



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#23-0289

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: May 2, 2023

TITLE: Motion Approving a Revenue-Based Service Agreement for Auctioneer Services with Royal Auction Group Inc. - \$3,000,000 (estimated three-year revenue total) - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission approve a Revenue-Based Service Agreement, in substantially the form attached, for Auctioneer Services from Royal Auction Group, Inc. (RAG) with the estimated revenue amount of \$3,000,000 for the initial three-year period; and authorize the City Manager to exercise the option to renew for two (2) one-year periods with an estimated annual revenue amount of \$1,000,000, for a potential total revenue amount of \$5,000,000.

Background

The City of Fort Lauderdale solicited a Request for Proposals (RFP) from qualified professional firms to provide both public absolute (live) auction services for serviceable cars and trucks as well as on-line (internet) based auction services for small goods, surplus equipment for vehicles and trucks, accident-damaged/unserviceable vehicles and equipment and other miscellaneous property. There will be no negative fiscal impact to the City from the recommended auctioneer service. Any and all costs will be absorbed by the purchaser of the item in the form of a percentage over and above the amount of their purchase (commonly referred to as a "buyer's premium").

The background of the solicitation process includes the following:

- January 13, 2023 - RFP Event 21 - Auctioneer Services was issued for Public Works Department, Fleet Services Program (Exhibit 1).
- February 7, 2023 - The RFP closed with a total of two (2) firms submitting proposals.
 - Liquidity Services Operations, LLC dba GovDeals (LSO) (Exhibit 2)
 - Royal Auction Group, Inc. (RAG) (Exhibit 3)

- February 22, 2023 - The Evaluation Committee consisting of three (3) committee members met to evaluate and rank the firms based on the following evaluation criteria:

<u>ABILITY TO MEET OBJECTIVES</u>	
Understands the scope of services	10%
Meets technical specifications	10%
<u>QUALIFICATIONS</u>	
Skill, experience, expertise, and quality services/performances demonstrated by the Proposer in performing the same type of services as those sought by the City. As defined in Section 4.2.3	20%
Responses from client references. As defined in Section 4.2.5	15%
Facilities and Resources. As defined in Section 4.2.6	15%
<u>PROPOSER'S STRUCTURE AND FEES</u>	30%
TOTAL PERCENT AVAILABLE:	100%

LSO was deemed non-responsive as it does not transfer the title to the name of the purchaser at the time a vehicle is purchased. This is a requirement of the solicitation per Section 3.6.A.

RAG met all requirements of the RFP specifications and deemed a responsive and responsible proposer. Staff recommends the Commission award a three-year agreement to RAG for auctioneer services.

The defined costs and fees will be as follows:

At No Cost to the City of Fort Lauderdale

- Transportation costs to Royal Auction Group of all auctionable items included
- De-indemnification of the vehicle - remove decals and logos
- Light detail - wash and clean inside

Fees to the Buyer(s) that go to RAG

- 10% Buyer's Premium - Public Absolute
- 10-12% Buyer's Premium - On-Line
- Title: \$165
- Administration Fee: \$25
- 3.5% Credit Card Fee up to \$5,000 purchase

Resource Impact

There will be a positive fiscal impact to the City in the estimated amount of \$1,000,000 annually generated from numerous City department assets.

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term financial planning.
- Objective: Provide safe, well-maintained, and efficient facilities and capital assets.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Ready*.

Attachments

Exhibit 1 - Solicitation

Exhibit 2 - LSO Proposal

Exhibit 3 - RAG Proposal

Exhibit 4 - CoFL - RAG Auctioneer Services Agreement

Prepared by: Sandy Leonard, Program Manager, Public Works
Laurie Platkin, Sr. Procurement Specialist, Finance
Matthew Eaton, Sr. Administrative Assistant, Finance

Department Director: Alan Dodd, P.E., Public Works
Linda Short, Finance