation tax.

9. **PROPOSAL/SUBMITTAL FORMAT: An original and 5 copies (6 total) of each proposal** should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office97 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.

10. **EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.

11. **PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.

12. **CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

13. **CERTIFICATION:** By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:
    A. The submission of the offer did not involve collusion or other anti-competitive practices.
    B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.

C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.

14. **WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.

15. **LATE PROPOSALS:** Late proposals will be rejected.

16. **OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.

17. **WITHDRAWAL OF PROPOSAL:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.

18. **DISCUSSIONS:** The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.

19. **CONTRACT NEGOTIATIONS:** Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).

20. **VENDOR APPLICATION:** Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at http://www.tucsonprocurement.com/ by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.

21. **CITY OF TUCSON BUSINESS LICENSE:** Prior to the award of a Contract, the successful offeror must obtain a City of Tucson Business License or a written determination that a business license is not required issued by the City's Business License Section. The business license must remain valid throughout the life of this contract. Contractor must provide a valid copy of the business license or a written determination that a business license is not required prior to award and at contract renewal. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.

22. **UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.

22. **AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:
(1) waive any immaterial defect or informality; or
(2) reject any or all proposals, or portions thereof; or
(3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

23. PROPOSAL RESULTS: The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at http://www.tucsonprocurement.com/ upon issuance of a Notice of Intent to Award or upon final contract execution.

24. PROTESTS: A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:

A. The name, address, and telephone number of the protestant;
B. The signature of the protestant or its representative;
C. Identification of the Request for Proposal or Contract number;
D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
E. The form of relief requested.

PROPOSAL EVALUATION REQUIREMENTS

Offerors may submit proposals on the online disposal method (Option 1) or the live disposal method (Option 2) or both. Offerors must clearly identify the disposal method(s) that is being proposed. Proposals will be evaluated separately by disposal type in accordance with the evaluation criteria specified herein.

I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

A. Method of Approach

B. Price Proposal (Rebates and Fees)

C. Qualifications & Experience

II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following for each disposal method:

ONLINE DISPOSAL METHOD (Option 1)

A. METHOD OF APPROACH

1. Offeror shall clearly identify and distinguish between the roles and responsibilities of the Contractor from that of the City (including cooperative agencies).
2. Identify any sub contractors or third parties that will be used to carry out any work under this contract.
3. Provide an implementation schedule, including tasks, resources, duration and dependencies for the City and cooperative agencies.
4. Describe how the City's domain name will be incorporated into your online system. Clearly identify how many "clicks" bidders will need to exercise in order to access the City's auction?
5. Describe how the Offeror proposes to market the program to potential bidders. Provide samples of marketing efforts that have worked effectively in the past in attracting new bidders.
6. Describe how the Offeror plans to use the contract in marketing itself (e.g. use of City of Tucson's name in promotional materials, seminars, magazine articles).
7. Indicate the average number of "hits" per day the proposed website receives.
8. Describe the Offeror's plan to minimize the number of buyers who renege on awarded auctions and the tools available to the seller if this occurs. Also describe how the Offeror addresses those bidders who renege and have been blocked from participating in auctions by the Agency, who then establish multiple usernames and logins. What actions does the Offeror take to prohibit participation by these bidders?
9. Describe the types of items that may be sold on the proposed website and any exclusions (e.g. items with an estimated value less than $25.00).
10. Discuss size and quantity limitation for the number of photos that can be downloaded for each auction. In addition discuss any limitation on the quantity of text allowed per auction. Also discuss video capabilities and limitations.
11. Describe training services and instructional materials that are available to the seller and the buyers. Indicate any distribution restrictions that may apply and how often the materials are updated.
12. Describe how the Offeror proposes to meet the City's and cooperative agencies' need for technical support.
13. Describe what types of other support your company provides (e.g. on-call, hotline, on-site emergency assistance, buyer identification, etc.). What are the hours and days of other types of support (7 days/week, 24 hours/day)? Do you provide upgrade packages for support? If so, specify types and related information (e.g. – type, cost, time). Distinguish between support available to the seller and support available to the buyers.

14. The City is looking for proven software capabilities for the online surplus program. Describe the capabilities and functionality available to the City and how often upgrades are made to the system including the testing processes followed by the Offeror before implementation of an upgrade.
15. Confirm that the Offeror can provide a fully hosted website and that the City shall have the ability to have a link, which is seamless to the bidding community, from its auction domain name: citysurplus.org to the Contractor's website.
16. Describe the physical security of the hosting data center. Include security provisions of staff, as well as facilities.
17. Describe the electronic security of the hosting data center. Include external and internal provisions.
18. Describe the mechanisms used to ensure protection of Agency data, passwords, etc.
19. Briefly describe your overall backup and recovery strategy and a disaster recovery or business resumption strategy.
20. Describe how Offeror ensures a secure network connection between Agency users and host site via industry standard techniques. In addition, describe the Offeror's security provision so that the Agency's data is available only to authorized users.
21. Describe how customer feedback (from sellers and buyers) is received, considered and responded to.
22. Describe the accounting process for documentation of payment and non-payment by bidders and invoicing.
23. Describe the various tools and customizations available to the seller in creating auctions, including but not limited to, internal reallocation, "private" auctions (e.g. law enforcement only), dutch or split auctions, reserve prices, minimum bid requirements, bidder deposit requirements, ability to copy previous auctions, ability to repost previous auctions, etc.
24. Describe the various tools available to the bidder in participating on auctions, including but not limited to, email notifications, proxy bidding, identity protection, dynamic closing, etc.
25. Describe what reporting capabilities are available to the Agency.
26. Describe the system's security capabilities and the privacy protection available to both the sellers and the buyers.
27. Provide website information and administrative access to the site. Include instructions and screen shots for navigating the various site tools. Are there limitations to the number of Administrative Users on the site?

B. Price Proposal (Rebates and Fees)

1. **Fees**
   Present all fees and any costs related to the program (including training, implementation, etc.) that will be charged or withheld from the City and cooperative agencies. Discuss how fees are collected from a City pay and a Buyer pay perspective. Describe options available for collecting payment from bidders (e.g. agency collect, Contractor collect etc). What payment options does the Offeror accept from bidders and the City (cash, check, credit card)? If credit card is an acceptable form of payment from the bidder and the City, what fees apply? Can fees be paid online?

2. **Sales Tax**
   Indicate how sales tax / use tax would be tracked and paid. Also identify what jurisdiction(s) would be the recipient of sales tax revenue.

3. **Revenue Share**
   Discuss possible revenue share arrangements. Identify if the City as the lead agency will receive revenue share based on the City's auctions and/or revenue share based on the auctions that other cooperative agencies post. Offerors should state proposed percentages, how revenue share will be calculated and how and when they will be paid to the City.

4. As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _____%, if payment is made within _____ days.

5. Will payment be accepted via commercial credit card? _____Yes _____No
   a. If yes, can commercial payment(s) be made online? _____Yes _____No
   b. Will a third party be processing the commercial credit card payment(s)? ___Yes ____No
   c. If yes, indicate the flat fee per transaction $_____ (as allowable, per Section 5.2.E of Visa Operating Regulations).
   d. If "no" to above, will consideration be given to accept the card in the future? _____Yes _____No

6. Does your firm have a City of Tucson Business License? _____Yes _____No
   If yes, please provide a copy of your City of Tucson Business license.

C. Qualifications & Experience

1. State Offeror's principal place of business.
2. Indicate the number of years the Offeror's online surplus auction program has been in place.
3. Provide resumes and information on key personnel, including an account manager. Can Offeror commit to the availability of these individuals for work under this contract?
4. Provide current Client List for clients that have utilized your online auction program for a minimum of twenty (20) auctions.
5. Provide a minimum of 3 references, preferably from government agencies similar to the City of Tucson. Include the reference's contact name, title, phone and description of their online surplus auction program.
6. Indicate the number of auctions posted on the proposed website in the last two years. Provide a random sample of auctions that opened and closed within the last two years.
7. How many auctions did bidders default on over the last two years? What site restrictions are in place for defaults? Are defaults set system-wide or by City only?
8. Indicate how many bidders participated in each of the auctions, stated above, over the last two years. Distinguish between those bidders who reside in Tucson, in Arizona, out of Arizona and out of the Country (if possible).
9. Provide your terms and conditions to register as a bidder for online auctions. Is there a fee to register?

<u>LIVE DISPOSAL METHOD (Option 2)</u>

A. METHOD OF APPROACH

1. Offeror shall clearly identify and distinguish between the roles and responsibilities of the Contractor from that of the City (including cooperative agencies).
2. Identify any sub contractors or third parties that will be used to carry out any work under this contract.
3. Describe how the Offeror will manage and coordinate the pick-up and transfer of items designated for auction to the Offeror's auction site. Include time frames for pickup and transfer. How long will the Offer store property identified for auction?
4. Indicate the proposed location where the Offeror will conduct auctions.
5. Does the Offeror utilize any online component to the live auctions? If so, thoroughly describe the online process including how bidders access the online site, how online bidding transfers to live bidding, identify any restrictions to using online bidding, is there a charge for bidders to participate online, how are bidders notified if they won a bid, etc.

6. Does the Offeror allow proxy bidding on live auctions? If so, describe how this method is managed. If the Offeror utilizes an online bidding component, is proxy bidding allowed? If so, how does proxy bidding work online?

7. Describe how the Offeror will ensure that all items are prepped and ready for auction. Discuss the process for prepping vehicles. Discuss the process used for prepping items other than rolling stock (e.g. jewelry, office equipment/furniture, clothing, coins etc.). Does the Offeror require an appraisal on non-rolling stock items (e.g. jewelry, stamps, foreign money, coins, handbags etc)? What appraisal services does the Offeror retain?

8. Discuss how the Offeror handles the transfer of title for all rolling stock sold at auction. When and how does the City turn over the cleared titles? How are requests for duplicate title handled? How are title inquiries handled (current and future)? If the City chooses, can the Offeror assume responsibility of clearing title?

9. Describe how the Offeror will ensure that all City property remains in the same or better condition from the time the Offeror takes possession until the property is sold at auction.

10. Describe all security measures employed by the Offeror as it pertains to transport and storage of City property.

11. Describe how the Offeror coordinates pre-auction requests to view property. Include standard time frames for viewing, how questions posed by potential bidders are responded to etc.

12. Describe how often the Offeror holds an auction. Are auctions typically held during the week or on weekends? At what time during the day or night are auctions typically held? Is there any flexibility if the City needs auctions to occur more frequently than proposed?

13. Describe how the Offeror proposes to advertise and market the sale of City surplus to potential bidders. Provide samples of advertising/marketing efforts that have worked effectively in the past. Are advertising/marketing materials available in languages other than English?

14. Describe how the Offeror plans to use the contract in marketing itself (e.g. use of City of Tucson's name in promotional materials, seminars, magazine articles).

15. Describe how the Offeror will ensure that the City's current auction bidders will be informed of live auctions and how the Offer will assist the current bidder base transition from an online to a live auction environment.

16. Provide samples of instructional documentation that is available to the seller and the buyers. Indicate any distribution restrictions that may apply and how often the materials are updated.

17. Describe the Offeror's plan to minimize the number of buyers who renege on awarded auctions. Also describe how the Offeror addresses those bidders who renege and have been blocked from participating in auctions by the City. What actions does the Offeror take to prohibit participation by these bidders?

18. Describe the types of items Offeror typically sells at auction. Clearly identify what, if any, items will be excluded from auction (e.g. items with an estimated value less than $25.00, items in poor condition).

19. Describe the Offeror's reporting capabilities. Can the Offeror provide electronic files for auction activity (itemized list of auctions sold, revenue received, auction fees paid etc). In addition, does the Offeror have the capability to provide reports that compare historical auction data (items sold and revenue generated) to current auction activity?

20. Provide an example auction scenario to include schedule, tasks, resources, duration and dependencies for the City and cooperative agencies.

B. PRICE PROPOSAL (Rebates and Fees)

1. Fees

Detail all fees and any costs related to the live auction solutions proposed that will be charged or withheld from the City and cooperative agencies. Discuss how payment is collected from bidders and from the City. What payment options does the Offeror accept from bidders and the City (cash, check, credit card)? If credit card is an acceptable form of payment from the bidder and the City, what fees apply? Discuss how and the timeframe by

which the City and cooperative agencies will receive payment for all sold auctions. The City's preference is that auction proceeds be received within 14 days after close of auction.

2. **Sales Tax**
Indicate how sales tax / use tax would be tracked and paid. Also identify what jurisdiction(s) would be the recipient of sales tax revenue.

3. **Revenue Share**
Discuss possible revenue share arrangements. Identify if the City as the lead agency will receive revenue share based on the City's auctions and/or revenue share of the auctions that other cooperative agencies post. Offerors should state proposed percentages, how revenue share will be calculated and how and when they will be paid to the City.

4. As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _____%, if payment is made within _____ days.

5. Will payment be accepted via commercial credit card? _____Yes _____No
   e. If yes, can commercial payment(s) be made online? _____Yes _____No
   f. Will a third party be processing the commercial credit card payment(s)? ___Yes ____No
   g. If yes, indicate the flat fee per transaction $_____ (as allowable, per Section 5.2.E of Visa Operating Regulations).
   h. If "no" to above, will consideration be given to accept the card in the future? _____Yes _____No

6. Does your firm have a City of Tucson Business License? _____Yes _____No
   If yes, please provide a copy of your City of Tucson Business license.

C. QUALIFICATIONS AND EXPERIENCE

1. State Offeror's principal place of business.
2. Indicate the number of years the Offeror has been in the auctioneer business.
3. Provide resumes and relevant information on key personnel, including an account manager. Can Offeror commit to the availability of these individuals for work under this contract?
4. State which personnel possess an auctioneering license and provide the license number and expiration date.
5. Provide a current Client List for clients that have utilized auction services over the last three years.
6. Provide a minimum of 3 references, preferably from government agencies similar to the City of Tucson. Include the reference's contact name, title, phone and description of their surplus auction program.
7. Indicate the number of live auctions held over the last two years. Provide the number of items that were up for auction at each event and the number of auctions that were not awarded due to buyer default.
8. Indicate how many bidders participated in each of the auctions, stated above, over the last two years. Distinguish between those bidders who reside in Tucson, in Arizona, out of Arizona and out of the Country (if possible).
9. Provide the terms and conditions to register as a bidder for live auctions. Is there a fee to register? If the Offeror utilizes an online bidding component, are the terms and conditions the same? If not, please detail the differences.

III. GENERAL

A. Shortlist:
The City reserves the right to shortlist the offerors on all of the stated criteria. However, the City may determine that shortlisting is not necessary.

B. Interviews:
The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

C. Additional Investigations:
The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

D. Prior Experience:
Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

E. Multiple Awards:
To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

SPECIAL TERMS AND CONDITIONS

1. **TERM AND RENEWAL:** The term of the Contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City of Tucson shall have the right, at its sole option, to renew the Contract for four (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.

2. **ONLINE DISPOSAL METHOD INSURANCE REQUIREMENT:**

A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this Contract. All policies will contain an endorsement providing that written notice be given to the City at least ten (10) calendar days prior to termination, cancellation, or reduction in coverage in any policy.

B. The Comprehensive General Liability Insurance policy will include the City as an additional insured with respect to liability arising out of the performance of this Contract. The Contractor agrees that the insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

C. Provide and maintain minimum insurance limits as applicable.

Coverage Afforded	Limits of Liability
Worker's Compensation	Statute
Employer's Liability	$100,000
Comprehensive General Liability Insurance Including: (1) Products & Completed Operations (2) Blanket Contractual	$1,000,000 Bodily Injury Combined Single Limit $100,000 Property Damage
Fidelity Bond or Crime Insurance	$50,000

Coverage should include Employee Dishonesty, Money & Securities, Computer Fraud and Forgery & Alteration.

a. The bond or policy shall be issued with limits based on the amount of cash being handled by the Contractor.
b. The bond or policy shall include coverage for all directors, officers, agents and employees of the Contractor.
c. The bond or policy shall include coverage for third party fidelity.
d. The bond or policy shall include coverage for extended theft and mysterious disappearance.
e. The bond or policy shall not contain a condition requiring an arrest and conviction.

Contractor will present to the City written evidence (Certifications of Insurance) of compliance with Items A., B and C. above. Said evidence shall be to the City Procurement Director's satisfaction.

3. **LIVE - DISPOSAL METHOD INSURANCE REQUIREMENT:**

A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this Contract. All policies will contain an endorsement providing that written notice be given to the City at least ten (10) calendar days prior to termination, cancellation, or reduction in coverage in any policy.

B. The Comprehensive General Liability Insurance and Comprehensive Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this Contract. The Contractor agrees that the insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

C. Provide and maintain minimum insurance limits as applicable.

Coverage Afforded	Limits of Liability
Workmen's Compensation	Statute
Employer's Liability	$100,000
Comprehensive General Liability Insurance Including: (1) Products & Completed Operations (2) Blanket Contractual	$1,000,000 Bodily Injury Combined Single Limit $100,000 Property Damage
Comprehensive Automobile Combined Single Limit Including: (1) Non-Owned (2) Leased (3) Hired Vehicles	$1,000,000 Bodily Injury Liability Insurance $100,000 Property Damage

Professional Liability (Errors and Omissions Liability) $1,000,000

Property Insurance
Coverage shall be written on an all risk basis and shall include coverage for:
Property of others
Property in transit
Mysterious disappearance.

a.Policy limits shall be equal to the appraised value of the auction property.
b.The policy shall be endorsed to include the City of Tucson as a loss payee as their interest may appear with respect to the auction items in storage at Contractors facility.

Fidelity Bond or Crime Insurance $50,000
Coverage should include Employee Dishonesty, Money & Securities, Computer Fraud and Forgery & Alteration.

a.The bond or policy shall be issued with limits based on the amount of cash being handled by the Contractor.
b.The bond or policy shall include coverage for all directors, officers, agents and employees of the Contractor.
c.The bond or policy shall include coverage for third party fidelity.
d.The bond or policy shall include coverage for extended theft and mysterious disappearance.
e.The bond or policy shall not contain a condition requiring an arrest and conviction.

Contractor will present to the City written evidence (Certifications of Insurance) of compliance with Items A., B and C. above. Said evidence shall be to the City Procurement Director's satisfaction.

4. **KEY PERSONNEL:** It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.

The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to and subsequent concurrence by the City.

If key personnel are not available for work under this Contract for a continuous period exceeding thirty calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

5. **FEE ADJUSTMENT:** The City will review fully documented requests for fee adjustment after any Contract has been in effect for one (1) year. Any fee adjustment will only be made at the time of Contract renewal and/or extension and will be a factor in the extension review process. The City will determine whether the requested fee adjustment or an alternate option, is in the best interest of the City. Any fee adjustment will be effective upon the effective date of the Contract extension.

6. **COOPERATIVE PURCHASING:** Any Contract resulting from this solicitation shall be for the use of the City of Tucson. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson's Department of Procurement are eligible to participate in any subsequent Contract. See www.tucsonaz.gov/procure and click on Cooperatives for a list of the public and nonprofit agencies that have currently entered into Cooperative Purchasing Agreements with the City of Tucson. Additionally, this contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See http://www.maricopa.gov/Materials/SAVE/save-members.pdf for a listing of participating agencies. The parties agree that these lists are subject to change.

   Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The Contractor may negotiate additional expenses incurred as a result of participating agencies' usage of this contract (i.e., freight charges, travel related expenses, etc.). The City shall not be responsible for any disputes arising out of transactions made by others.

   The Contractor(s) will provide an electronic copy of the complete Contract to the City of Tucson Department of Procurement upon receipt of the Notice of Intent to Award. At the City's request, the successful Contractor(s) may also be requested to provide an electronic copy of the complete Contract to a participating agency.

7. **CREDIT CARD PAYMENTS:** If the contractor collects payments, the Contractor is solely responsible for these transactions. Convenience fees must be clearly noted and must be assessed in accordance with Visa/MasterCard regulations only.

8. **TRANSACTION HISTORY:** History of transactions are the property of the City and shall be turned over to the City upon termination of the contract, or upon other written request of the City.

9. **EMPLOYEE BACKGROUND CHECKS:** The Contractor acknowledges that all of the personnel that it provides pursuant to this Contract shall, at the request of the City, be subject to background and security checks and screening of a nature and to a level that is within the sole discretion of the City ("Security Inquiries"). The Contractor shall perform all such security inquiries within the time required and shall make the results available to the City for all personnel considered for performing work (including supervision and oversight) under this Contract. The City may make further security inquiries. Whether or not further security inquiries are made by the City, the City may, at its sole discretion, accept or reject any and all of the personnel proposed by the Contractor for performing services under this Contract without subjecting the City to any cost or obligation.

STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.

2. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.

3. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.

4. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.

5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.

6. **CERTIFICATION OF COMPLIANCE WITH A.R.S. SEC. 35-393 ET SEQ.:** By signing this contract, the Contractor certifies that it does not have scrutinized business operations in Iran as required by A.R.S. sec. 35-393 et seq. If the City determines that the Contractor has submitted a false certification, the City may impose remedies as provided in the Tucson Procurement Code up to and including termination of this contract.

7. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.

8. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.

9. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.

10. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.

11. **CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:

    A. Amend the contract or enter into supplemental verbal or written agreements;
    B. Grant time extensions or contract renewals;
    C. Otherwise modify the scope or terms and provisions of the contract.

    This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

12. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

13. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.

14. **DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.

15. **EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.

16. **FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

    If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

17. **FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

    If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

18. **GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

19. **HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

20. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees.

21. **INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

    The Contractor shall not be entitled to compensation in the form of salaries, paid vacation or sick days by the City.

    The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses.

22. **INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

23. **INTERPRETATION-PAROLE EVIDENCE:** This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

24. **LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

25. **LIENS:** All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

26. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.

27. **NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.

28. **OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

29. **PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

    Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

30. **PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.

31. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.

32. **RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.

33. **RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.

34. **RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.

35. **RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.

36. **SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.

37. **SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.

38. **SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

39. **SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.

40. TERMINATION OF CONTRACT: This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

41. TITLE AND RISK OF LOSS: The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.

42. WARRANTIES: Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

_____
Company Name

_____
Address

_____
City State Zip

_____
Signature of Person Authorized to Sign

_____
Printed Name

_____
Title

For clarification of this offer, contact:

Name:_____

Title: _____

Phone: _____

Fax: _____

E-mail: _____

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. _____.

Approved as to form this _____ day of _____ , 2011.

_____
As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this _____ day of _____ , 2011.

_____
Mark A. Neihart, C.P.M., CPPB, A.P.P., CPM
As Director of Procurement and not personally

ATTACHMENT A
CURRENT RATE STRUCTURE

1. **Agency Volume Pricing:**
   Agency pays fee to Public Surplus based on final selling price of each sold auction. Fee percentage is determined by previous year's total sales volume updated quarterly.

7.00%	$0	$999,999
6.75%	$1,000,000	$1,999,999
6.50%	$2,000,000	$2,999,999
6.25%	$3,000,000	$3,999,999
6.00%	$4,000,000	$4,999,999
5.75%	$5,000,000	$5,999,999
5.50%	$6,000,000	$6,999,999
5.25%	$7,000,000	$7,999,999
5.00%	$8,000,000	$8,999,999
4.75%	$9,000,000	$9,999,999
4.50%	$10,000,000	$11,999,999
4.25%	$12,000,000	$13,999,999
4.00%	$14,000,000	$15,999,999
3.75%	$16,000,000	$17,999,999
3.50%	$18,000,000	$19,999,999
3.25%	$20,000,000	$22,999,999
3.00%	$23,000,000+	

$5 minimum fee on all paid items

2. **Buyer's Graduated Premium:**
   Buyer pays fee on each auction based upon final selling price of the auction. Fee is paid to agency but due to Public Surplus. Agency pays additional negotiated fee (usually 1%) of auction selling price to Public Surplus.

%	Low	High
10.00%	$0	$499
9.50%	$500	$999
9.00%	$1,000	$2,499
8.50%	$2,500	$4,999
8.00%	$5,000	$9,999
7.50%	$10,000	$19,999
7.00%	$20,000	$29,999
6.50%	$30,000	$39,999
6.00%	$40,000	$49,999
5.50%	$50,000	$99,999
5.00%	$100,000	$149,999
4.50%	$150,000	$199,999
4.00%	$200,000	$249,999
3.50%	$250,000	$299,999
3.00%	$300,000	$349,999
2.50%	$350,000	$399,999
2.00%	$400,000	$449,999
1.50%	$450,000	$499,999
1.00%	$500,000+	

$5 minimum fee on all paid items

3. Extra Services Applicable to Both Models

Upon request of agency and charged per auction or group of like auctions

1. Contact list of potential buyers provided to Public Surplus by the agency - $149
2. Contact list provided by agency and research new buyers - $299

ATTACHMENT B

Cooperative agencies who have utilized the City's Online Auction contract

Name	State
Access Tucson	AZ
Amphitheater Public Schools	AZ
Arizona State University	AZ
Catalina Foothills School District	AZ
City of Albuquerque	NM
City of Benson	AZ
City of Commerce	CA
City of Cottonwood	AZ
City of Lancaster	CA
City of Milpitas	CA
City of Moreno Valley	CA
City of Peoria	AZ
City of Phoenix	AZ
City of Redding	CA
City of Scottsdale	AZ
City of Sierra Vista	AZ
City of Surprise	AZ
City of Tucson	AZ
City of Yuma	AZ
County of Berks	PA
County of Cochise	AZ
County of San Diego Regional Airport Authority	CA
County of Shasta	CA
Harris County Purchasing	TX
Howard County Government	MD
James City County	VA
Loudoun County Government	VA
Maricopa County Stadium District	AZ
Metropolitan Water District	CA
Northwest Fire District	AZ
Pima County	AZ
Rhode Island Airport Corporation	RI
San Joaquin County	CA
Town of Camp Verde	AZ
Town of Oro Valley	AZ
Town of Sahuarita	AZ
Tucson Airport Authority	AZ
Tucson Unified School District	AZ

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

The Public Group, LLC
Company Name

P.O. Box 50675
Address

Provo, UT 84605
City State Zip

Signature of Person Authorized to Sign

Eric Heaps
Printed Name

Chief Operating Officer
Title

For clarification of this offer, contact:

Name: Eric Heaps

Title: Chief Operating Officer

Phone: 800-591-5546 x 151

Fax: 801-932-7001

E-mail: erich@thepublicgroup.c

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Cortract shall be referred to as Contract No. 110163-01.

Approved as to form this 11th day of May, 2011.

As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this 9th day of May, 2011.

for Kathleen Bender
Mark A. Neihart, C.P.M., CPPB, A.P.P., CPM
As Director of Procurement and not personally

The Public | Group®

Technical Proposal

The City of Tucson
RFP 110163
Auction Services

Eric Heaps
Chief Operating Officer
Post Office Box 50676
Provo, Utah, 84605
(800) 591-5546 x151

March 8, 2011

Table of Contents

1. Transmittal Letter 1
2. Response Clarification 5
3. Statement of Understanding 5
4. Scope of Work 5
4.1 Performance Objectives 6
4.2 Online Auction Requirements 8
4.3 Live Auction Requirements 11
4.4 Cooperative Purchasing Provisions 12
5. Method of Approach - Online Disposal Method 13
5.1 Roles and Responsibilities 13
5.2 Sub Contractors 15
5.3 Implementation Schedule 15
5.4 City's Domain Name 15
5.5 Plans to Market the Program to Potential Bidders 16
5.6 Use of the Contract in Marketing TPG 16
5.7 Average Number of Hits Per Day 17
5.8 Buyer Default 17
5.9 Types of Items 18
5.10 Auction Creation - Photos, Text & Video 18
5.11 Training and Instructional Materials 19
5.12 Technical Support 20
5.13 Other Support 21
5.14 Software Capabilities & Functionality 21
5.15 Fully Hosted Website 22
5.16 Physical Security 23
5.17 Electronic Security 23
5.18 Protection of Agency Data 23
5.19 Backup & Disaster Recovery Strategy 24
5.20 Network Connection Assurance 25
5.21 Customer Feedback 25
5.22 Accounting Process 26
5.23 Auction Creation 26
5.24 Bidding Tools 26
5.25 Reporting Capabilities 27
5.26 Security Capabilities & Privacy Protection 27
5.27 Website Information and Administrative Access 27
6. Price Proposal 28
6.1 Fees 28
6.2 Sales Tax 30
6.3 Revenue Share 30
6.4 Discounts, Credit Cards, and License 33

7. Qualifications & Experience 34
7.1 Place of Business 34
7.2 Years of Service 34
7.3 Key Employees 34
7.4 Client List 35
7.5 References 35
7.6 Auction Information and Samples 35
7.7 Buyer Default 35
7.8 Bidder Information 36
7.9 Buyer Terms & Conditions 36

The Public | Group

PO Box 50676
Provo, UT 84605
801-932-7000

1. Transmittal Letter

March 8, 2011

City of Tucson
Department of Purchasing
Attention: Ruth Estrada
255 West Alameda
6th floor
Tucson, Arizona 85701

RE: Auction Services

The Public Group (herein referred to as TPG) is pleased to provide a response to the City of Tucson (City) solicitation for Auction Services. The Public Group is a leading provider of online solutions for public sector agencies and school districts. Our solution for City of Tucson is our acclaimed online auction application named **Public Surplus**. This application is a full turn-key approach as requested in the solicitation.

Public Surplus is currently used by thousands of government agencies nationwide such as the City of Houston, City of Phoenix, City of Chicago, Fairfax County, and the City of Baltimore. Additionally, several state governments and their agencies have implemented Public Surplus for their surplus disposal needs. Some such states are Montana, California, Georgia, Indiana, Louisiana, and Washington. Nationwide, more than 2,300 agencies use our services. A detailed list of references is attached within this proposal.

The Public Group was recently awarded a large contract for surplus property disposition by the Metropolitan Washington D.C. Council of Governments. This contract encompasses all aspects of online auction services similar to the Scope of Work contained herein of the City of Tucson solicitation. More than 30 agencies regionally and across the nation are piggybacking on this particular contract. This 5-year contract was the result of a competitively bid and evaluated solicitation for online auction services. This contract is expected to be utilized by more than 50 agencies and generate more than $10 million in gross sales for participating agencies. Please reference the attachment to this response for additional information. We were this awarded this contract based on the overall comprehensive functionality, superior software solution and most competitive price.

In response to the above referenced RFP, we have included herewith company information, a description of our Public Surplus Auctioning System and other requested information.

Furthermore, The Public Group has reviewed the Terms & Conditions as enumerated within of this solicitation, and will comply accordingly if awarded a contract as a result of this solicitation. Additionally, upon notice of award, The Public Group agrees to be compliant with the applicable laws of the state of Arizona, all Federal Civil Rights Laws, Equal Opportunity Compliance, and the Federal Disabilities Act.

The attached proposal is submitted without collusion, coercion, or kickbacks or gifts of any kind to anyone, including, but not limited to employees or officials of the City of Tucson.

The proposal response submitted to the City of Tucson by The Public Group is **for Online Disposal Method (option 1) as enumerated** within this solicitation.

Representations regarding our services are made by the undersigned currently serving in the capacity of Chief Operating Officer of The Public Group LLC. The prices quoted herein are the total fixed price for the equipment and services enumerated within this response.

The undersigned is duly authorized to legally bind The Public Group LLC for services enumerated within this response. The entire contents of the proposal and subsequent pricing shall remain firm for a period of no less than one hundred eighty (180) days from the submission of this response.

Sincerely,

Eric Heaps
Chief Operating Officer
800-591-5546 ext 151
erich@thepublicgroup.com

2. Response Clarification

TPG is responding with a proposal for **option 1, Online Disposal Method.**

The current TPG online business model does not provide live auction services. We feel that our **Perpetual Auction Methodology** (meaning online auctions as needed) provides our clients with greater cost savings through the elimination of additional expenditures such as storage and towing. Simply put, the City of Tucson and its cooperatives will have access to their online sales account with TPG thereby being able to list confiscated / surplus property immediately upon receipt. Since we support **multiple locations**, property can be listed **wherever** it is currently stored.

3. Statement of Understanding

We have read and reviewed this solicitation in detail. We have over 10 years of experience in responding to and winning various solicitations from a variety of government agencies. We firmly believe that not only are we qualified to meet all of the deliverables enumerated within this solicitation, but that we are the best and most cost effective solution available. TPG has years of experience in developing and implementing online auction programs similar to the City's request. Our staff consists of experienced programmers, engineers and former government managers.

TPG understands the complexity and scope of this solicitation, and has the in-house staff necessary to meet aggressive time lines, adapt to changing needs, develop customized solutions for agency requirements, and leverage the power of our buyer base to achieve the highest possible sales for our agencies.

4. Scope of Work

The Public Group, LLC (TPG) believes that its web-base software application, Public Surplus and strategies for surplus disposal will aid the City of Tucson and its cooperative agencies in generating significant cash flow from the sale of surplus property and confiscated assets. TPG, through Public Surplus, has the capability and resources necessary to deploy and maintain a transparent, thorough, surplus disposal program that serves the needs (identified and un-identified) of City of Tucson. Our application provides open access to bidders and agencies alike, providing a safe, results-oriented surplus disposal application. TPG brings a 10-year proven track record of performance and success in similar programs for state and county governments.

4.1 Performance Objectives

1. Ability to sell all miscellaneous surplus, vehicles, heavy equipment, lost, unclaimed and confiscated property.

RESPONSE:

Public Surplus is a robust online marketplace wherein thousands of government agencies sell confiscated, lost, surplus, and unclaimed property. We have hundreds of vehicles and heavy equipment items online. Our proven ability to sell said items can be followed up through our references listed in our response.

2. Increased bid prices for auctioned items.

RESPONSE:

Public Surplus online marketplace brings hundreds of thousands of qualified buyers together to purchase City of Tucson and cooperative agencies confiscated and surplus items. During the past several years, Public Surplus has developed and expanded the already large buyer base in the greater Tucson area. This large buyer base brings higher bid prices for auctioned items through greater competition. Our auction extension feature is a key to increase bid prices and overall revenue for the City.

3. Convenient auction participation for the Tucson bidding community.

RESPONSE:

Public Surplus is proven technology and is the easiest system on the market for both the sellers and the buyers. Our page views per user are half of that of our closest competitor proving this statement. Our online methodology and local buyer familiarization with our website and processes will continue to ensure maximum buyer participation in the Tucson bidding community.

4. Ease of program administration for City staff

RESPONSE:

The system is designed for ease of use. Some such features are the ability to revise existing listings, copy existing listings for creation of new listings, and the ability to retract or end listings. All of these features are readily accessible from the seller user menu. As a software development company we know of no other system on the market that can boast the functionality and simplicity of Public Surplus.

5. Reduction in on-hand surplus inventory and related inventory carrying costs.

RESPONSE:

Our Perpetual Auction Methodology enables agencies to list surplus assets as they become available. By listing as surplus becomes available, agencies move surplus quicker, and reduce both held inventory and related carrying costs. Many features listed herein reduce overhead and increase auctions to the market faster then any system on the market.

6. Increased market presence and bidder base

RESPONSE:

The TPG solution for City of Tucson will leverage the economies and purchasing power of our buyer base through Public Surplus to develop maximum return on investment (ROI) for the City of Tucson. Through the use and implementation of Public Surplus, TPG will provide City of Tucson access to over several hundred thousand registered buyers with hundreds of millions of dollars of purchasing power. TPG's continuous marketing activities will consistently develop new individual and professional buyers, whose surplus purchasing habits will mesh with confiscated and surplus assets for sale by City of Tucson. Because our Marketing is targeted, it brings more qualified bidders to the City's auctions. The bottom line is that qualified buyers bring in more money for the City.

7. Reduction in direct and indirect auction costs

RESPONSE:

By implementing our Perpetual Auction Methodology, agencies list surplus assets as they become available. This means that agencies will typically list surplus more often overall, thus keeping bidder interest high. We believe that higher bidder interest coupled with our auction extension feature provides the best opportunity for reduction in auction costs. We also have the ability to mass upload auctions along with the ability to integrate into existing databases greatly minimizing overhead and direct costs associated with auction listings and awards.

8. Reduction in the number of buyers who renege on payment.

RESPONSE:

Public Surplus has made great strides in this area over the past few years. While you can't eliminate all default bidders we have implemented several steps to curb this activity. The City will have the ability to block bidders at anytime and for any reason from participating in their auctions. Many of our automated processes such as bid deposits and address verification will also be available to the City upon request. Several internal tracking tools and reports help us find and suspend buyers before they become problematic. We enjoy the lowest default ratting among online auction companies that we are aware of.

4.2 Online Auction Requirements

1. Contractor shall provide a fully hosted website. The City shall have the ability to have a link, which is seamless to the bidding community, from which its auction domain name (citysurplus.org) to the Contractor's website, which allows bidders direct access to City auctions, with minimal clicks.

RESPONSE:

TPG provides a fully hosted website and subsequent agency homepage within www.publicsurplus.com. We can also connect to the City of Tucson's website at www.citysurplus.org allowing this process as seamless as possible.

2. Ability to sell surplus property online, 24 hours a day, 7 days a week.

RESPONSE:

Public Surplus is an online marketplace that is available to buyers and sellers 24/7/365. Scheduled maintenance is performed during non-peak hours.

3. Ability for the City to manage all aspects of the bidding process online, from creating auction text, uploading photos, responding to bidder questions, blocking default bidders and recording of payment receipt data as well as having the option to have the Contractor manage many of these aspects.

RESPONSE:

Public Surplus meets and adheres to these requirements.

4. Ease of program administration, including but not limited to posting of auctions, marketing of auctions, receiving payment from bidders, blocking bidders, invoicing, etc.

RESPONSE:

Public Surplus is a seller-friendly application that has been serving government agencies for over 10 years. Our current clients enjoy and appreciate the power and simplicity of our system. We take great pride in understanding the government sector and program our site accordingly.

5. Contractor shall provide ongoing training opportunities and documentation for the City and the buyers. Training can be conducted through webinars.

RESPONSE:

Public Surplus will offer the training and documentation listed above.

6. Contractor shall provide easily accessible and highly responsive technical support and customer service. Contractor will endeavor to respond within one-hour, and absolutely shall respond within one business day, to all inquiries from the City, its cooperative partners and buyers. In addition, technical issues identified by the Contractor, which have the potential to disrupt business, must be relayed to the City and to all Cooperative Agencies within one business day of issue identification.

RESPONSE:

Public Surplus currently meets and adheres to this policy.

7. The City shall have the ability to block bidders from City auctions at the City's sole discretion.

RESPONSE:

The City of Tucson and its cooperative agencies will have the ability to block or otherwise restrict bidders for non-performance or default issues. Bidders blocked by the City will be unable to bid on future listings of the City of Tucson.

8. Option for a City pays or Buyer pays auction fees arrangement or a combination of the two.

RESPONSE:

All agencies that use Public Surplus have this option currently.

9. The online system must be able to automatically notify the City and the winning bidder of awarded auctions.

RESPONSE:

This is currently active and implemented.

10. At a minimum, the Contractor shall offer a fee structure wherein the Contractor's fee is a percentage based on the actual amount for which an auctioned item is sold (excluding sales tax). The Contractor will be responsible for the payment of all Contractor costs associated with the auction from fees to Contractor charges and receives from the City. An itemized expense schedule and fee report shall be prepared for each auction. The Contractor will only be paid its auction fee on items that have sold and have been paid. The Contractor can propose other fee structures in addition to the scenario stated above.

RESPONSE:

All agencies that use Public Surplus have this option.

11. The City must have access to bidder profile information in order to call, fax or email any bidder.

RESPONSE:

This is currently active and implemented. This information is provided to the selling agency in the Closed Auction section, and in other locations during the auction.

12. The City must have the ability to view a detailed bid history of its auctions at any time during the auction or after it closes.

RESPONSE:

This is currently active and implemented.

13. Contractor shall actively market auctions to prospective bidders in order to expand the Contractor's bidder list.

RESPONSE:

Public Surplus will actively market *both* the City's online auctions, and participation for cooperatives under the City's contract. We will also take advantage of other avenues we have found to be successful such as trade magazines and mass media outlets.

14. Contractor shall provide a report on a quarterly basis that identifies all cooperative agencies that are utilizing the City of Tucson contract. The report will also clearly identify new contract users and their respective "go-live" date.

RESPONSE:

This is currently active and implemented with the exception of the "go-live" date. Many factors can affect the "go-live" date of a new agency, making it difficult to foresee what the actual "go-live" date will be. If the City felt this was an absolute need we would be willing to work with them on a solution.

15. The Contractor will work directly with the City on marketing of new functionality or services to cooperative agencies utilizing the City's contract. Contract amendments detailing new functionality or services shall be executed before new functionality or services options can be exercised by the City or cooperative agencies.

RESPONSE:

Public Surplus has evolved in this arena over the years. We now have a process in place to do just that. We understand and agree the Cooperative lead agency needs to be involved before certain aspects of our service are offered.

16. There may be a transition period between award of a new contract and closing of auctions currently posted on the City's auction site and on the auction sites of current cooperative agencies. The Contractor shall dedicate adequate resources to ensure that the City and its current cooperative agencies are transitioned in the most efficient and least disruptive manner.

RESPONSE:

Not applicable; Public Surplus is the incumbent, and as such, operations will continue uninterrupted.

4.3 Live Auction Requirements

RESPONSE:
Not applicable; our response is for option 1 - Online Auction Service

4.4 Cooperative Purchasing Provisions

1. The City's current contract contains a Cooperative Purchasing provision whereby public and non-profit agencies nationwide can utilize the services provided for under this resultant contract. The ability to "piggy-back" on the contract eliminates the need for these agencies to conduct a competitive source selection process for online auction service since the competitive requirements were already satisfied by the City of Tucson's source selection process. The Cooperative Purchasing provision is beneficial to both the City and to other agencies. Therefore, the resultant contract will also provide for this arrangement.

RESPONSE:

TPG's response provides for this arrangement. Due to the fact that the City is interested in maximizing revenue from other agencies use of this contract, through the cooperative contract provisions in this contract, TPG is offering to negotiate with the City on an agreement with a third party Group Purchasing Organization, such as National IPA. This approach would increase the scale of this contract and result in greater revenue to the City. Our understanding is that Tucson has a similar arrangement on several other contracts.

2. Attachment B lists all cooperative agencies that have utilized the City's Online Auction contract.

RESPONSE:

Acknowledged.

3. Special Terms and Conditions, Paragraph 5, provides a web address to list all agencies that have entered into a Cooperative Purchasing Agreement with the City. The city does not guarantee that all or some of the listed agencies will utilize the resultant contract. The City anticipates partnering with the contracted provider(s) and marketing the contract to existing cooperative agencies and other agencies nationwide. As the Lead Agency for this contract, the City invests many staff hours developing a contract that appeals to the diverse needs of existing and potential Cooperative agencies as well as offering auction / surplus program development assistant the agencies. Because of this effort, the City anticipates establishing a revenue share agreement with the successful contractor(s). Under the current contract, the City receives 5% of the fees that its contracted provider collects from the sales generated by cooperative agencies that utilize the City's contract. Over the five-year contract term, the city was paid $25,741.93.

RESPONSE:

TPG's response provides for this arrangement.

5. Method of Approach - Online Disposal Method

The Public Group, LLC (TPG) 's software application, **Public Surplus** and strategies for surplus disposal will aid the City of Tucson and the participating cooperative agencies in generating significant cash flow from the sale of surplus property and confiscated assets. TPG, through Public Surplus, has the capability and resources necessary to deploy and maintain a transparent, thorough, surplus disposal program that serves the needs (identified and un-identified) of City of Tucson. Our application provides open access to bidders and agencies alike, providing a safe, results-oriented surplus disposal application. TPG brings a 10-year proven track record of performance and success for state and local governments.

5.1 Roles and Responsibilities

Offeror shall clearly identify and distinguish between the roles and responsibilities of the Contractor from that of the City (including cooperative agencies).

RESPONSE:

Roles and Responsibilities of TPG
Our existing relationship with our selling agencies over the years has been a journey, not a destination. As such, we strive to not only meet, but also exceed our roles and responsibilities to these selling agencies. By fulfilling our roles as described below, we feel that we build on our existing successes, and provide continued un-interrupted service to selling agencies like the City of Tucson.

Online Marketplace
TPG views its core responsibility as providing the City reliable access to our large online marketplace, to sell confiscated and surplus items for the highest amount to the most qualified bidder. The Public Group buyer base is several hundred thousand strong nationally. Our number of registered bidders increases on a daily basis and is more than sufficient to bring our agencies top market value for their items. Based upon our relationship with agencies in the State of Arizona over the past several years, we have developed a strong market share in the Southwest as well as nationally.

Reliability
TPG has been a leader in innovation and technology for more than 10 years. We continually improve the system and the support of our clients on a regular basis making our system the easiest and most comprehensive system on the market. Our development plans are to meet and exceed our clients' needs and expectations in the years to come with regular releases based on the feedback of our clients and the availability of technology.

Support
TPG will provide the City and its cooperatives with un-paralleled customer support services. The City and its cooperative agencies will receive listing assistance as appropriate from the local representative, and the Agency Support Team. Assistance will include, but not limited to: auction creation, minimum bid, reserve pricing strategies, and creation of disclaimers. Agency support will be provided via email, online chat, and toll free telephone for the City and its cooperative agencies. They will also have access to the online FAQ section of **Public Surplus** 24/7/365.

Revenue
TPG strives to provide its customers with seamless revenue collection, and sales proceed payment. If TPG effectuates payment collection on behalf of City of Tucson / cooperative agencies, buyers will submit payment to TPG electronically via credit card (VISA, MasterCard, Discover), or wire transfer. Sales transactions exceeding $4,000 will require a wire transfer. TPG will remit payment to the City on a quarterly basis for all revenue generated through the Contract Revenue Sharing Agreement in the previous month.

For cooperative agencies that have TPG collect payment, proceeds will include an itemized statement for assets sold and paid for during the period. A separate payout for sales tax collection will be issued. Each member agency of the City of Tucson cooperative will have their own, unique accounting trail for assets sold and proceeds received.

Month-end reconciliation will be effectuated online through the reporting an invoicing section of the seller account. Information in this section will have limited viewing permissions based upon the initial permission given by the City of Tucson Cooperative account administrator.

Roles and Responsibilities the City
TPG believes that the City will be responsible for identifying confiscated and surplus items, creating listings on Public Surplus for internal re-allocation and public sale. Additionally through Public Surplus, the City will be responsible for managing listings including posting photos, schematics, etc. as necessary, writing descriptions of the item(s), answering questions from potential buyers, and collecting payment from buyers. After which, the City will provide buyers with a reasonable amount of time to remove purchased items, and provide access to same.

Payment will be remitted to TPG according to the terms of the contract. The City will market the use of its contract to other cooperatives in addition to the marketing efforts of TPG.

Roles and Responsibilities of Cooperative Agencies
The roles and responsibilities of cooperative agencies would be the same as those for the City, with the exception that if TPG collects payment on behalf of the agency, payment collection and payment remittance would not be necessary.

5.2 Sub Contractors

Identify any sub contractors or third parties that will be used to carry out any work under this contract.

RESPONSE:

TPG will not utilize any sub contractors or third parties to carry out any work under this contract.

5.3 Implementation Schedule

Provide an implementation schedule, including tasks, resources, duration and dependencies for the City and cooperative agencies.

RESPONSE:

As the incumbent all such operations will continue uninterrupted.

TPG recommends that within 30 days of the signing of a new contract TPG management meet with City of Tucson Department of Procurement management to discuss and establish a plan to aggressively re-market the Tucson contract to prospective agencies (both identified and yet unidentified). The implementation schedule of this marketing plan would also be established.

5.4 City's Domain Name

Describe how the City's domain name will be incorporated into your online system. Clearly identify how many "clicks" bidders will need to exercise in order to access the City's auction?

RESPONSE:

Upon clicking on or entering in the City's domain name, buyers will go directly to City's customizable home page on Public Surplus, which lists only the City's auctions and auction information. Buyers will reach the City's home page on Public Surplus after one click, and be able to browse city auctions by clicking "View All Auctions for City of Tucson".

5.5 Plans to Market the Program to Potential Bidders

Describe how the Offeror proposes to market the program to potential bidders. Provide samples of marketing efforts that have worked effectively in the past in attracting new bidders.

RESPONSE:

Public Surplus will market the City's auctions to interested buyers automatically. Buyers create interest lists based on categories and geographical locations. Public Surplus then automatically notifies buyers via email when auctions match their criteria.

The City will maintain a "home page" on Public Surplus where buyers will have access to only City auctions. The City can highlight featured auctions and auctions about to end, and post information important to buyers. This home page will be linked to the City's domain - www.citysurplus.com.

The Public Surplus Buyer Contact Department will aggressively promote and market heavy equipment and other high-dollar items in an effort to maximize the full revenue potential of the asset. Specifically, TPG will target known buyers locally, regionally, and nationally that have an interest in certain assets.

Past efforts that have proven successful are advertising in Trade Publications, Press Releases telephone call campaigns, newspaper articles, and Power Point Slides for viewing on Public Television.

We will continue to build on the existing qualified buyer database that we have developed for our selling agencies over the past 10 years. Additionally, we will work closely with the City of Tucson in the advertising of the City of Tucson's surplus.

Please refer to reference material in Appendix A-1 "Marketing".

5.6 Use of the Contract in Marketing TPG

Describe how the Offeror plans to use the contract in marketing itself (e.g. use of City of Tucson's name in promotional materials, seminars, magazine articles).

RESPONSE:

Please refer to Section 5.5 of this response.

5.7 Average Number of Hits Per Day

Indicate the average number of "hits" per day the proposed website receives.

RESPONSE:

While we get well over 4 million hits a day on our website we have always felt that it is not the number of hits that increase revenue but the number of bidders. Public Surplus has always been able to get the most qualified bidders participating in our client's auctions. We will be able to do this for the City of Tucson and provide a successful overall experience in selling surplus assets online.

Please refer to Appendix A-2 "Statistics".

5.8 Buyer Default

Describe the Offeror's plan to minimize the number of buyers who renege on awarded auctions and the tools available to the seller if this occurs. Also describe how the Offeror addresses those bidders who renege and have been blocked from participating in auctions by the Agency, who then establish multiple usernames and logins. What actions does the Offeror take to prohibit participation by these bidders?

RESPONSE:

City of Tucson will have the ability to block or otherwise restrict bidders for non-performance or default issues. Bidders blocked by City of Tucson will be unable to bid on future listings of City of Tucson. Additional resources such as bid deposits and address verification further reduce bidder default. **Public Surplus** can block or otherwise restrict buyers on a per case basis.

Public Surplus consistently takes a proactive approach in monitoring bidder information and bidder activity through a variety of tools. This further reduces the possibility of buyer default. We also query reports based on bidder activity to identify area of fraudulent activity and default bidding.

Buyer registration is an easy 3-step process that is designed to verify information and prevent buyers from registering multiple accounts.

Please refer to appendix A-3 "Reducing Buyer Default".

5.9 Types of Items

Describe the types of items that may be sold on the proposed website and any exclusions (e.g. items with an estimated value less than $25.00).

RESPONSE:

The City is welcome and encouraged to sell any and all City-owned property on Public Surplus. Agencies sell abandoned, confiscated, excess, scrap, surplus and unclaimed property on Public Surplus.

Public Surplus has extensive experience in the online sale of a wide variety of assets such as aircraft (planes & helicopters), computer equipment (pc & mainframe), office furnishings, communication equipment, telecommunications, machine shop & metal work equipment, heavy equipment (bulldozers, graders, etc), Transit Buses, and vehicles (cars, school busses, trucks, parts, etc). Our unique and simplified online category system makes it easier for both buyers and sellers to quickly locate specific items. Essentially, any item that can be lawfully sold can be listed on Public Surplus.

There are no exclusions, as related to anticipated value.

5.10 Auction Creation - Photos, Text & Video

Discuss size and quantity limitation for the number of photos that can be downloaded for each auction. In addition discuss any limitation on the quantity of text allowed per auction. Also discuss video capabilities and limitations.

RESPONSE:

Public Surplus incorporates digital photography into its online auction system. We encourage agencies to post at least one, clear, defined photo for each asset listed on our service. Supporting listing information can be uploaded into the listing in a variety of formats, including but not limited to: Word, Excel, RTF, Plain Text, and jpeg.

Multiple images can be uploaded at one time, and can easily be re-arranged through a user-friendly drag – n- drop process. Images are automatically re-sized by the system for proper formatting. Images are also expanded by a single click of the user when viewing the listing. There is no limit to the number of images that can be uploaded for each auction.

We also support the embedding of YouTube videos. This support is currently limited to the YouTube 10 minute video standard. Each agency has the ability to upload their videos to their respective auction listings.

5.11 Training and Instructional Materials

Describe training services and instructional materials that are available to the seller and the buyers. Indicate any distribution restrictions that may apply and how often the materials are updated.

RESPONSE:

Agency Training
TPG will provide City of Tucson end user training in a group type forum via an online presentation and training program. Users will be able to interact and voice questions during the presentation, and on certain occasions video conferencing tools may be implemented. We make every effort to be as environmentally conscious as possible. As such, and because our services are online in nature, TPG does not usually provide written documentation and users manuals. However, we will provide user manuals and other written support documentation as necessary, and upon written request from the City of Tucson. Additionally, on-site training is available by request from our local staff in Arizona.

Agency support representatives who are experts in the features and functions of Public Surplus present the training material in an effective, professional manner, and training sessions are customized to meet the unique training needs of specific users or groups of users. TPG will schedule as many training sessions as needed, at the City's convenience at no cost to the City. Up to 25 users can attend each session.

Public Surplus includes online help via the "help" link at the top of every web page, and via links placed throughout the website. These question marks indicate links to additional information about the associated feature.

Though not often requested, written instructional material is available and can be distributed to City employees who utilize Public Surplus. This material is updated when TPG releases enhancements to Public Surplus.

Buyer Training
Public Surplus was designed to be intuitive and easy-to-navigate, especially for people utilizing it for the first time. Most buyers are able to register, browse, bid and buy without contacting TPG for training or any other type of support. For buyers who need training support we offer online help features, and support via email and online chat.

Buyers can contact Public Surplus through email or online chat or during the hours of 7am - 4pm MST, and access the online FAQ section of Public Surplus 24/7/365.

5.12 Technical Support

Describe how the Offeror proposes to meet the City's and cooperative agencies' need for technical support.

RESPONSE:

The City of Tucson and cooperative agencies will receive listing assistance as appropriate from the Project Manager, the local representative, and the Agency Support Team. Assistance will include, but not limited to: auction creation, minimum bid, reserve pricing strategies, and creation of disclaimers. Online support is provided via chat, email, and 24/7 toll free telephone support for City of Tucson / cooperative agencies. City of Tucson / cooperative agencies will also have access to the online FAQ section of **Public Surplus** 24/7/365.

Members of TPG's agency support team will provide responsive, professional and timely support to the City and Cooperative Agencies. TPG strives to respond to all agency support requests within one hour, and will respond to all support requests within one business day. In the unlikely event that a technical issue occurs which has the potential to disrupt agency business, TPG will inform the City and Cooperative Agencies within one business day.

TPG's agency support methodology includes dedicated support representatives, meaning that an agency contacts the same support representative when questions or issues arise, or for strategic consulting. The City's support representative, Jarad Van Wagoner, is familiar with our selling agencies in the State of Arizona and stands at the City's disposal to assist them in getting the most out of their surplus operations.

Mr. Van Wagoner will pro-actively contact the City in order to confirm that users are comfortable using Public Surplus and there are no issues in using our service.

5.13 Other Support

Describe what types of other support your company provides (e.g. on-call, hotline, on-site emergency assistance, buyer identification, etc.). What are the hours and days of other types of support (7 days/week, 24 hours/day)? Do you provide upgrade packages for support? If so, specify types and related information (e.g. – type, cost, time). Distinguish between support available to the seller and support available to the buyers.

RESPONSE:

Other Agency Support
Should the City require emergency support outside of standard business hours (Monday through Friday 7AM through 4PM Mountain Time) the City will be able to contact a dedicated Support Supervisor. At this time TPG does not offer support 24/7/365, nor does it have tiered levels of support at different price points. In our experience, the majority of agency users work during normal business hours and calling the Support Supervisor for after-hours support is the most cost-effective and efficient manner of handling support outside of normal business hours.

Other Buyer Support
Buyer Support is available Monday through Friday 7AM through 4PM Mountain Standard time via email and live chat. Support requests submitted via email during support hours are typically acknowledged within 1 hour and most (90%) are resolved within two hours.

5.14 Software Capabilities & Functionality

The City is looking for proven software capabilities for the online surplus program. Describe the capabilities and functionality available to the City and how often upgrades are made to the system including the testing processes followed by the Offeror before implementation of an upgrade.

RESPONSE:

The TPG application, Public Surplus is a comprehensive, flexible tool for asset reallocation and sale of confiscated, excess, surplus and unclaimed property. This application was designed in-house by TPG programmers and continues to be enhanced and supported by in-house I/T professionals. Public Surplus includes standard features and functionality that will make it easy for City users to reallocate assets, and post and manage auctions. It is also buyer-friendly, in that it is easy for buyers to browse, bid and buy surplus property. Over the past 10 years Public Surplus has helped thousands of public agencies increase surplus property sales through the use of our online auction application and perpetual Auction Methodology.

Public Surplus, and its strategies will enable the City and Cooperative Agencies to generate significant cash flow from the sale of confiscated, excess, surplus and unclaimed property. TPG, through Public Surplus, has the capability and resources necessary to maintain an effective, transparent, and thorough surplus disposal program that serves the needs (identified and un-

identified) of the City. Our application provides open access to bidders and agencies alike, and is a safe and results-oriented surplus disposal application. TPG will maintain all data related to City auctions for a minimum of 7 years, providing an audit trail and transparency. TPG brings a 10-year proven track record of performance and success in similar programs for state, county and city governments.

TPG's development and growth reflect our commitment to fulfilling a calling for the design of a transparent and reliable online platform for governments to sell surplus property. Unlike much of our competition, TPG's software products are designed exclusively for governments, and are not altered or otherwise modified for government use. Our dedication to our calling and our clients continually drive us to ensure that our entire operation is committed to achieving the highest possible results.

Our unique government experience and proven performance will provide the City and Cooperative Agencies with a solution that meets or exceeds all requirements of the solicitation, as well as providing the City with a partner that is committed to the success of the surplus property disposal program and the contract.

Specifics about the software capabilities and functionality and upgrades are included in Section 5.23 of this response and Appendix A-4 "Auction Creation and Tools".

5.15 Fully Hosted Website

Confirm that the Offeror can provide a fully hosted website and that the City shall have the ability to have a link, which is seamless to the bidding community, from its auction domain name: citysurplus.org to the Contractor's website.

RESPONSE:

Public Surplus is a fully hosted website and the City will have a link, which is seamless to the bidding community, from its auction domain name: citysurplus.org to Public Surplus.

5.16 Physical Security

Describe the physical security of the hosting data center. Include security provisions of staff, as well as facilities.

RESPONSE:

As a private company in a competitive market we have found it necessary to keep information such as this confidential. The release of any such information may provide our competition with the advance knowledge necessary to beat us to market, impede, or otherwise harvest intellectual knowledge. Such release may cause irreparable damage to TPG's business interest to which the full extent would be impossible to ascertain; wherein monetary damages would not be a sufficient remedy for the Company.

We will provide this information if a Notice of Intent to Award from the City of Tucson is received, and if requested in writing wherein confidentiality is assured.

TPG's servers are hosted in physically secure facilities. Please refer to Appendix A-5 "Security of Hosting Data Center".

5.17 Electronic Security

Describe the electronic security of the hosting data center. Include external and internal provisions.

RESPONSE:

Please refer to Appendix A-5 "Security of Hosting Data Center".

5.18 Protection of Agency Data

Describe the mechanisms used to ensure protection of Agency data, passwords, etc.

RESPONSE:

Please refer to Appendix A-6 "Protection of Agency Data".

5.19 Backup & Disaster Recovery Strategy

Briefly describe your overall backup and recovery strategy and a disaster recovery or business resumption strategy.

RESPONSE:

Please refer to Appendix A-5 "Security of Hosting Data Center".

YES 1. Ability to provide City with all City data in easily usable electronic form at regular intervals.

YES 2. Provision of hardware environment that yields 99.9% uptime, exclusive of planned maintenance windows.

YES 3. Provision of notification to City for downtime in advance if planned and immediately if unplanned.

YES 4. Provision of secure network connection between City users and host site via industry standard techniques.

YES 5. Ability to restore entire environment within contracted durations.

YES 6. Ability for users to schedule and submit jobs.

YES 7. Provision for Vendor monitoring of system operation to detect hung processes or inactive sessions and take action.

YES 8. Ability to provide redundancy in network and hardware environments.

YES 9. Ability for users to run reports during all hours except for specified maintenance windows of no greater than two hours per day.

YES 10. Provision of security so that the City's data is available only to authorized users.

YES 11. Ability to accommodate growth in City's requirements.

YES 12. Provision of notification and appropriate City testing of software updates and security patches.

YES 13. Provision for encryption capability option that prevents unauthorized access to data.

5.20 Network Connection Assurance

Describe how Offeror ensures a secure network connection between Agency users and host site via industry standard techniques. In addition, describe the Offeror's security provision so that the Agency's data is available only to authorized users.

RESPONSE:

TPG uses Hypertext Transfer Protocol Secure (HTTPS) protocol to provide encrypted communication and secure identification of Public Surplus.

Additional information is not provide in that as a private company in a competitive market we have found it necessary to keep information such as this confidential. The release of any such information may provide our competition with the advance knowledge necessary to beat us to market, impede, or otherwise harvest intellectual knowledge. Such release may cause irreparable damage to TPG's business interest to which the full extent would be impossible to ascertain; wherein monetary damages would not be a sufficient remedy for the Company.

Please refer to Appendix A-6 "Protection of Agency Data".

5.21 Customer Feedback

Describe how customer feedback (from sellers and buyers) is received, considered and responded to.

RESPONSE:

Feedback is received via chat, email, and telephone from both buyers and sellers. All reasonable suggestions for improvement are considered and discussed with our development team. Agency (seller) customizations are given first priority. Acknowledgement of feedback is typically provided within 24 hours during the week, and on the first business day if received during the weekend. Actual implementation of agency customization depends upon various circumstances such as complexity, scope, and impact of other components.

5.22 Accounting Process

Describe the accounting process for documentation of payment and non-payment by bidders and invoicing.

RESPONSE:

TPG will allow the City easy access to enter and track payment from buyers on our system. This simplicity remains the same regardless of whether we collect payment or the City does it for themselves. Our easy to access reports and search fields will allow the City to easily find and track buyers whom have not paid for an item after an allotted time and they can then decide to block or move to the next highest bidder in the auction process. Our invoicing system is simple and easy to follow and is done on a net 30 basis. Invoicing is not needed if we collect for the City or its cooperative members.

5.23 Auction Creation

Describe the various tools and customizations available to the seller in creating auctions, including but not limited to, internal reallocation, "private" auctions (e.g. law enforcement only), Dutch or split auctions, reserve prices, minimum bid requirements, bidder deposit requirements, ability to copy previous auctions, ability to repost previous auctions, etc.

RESPONSE:

Please refer to Appendix A-4 "Auction Creation and Tools".

5.24 Bidding Tools

Describe the various tools available to the bidder in participating on auctions, including but not limited to, email notifications, proxy bidding, identity protection, dynamic closing, etc.

RESPONSE:

Please refer to Appendix A-7 "Bidding Tools".

5.25 Reporting Capabilities

Describe what reporting capabilities are available to the Agency.

RESPONSE:

Please refer to Appendix A-4 "Auction Creation and Tools".

5.26 Security Capabilities & Privacy Protection

Describe the system's security capabilities and the privacy protection available to both the sellers and the buyers.

RESPONSE:

Please refer to Appendix A-8 "Security & Privacy".

5.27 Website Information and Administrative Access

Provide website information and administrative access to the site. Include instructions and screen shots for navigating the various site tools. Are there limitations to the number of Administrative Users on the site?

RESPONSE:

Public Surplus can be accessed at www.publicsurplus.com. There are no limitations to the number of Administrative Users on the site, nor is there a limitation to the number of users.

Please refer to Appendix A-9 "Website Information and Administrative Access" for screen shots and additional information.

6. Price Proposal

6.1 Fees

Present all fees and any costs related to the program (including training, implementation, etc.) that will be charged or withheld from the City and cooperative agencies. Discuss how fees are collected from an Agency pay and a Buyer pay perspective. Describe options available for collecting payment from bidders. What payment options does the Offeror accept from bidders and the City? If credit card is an acceptable form of payment from the bidder and the City, what fees apply? Can fees be paid online?

RESPONSE:
The following services will be continued to the City of Tucson at NO charge:

- **Auction Fee**
  - **NO listing fee**
  - **NO re-listing fee**
  - **NO minimum auction fee**
- **Implementation & Training Fee**
  - **NO implementation fee**
  - **NO training fee**
- **Technical Support**
  - **NO technical support fee**
- **Other Fees**
  - **NO agency registration fee**
  - **NO buyer registration fee**

In an effort to provide the City of Tucson with the greatest level of flexibility, we have provided two (2) sales commission plans for the City of Tucson consideration. It is the sole discretion of the City of Tucson as to which Option they wish to implement.

a. Option 1 (TPG collects proceeds)

TPG will collect proceeds from buyers, and provide net proceeds (less commission) to the City of Tucson.

A success fee to be charged for SOLD assets **1%**
(A Buyer's Premium of 9% will apply to each auction)

Fees and auction payment are collected from buyers through an online process. Buyers remit payment to Public Surplus via PayPal, credit card, or wire transfer. In receiving payment from our

buyers, our buyers have the option to use their personal credit card. If the buyer chooses to pay via credit card, we employ **PayPal Website Payments Pro** functionality for credit card payment integration. Both Public Surplus and PayPal are PCI compliant.

Although currently not required, Public Surplus proactively conducts External Security PCI scans. We use TrustWave for external security scans. TrustWave is the nationally recognized leading provider of on-demand data security and payment card industry compliance management solutions.

Essentially, Public Surplus is providing buyers with a 'shopping cart' for their purchases. When buyers remit payment via credit card, they enter / confirm their credit card information on our servers. This information is then transmitted electronically to PayPal for processing. PayPal then confirms or declines the transaction back to Public Surplus, where the information is then transmitted to the buyer.

The payment collection process usually costs approximately 3% in addition to existing fees. This fee is simply a pass through cost of our merchant account fees that is typically passed along to the buyers in the form of a buyer's premium.

b. Option 2 (City of Tucson collect proceeds)

The City of Tucson will collect proceeds from buyers, and then be invoiced for sales commission from The Public Group. There will be no buyer premium applied to each auction. The City of Tucson may also use their own **Merchant Account** to have buyers pay online via credit card through our online system.

A success fee to be charged for SOLD assets **7.00%**
(There will be NO Buyer's Premium applied to each auction)

c. Price Matching

Our online model is especially designed to maximize sales for government all the while reducing operating costs for both the agency and TPG. Our government customers benefit immediately by receiving some of the most aggressive pricing in the market. So confident are we of our model and savings for governments that we will NOT be beat on price for similar services. In short, if the City of Tucson finds similar services for at a lower cost than the TPG quote, we will not only **MATCH** the lower price, but **beat it by .125%.**

6.2 Sales Tax

Indicate how sales tax / use tax would be tracked and paid. Also identify what jurisdiction(s) would be the recipient of sales tax revenue.

RESPONSE:

TPG supports customizable tax collection rate / formulas as required by the seller. Multiple tax rates can be accommodated. Indication of such is enumerated in the winning email to the buyer, and seller. Each jurisdiction would be responsible for determining whether sales tax should be applied, and at what rate. Taxes collected from buyers will be remitted to the selling agency along with sales proceeds. Each jurisdiction is then responsible for remitting taxes directly to the appropriate tax agency.

6.3 Revenue Share

Discuss possible revenue share arrangements. Identify if the City as the lead agency will receive revenue share based on the City's auctions and / or revenue share based on the auctions that other cooperative agencies post. Offerors should state proposed percentages, how revenue share will be calculated and how and when they will be paid to the City.

RESPONSE:

Fees: The City of Tucson will not be a party to any payment of fees due by the participating agencies and such transaction will be for disposal of surplus between Public Surplus and the participating members. The City of Tucson participating members will be charged a 7.00% fee for the use of Public Surplus. The members of the cooperative will only pay this fee if the Item(s) listed with Public Surplus sells. The City of Tucson's cooperative members will have access to the Public Surplus Buyer database increasing their auctions visibility and selling price.

Promotional Reimbursement: Following the execution of this agreement, any auction sales by any City of Tucson Coop member will be subject to a Promotional Reimbursement to City of Tucson. No promotional reimbursement will be paid to City of Tucson for its' own auctions. Public Surplus will remit a quarterly payment of 5% of the total gross sales amount collected from the participating members of its group to City of Tucson. For example, if a participating member of City of Tucson Cooperative sold an item on our site for $100.00, we would collect from that agency 7.00% of the total sales price. This would equal $7.00 of sales for Public Surplus. Of that $7.00, we would then rebate back to City of Tucson 5% of the $7.00. This would equal $0.35 to be paid to City of Tucson.

CURRENT RATE STRUCTURE

1. Volume Pricing:

The City of Tucson, and its cooperative agencies pay a fee to Public Surplus based on final selling price of each sold auction. Fee percentage is determined by previous year's total sales volume updated quarterly.

7.00%	$0	$999,999
6.75%	$1,000,000	$1,999,999
6.50%	$2,000,000	$2,999,999
6.25%	$3,000,000	$3,999,999
6.00%	$4,000,000	$4,999,999
5.75%	$5,000,000	$5,999,999
5.50%	$6,000,000	$6,999,999
5.25%	$7,000,000	$7,999,999
5.00%	$8,000,000	$8,999,999
4.75%	$9,000,000	$9,999,999
4.50%	$10,000,000	$11,999,999
4.25%	$12,000,000	$13,999,999
4.00%	$14,000,000	$15,999,999
3.75%	$16,000,000	$17,999,999
3.50%	$18,000,000	$19,999,999
3.25%	$20,000,000	$22,999,999
3.00%	$23,000,000+	

2. Buyer's Graduated Premium:

Buyer pays fee on each auction based upon final selling price of the auction. Fee is paid to agency but due to Public Surplus. Agency pays additional negotiated fee (usually 1%) of auction selling price to Public Surplus.

%	Low	High
10.00%	$0	$499
9.50%	$500	$999
9.00%	$1,000	$2,499
8.50%	$2,500	$4,999
8.00%	$5,000	$9,999
7.50%	$10,000	$19,999
7.00%	$20,000	$29,999
6.50%	$30,000	$39,999
6.00%	$40,000	$49,999
5.50%	$50,000	$99,999
5.00%	$100,000	$149,999
4.50%	$150,000	$199,999
4.00%	$200,000	$249,999
3.50%	$250,000	$299,999
3.00%	$300,000	$349,999
2.50%	$350,000	$399,999
2.00%	$400,000	$449,999
1.50%	$450,000	$499,999
1.00%	$500,000+	

3. Extra Services Applicable to Both Models

Upon request of agency and charged per auction or group of like auctions:

1. Contact list of potential buyers provided to Public Surplus by the agency - $149
2. Contact list provided by agency and research new buyers - $299

6.4 Discounts, Credit Cards, and License

As stated in the instructions to **Offerors, 7. Discounts**, the price(s) contained herein can be discounted by __0__% if payment is made within _____ days.

Will payment be accepted via commercial credit card? _X_ Yes __ No

If yes, can commercial payment(s) be made online? _X_ Yes __ No

Will a third party be processing the commercial credit card payment(s)? _X_ Yes __ No

If yes, indicate the flat fee per transaction $0.00 (as allowable, per Section 5.2 E of Visa Operating Regulations).

Does your firm have a City of Tucson Business License? _____Yes __X_No
If yes, please provide a copy of your City of Tucson Business license.

7. Qualifications & Experience

7.1 Place of Business

State Offeror's principal place of business.

Response:

TPG's corporate headquarters is located in Provo, Utah, with field offices in Arizona, Georgia, Nevada, Tennessee, Texas, Utah and Virginia.

7.2 Years of Service

Indicate the number of years the Offeror's online surplus auction program has been in place.

Response:

Public Surplus has been in place for over 10 years. The first auction was listed in July of 2000.

7.3 Key Employees

Provide resumes and information on key personnel, including an account manager. Can Offeror commit to the availability of these individuals for work under this contract?

Response:

TPG has experienced management and staff in place to support all of the stated needs of the City of Tucson. The TPG project team will include individuals with years of experience in online surplus auction service and agency support services, and individuals who have worked in procurement for government agencies. The following individuals will work closely with City and its users to ensure that the City receives uncompromised service and support while striving to achieve the greatest return for its surplus property:

- Eric Heaps, Chief Operating Officer
- Jarad Van Wagoner, Director of Agency Support (Account Manager)

TPG commits to the availability of Mr. Heaps and Mr. Van Wagoner for work under the contract.

Please reference the applicable resumes contained in Appendix A-10.

7.4 Client List

Provide current Client List for clients that have utilized your online auction program for a minimum of twenty (20) auctions.

Response:

Please refer to Appendix A-11 "Client List".

7.5 References

Provide a minimum of 3 references, preferably from government agencies similar to the City of Tucson. Include the reference's contact name, title, phone and description of their online surplus auction program.

Response:

Please refer to Appendix A-12 "References".

7.6 Auction Information and Samples

Indicate the number of auctions posted on the proposed website in the last two years. Provide a random sample of auctions that opened and closed within the last two years.

Response:

Please refer to Appendix A-13 "Auction Information and Samples".

7.7 Buyer Default

Response:

Please refer to Appendix A-14 "Buyer Default Information".

7.8 Bidder Information

Indicate how many bidders participated in each of the auctions, stated above, over the last two years. Distinguish between those bidders who reside in Tucson, in Arizona, out of Arizona and out of the Country (if possible).

Response:

Please refer to Appendix A-15 "Number of Bidders".

7.9 Buyer Terms & Conditions

Provide your terms and conditions to register as a bidder for online auctions. Is there a fee to register?

Response:

Please refer to Appendix A-16 "Buyer Terms and Conditions".

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
(520) 837-4132
ISSUE DATE: February 17, 2011

REQUEST FOR PROPOSAL NO.: 110163
RFP AMENDMENT NO.: One (1)

RFP DUE DATE: March 8, 2011 @ 4:00 P.M., Local AZ Time
CONTRACT OFFICER: Ruth Estrada

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

110163

Auction Services

Amendment One (1)

1. **Due Date and Time** shall remain the same.

2. **Scope of Work, Section B. Online Auction Requirements:** The following paragraph is hereby added:

   17. The Contractor shall not charge a fee, perform a credit check or in any other way prohibit potential bidders from participating in the online auction. The Contractor may request that bidders register as users in order to place a bid.

3. **Scope of Work, Section C. Live Auction Requirements:** Paragraph #11 is hereby removed from the RFP.

4. **Scope of Work, Section C. Live Auction Requirements:** The following paragraph is hereby added:

   16. The Contractor shall not charge a fee, perform a credit check or in any other way prohibit potential bidders from participating in the live auction. The Contractor may request that bidders register with the Contractor in order to place a bid.

5. **Proposal Evaluation Criteria, Section II. Online Disposal Method, Section A. Method of Approach:** The following paragraph is hereby added:

   28. Does the Offeror charge a buyer's premium (or auction fee as described in the Scope of Work, Section B, paragraph 8)? Describe how the buyer's premium is set and if the fee or percentage varies depending on the type of auction. Does the Offeror allow for the City/Cooperative Agency to pay the buyer's premium rather than the bidder?

6. **Proposal Evaluation Criteria, Section II. Live Disposal Method, Section A. Method of Approach:** The following paragraph is hereby added:

   21. Does the Offeror charge a buyer's premium? Describe how the buyer's premium is set and if the fee or percentage varies depending on the type of auction. Does the Offeror allow for the City/Cooperative Agency to pay the buyer's premium rather than the bidder?

7. **Additional Questions:** The following are questions received to date and their answers:

Q. Is the City's surplus location fully staffed and can live auctions be held at the facility?

A. The City's surplus location, 4004 S. Park Avenue, is fully staffed during normal business hours. The surplus location is located in a facility, Price Service Center, that houses several other City operations and there is no space available to conduct a live auction at the facility.

Q. Do you have a list of current and previous customers who have purchased surplus items from the City or one of its partners through Public Surplus or otherwise, that you could share with the winning vendor for publicity purposes?

A. At this time, the City does not have the data requested. However, if the City is able to gather this information in the future then it will be shared with the Contractor(s) awarded the auction services contract.

Q. What proportion of your items will be sold online versus those sold through a live auction? Can you provide an accurate figure or at least ball park figures?

A. The City, and its cooperative partners who utilize the contract, will determine what disposal method is used on a case by case basis.

Q. Who will decide this split between live and online items? On what basis do they decide?

A. For the City, the Surplus Program Manager in conjunction with various City staff will determine what disposal method is used on a case by case basis. The City will choose the disposal method based on what is in the best interest of the City. The City cannot state how or why the cooperative agencies will choose their surplus disposal method.

8. The following firms were in attendance at the pre-proposal conference held on February 15, 2011:

Public Surplus
Web Data Corporation
Brent L. Davis and Associates
Sierra Auction Management Inc.
GovDeals
Ritchie Brothers
Auction Systems

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Signature Date

Eric Heaps Chief Operating Officer
Typed Name and Title

The Public Group, LLC
Company Name

PO Box 50675
Address

Provo UT 84605
City State Zip

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
(520) 837-4132
ISSUE DATE: March 2, 2011

REQUEST FOR PROPOSAL NO.: 110163
RFP AMENDMENT NO.: Two (2)

RFP DUE DATE: March 8, 2011 @ 4:00 P.M., Local AZ Time
CONTRACT OFFICER: Ruth Estrada

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

110163

Auction Services

Amendment Two (2)

1. Due Date and Time shall remain the same.

2. Additional Questions: The following are questions received to date and their answers:

Q. Scope of Work, Section C, paragraph 4 states that the City prefers to receive auction proceeds within 14 days after close of auction. Is that a mandatory requirement?

A. No, it is not mandatory. The City prefers 14 day remittance, but vendors may offer alternate remittance time periods in their proposals.

Q. Scope of Work, Section C, paragraph 5 states that the City reserves the right to set reserve prices for all vehicle auctions. Please clarify.

A. Due to internal funding requirements, the City's standard operating procedure is to set a reserve price on all vehicle auctions. Currently, the City sets reserve prices on other items, such as jewelry, very rarely. Vendors should state whether or not they would allow a reserve price to be set. The evaluation committee will consider all proposals.

Q. Scope of Work, Section C, paragraph 12 states that the City reserves the right to withdraw any item from the auction at any time prior to final commitment to the buyer. Please clarify.

A. Currently, the City uses an online disposal method which allows the City to withdraw any item from auction prior to the auction closing. Vendors should state whether or not they would allow withdrawal of any item from auction. They should also state what the cutoff time/date is for withdrawal of an item. The evaluation committee will consider all proposals.

Q. Scope of Work, Section C, paragraph 14 states that the City reserves the right to reject any or all bids on auction items. Please clarify.

A. Currently, the City will reject all bids on auction items that do not meet the predetermined reserve. This is done prior to an auction closing. Vendors should state whether or not they would allow rejection of any and all bids that do not meet reserve. They should also state what the cutoff time/date is for rejection of bids. The evaluation committee will consider all proposals.

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

110163

Auction Services

Amendment Two (2)

Q. Is it a requirement of the contract for the successful auction company to currently posses an Arizona Used Motor Vehicle Dealer's license to comply with State law? If so, will there be a requirement as to how long the Used Motor Vehicle License will have had to be in effect prior to this RFP?

A. Per paragraph 24 of the Standard Terms and Conditions, "Contractor shall maintain in current status all Federal, State and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract." There is no requirement on how long any licenses and permits have been held. The only requirement is that the licenses and permits are current at the date of contract award and that they remain current for the entire term of the contract.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Signature Date

Eric Heaps Chief Operating Officer
Typed Name and Title

The Public Group LLC
Company Name

P.O. Box 50675
Address

Provo UT 84605
City State Zip

CITY OF TUCSON

DEPARTMENT OF PROCUREMENT

April 1, 2011

Eric Heaps, Chief Operating Officer
The Public Group, Inc.
PO Box 50675
Provo, UT 84605
erich@thepublicgroup.com

Sent via email, this day

Subject: Request for Proposal No. 110163 – Auction Services
Notice of Intent to Negotiate

Dear Mr. Heaps:

The City of Tucson has completed the evaluation of submittals received in response to the subject solicitation. Based upon the recommendation of the evaluation committee, the City is inviting The Public Group to enter into negotiations. The City has reviewed The Public Group's proposal and would like to discuss the following points:

1. Confidential Information: Per Section 28-5 of the Tucson Procurement Code, the Director of Procurement shall determine whether specific information contained in an Offeror's response to a solicitation will remain confidential at the request of the Offeror. Appendices A-1 through A-16 of The Public Group's proposal is labeled as confidential. Please provide a written statement of why these particular sections of the proposal should be held confidential so that the Director may make a determination.
2. Physical Security: Describe the physical security of the hosting data center. Include security provisions of staff, as well as facilities.
3. VIN Decoder: Does The Public Group offer Vehicle Identification Number (VIN) decoder software/technology?
4. How does your firm manage those bidders that are blocked by multiple agencies but still are able to participate in auctions through your site? For example, if a bidder has been blocked by 10 separate agencies, can an agency contact your firm and request that the bidder be blocked from any Public Group site? Does your firm check for these types of rogue bidders? If so, how and how often?
5. Please explain when upgrades are performed. What are considered "non-peak hours?"
6. On page 29 of 35 of your proposal it states, "The payment collection process usually costs approximately 3% in addition to existing fees. This fee is simply a pass through cost of our merchant account fees…" Based on this statement, is the 3% merchant fee included in what comprises your stated 9% Buyer's Premium or is it a separate line item percentage you charge to the bidder?

7. On page 29 of 35 of your proposal it states, "The City of Tucson may also use their own Merchant Account to have buyers pay online via credit card through our online system." Please explain how this arrangement works and what fees are associated. In order to take advantage of this function would Public Group require that the City turn over payment collection to them?

8. Your Transmittal Letter states that the Public Group was recently awarded a large contract for surplus disposition by the Metropolitan Washington D.C. Council of Governments and that this contract encompasses more than 30 agencies regionally and across the nation. In addition, the letter states that expected agency use under this contract will grow to more than 50 and generate $10 million in gross sales. Given this initiative, how will Public Group ensure that the City of Tucson's cooperative contract is being marketed aggressively across the nation? How will Public Group decide which contract it steers potential clients to? Public Group's marketing plan for D.C. could negatively impact the number of agencies under the Tucson contract and this directly equates to a loss of revenue share for the City of Tucson. The D.C. cooperative could be seen as a competitor to the City of Tucson. The City and Public Surplus have over the years courted several Virginia based agencies in hopes that they would utilize Tucson's contract. With the recent award, please identify those agencies that were being sought or were already under Tucson's current contract and have now been transitioned over to the D.C. contract. Given the above, will Public Group consider changing the revenue share arrangement to allow the City's auctions to be included in the aggregate?

9. Please provide more detail on the arrangement between the Public Group and the Group Purchasing Organization. Our understanding that a national type contract and revenue share based on nationwide efforts is something that is agreed upon before the solicitation is published. In essence, it is a true partnership between the Agency and the national cooperative. This would not necessarily be the case under Tucson's contract.

10. Would the Public Group consider a Volume Pricing / Buyer's Graduated Premium model in lieu of a flat commission percentage, similar to what is currently in place? If so, please provide the breakdown of each model.

This Notice of Intent to Negotiate is not intent to award a contract and does not establish any contractual relationship between The Public Group and the City. Its intent is to notify the affected parties that the City will engage in negotiations with The Public Group. In the event that the City is not able to negotiate a satisfactory contract with The Public Group the City will formally terminate negotiations and may enter into subsequent negotiations with the next most qualified firm.

I would like to schedule a date and time to discuss these issues either in person or via teleconference. Please contact me at your earliest convenience to schedule a date and time. Also, if you should have any questions regarding the items above, please contact me at (520) 837-4132.

Sincerely,

Ruth Estrada, CPPB
Senior Contract Officer

c: File No. 110163

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT

April 19, 2011

Erio Heaps, Chief Operating Officer
The Public Group, Inc.
PO Box 50675
Provo, UT 84605
erich@thepublicgroup.com

Sent via email, this day

Subject: **Request for Proposal No. 110163 – Auction Services**
Summary of Negotiations

Dear Mr. Heaps:

This letter serves as a summary of items negotiated by the City of Tucson and The Public Group. Specifically, you are asked to provide written confirmation by signing the concurrence line below.

Points of agreement not identified below are not included in the offer. In the event there is any disagreement with this document or if there is other information that must be included in this document, you must specify such in a written response to this request.

1. **Fee Structure:** The City accepts Option 2 from the Public Group's original proposal. Per this option, the City will collect proceeds from buyers and then be invoiced a sales commission of 7% for all sold assets. There will be no Buyer's Premium applied to the auctions.

Under this contract cooperative partners may arrange their own distinct fee structures, within the contract fee percentages, with The Public Group. This is to include, but is not limited to, the Public Group collecting auction proceeds, the agency collecting auction proceeds and the application of a Buyer's and Agency's Premium.

2. **Volume Pricing:** The City accepts the Volume Pricing rate structure as outlined in the Public Group's original proposal. Per this option, the fee percentage is determined by the previous year's total sales volume, updated quarterly. Based on the City's previous year's total sales volume, the current fee percentage will be 6.75%. Likewise, the fee percentage for all current cooperative partners utilizing the City's contract with Public Surplus will be based on the previous year's total sales volume and therefore under the new contract signed between the City and Public Surplus some agencies will not be starting the contract year at the maximum of 7%

3. **Pricing Commitment:** The Public Group commits that the resulting City of Tucson Contract No. 110163 fee structure is the lowest available to public agencies nationwide. The Public Group further commits that if a Participating Public Agency is eligible for lower pricing through a national or state contract, that The Public Group will match such lower pricing under this agreement.

Your response to this letter must be received by the City's Department of Procurement on or before **Thursday, April 21, 2011, at 4:00 PM** local Arizona time. Should you have any questions, please do not hesitate to contact me at (520) 837-4132.

Sincerely,

Ruth Estrada, CPPB
Senior Contract Officer

Concurrence: _____
The Public Group, Inc.

City of Tucson
Request for Proposal No. 110163
Auction Services

April 7, 2011

Dear Ms. Estrada,

We are in receipt of your letter dated April 1, 2011 indicating that the City of Tucson is inviting TPG to enter into negotiations, and listing discussion points. Thank you for the opportunity to take the next step towards extending our relationship with the City of Tucson. Listed below is our clarification of the points requested by the City.

In regards to the discussion points:

1. Confidential Information: Per Section 28-5 of the Tucson Procurement Code, the Director of Procurement shall determine whether specific information contained in an Offeror's response to a solicitation will remain confidential at the request of the Offeror. Appendices A1 through A-16 of The Public Group's proposal is labeled as confidential. Please provide a written statement of why these particular sections of the proposal should be held confidential so that the Director may make a determination.

Response:

While we are not experts on the State of Arizona's laws as it pertains to proprietary information and intellectual property we assume that they are similar to other states. Releasing the information listed in this appendix would cause The Public Group irreparable financial harm in the Millions of dollars. If the Director should decide that any of these are not safe under the applicable laws then we would have our Lawyer discuss with the State Attorney General in greater detail.

2. Physical Security: Describe the physical security of the hosting data center. Include security provisions of staff, as well as facilities.

Response:

The data centers hosting the Public Surplus application and associated data are protected by multiple methods of security. Access to the facilities is limited to employees and escorted, identified visitors. Access to server rooms is secured with key card and in some cases biometric locks. Video monitoring is implemented throughout the facilities, including the server rooms. The facilities are monitored via on-site personnel 24/7/365.

Professional pre-employment background checks are performed on individuals applying for positions at the data centers. Policies and procedures such as screen locking, password resetting and access audits are implemented to ensure security.

3. VIN Decoder: Does TPG offer VIN decoder software/technology?

Response:

VIN decoder software/technology is not currently available on Public Surplus. We are currently reviewing this technology to see if it would be beneficial to our selling agencies. We would appreciate the City's insight on why they are interested in this technology.

4. How does your firm manage those bidders that are blocked by multiple agencies but are still able to participate in auctions through your site? For example, if a bidder has been blocked by 10 separate agencies, can an agency contact your firm and request that the bidder be blocked from any Public Group site? Does your firm check for these types of rogue bidders? If so, how and how often?

Response:

Public Surplus takes a proactive and aggressive approach on default bidders. This has helped us keep our default rating the lowest in the industry. On a daily basis, Public Surplus staff monitor bidder activity from both a volume and a default point-of-view. We have developed several tools and reports that help us track and monitor default bidders. An Agencies concern about a buyer is always addressed and that buyer is flagged for closer monitoring. In many cases this relates to that buyers account being suspended for the entire Public Surplus site. A selling agency always has the right to block any buyer from bidding on their surplus items.

5. Please explain when upgrades are performed. What are considered "non-peak hours"?

Response:

Upgrades are performed after 11:00 PM Mountain Time. Non-peak hours are from 10:00 PM Mountain Time until 4:00 AM Mountain Time.

6. On page 29 of 35 of your proposal it states, "The payment collection process usually costs approximately 3% in addition to existing fees. This fee is simply a pass-through cost of our merchant account fees..." Based on this statement, is the 3% merchant fee included in what comprises your stated 9% Buyer's Premium or is it a separate line item percentage you charge to the bidder?

Response:

The 3% merchant fee is included in the 9% Buyer's Premium.

7. On page 29 of 35 of your proposal it states, "The City of Tucson may also use their own Merchant Account to have buyers pay online via credit card through our online system." Please explain how this arrangement works and what fees are associated. In order to take advantage of this function would TPG require that the City turn over payment collection to them?

Response:

Public Surplus would connect to the City's online payment system or payment gateway as it is commonly called. The buyers would enter in their credit card information on the Public Surplus website. Once the Buyers information is entered in and submitted Public Surplus would then send this information directly to the City's payment gateway for authorization and capture of funds. Once this has been successful Public surplus marks the auction as paid and emails out the payment receipts. The money is then transferred directly to the City's bank account. The money is never controlled or held by Public Surplus. This process is still an agency collection model and the City would be responsible for all collections and would not incur the 3% Merchant fee from Public Surplus. The City would incur the fee from their Merchant for each transaction. An actual

discussion on the City's current payment gateway will verify cost, if any, and if the connection is possible.

8. Your transmittal letter states that TPG was recently awarded a large contract for surplus by MWDCCOG and that this contract encompasses more than 30 agencies regionally and across the nation. In addition, the letter states that expected agency use under this contract will grow to more than 50 agencies and generate $10 million in gross sales. Given this initiative, how will TPG ensure that the City of Tucson's cooperative contract is being marketed aggressively across the nation? How will TPG decide which contract it steers potential clients to? TPG's marketing plan for DC could negatively impact the number of agencies under the Tucson contract and this directly equates to a loss of revenue share for the City of Tucson. The DC cooperative could be seen as a competitor to the City of Tucson. The City and Public Surplus over the years have courted several Virginia based agencies in hopes that they would utilize Tucson's contract. With the recent award, please identify those agencies that were being sought or were already under Tucson's current contract and have now been transitioned over to the DC contract. Given the above, will TPG consider changing the revenue share arrangement to allow the City's auctions to be included in the aggregate?

Response:

As the City is very aware over the past 5 years we have championed the City's Contract Nationally. The City's contract has been a very valuable National contract and has been in our best interest financially to aggressively push agencies towards it. If the new contract is just as advantageous to us as was the previous contract Public Surplus will continue to push and campaign this contract on a national basis. Our efforts will be equal or greater then they were previously.

The MWDCCOG contract is only a regional contract for the Greater DC area and was awarded with that intent. They are a closely nit procurement group that have many regionally cooperative contracts. While there are a few agencies in Virginia on the City's current contract there were many more that could not join because the contract was not regional. The City of Tucson is our only current national contract. We don't see the MWDCCOG taking away from our efforts to push the Tucson contract nationally and having a negative impact on the continual growth of revenues for the City.

The Virginia agencies currently under the City's national contract have remained under that contract. Public Surplus is not marketing for them to go under the MWDCCOG contract. The only Virginia agencies under the MWDCCOG contract are those that were unable to join Tucson's contract or were directly marketed as part of the regional effort MWDCCOG has put forth. Because we have not seen any lost revenue to the City by the MWDCCOG contract and because this is not a national contract we would not see the need to include the City's aggregate in the cooperative rebate. We see the City revenues growing over the next 5 years as we drive more and more agencies to its national contract.

9. Please provide a detail on the arrangement between TPG and the Group Purchasing Organization. Our understanding that a national type contract and revenue share based on nationwide efforts is something that is agreed upon before the solicitation is published. In essence, it is a true partnership between the Agency and the national cooperative. This would not necessarily be the case under Tucson's contract.

Response:
TPG has been in discussion with a national cooperative company that promotes government agencies contracts on a national basis. We have told them we are interested in a partnership if it is in TPG's and our selling agencies best interest. We have been told there is considerable interest in an online auction contract under their umbrella. We know the City currently has several contracts they pursue through similar agreements and are hopeful this contract will be one that is advantageous to the City and a national cooperative.

10. Would TPG consider a Volume Pricing/Buyer's Graduated Premium model in lieu of a flat commission percentage, similar to what is currently in place? If so, please provide the breakdown of each model.

Response:

TPG responded with a buyer volume discount that is the same as the one that is in place. If more information is needed on this please let us know.

Sincerely,

Eric Heaps
Chief Operating Officer
The Public Group

COOK COUNTY SIGNATURE PAGE
(SECTION 9)

ON BEHALF OF THE COUNTY OF COOK, A BODY POLITIC AND CORPORATE OF THE STATE OF ILLINOIS, THIS CONTRACT IS HEREBY EXECUTED BY:

Shun E. M

COOK COUNTY CHIEF PROCUREMENT OFFICER

DATED AT CHICAGO, ILLINOIS THIS 14 DAY OF April, 20 14.

IN THE CASE OF A BID PROPOSAL, THE COUNTY HEREBY ACCEPTS:

THE FOREGOING BID/PROPOSAL AS IDENTIFIED IN THE CONTRACT DOCUMENTS FOR CONTRACT NUMBER

1453-13450

OR

ITEM(S), SECTION(S), PART(S): _____

TOTAL AMOUNT OF CONTRACT: **REVENUE GENERATING CONTRACT. WINNING BIDDERS WILL BE CHARGED A TEN PERCENT (10%) BUYER'S PREMIUM ON AUCTION ITEMS. CONTRACTOR WILL DEDUCT THIS FEE FROM THE PROCEEDS COLLECTED AND RETURN THE REMAINING AUCTION PROCEEDS TO COOK COUNTY.**

FUND CHARGEABLE: _____

APPROVED AS TO FORM:

NOT REQUIRED
ASSISTANT STATE'S ATTORNEY
(Required on contracts over $1,000,000.00)

APPROVED BY BOARD OF
COOK COUNTY COMMISSIONERS

APR 9 2014

COM_____