City of Peoria, Arizona
Notice of Request for Proposal

Request for Proposal No:	P06-0070	Proposal Due Date	April 17, 2006
Materials and/or Services:	Auctioneering Services	Proposal Time:	5:00 P.M. MST
		Contact Person:	Dan Zenko
Project No:	Location: City of Peoria, Materials Management	Phone:	(623) 773-7115
	Mailing Address: 8314 West Cinnabar Avenue, Peoria, AZ 85345		

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the actual possession of the City of Peoria Materials Management on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. ***Proposals shall be submitted in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.*** All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the ***entire*** Request for Proposal Package.

OFFER

To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

Arizona Transaction (Sales) Privilege Tax License Number: 07-330146-A

Federal Employer Identification Number: 86-0561187

SIERRA AUCTION MANAGEMENT, INC
Company Name

3570 GRAND AVENUE
Address

PHOENIX AZ 85019
City State Zip Code

For clarification of this offer contact:

Name: BRETT HIGGINS

Telephone: (602) 242-7121 Fax: (602) 246-1903

Authorized Signature for Offer

BRETT HIGGINS
Printed Name

MARKETING DIRECTOR
Title

ACCEPTANCE OF OFFER AND CONTRACT AWARD (City of Peoria use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by:

Mary Jo Kief, City Clerk

City Seal

CC:

Contract Number: ACON 24706

Official File:

City of Peoria, Arizona. Effective Date: JUNE 1, 2006

Approved as to form:

William L. Emerson, Deputy City Attorney

Stephen M. Kemp, City Attorney

Contract Awarded Date 5-5-06

Terrence L. Ellis, City Manager

City of Peoria
8401 West Monroe Street, Peoria, Arizona 85345

April 25, 2006

Brett Higgins, Marketing Director
Sierra Auction Management
3570 Grand Avenue
Phoenix, AZ 85019

Dear Mr. Higgins:

All proposals received under RFP 06-0070 Auctioneering Services, have been reviewed and yours has been considered to be susceptible to award pending further clarification and discussion.

In regards to your Methodology, please provide clarification regarding the following:

1. For Marketing and Advertising on radio, please provide specific information regarding what stations and how often radio commercials are run.

2. For vehicle and Equipment Detailing and Preparation, identity what services are performed as part of the regular service that is covered under the Contractors Fee verses services for which Sierra will charge extra. From the Price Sheet we can determine that decal removal, batteries and tire repair is an extra cost. Also, please clarify that no additional services would be performed unless agreed to by the City in advance.

3. A signed copy of Solicitation Amendment One to this RFP.

Please provide your response by May 1, 2006. If you have any questions, please contact Larry Gavel at 602-999-9087.

Sincerely,

Dan Zenko

Dan Zenko, CPPB
Material Management Supervisor

A CON 24706

SIERRA
AUCTIONS

Tel. 602-242-7121
Fax 602-246-1903

www.sierraauction.com

3570 NW Grand Avenue
Phoenix, AZ 85019-3413

Dan Zenko, CPPB
Material Management Supervisor
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560

Dear Mr. Zenko:

Thank you for seeking further clarification in regard to RFP 06-0070 Auctioneering Services.

As per your request, I have included a signed copy of the Solicitation Amendment One, specific information pertaining to radio advertising, and identification of the items included without extra charge in regard to vehicle and equipment detailing and preparation.

If you need anything else, please don't hesitate to let me know.

Thanks again for your consideration!

Sincerely,

Brett Higgins
Marketing Director

A CON 24706

SOLICITATION AMENDMENT

Solicitation No: P06-0070
Description:
Amendment No: One (1)
Solicitation Due Date: April 17, 2006
Solicitation Due Time: 5:00 P.M., Local Time

Materials Management Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Dan Zenko

A signed copy of this Amendment shall be received by the City of Peoria, Materials Management no later than the Solicitation Due Date and Time.

The solicitation for Auctioneering Services P06-0070 is hereby amended as follows:

1. Page 20 of 24, Paragraph 1, Payment. **Delete** "paragraph 23" and **Insert** "paragraph 20"

   New sentence to then read as follows:

   1. PAYMENT

   Upon receipt of the required reporting documents, the City shall reimburse the Contractor in accordance with the Contract Special Terms and Conditions, **paragraph 20**, Payments, for actual, allowable costs incurred in the delivery of services identified in the Scope of Work during the term of this Contract.

All other provisions of this Solicitation shall remain in their entirety.

Vendor hereby acknowledges receipt and agreement with the amendment.

4/16/06
Signature Date

BRETT HIGGINS, MARKETING DIRECTOR
Typed Name and Title

SIERRA AUCTION MANAGEMENT, INC
Company Name

3570 NW GRAND AVENUE
Address

PHOENIX AZ 85019
City State Zip

The above referenced Solicitation Amendment is hereby Executed

April 12, 2006

at Peoria, Arizona

Dan Zenko
Dan Zenko, CPPB
Contract Officer

Copyright 2003 City of Peoria, Arizona
COP 207 (9/99)HFK

A CON 24706

B. METHODOLOGY

V. LIVE AUCTION METHODOLOGY

VEHICLE AND EQUIPMENT DETAILING AND PREPARATION is also greatly important in ensuring maximum financial benefit to the city. Sierra is equipped with both the equipment and the staff to professionally detail all vehicles and equipment. While some services are available for a fee (such as battery replacement, decal removal, etc., as outlined on the Price Sheet), Sierra provides professional detailing at no additional charge to the City. That complementary service includes the following:

- Visual Vehicle Inspection to determine if the vehicle requires service beyond that which we can provide without charge. When battery replacement and/or other minor repairs that carry a fee (as outlined on the Price Sheet) should be deemed by Sierra to be *necessary in order for the item to achieve its maximum revenue potential,* then those items will be replaced. In the case of repairs that may incur sizeable costs or costs greater than outlined on the Price Sheet, then permission of the City will be obtained prior to repair and/or replacement.
- Vehicle Interior Cleaning- To include vacuum, interior window cleaning, dashboard cleaning, surface cleaning of seats, application of dashboard protectant (i.e. Armor All) and cleaning and vacuuming of trunk.
- Exterior Cleaning- To include high pressure wash, washing of wheel wells, application of professional tire shine and protectant, painting of wheel wells with professional "Underwell" black (when determined by Sierra's detail staff to be necessary or beneficial), exterior window washing, cleaning of door jams and wheel cleaning.
- Engine/Engine Compartment Cleaning/Degreasing- Sierra applies a professional grade engine cleaner and degreaser to the engine and engine compartment.
- Exterior Vehicle Wax- Though most vehicles will not receive this complementary service, at the discretion of Sierra's Detail Manager, vehicles of particular value or interest will be professionally waxed.

All of the services outlined above are provided to the City at a cost absorbed entirely by Sierra to our mutual benefit.

B. METHODOLOGY

V. LIVE AUCTION METHODOLOGY

RADIO MARKETING AND ADVERTISING is a large part of what draws new buyers to Sierra Auctions. In 2005 Sierra spent an average of $3,100 per month on radio advertising.

Specifically, Sierra advertises each month on Spanish market radio stations, including KQMR/KOMR in Phoenix and KCMT in the Tucson/Nogales marketplace. Ads are run Wednesday through Friday during the week of each auction. A twenty spot average per auction, covering drive times and evenings are played. Advertisements are professionally recorded each month, allowing us to highlight the specifics of every sale.

Additionally, we advertise on English speaking radio each month, alternating each quarter between major stations that capture our target demographic. In 2005 those stations were KOOL FM-94.5, KSLX FM-100.7, KYOT FM-95.5, and KESZ (KEZ) FM-99.9. These advertisements are run for the 3 days preceding each auction, averaging forty spots per month during drive times and evenings. Advertisements for English speaking radio are also professionally recorded each month in order to specifically highlight items of interest to potential buyers.

Since the advertising and marketing plan that Sierra has put into action has reaped tremendous success, we have budgeted the same expenditure for radio advertising for the 2006 calendar year.

REQUEST FOR PROPOSAL

INSTRUCTIONS TO OFFEROR

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

1. **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 if required. Telegraphic (facsimile) or mailgram proposals will not be considered.
   b. The Offer and Contract Award document (COP Form 203) shall be submitted with an original ink signature by a person authorized to sign the offer.
   c. Erasures, interlineations, or other modifications in the proposal shall be initialed in original ink by the authorized person signing the Vendor Offer.
   d. If price is a consideration and in case of error in the extension of prices in the proposal, the unit price shall govern. No proposal shall be altered, amended, or withdrawn after the specified proposal due date and time.
   e. Periods of time, stated as a number of days, shall be calendar days.
   f. It is the responsibility of all Offerors to examine the entire *Request For Proposal* package and seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a bid. Negligence in preparing a Proposal confers no right of withdrawal after proposal due date and time.

2. **INQUIRIES:** Any question related to the *Request For Proposal* shall be directed to the Buyer whose name appears on the front. The Offeror shall not contact or ask questions of the department for which the requirement is being procured. Questions should be submitted in writing when time permits. The Buyer may require any and all questions be submitted in writing at the Buyer's sole discretion. Any correspondence related to a *Request For Proposal* should refer to the appropriate *Request For Proposal* number, page, and paragraph number. However, the Offeror shall not place the *Request For Proposal* number on the outside of any envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official *Request For Proposal* due date and time.

3. **PROSPECTIVE OFFERORS CONFERENCE:** A prospective offerors conference may be held. If scheduled, the date and time of this conference will be indicated on the cover page of this document. 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 if any action is necessary 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.*

4. **LATE PROPOSALS:** Late Proposals will not be considered, except as provided by the **City of Peoria Procurement Code**. A vendor submitting a late proposal shall be so notified.

5. **WITHDRAWAL OF PROPOSAL:** At any time prior to the specified proposal due date and time, a Vendor (or designated representative) may withdraw the proposal. Telegraphic (facsimile) or mailgram proposal withdrawals will not be considered.

6. **AMENDMENT OF PROPOSAL:** Receipt of a Solicitation Amendment (COP Form 207) shall be acknowledged by signing and returning the document prior to the specified proposal due date and time.

7. **PAYMENT:** The City will make every effort to process payment for the purchase of goods or services within thirty (30) calendar days after receipt of goods or services and a correct notice of amount due, unless a good faith dispute exists as to any obligation to pay all or a portion of the account. Any proposal that requires payment in less than thirty (30) calendar days shall not be considered.

8. **NEW:** All items shall be new, unless otherwise stated in the specifications.

9. **DISCOUNTS:** Payment discount periods will be computed from the date of receipt of material/service or correct invoice, whichever is later, to the date Buyer's payment is mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment discounts of thirty (30) calendar days or more will be deducted from the proposal price in determining the low bid. However, the Buyer shall be entitled to take advantage of any payment discount offered by the Vendor provided payment is made within the discount period.

10. **TAXES:** The City of Peoria is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item.

11. **VENDOR REGISTRATION:** After the award of a contract, the successful Vendor shall have a completed Vendor Registration Form (COP Form 200) on file with the City of Peoria Materials Management Division.

12. **AWARD OF CONTRACT:**

   a. Unless the Offeror states otherwise, or unless provided within this *Request For Proposal*, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City.

   b. Notwithstanding any other provision of this *Request For Proposal*, The City expressly reserves the right to:

      (1) Waive any immaterial defect or informality: or
      (2) Reject any or all proposals, or portions thereof, or
      (3) Reissue a *Request For Proposal.*

   c. A response to a *Request For Proposal* is an offer to contract with the City based upon the terms, conditions and specifications contained in the City's *Request For Proposal* and the written amendments thereto, if any. Proposals do not become contracts unless and until they are accepted by the **City Council**. A contract is formed when written notice of award(s) is provided to the successful Offeror(s). The contract has its inception in the award document, eliminating a formal signing of a separate contract. For that reason, all of the terms and conditions of the procurement contract are contained in the *Request For Proposal*; unless modified by a Solicitation Amendment (COP Form 207) or a Contract Amendment (COP Form 217).

STANDARD TERMS AND CONDITIONS

Materials Management Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

THE FOLLOWING TERMS AND CONDITIONS ARE AN EXPLICIT PART OF THE SOLICITATION AND ANY RESULTANT CONTRACT.

1. **CERTIFICATION:** By signature in the Offer section of the Offer and Contract Award page (COP Form 203), the Vendor certifies:

   a) The submission of the offer did not involve collusion or other anti-competitive practices.

   b) The Vendor shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11456.

   c) The Vendor 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, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the vendor may be debarred.

2) **GRATUITIES:** The City may, by written notice to the Contractor, cancel this contract if it is found by the City that gratuities, in the form of entertainment, gifts 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 with a view toward securing an order, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such order. In the event this contract is cancelled 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. Paying the expense of normal business meals which are generally made available to all eligible city government customers shall not be prohibited by this paragraph.

3) **APPLICABLE LAW:** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

   Contractor warrants, for the term of this agreement and for six months thereafter, that is has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

   This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

   This contract is subject to the provisions of ARS §38-511; the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

4) **LEGAL REMEDIES:** All claims and controversies shall be subject to resolution according to the terms of the City of Peoria Procurement Code.

5) **CONTRACT:** The contract between the City and the Contractor shall consist of (1) the Solicitation, including instructions, all terms and conditions, specifications, scopes of work, attachments, and any amendments thereto, and (2) the offer submitted by the Vendor in response to the solicitation. In the event of a conflict in language between the Solicitation and the Offer, the

provisions and requirements in the Solicitation shall govern. However, the City reserves the right to clarify, in writing, any contractual terms with the concurrence of the Contractor, and such written contract shall govern in case of conflict with the applicable requirements stated in the Solicitation or the Vendor's offer. The Solicitation shall govern in all other matters not affected by the written contract.

6) **CONTRACT AMENDMENTS:** This contract may be modified only by a written Contract Amendment (COP Form 217) signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor.

7) **CONTRACT APPLICABILITY:** The Offeror shall substantially conform to the terms, conditions, specifications and other requirements found within the text of this specific Solicitation. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the City, are not applicable to this Solicitation or any resultant contract.

8) **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the contract will 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 will forthwith be physically amended to make such insertion or correction.

9) **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 invalid provision or application.

10) **RELATIONSHIP TO PARTIES:** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venture, 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 for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Contractor should make arrangements to directly pay such expenses, if any.

11) **INTERPRETATION-PAROL EVIDENCE:** This contract represents the entire agreement of the Parties with respect to its subject matter, and all pervious agreements, whether oral or written, entered into prior to this contract are hereby revoked and superseded by this contract. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this contact. This contract may not be changed, modified or rescinded except as provided for herein, absent a written agreement signed by both Parties. Any attempt at oral modification of this contract shall be void and of no effect.

12) **ASSIGNMENT-DELEGATION:** No right or interest in this contract shall be assigned by Contractor without prior written permission of the City and no delegation of any duty of Contractor shall be made without prior written permission of the City.

13) **SUBCONTRACTS:** No subcontract shall be entered into by the contractor with any other party to furnish any of the material, service or construction specified herein without the advance written approval of the City. The prime contractor shall itemize all sub-contractors, which shall be utilized on the project. Any substitution of sub-contractors by the prime contractor shall be approved by the City and any cost savings will be reduced from the prime contractor's bid amount. 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 and if the Subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not Subcontractors are used.

14) **RIGHTS AND REMEDIES:** No provision in this document or in the vendor's offer shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the City to insist upon the strict performance of any term or condition of the contract or to exercise or

delay the exercise of any right or remedy provided in the contract, or by law, or the City's acceptance of and payment for materials or services, shall not release the Contractor from any responsibilities or obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.

15) **INDEMNIFICATION:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

    The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

16) **OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in 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 goods and services used to fulfill the Contract.

17) **FORCE MAJEURE:** Except for payment for 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. Without limiting the foregoing, force majeure includes acts of God: acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts, injunctions-intervention-acts, or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract.

    Force majeure shall not include the following occurrences:

    a) Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.

    b) Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Force Majeure term and Condition.

    Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours 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. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this contract.

Materials Management Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

18) **RIGHT TO ASSURANCE:** Whenever one party to this contract in good faith has reason to question the other party's intent to perform he 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 an anticipatory repudiation of the Contract.

19) **RIGHT TO AUDIT RECORDS:** The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City.

20) **RIGHT TO INSPECT PLANT:** The City may, at reasonable times, inspect the part of the plant or place of business of a Contractor or Subcontractor which is related to the performance of any contract as awarded or to be awarded.

21) **WARRANTIES:** Contractor warrants that all material, service or construction delivered under this contract shall conform to the specifications of this contract. Unless otherwise stated in Contractor's response, the City is responsible for selecting items, their use, and the results obtained from any other items used with the items furnished under this contract. Mere receipt of shipment of the material/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 the solicitation.

22) **INSPECTION:** All material and/or services are subject to final inspection and acceptance by the City. Materials and/or services failing to conform to the specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. The City may elect to do any or all:

    a) Waive the non-conformance.

    b) Stop the work immediately.

    c) Bring material into compliance.

    This shall be accomplished by a written determination for the City.

23) **TITLE AND RISK OF LOSS:** The title and risk of loss of material and/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.

24) **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.

25) **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment of lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials or a default of any nature, at the option of the City, shall constitute a breach of the Contract as a whole.

26) **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials.

27) **LIENS:** All materials, service or construction shall be free of all liens, and if the City requests, a formal release of all liens shall be delivered to the City.

28) **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.

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

29) **PATENTS AND COPYRIGHTS:** All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.

30) **PREPARATION OF SPECIFICATIONS BY PERSONS OTHER THAN CITY PERSONNEL:** All specifications shall seek to promote overall economy for the purposes intended and encourage competition and not be unduly restrictive in satisfying the City's needs. No person preparing specifications shall receive any direct or indirect benefit from the utilization of specifications, other than fees paid for the preparation of specifications.

31) **COST OF BID/PROPOSAL PREPARATION:** The City shall not reimburse the cost of developing presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner.

32) **PUBLIC RECORD:** All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code.

33) **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract, without prior written consent of the City.

34) **DELIVERY ORDERS:** The City shall issue a Purchase Order for the material and/or services covered by this contract. All such documents shall reference the contract number as indicated on the Offer and Contract Award (COP Form 203).

35) **FUNDING:** Any contract entered into by the City of Peoria is subject to funding availability. Fiscal years for the City of Peoria are July 1 to June 30. The City Council approves all budget requests. If a specific funding request is not approved, the contract shall be terminated.

36) **PAYMENT:** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or services and correct invoice.

SPECIAL TERMS AND CONDITIONS

Solicitation Number: **P06-0070**

Materials Management Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

1. **Purpose:** Pursuant to provisions of the City Procurement Code, the City of Peoria, Materials Management Division intends to establish a contract for Auctioneering Services.

2. **Authority:** This Solicitation as well as any resultant contract is issued under the authority of the City. No alteration of any resultant contract may be made without the express written approval of the City Materials Manager in the form of an official contract amendment. Any attempt to alter any contract without such approval is a violation of the contract and the City Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.

3. **Offer 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 sixty (60) days after the opening time and date.

4. **Cooperative Purchasing:** Any contract resulting from this solicitation shall be for the use of the City of Peoria. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate at their discretion. In order to participate in any resultant contract, a political subdivision or nonprofit educational or public health institution must have been invited to participate in this specific solicitation and the contractor must be in agreement with the cooperative transaction. In addition to cooperative purchasing, any eligible agency may elect to participate (piggyback) on any resultant contract; the specific eligible political subdivision, nonprofit educational or public health institution and the contractor must be in agreement.

   Any orders placed to the successful contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The City shall not be responsible for any disputes arising out of transactions made by others.

5. **Contract Type:** Fixed Price

6. **Term of Contract:** The term of any resultant contract shall commence upon June 1, 2006, and shall remain in effect for one year. Work shall not commence until authorization to proceed is received from the City.

7. **Contract Extension:** By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months.

8. **Pre-Proposal Conference:** A conference will be held at the Municipal Office Complex, Materials Management Division:

   ADDRESS: **83414 W. Cinnabar Avenue**
   Peoria, Arizona 85345
   Maricopa Conference Room

   DATE: **April 4, 2006**

   TIME: **10:30 A.M., MST**

   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 issue a written amendment to the Request For Proposal. Oral statements or instructions shall not constitute an amendment to this Request For Proposal.

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

9. **Proposal Format:** The Instructions to Offerors and Standard Terms and Conditions should be reviewed and understood before preparing a response. Offerors should carefully review the insurance requirements in the Special Terms and Conditions to ensure they can comply.

   The Offeror shall provide one (1) original and four (4) copies of each proposal. Proposals shall be submitted on the forms and in the format specified in the RFP. Proposals shall be on 8 1/2" & 11" paper with the text on one side only. The original copy of the proposal should be clearly labeled "ORIGINAL. Proposals shall be submitted to the location identified on the cover page of this solicitation, in a sealed envelope or container that clearly identifies its contents as an Offer, the Offeror's name and the solicitation number to which it responds.

   The material should be in the sequence listed below and related to the RFP. Proposals shall be contained in loose-leaf binders, with section tabs and/or sections separated. Proposals should not be spiral bound or held together with rubber bands or binder clips.

   The proposal shall be presented in the following order:

   A. Offer/Acceptance of Offer and Contract Award page;

   B. Methodology;

   C. Price Sheet;

   D. Qualifications Questionnaire and attachments;

   E. Comprehensive Credit Report (from Experian);

   F. Proposed Subcontracts, if applicable; and

   G. Signed Solicitation Amendment(s), if applicable.

   The City will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal.

10. **Instructions for Providing the Information Requested**

   A. Offer/Acceptance of Offer and Contract Award page (Offer) - The Offeror shall submit one (1) signed original of the Offer page. The Offer is the first page of the solicitation. If the Offeror's proposal is accepted, the bottom half shall be completed by an authorized representative of the City.

   B. Methodology - The Scope of Work defines the services that the Contractor shall provide for live auctions. In addition the Offeror shall develop a methodology that provides a detailed description of the activities the Contractor shall perform to maximize profits from live auctions. The Offeror shall label this section "V. Live Auction Methodology." At a minimum the Auction Methodology shall describe the media advertising (flyers, newspaper, radio, television, internet, trade publications, etc.) for the auction, in accordance with the City of Peoria Procurement Code, and any creative auction activities that will maximize revenue generation.

   In addition to live auctions, the City is interested in auctions conducted via the Internet. The City will not provide any minimum requirements on how Internet auctions are to be conducted. This shall be the responsibility of the Offeror. Therefore, companies who propose Internet auction services shall provide a detailed description of the discrete activities

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

the Offeror will perform to conduct auctions via the Internet. Internet auctions may be conducted on web sites developed by the Offeror or through third parties that conduct Internet auctions. The Offeror shall label this section "VI. Internet Auction Methodology."

The Offeror's final Live Auction Methodology and Internet Auction Methodology shall be become part of the Scope of Work.

C. Price Sheet - The Offeror shall complete the Price Sheet by providing the information requested on the Price Sheet.

D. Instructions for completing the Qualifications Questionnaire and are on the forms.

E. Offeror shall provide a comprehensive credit report from Experian. No other documentation is acceptable. To obtain the Experian business credit report/profile, the offeror may call 1-888-211-0728. The business credit report can not be obtained on-line. What is available at the Experian website is the "snapshot" credit report, which is not acceptable.

F. If the Offeror intends to subcontract for any services, the Offeror shall provide copies of existing contracts or sample contracts it will use. The Offeror shall provide justification for why these subcontractors will be used and a description of the selection process.

11. **Proposal Opening:** Proposals shall be submitted at the time and place designated in the request for proposals. All information contained in the proposals shall be deemed as exempt from public disclosure based on the City's need to avoid disclosure of contents prejudicial to competing offerors during the process of negotiation. The proposals shall not be open for public inspection until after contract award. PRICES SHALL NOT BE READ. After contract award, the successful proposal and the evaluation documentation shall be open for public inspection.

12. **Evaluation:** In accordance with the City of Peoria Procurement Code, awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

    a. Experience and qualifications of the organization and personnel;
    b. Method for maximizing highest revenue generation through advertising and creative auction methods;
    c. Cost; and
    d. Conformance to Request.

    The City reserves the right to consider historic information and facts, whether gained from the Offeror's proposal, questions and answer conferences, references, or other source and the views of the evaluator(s) with prior Contract or service delivery experience with any of the Offerors, while conducting the proposal evaluations.

13. **Discussions:** In accordance with the City of Peoria Procurement Code, after the initial receipt of proposals, discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award.

14. **Affirmative Action Report:** It is the policy of the City of Peoria that suppliers of goods or services to the City adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire, and promote regardless of race, color, religion, gender, national origin, age or disability.

15. **Permits and Approvals:** Contractor agrees and undertakes to obtain necessary permits and approvals from all local, state and federal authorities for the project.

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

16. **Inspection:** All work shall be subject to inspection, surveillance, and test by the City at reasonable times during the performance. The Contractor shall provide and maintain an inspection system, which is acceptable to the City.
17. **Investigation of Conditions:** The Contractor warrants and agrees familiarity of the work that is required, is satisfied as to the conditions under which is performed and enters into this contract based upon the Contractor's own investigation.

18. **Compensation:** Compensation for services shall be based upon fees negotiated, including all approved costs and expenses incurred in connection with the project; including but not limited to, telephone and other communications, reproduction of documents, special consultants (as approved by the City) and computer costs.

19. **Acceptance:** Determination of the acceptability of work shall be completed in a responsive and professional manner and in accordance with the specifications, schedules, or plans which are incorporated in the Scope of Work.

20. **Payments:** The City shall pay the Contractor monthly, based upon work performed and completion to date, and upon submission of invoices. All invoices shall document and itemize all work completed to date. The invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

21. **Shipping Terms:** Prices shall be F.O.B. Destination to the delivery location designated herein. Contractor shall retain title and control of all goods until they are delivered and the contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the contractor. All claims for visible or concealed damage shall be filed by the contractor. The City will notify the contractor promptly of any damaged goods and shall assist the contractor in arranging for inspection.

22. **Insurance Requirements:** The Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, or approved unlicensed in the State of Arizona with policies and forms satisfactory to the City.

    All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Contract.

    The Contractor's insurance shall be primary insurance as respects the City, and any insurance or self-insurance maintained by the City shall not contribute to it.

    Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the City.

    The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's acts, errors, mistakes, omissions, work or service.

    The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Contractor shall be solely responsible for the deductible and/or self-insured retention and the City, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

    The City reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The City shall not be obligated, however, to review same or to advise Contractor of any

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

The insurance policies, except Workers' Compensation and Professional Liability, required by this Contract, shall name the City, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

23. **Required Insurance Coverage:**

a. Commercial General Liability

Contractor shall maintain Commercial General Liability insurance with a limit of not less than $1,000,000 for each occurrence with a $2,000,000 Products/Completed Operations Aggregate and a $2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof. The coverage shall not exclude X, C, U.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B, CG 20101185, and shall include coverage for Contractor's operations and products and completed operations.

Any Contractor subletting any part of the work, services or operations awarded to the Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than $1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

b. Automobile Liability

Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to the Contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and $5,000,000 per accident limits for bodily injury and property damage shall apply.

c. Workers' Compensation

The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than $100,000 for each accident, $100,000 disease for each employee, and $500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of the Contractor.

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

d. Professional Liability

The Contractor retained by the City to provide the work or service required by this Contract will maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by the Contractor, or any person employed by the Contractor, with a limit of not less than $1,000,000 each claim.

24. **Certificates of Insurance:** Prior to commencing work or services under this Contract, Contractor shall furnish the City with Certificates of Insurance, or formal endorsements as required by the Contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the City fifteen (15) days prior to the expiration date.

All Certificates of Insurance shall be identified with bid serial number and title. A $25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.

25. **Cancellation and Expiration Notice:** Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the City.

26. **Independent Contractor:**

a. General

i. The Contractor acknowledges that all services provided under this Agreement are being provided by him as an independent contractor, not as an employee or agent of the City Manager or the City of Peoria.

ii. Both parties agree that this Agreement is nonexclusive and that Contractor is not prohibited from entering into other contracts nor prohibited from practicing his profession elsewhere.

b. Liability

i. The City of Peoria shall not be liable for any acts of Contractor outside the scope of authority granted under this Agreement or as the result of Contractor's acts, errors, misconduct, negligence, omissions and intentional acts.

ii. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

c. Other Benefits

The Contractor is an independent contractor, therefore, the City Manager will not provide the Contractor with health insurance, life insurance, workmen's compensation, sick leave, vacation leave, or any other fringe benefits. Further, Contractor acknowledges that he is exempt from coverage of the Comprehensive Benefit and Retirement Act (COBRA). Any such fringe benefits shall be the sole responsibility of Contractor.

27. **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.

a. The Contractor agrees that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the City.

b. If key personnel are not available for work under this contract for a continuous period exceeding 30 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.

28. **Confidential Information:**

a. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the Materials Supervisor of this fact shall accompany the submission and the information shall be identified.

b. The information identified by the person as confidential shall not be disclosed until the Materials Supervisor makes a written determination.

c. The Materials Supervisor shall review the statement and information and shall determine in writing whether the information shall be withheld.

d. If the Materials Supervisor determines to disclose the information, the Materials Supervisor shall inform the bidder in writing of such determination.

29. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that information contained in its records or obtained from the City or from others in carrying out its functions under the contract shall not be used 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. Contractor also agrees that any 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.

30. **Ordering Process:** Upon award of a contract by the City of Peoria, Materials Management Division may procure the specific material and/or service awarded by the issuance of a purchase order to the appropriate contractor. The award of a contract shall

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

be in accordance with the City of Peoria Procurement Code and all transactions and procedures required by the Code for public bidding have been complied with. A purchase order for the awarded material and/or service that cites the correct contract number is the only document required for the department to order and the contractor to delivery the material and/or service.

Any attempt to represent any material and/or service not specifically awarded as being under contract with the City of Peoria is a violation of the contract and the City of Peoria Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.

31. **Billing:** All billing notices to the City shall identify the specific item(s) being billed and the purchase order number. Items are to be identified by the name, model number, and/or serial number most applicable. Any purchase/delivery order issued by the requesting agency shall refer to the contract number resulting from this solicitation.

32. **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.

33. **Cancellation:** The City reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any obligation, term or condition of the contract. The City will issue written notice to the contractor for acting or failing to act as in any of the following:

    a. The contractor provides material that does not meet the specifications of the contract;

    b. The contractor fails to adequately perform the services set forth in the specifications of the contract;

    c. The contractor fails to complete the work required or to furnish the materials required within the time stipulated in the contract;

    d. The contractor fails to make progress in the performance of the contract and/or gives the City reason to believe that the contractor will not or cannot perform to the requirements of the contract.

    Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the City. Failure on the part of the contractor to adequately address all issues of concern may result in the City resorting to any single or combination of the following remedies:

    a. Cancel any contract;

    b. Reserve all rights or claims to damage for breach of any covenants of the contract;

    c. Perform any test or analysis on materials for compliance with the specifications of the contract. If the results of any test or analysis find a material non-compliant with the specifications, the actual expense of testing shall be borne by the contractor;

    d. In case of default, the City reserves the right to purchase materials, or to complete the required work in accordance with the City Procurement Code. The City may recover any actual excess costs from the contractor by deduction from an unpaid balance or any other remedies as provided by law.

34. **Responsibility:** The Contractor shall be responsible for all items in their possession.

I. BACKGROUND

The City of Peoria disposes of excess/surplus property no longer required by the City. One of the primary methods of disposal is through public sales or auctions. The Cities goal is acquire the services of an auctioneering firm who can sell this excess/surplus property at the highest price as can responsible be expected at current market rates. Over the past three fiscal years (July to June) the total auction sales (through contractors) has been:

2003 $445,391.00;
2004 $357,048.00; and
2005 $689,423.00.

In addition, the City participates in the Strategic Alliance for Volume Expenditures (SAVE) which provides for a cooperative of Arizona public agencies that have joined together to competitively bid and award certain contracts. This allows for other Arizona cities the option to use the contract resulting from this solicitation. The following cities use the current contract for auction services:

Avondale;
El Mirage;
Florence;
Fountain Hills;
Gilbert;
Goodyear;
Scottsdale; and
Surprise.

Offers are cautioned that there is no guarantee that other Cities will utilize the resulting contract and that past use is no indication of future use.

II. CITY'S RESPONSIBILITES

1. The City stores the majority of the items to be auction at the City's maintenance yard located at 8850 North 79th Avenue, Peoria, Arizona. Some items may be located at other locations within Peoria City limits.

2. The City will notify the Contractor when items are to be picked up, their location and provide a written list of the items to be auctioned at the time of pick up. The listing will be for individual items or groups ("lots") of items.

3. Items not purchased at auction will be evaluated by the City for further action. The City shall have final say as to the destination of all items and reserves the right to attempt to resell the items at the Contractor's next auction or use other auction facilities, whichever is deemed the most advantageous to the City.

III. MINIMUM QUALIFICATIONS

The Contractor shall have an Automotive Dealers License for the State of Arizona.

The Contractor shall be licensed as an auction house for the city in which in will conduct business.

IV. MINIMUM SERVICE REQUIREMENTS FOR LIVE AUCTIONS

1. The Contractor shall conduct auctions and furnish all necessary qualified personnel, services, supplies, equipment, and facilities to conduct auctions in a professional manner. The Contractor shall devote the time and effort necessary to maximize profits from the auctions. The Contractor shall determine the best method for conducting the auction whether it is a live public auction or an Internet based auction. At a minimum:

A. The Contractor shall maintain a facility where it can safely secure all items the Contractor receives from the City to auction. As necessary items shall be stored inside if they need to be protected from weather damage. The facility shall be conducive to public access in order to conduct successful auctions. At a minimum the facility shall have adequate parking spaces, security, public seating and restrooms.

B. The Contractor shall be responsible for picking up all items and safely transporting them to its facility. Most items will be located at 8850 North 79th Avenue, Peoria, Arizona, but some items may be located at other locations within Peoria City limits. The Contractor shall pick up items within 5 working days of notification that the items are ready to be picked up.

C. The Contractor shall advertise and publicize the auction in accordance with the City of Peoria Procurement Code, including media advertisement and mailing brochures. All public auction brochures shall include the following statement, "Equipment irrespective of its location, will be sold on and "as is" basis. Neither the City, nor the Auctioneer make any guarantee or warranty of any kind, expressed or implied, as to the condition of the article offered for sale."

D. At every auction the Contractor shall provide:

1. At least two (2) auctioneers;
2. One Pit Man (one auctioneer rotating may substitute as Pit Man);
3. One Clerk;

4. At least one person to register prospective bidders;
5. A public address system; and
6. All equipment and supplies necessary to conduct a successful auction.

E. The Contractor shall make all items to be auctioned available for public inspection for at least two hours within 24 hours prior to the start of every auction.

F. The Contractor shall issue a registration number to all interested buyers at each auction. The Contractor shall obtain a name, address and telephone number from all registered buyers. The Contractor shall verify the accuracy of the information by requiring adequate personal identification.

G. The Contractor shall announce at the beginning of each auction the terms and conditions of the auction and other information as may be necessary or required by the City. At a minimum the terms to be announced shall state, "Equipment irrespective of its location, will be sold on and "as is" basis. Neither the City, nor the Auctioneer make any guarantee or warranty of any kind, expressed or implied, as to the condition of the article offered for sale."

H. The Contractor shall conduct the auction with all items and/or lots being sold to the highest bidder.

I. The Contractor shall furnish the City with an accurate sales record for each auction conducted including the item description, lot number, the sale price and the name, address and telephone number of the successful bidder.

J. The Contractor shall auction all items released to them within six (6) weeks after taking possession.

K. The Contractor shall remit to the City all proceeds from the auction, less their agreed upon Contractor's Fee, for conducting the auction, within fourteen (14) calendar days after the auction.

V. Live Auction Methodology

VI. Internet Auction Methodology

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

Any questions regarding this RFP should be directed to Dan Zenko, Materials Management Supervisor at:

8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Or
Phone: (623) 773-7115
Or
E-mail: DanZ@Peoriaaz.com

	PRICE SHEET	Materials Management Procurement 8314 West Cinnabar Avenue Peoria, Arizona 85345-6560 Phone: (623) 773-7115 Fax: (623) 773-7118
	Solicitation Number: **P06-0070**	

1. PAYMENT

Upon receipt of the required reporting documents, the City shall reimburse the Contractor in accordance with the Contract Special Terms and Conditions, paragraph 20, Payments, for actual, allowable costs incurred in the delivery of services identified in the Scope of Work during the term of this Contract.

2. CONTRACTOR'S FEE

The Contractor will be paid the Contractor's Fee for performing the services identified in the Scope of Work. The Contractor's Fee shall be based upon the percentage of gross sales, before taxes, for each auction it conducts.

Contractor's Fee: 4.40% (The Fee shall be carried to three decimal places.)
*(Please see following page for additional fees)
Contractor's Premium (to be paid by Buyers): 10.0% (The Premium shall be carried to three decimal places.) *(PLEASE SEE ARTICLE FOLLOWING 2ND PRICING PAGE)

The Contractor shall not charge the City of Peoria for any cost associated with the transportation of items to be auctioned. Any other entity that utilizes this contract shall be responsible for negotiating costs associated with transporting items that are beyond the approximate geographic limits of the City of Peoria.

3. ON-SITE AUCTIONEERING FEE

At times the City may only need the services of an Auctioneer. The City would then be responsible for facility setup and maintenance, preparation and setup of items to be auctioned and advertising the auction. The Contractor would be responsible for providing a qualified Auctioneer. The Auctioneer would be responsible for familiarizing themselves with the items to be auction prior to the auction and calling the auction.

Hourly Rate for Auctioneering Services as described above: $ 75.00 hr. . (2 hour minimum)

*(PLEASE SEE THE FOLLOWING PAGE FOR ADDITIONAL FEES)

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

ADDITIONAL PRICING

SERVICES OFFERED:

Decal Removal:
- $25.00 (doors)
- $90.00 (full)

Batteries:
- Standard Vehicles $39.95
- Large Vehicles/Equipment $69.95 & Up

Minor Tire Repair:
- $15.00

Keys (if necessary)
- Actual Charges

EBAY AUCTION FEES:

Surplus:
- Up to $250.99 - 20%
- 251.00 – 1000.99 - 18%
- 1001.00 – 2500.99 - 15%
- 2501.00 – 5000.00 – 10%

Vehicles:
- Up to $5000.99 - 10%
- $5001.00 – over - 7%

QUALIFICATIONS QUESTIONNAIRE

Solicitation Number: **P06-0070**

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

Instructions: Complete each item, using attachments where necessary. Attachments shall indicate the item number and heading being referenced as it appears below. Failure to make full and complete disclosure may result in the rejection of your proposal as unresponsive.

1. The Offeror is (check appropriate box):

Individual	☐	Corporation - For Profit	☒	Limited Liability Corporation	☐
Partnership	☐	Corporation - Not For Profit	☐	Government Entity	☐

2. Has any Federal or State agency ever made a finding of noncompliance with any relevant civil rights requirements with respect to your business activities? ☒ No ☐ Yes. If YES, please attach an explanation.

3. Has the Offeror, its major stockholders with a controlling interest, or its officers been the subject of criminal investigations or prosecutions or convicted of a felony? ☒ No ☐ Yes. IF YES, please attach an explanation.

4. Does the Offeror have sufficient funds to meet obligations on time under the Contract while awaiting reimbursement from the City? ☐ No ☒ Yes. If NO, please attach an explanation.

5. Have you or has your organization ever had any licenses denied, revoked or suspended or provisionally issued within the past five years? ☒ No ☐ Yes. If YES, please attach an explanation.

6. Have you or has your organization terminated any contracts, had any contracts terminated, had any liquidated damages assessed or been involved in contract lawsuits? ☒ No ☐ Yes. If YES, please attach an explanation.

7. Has your organization ever gone through bankruptcy? ☒ No ☐ Yes. If YES, When? Include the State, District and case number.

8. Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise?
☒ No ☐ Yes. If yes, please provide details and documentation of the certification.

9. Provide a copy of your Automotive Dealers License for the State of Arizona.
(PLEASE SEE QUALIFICATIONS QUESTIONANAIRE- TAB "D", #9)

10. Provide a copy of your auction house license for the city in which in which you will conduct business.
(PLEASE SEE QUALIFICATIONS QUESTIONANAIRE- TAB "D", #10)

Questions 11 through 14 are limited to seven (7) pages (not including resumes), single sided with one-inch margins and number 12 font.

11. Provide an overview of the company that includes organizational structure, number and location of offices, and number of employees at each location. If your firm is a division or subsidiary of another company, indicate the name and address of the parent company. **(PLEASE SEE QUALIFICATIONS QUESTIONANAIRE- TAB "D", #11)**

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

12. Briefly describe the company's experience/expertise/qualifications in performing auctioning services. This should include the number of auctions you have performed in the past year and the dollar volume.

(PLEASE SEE QUALIFICATIONS QUESTIONANAIRE- TAB "D", #12)

13. Provide the names and qualifications/resumes for all of the key staff who will be involved in the auction.

(PLEASE SEE QUALIFICATIONS QUESTIONANAIRE- TAB "D", #13)

14. Describe the facilities you intend to use for auctions (parking, storage, security, public access, etc.)

(PLEASE SEE QUALIFICATIONS QUESTIONANAIRE- TAB "D", #14)

QUALIFICATIONS QUESTIONNAIRE

Solicitation Number: **P06-0070**

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

Please list a minimum of three (3) references for projects of similar size and scope to this RFP whom the Materials Management Division may contact:

1. Company: CITY OF TEMPE, ARIZONA
   Contact: BOB STOUDT
   Address: PO BOX 5002
   TEMPE, AZ 85281
   Phone: (480) 350-8093
   Dollar Amount Auctioned Annually: 2005- $345,000

2. Company: MARICOPA COUNTY
   Contact: SARA VALENCIA
   Address: 3325 W DURANGO
   PHOENIX, AZ 85009
   Phone: (602) 506-0123
   Dollar Amount Auctioned Annually: 2005- $732,000

3. Company: DPS- DEPARTMENT OF PUBLIC SAFETY
   Contact: TERRY LINCOLN
   Address: PO BOX 6638
   PHOENIX, AZ 85005
   Phone: (602) 223-2762
   Dollar Amount Auctioned Annually: 2005- $527,000

QUALIFICATIONS QUESTIONNAIRE

Solicitation Number: **P06-0070**

Materials Management
Procurement
8314 West Cinnabar Avenue
Peoria, Arizona 85345-6560
Phone: (623) 773-7115
Fax: (623) 773-7118

Bidders are to indicate below any exceptions they have taken to the Specifications:

NO EXCEPTIONS TO THE SPECIFICATIONS HAVE BEEN REQUESTED

B. METHODOLOGY

V. LIVE AUCTION METHODOLOGY

Sierra Auction currently sells vehicles, equipment and surplus for 83 government agencies, police agencies, and public utilities. That niche has enabled us to refine the methods that we use to perfectly suit those individual entities.

Sierra holds a live auction on the first Saturday of each month. The live auction itself, however, is just a fraction of the extensive auction process. The actions *preceding* the auction are a great part of what separate Sierra from the competition.

Beginning five days after each auction, Sierra begins receiving vehicles, equipment and surplus from the city. In many cases towing/trucking arrangements have already been completed, and items begin arriving at our facility. In the case of vehicles and equipment, each unit is "checked in" as it arrives- a key number is assigned, the odometer and hour meters are recorded, all particulars pertaining to the individual units are documented (options, condition, VIN number, etc.), and audio/video components are identified and secured. When non-vehicle surplus is received, our staff immediately assigns and affixes a barcode number to each lot and records the description to be entered into the computer system. Sierra's professional marketing staff, in cooperation with the yard foreman, begins identifying items of high value to be secured and properly displayed to ensure maximum revenue generation.

While the work of transporting, unloading, arranging, bar-coding and entering data continues, the marketing and advertising campaign is already underway.

SIERRA'S MARKETING AND ADVERTISING is second to none. As the former owner/operator of a highly successful advertising agency in Phoenix for over 20 years, Sierra's president is a marketing expert and has received numerous advertising awards. His experience and expertise, coupled with that of the Marketing Director, make certain that all city assets are sold for top dollar.

Sierra Auction commercials are heard on numerous radio stations each month and are targeted to the demographics most appropriate for upcoming auction items. These advertisements are heard on Spanish and English speaking radio each month. Additionally, Sierra has utilized Spanish television on specific occasions for advertising.

Classified advertisements are also purchased for each auction in the Arizona Republic Newspaper. This includes ads in the Auction Section and referral ads in categories such as Auto Sales, Heavy Equipment, Furniture, Jewelry & Coins, etc. Sierra also occasionally makes use of ads in specialty publications such as Machinery Trader, Heavy Equipment Trader, and others.

In addition to those advertising methods, Sierra has a sortable database of over 10,000 known auction buyers, allowing us to target customers with interest in specific commodities (i.e. refuse trucks, street sweepers, etc.) and notify them of the arrival of such items. Our Marketing Director has developed strong business friendships with a

large number of competitive buyers for nearly all commercial equipment and commodities. His knowledge of the equipment allows him to accurately convey important details to regular buyers from Canada, Mexico and all over the United States.

Equally as impressive is our web site advertising. Sierraauction.com receives over *2.1 million* hits per month. This allows potential buyers to preview vehicles and a large selection of other items for sale. Buyers of specialty equipment (i.e. refuse trucks, street sweepers, backhoes, etc.) are able to view multiple pictures of these items and the details pertaining to them.

While the web traffic on sierraauction.com is remarkable, Sierra also posts complete auction listing information on the National Auctioneers Association and Arizona Auctioneers Association websites. These sites receive an additional 1.5 million hits combined per month.

Additional advertising is now taking place on our *new website-* www.governmentoutlet.com. More details pertaining to this site can be seen in the following section ("VI. Internet Auction Methodology").

Sierra prides itself in paying *more than the usual attention* to marketing and advertising and that attention is clearly evidenced in the revenue generated for the city.

VEHICLE AND EQUIPMENT DETAILING AND PREPARATION is also greatly important in ensuring maximum financial benefit to the city. Sierra is equipped with both the equipment and the staff to professionally detail all vehicles and equipment (interior, exterior, engine compartments, etc.) including full professional decal removal. Sierra stocks new batteries, airs up tires, and occasionally performs minor repairs, recognizing that a vehicle that starts and looks good is of greater value. The organization and displaying of vehicles and equipment is no less important, as we feel even these seemingly small details equate to greater returns.

While all of this work is being done, our professional office staff is busy preparing titles, auditing the items received, preparing legal paperwork, printing catalogs and making certain that all the details are in place prior to the auction sale. These details make the buyer's experience a smooth one and keeps them and their friends coming back.

After all this work has been done and preparations are complete, the auction preview takes place on the Friday preceding the auction (8am to 4pm). Sierra's preview day staff exceeds 30 people- security, information, registration, parking and others.

AUCTION DAY arrives and excitement is in the air. The auction staff of over 50 people (owners, managers, auctioneers, ringmen, cashiers, clerks, security, vehicle starters, runners, and bilingual information staff) are ready to see the results of their hard work.

Sierra has spent 20 years working hard to develop methods that succeed in providing government agencies with the best place to maximize revenue and minimize hassle.

B. METHODOLOGY

VI. INTERNET AUCTION METHODOLOGY

Sierra Auction prides itself in being the incomparable outlet for government agencies to maximize the return on surplus assets. While the majority of that return is the direct result of our live auction methods, we also recognize the benefits associated with utilizing the internet as part of the auction process.

There are companies that explicitly offer internet auction services. These services are commonly more laborious and unreliable for the cities that utilize them. Among those companies is "Public Surplus". The "User Agreement" for buyer registration on their website, *PublicSurplus.com*, reads as follows:

> *"Public Surplus is only a meeting place for sellers and buyers to interact. We will not be involved in any of the transactions between sellers and buyers. We have no control over the truthfulness of an auction listing. We will not insure the completion of a transaction, i.e. the capability of the buyer to purchase the item or the seller to sell the item. Always use caution and common sense when selling or buying an item. If there is a dispute between sellers and buyers, Public Surplus will be released from any claims, demands, and damages of every kind and nature, known and unknown, suspected and unsuspected, disclosed and undisclosed."*

In brief, the city is responsible for everything other than posting a listing and/or picture of the asset and taking a buyers name and personal information. No money is transacted on behalf of the city, no communication takes place on behalf of the city, no disputes (which frequently arise when buyers make internet purchases) are settled on behalf of the city, no cleaning/detailing/decal removal are performed on behalf of the city, the city has to store the item(s) until the sale has been completed, and the city has to make arrangements for the buyer to take possession of the item(s). The "user agreement" quoted above, is characteristic of many internet auction companies.

Sierra Auction has remedied these issues. With the launch of *governmentoutlet.com*, Sierra has the ability to offer the city the best of both worlds. Unlike the aforementioned internet auction companies, with governmentoutlet.com, Sierra assumes the same responsibilities in conducting transactions as we do in our live auction- deposits are collected upon registration to bid (eliminating insincere bidders), payments, titles, detailing, decal removal and all of the exceptional service that Sierra customers have grown accustomed to, are offered. If that weren't extraordinary enough, governmentoutlet.com is set up so that bids are placed as proxy bids to be used in bidding against live auction bidders on the first Saturday of each month. Bidding expires 24 hours prior to the live auction and those bids are then placed in the hands of the live auctioneer and serve as absentee bids. This offers the city the best value for their assets.

In addition to this outstanding combination of live and internet auction methods, Sierra also offers the city the opportunity to sell city assets on EBay. Our staff is skillful at gauging what items will receive greater value utilizing EBay auction listings. When an

item has been selected for an EBay listing, we will notify the appropriate city contact and obtain approval for the sale of that item. Though differing fees apply (*please see the Price Sheet (Tab C) for EBay auction fees*), the maximum revenue generation for the city will always be the objective.

We feel confident that the blend of services that Sierra offers- live, internet proxy, and EBay- are the most beneficial in addressing the needs of a growing city.

Buyer's Premium

By Leslie H. Miles, Jr., ASA MB Valuation Services Inc.

Although now well-established, buyer's premium fees are still relatively new and their impact on recovery in liquidation sales must be measured. When estates are liquidated in bankruptcy, are they being affected in a positive or negative way by this new fee structure? There have been no statistical studies, but there have been estimates by auctioneers and buyers that may be of interest.

What Is It? The "buyer's premium" was initially used in the Netherlands and has been used throughout Europe for many years. Simply stated, it is adding the sales commission as an obligation to the buyer after the bid. For example, if the bid is $100.00 and the buyer's premium is 10%, the invoice to the buyer would be $110.00. In the United States, auctions traditionally consist of the bidding, followed by the payment of the amount of the high bid less a deduction for the fees of the sale. For example, if $100.00 was the highest bid, it would be paid by the buyer, and assuming a 10% fee, $90.00 would be paid to the seller. In both methods (fees deducted or buyer's premium added), any expenses would typically be deducted from the proceeds of the sale.

Buyer's Premium Strategy One might consider a buyer's premium somewhat of a gimmick, and in some ways, it is. How often have we seen an advertisement stating that if you buy a certain amount of product or service, you will be given other things? Even though logic says no one gives anything away, buyers sometimes fall for that type of gimmick. There is a strategy used by many retailers marking items that do not sell at the original expected price to a higher price. Then the retailer marks down the product to the same price at which it was originally priced but at which it would not sell. In some cases, the items start selling because of an imagined discount that is not real. There are many examples of this in U.S. marketing that seems to work, and this is certainly one reason that the buyer's premium has worked so well.

Effect on Recovery The U.S. auction market is in an excellent position to measure the effect of buyer's premium on sales. For many years, industrial auctions were based on straight commission without the addition of buyers' premium. In the last few years, most sales have been held with buyer's premiums and a comparison can be made to recovery with and without the buyer's premium fees, subject to some adjustments for inflation. Most believe that is reasonable for the following to occur when comparing sales with and without buyer's premium:
5% = no effect.
7 or 7.5 percent = 1 percent to no effect
10 percent = 2 to 3 percent (Note: some argue 0 percent and others 5 percent)
Greater than 10 percent = typically not recommended

Auctioneer Fee Strategy For many years, auction guarantees were very popular. Auctioneers would, of course, charge additional fees for those risks. There were some strategies with these guarantees that caused a seller to accept one auctioneer over another. However, in many cases, that may not have been the best decision, when considering the highest net result to the estate. Reputable auctioneers could negotiate a fair fee without additional points added for risk and, in most cases, this would result in a higher net result to the estate. Now that buyer's premiums have become acceptable, there are various strategies used by auctioneers. For example, auctioneers may say that they will conduct the sale at no cost to the seller and will simply add in a percentage (buyer's premium), which will be their fee. However, in most of these negotiations, expenses for advertising, promotion, set-up and evaluation of the items to the appropriate buyers, including all related travel expenses, are deducted from the proceeds. There are some auctioneers who say that a portion of the buyer's premium will be returned to the estate. This results in other alterations of the sale agreement, such as a percentage of expenses being the responsibility of the estate.

In multi-million dollar auctions, auctioneers may negotiate a buyer's premium and absorb 100% of the expenses. The seller must be careful that the buyer's premium is not excessive, thereby adversely affecting the net result. Some types of sales are more sensitive to buyer's premium percentages that others. The earlier discussion of the effects of a buyer's premium shows the results on average, which may change depending upon the types of assets and/or sale locations. If at all possible, engage an independent evaluator who is familiar with these types of sales and who has some advice on the strategy for fees and expenses that would allow the highest net result.

The seller must be careful on expenses. Too little may be to the advantage of the gross sale, and too much may be a disadvantage to the net result. There are times when 25% buyer's premium is reasonable and other times when 10% would be reasonable. There are some very difficult sales in which the estate should pay a combination of a buyer's premium sale and additional fees. To obtain the good services of a reputable auctioneer, this would be a sale in which a portion of the fee is paid by the buyers and a portion by the sellers so that the buyer's bids are not affected by the higher fee percentage that is warranted. Sellers will be approached with all types of buyer's premium liquidation proposals that may sound good on the surface, but sellers must carefully analyze these proposals in terms of their effect on net realization.

Recent Sales An auction was recently held outside of Houston in which the assets were live plants consisting of trees, shrubs and ground cover, as well as related nursery equipment. A 10% buyer's premium was made a part of the sale, but the expenses came out of gross proceeds so that the seller received the bid price minus the expenses. I attended the sale, and in my opinion, the bid amounts were affected very little by the 10% buyer's premium. It was estimated that approximately -2 to -3% may have been an overall gross effect, but this would be a difficult estimate to defend. Many of the plants brought in more than would be expected, and others brought in less. One must consider the average when looking at the effects of buyer's premium. There were more than 150 buyers, and with the heat at 105 degrees and no wind, it was almost unbearable if you stayed the entire day. The sale lasted from 10am until 8:45pm, with approximately 20-30 lots being sold in the darkness and 30-40 bidders still there. It is very rare to see a nursery inventory sold at auction. Properly handled, such an auction is a good thing because it cuts off the care expenses while gaining the highest net result by auction. Certainly, there is an incentive to sell those types of assets as a total unit to cut expenses. However, there may be a price paid, through a heavy discount. An auction can be the best choice.

Conclusion It might be well to discuss the assets of estates with both liquidators and appraisers to evaluate proper strategies, waiting periods, advertising, fees, etc. Surprisingly, many sales are now conducted by sealed bid. There was an extremely successful sale of real estate sold by sealed bid in which eight out of ten properties were sold at acceptable or high-than-anticipated prices.
Leslie H. Miles

Caution is advised when receiving advice from consultants who could have a vested interest. The seller should always look toward the highest net result, rather than the largest gross liquidation number. Obviously, the seller will always wish to sell assets as a going operation. In most cases, after a bankruptcy has occurred, the potential buyers for the unit or business would be known prior to or shortly after the bankruptcy filing. Bankruptcy tends to stimulate interested buyers to make inquiries and offers. Most of the competition knows the economic state of the subject and there is not much that could occur after the fact to bring these people forward. If there have not been any inquiries shortly after the filing, generally there will be a few offers greater than the piecemeal liquidation numbers that could be achieved through a liquidation sale. In a few cases, the mere advertising of selling at liquidation may bring some hold-outs forward, but this very seldom happens.

The use of a "buyer's premium" has raised the results at some open auction liquidations. It is very difficult to use this fee method in liquidations using sealed bids or orderly negotiations as the buyers have time to adjust the premiums out of their offers. This is less likely to occur in open competitive bidding, with it inherent faster pace. Trustees, creditors', committees, liquidations through arrangements, etc. should consider fair fees and expenses appropriate to the type of sale being conducted in order to have the very best liquidator possible and the highest net results. Negotiations for the lowest fee or expenses may not provide the highest net result.

Contributing Editor: Leslie H. Miles, Jr., ASA MB Valuation Services Inc. mbv@ix.netcom.com

Copyright American Bankruptcy Institute Oct 1999

©1999 UMI Company; All Rights Reserved. Only fair use, as provided by the United States copyright law, is permitted. UMI company makes no warranty regarding the accuracy, or timeliness of the Publications or the records they contain, or any warranty, express or implied, including any warranty of merchantability or fitness for a particular purpose, and shall not be liable for damages of any kind or lost profits or other claims related to them or their use.

ADOT | **Motor Vehicle Division**

38-0102 R11/99

LICENSE

License Number: L00002735

The Arizona Department of Transportation, Motor Vehicle Division, under the provisions of Arizona Revised Statutes, Title 28, hereby licenses:

SIERRA AUCTION MANAGEMENT INC

3570 NW GRAND AVE
PHOENIX AZ 85019

to engage in the business of:
USED MOTOR VEHICLE DEALER IN MARICOPA COUNTY

effective this date: JANUARY 01, 2004

This license shall expire when one of the following occurs:

- The licensee fails, neglects or refuses to pay the required fee for the ensuing year.
- The bond furnished for this license is found to be insufficient or the licensee fails to provide any additional bond required by Arizona law.

This license must not be used except by the licensee named above.

This license must be conspicuously displayed.

D #10
AUCTION HOUSE LICENSE

City of Phoenix
CITY CLERK DEPARTMENT
GENERAL SERVICES DIVISION
LICENSE SERVICES

LICENSE NO. 99100952
USE THIS NUMBER ON ALL CORRESPONDENCE

MUST BE DISPLAYED IN A CONSPICUOUS PLACE

****
*AUCTION HOUSE *
****

THE PERSON OR FIRM LISTED IS HEREBY LICENSED TO CONDUCT BUSINESS AT THE FOLLOWING LOCATION:
3570 GRAND AVE

133037
NON-TRANSFERABLE

SIERRA AUCTION MANAGEMENT INC DBA
SIERRA AUCTION MANAGEMENT INC
CLARK, DONALD
3570 GRAND AVE
PHOENIX AZ 85019-3413

THIS LICENSE IS VALID ONLY WHILE OPERATING AT THE HEREIN NAMED BUSINESS LOCATION.

ISSUED BY ROBIN PEIFER
Deputy City Clerk

EXPIRATION DATE 12/31/06

THE ISSUANCE OF THIS LICENSE SHALL IN NO WAY BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY OTHER LAW OR REGULATION

26-T REV 5/01

D. QUALIFICATONS QUESTIONNAIRE AND ATTACHMENTS

#11- Provide an overview of the company that includes organizational structure, number, number and location of offices, and number of employees at each location. If your firm is a division or subsidiary of another company, indicate the name and address of the parent company.

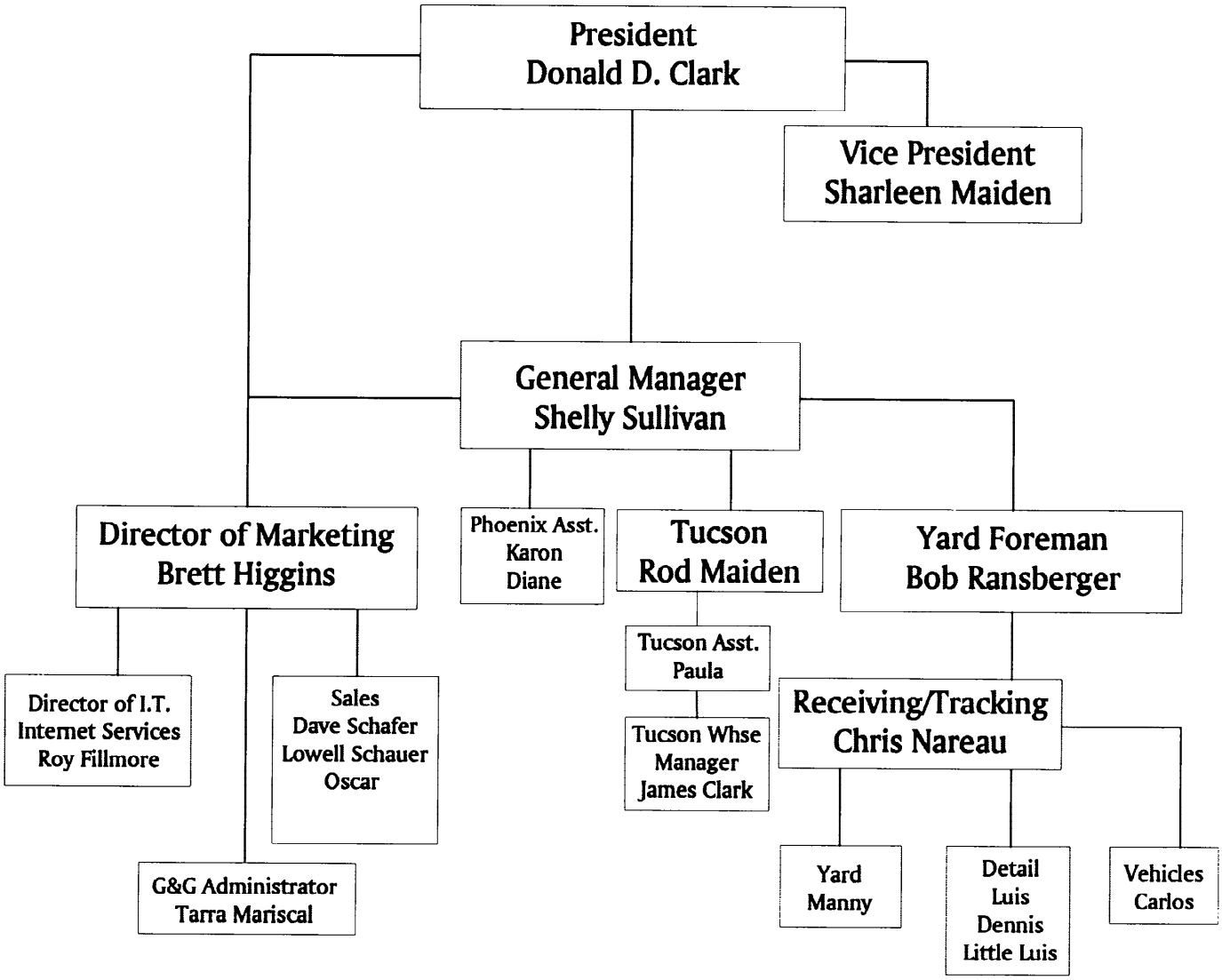
Sierra Auction Management, Inc. has its corporate office in Phoenix, located at 3570 NW Grand Avenue. Auctions have been conducted at the Grand Avenue location on the first Saturday of each month for 16 of the company's 20 years of business. Our Phoenix office employs 15 full time team members, most of which have been with the company for many years.

In addition to our Phoenix auction house, Sierra proudly announced the opening of our new Tucson auction facility and offices, located at 1702 S Euclid Avenue. Auctions will be conducted from that location on the 3rd Saturday of each month beginning on May 20th. We have staffed our Tucson location with 6 employees (not including auction day staff members) to independently and efficiently operate our new auction facility.

Additionally, Sierra Auction Management, Inc. has a sister company, G&G Salvage and Liquidation, Inc.; handling insurance salvage and liquidations for companies such as State Farm, AIG, Chubb, American Family, Farmers and many others. G&G has been in operation for over 20 years.

The organizational structure of the company can be viewed on the organizational chart on the following page.

SIERRA AUCTION MANAGEMENT, INC
ORGANIZATIONAL CHART



*Not Detailed on this Organizational Chart are the 30+ Team Members (including 6 auctioneers) that are employed on auction and preview days

D. QUALIFICATONS QUESTIONNAIRE AND ATTACHMENTS

#12- Briefly Describe the company's experience/expertise/qualifications in performing auctioneering services. This should include the number of auctions you have performed in the past year and the dollar volume.

Sierra Auction Management, Inc. recently celebrated its 20th year in business. In those years, the company has solidified its position as the preeminent source for government agencies to maximize revenue generation on surplus assets. As a result, 83 government agencies currently utilize the service that Sierra provides. In addition, many major corporations also recognize that same exemplary service, including Phelps Dodge Corporation, Intel Corporation, General Dynamics Corporation and many others.

While our longstanding history and our list of clientele are impressive, government agencies have other necessary requirements; and Sierra delivers on all counts. Our experience in working with an extensive list of governmental entities inspires us to place tremendous focus on necessary details, such as asset number tracking and the accurate reporting of expenses. Experience also motivates us to have insurance coverage that exceeds that required by the City of Peoria, to the tune of $25,000+ a year in premiums for garage keepers, errors and omissions, liability, vehicle, and others. Additionally, Sierra issues consignor statements and payments within ten (10) days of the sale of assets at auction.

That expertise, in recognizing the needs of government agencies, comes from our experience. In the past year, Sierra has conducted 29 individual auctions, to the tune of $10,100,000.00. In the first quarter of 2006, Sierra has conducted 4 auctions totaling $3,900,000. Our interest is not to conduct a large quantity of auctions, but maximize the potential of each auction we conduct.

We also feel significantly qualified due to the strong financial status of Sierra Auction Management, Inc. To date, Sierra has $0 in debt. All equipment, supplies, vehicles, etc. are owned free and clear with no liens or encumbrances.

As a result of our extensive experience in conducting highly successful auctions for a large list of satisfied clients, we feel exceptionally qualified to provide the City of Peoria with service and profitability that exceeds your highest expectations.

DONALD D. CLARK

PRESIDENT

Don is an experienced marketing executive with numerous years of corporate management experience. He has shaped Sierra Auctions into an efficient, focused and upward-moving organization. His mild manner and friendly demeanor masks his determination and ambition to make Sierra the best in the industry. That drive keeps Sierra alert and responsive to the needs and requirements of each of its consignors. It's no coincidence that each member of Sierra's team reflects that same ambition. Don has served on several Childrens Cancer organizations, boards and committees. He's a member of the National Auctioneers Association (NAA), the Arizona State Auctioneers Association, the National Association of Bankruptcy Trustees (NABT), the Certified Appraisers Guild of America (CAGA), and the "Uniform Standards of Professional Appraisal Practice" (USPAP).

SHARLEEN MAIDEN

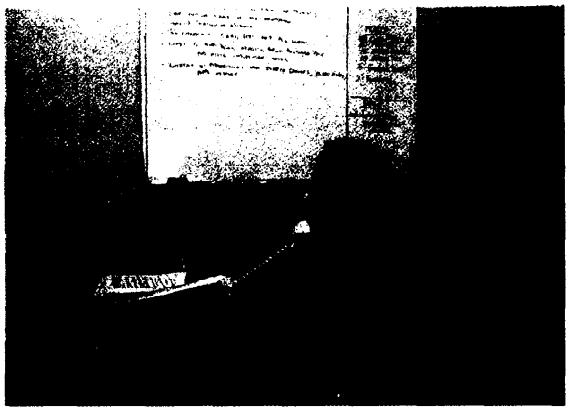
VICE PRESIDENT

Sharleen brings to the table 11+ years of auction management experience. That experience, coupled with an in-depth knowledge of contract requirements, insurance requirements, and the financial aspects of the business, is an essential contributor to the success that Sierra has enjoyed in working with the current list of upwards of 70 Counties, Cities, Municipalities, Agencies and Utilities. Sharleen ensures that all necessary licensing (i.e. Auction House, Tax, Firearms, etc) and insurances (i.e. Errors & Omissions, Liability, Garage Keepers, etc) are in keeping with the requirements dictated by each and every contract and in keeping with the standard that Sierra sets for itself in continuing to be the forerunner in the auction industry.

SHELLY SULLIVAN

GENERAL MANAGER

The most knowledgeable in the industry in understanding the needs of government agencies/municipalities and fulfilling those needs. As the primary point of contact, Shelly manages all pre and post auction requirements, communicates the needs of the City with Sierra's staff and ensures that all needs are fulfilled. Over 10 years of experience working in the auction environment as a buyer and a seller. An expert in processing titles and other required documentation pertaining to the sale of auction items. Responsible for ensuring that all customers have completed their purchase and that all transactions have been properly processed.



BRETT HIGGINS

MARKETING DIRECTOR

Responsible for the marketing and advertising of the auction and specialty auction items and high value assets to be sold. Background in marketing and brokering commodities and equipment; utilizes an immense database of known buyers to maximize return on auction sales. Extensive experience in the auction process as both an auction buyer and seller, Brett understands the business and understands the needs of the City and knows what data buyers need to know in order to encourage spending. 14 years in the industry of brokering auction commodities, few boast of his knowledge of everything from refuse trucks to test equipment. An asset to Sierra and their consignors.

ROY FILLMORE

DIRECTOR OF INTERNET ONLINE SERVICES

With a wide-ranging background in web design and online sales & marketing, Roy has elevated Sierra's website traffic to an astounding level of upwards of *2.1 million* hits per month, ensuring that the city's assets are seen by many thousands of potential buyers. Roy has a comprehensive knowledge of online advertising and e-commerce. Additionally, Roy has the ability to design and deploy extensive networks and intranet systems. Extremely familiar with current wi-fi standards, including the latest wireless security protocols. Certifications include A+, MSCE, MCITP and CCNP/CCIE. Roy's in-depth understanding of technology and computer systems and operations is unmatched in the industry.

MARC HAYES

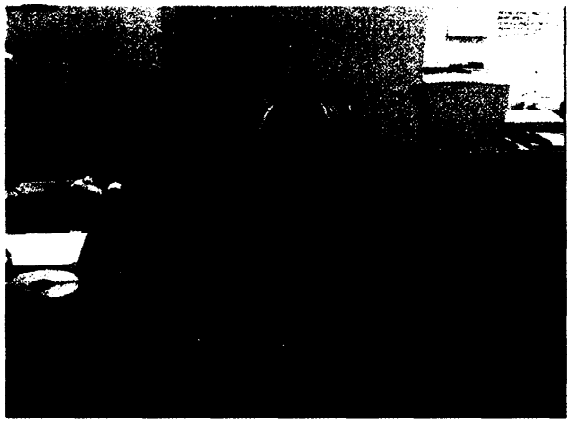
AUCTIONEER

Over 20 years in the auction business, a Masters Degree in Business Administration, and an award winning auctioneer, Marc is amongst the most highly qualified auctioneers in the Southwest. Marc has held the title "State Champion Auctioneer" 4 times, is a member of the "Certified Auctioneers Institute" (CAI) and is a "Graduate Personal Property Appraiser" (GPPA). Marc's responsibilities as an auctioneer include the "Uniform Standards of Professional Appraisal Practice" (USPAP) which encompasses factors affecting value, trends, and functions of appraisal, identification, valuation, methodology, responsibility to the client, legal aspects, research methods, standardized format and record maintenance. He has an excellent reputation for expertise in selling automobiles, heavy equipment, service trucks, dozers, graders, motorcycles and landscape/farming equipment. Marc has been successful in building immediate rapport with the bidders.

ROBERT "BOB" RANSBERGER

YARD FOREMAN

Experience exceeding 15 years in successfully managing, staging and securing assets to be sold at auction. Directs Sierra's warehouse/yard staff in identifying/tracking, cleaning, organizing and setting up each auction. Bob's acquired experience and knowledge of auctions contributes to his understanding of the importance of the placement, cleanliness, and security of surplus assets. Bob successfully manages Sierra's preview and auction day security and load-out staff, now exceeding 50 people. Additionally, Bob shoulders the responsibility of ensuring that Sierra abides by all legal, regulatory and safety requirements as dictated by the State and/or other legal entities.



CHRIS NAREAU

INVENTORY/RECEIVING SPECIALIST

Since Sierra sells upwards of 3,000 lots per monthly auction, the accurate tracking of auction data is of huge importance, and Chris is an expert at ensuring that each and every item is accounted for. A barcode numbered label is affixed to each item received at Sierra. Then, utilizing the most modern and comprehensive auction software available, Chris ensures that each barcode number and description has been properly entered into the computer system. After each item is entered, Chris begins the work of auditing each physical lot versus the data entered. This guarantees the accuracy and reliability of the information provided to buyers and to sellers when the auction has been completed.

OTHER SIERRA STAFF AT WORK

Sierra's staff love what they do, and it shows in their work. We'd like to detail each staff members qualifications and contributions, but they are too extensive to enumerate. Please visit Sierra to see just how hard they work in making each auction a fun, exciting and profitable event!

D. QUALIFICATONS QUESTIONNAIRE AND ATTACHMENTS

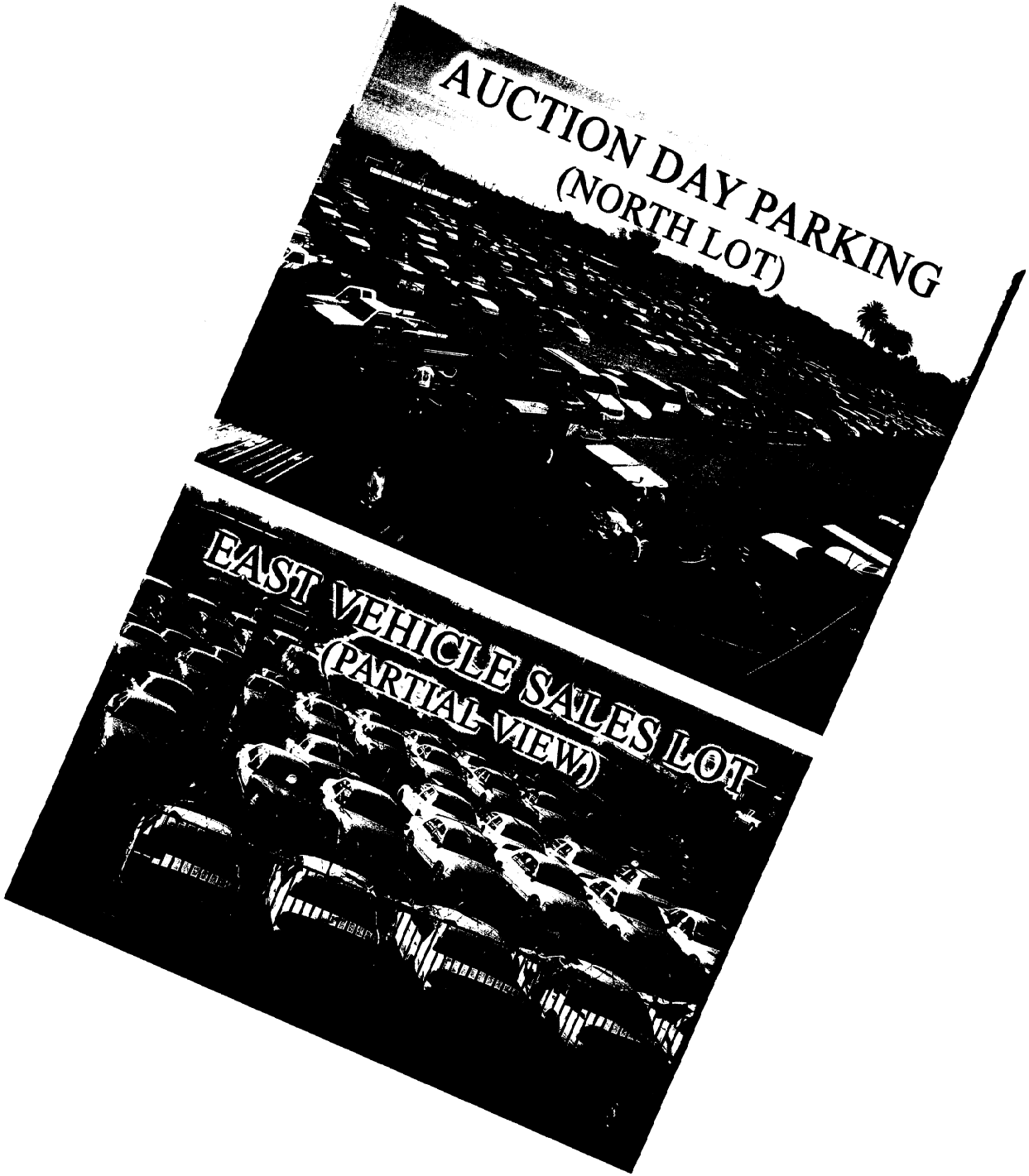
#14- Describe the facilities you intend to use for auctions (parking, storage, security, public access, etc.)

Sierra Auction's facility is approximately 115,000 sq. ft and consists of a 300+ car/vehicle lot, 3 large rooms for indoor display and sales, a large outdoor surplus yard, a large internet/online sales storage/office, vehicle storage garage, eight 40-foot storage trailers, four 24-foot storage trailers, a security trailer, information booth, handicap accessible public restrooms, 12 person cashiers cage and executive offices. Two public parking areas (*one pictured on the following page*) can accommodate over 600 vehicles.

Sierra employs 24 hour, 7 days a week, on premises security. Sierra also has a highly rated security alarm system with interior and exterior cameras, accompanied by 24 hour time lapse recording. Additionally, items such as firearms, jewelry and other valuables are stored in two large fire rated safes. Our property is fenced entirely with razor wire. Windows and doors are barred and industrial locks secure rollup doors and all entryways to the facility.

On sale day and other days in which monetary transactions take place, Sierra employs DPS officers, including a swat team leader. Bank money drops are handled by an armed DPS officer.

We feel that the security of our staff, customers and the city's assets are of high priority and therefore we take all necessary precautions in making certain that they stay protected and secured.


AUCTION DAY PARKING
(NORTH LOT)
EAST VEHICLE SALES LOT
(PARTIAL VIEW)

Business Profile – SIERRA AUCTION MANAGEMENT INC

Subcode: 998482 **Ordered:** 04/06/2006 18:26:46 CDT
Search inquiry: *File Number: Y04267434*

experian

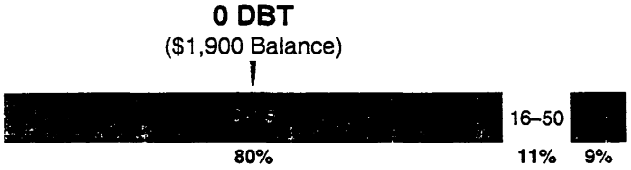
*** FOR DEMONSTRATION PURPOSES ONLY – THIS REPORT NOT TO BE SOLD ***

Company Information

SIERRA AUCTION MANAGEMENT INC	**Experian File Number:**	Y04267434
3570 GRAND AVE	**Experian File Established:**	11/1986
PHOENIX, AZ 85019	**Date of Incorporation:**	09/24/1986
(602) 242-7121	**SIC code:**	BUSINESS SERVICES, NEC – 7389

Executive Summary

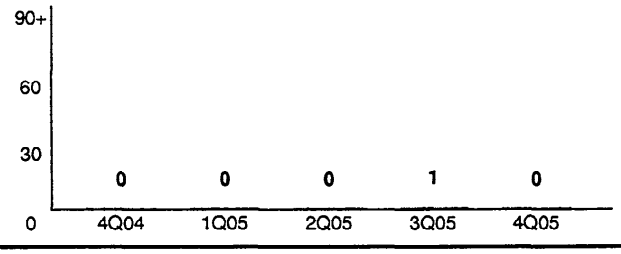
Current DBT range compared to all industries*



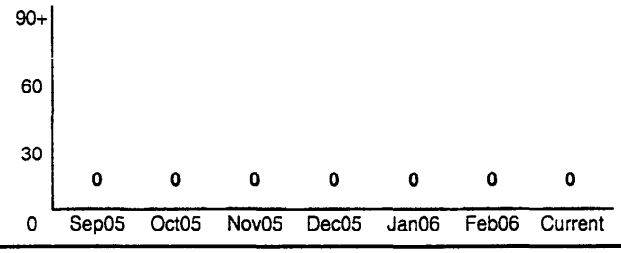
% of US businesses falling within DBT range

DBT Norms:
All industries: **6 DBT** Same industry: **7 DBT**

Quarterly DBT trends (previous 5 quarters)



7 month DBT trends



Legal Filings and Collections

Bankruptcy filings:	0
Tax lien filings:	0
Judgment filings:	0
Total collections:	0
Sum of legal filings:	$0
UCC filings: details (FILED 11/03)	1
Cautionary UCC filings present?	Yes**

Trade Information

Monthly average DBT:	0
Highest DBT previous 6 months:	0
Highest DBT previous 5 quarters:	1
Total continuous trades:	6
Current continuous trade balance:	$1,900
Trade balance of all trades (12):	$2,700
Average balance previous 5 quarters:	$2,620
Highest credit amount extended: details	$3,700
6 month balance range:	$1,200 – $4,000

Performance Analysis

Predicted DBT for 05/30/2006: 1 DBT

Payment Trend indication:
Are Stable

Industry payment comparison:
Has paid sooner than 50% of similar firms

Most Frequent Industry Purchasing Terms:
NET 30, CREDIT, and CONTRCT

** Days Beyond Terms (DBT) is a dollar weighted calculation of the average number of days that payment was made beyond the invoice due date based on trades on file that have been updated in the previous 3 months.*

*** Cautionary UCC Filings include one or more of the following collateral: Accounts, Accounts Receivable, Contracts, Hereafter Acquired Inventory, Leases, Notes Receivable or Proceeds.*

Trade Payment Information

Trade Payment Experiences (Trade Lines With an (*) after date are newly reported)							Account Status Days Beyond Terms				
Business Category	Date Reported	Last Sale	Payment Terms	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
ADVERTISNG	11/2005		NET 30		$0						CUST 3 YR
AIR TRANS	12/2005		NET 30		$0						CUST 12 YR
FACTOR	02/2006	11/2003	NET 30		$0						CUST 3 YR
+NEWSPAPERS	02/2006		NET 30	$3,700	$1,300	100%					
PACKAGING	03/2006*		NET 30		$0						
+PETROLEUM	01/2006		NET 30	$300	$300	100%					
+TELECOM	02/2006		NET 30	$700	$300	100%					

Trade Payment Totals

Trade Payment Experiences					Account Status Days Beyond Terms				
Type	Lines Reported	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
Continuously Reported	6	$4,700	$1,900	100%					DBT: 0
Newly Reported	1	$0	$0						DBT: 0
Trade Lines Totals	7	$4,700	$1,900	100%					DBT: 0

Additional Payment Experiences

Trade Payment Experiences (Trade Lines With an (*) after date are newly reported)							Account Status Days Beyond Terms				
Business Category	Date Reported	Last Sale	Payment Terms	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
+AIR TRANS	02/2005		NET 30	<$100	<$100	100%					
+NEWSPAPERS	12/2004		NET 15	$400	$400	100%					
OFFC SUPPL	05/2004	04/1997	CREDIT	$1,000	$0						
+PRNTG&PUBL	03/2003	02/2003	NET 30	$300	$300	100%					
TEMP HELP	03/2005		NET 7	$1,200	$0						

Monthly Payment Trends

Payment Trends Analysis BUSINESS SERVICES, NEC INDUSTRY SIC: 7389						Account Status Days Beyond Terms			
Date Reported	Industry Cur	Industry DBT	Business DBT	Balance	Cur	1-30	31-60	61-90	91+
CURRENT	N/A	N/A	0	$1,900	100%				
FEB06	84%	7	0	$1,900	100%				
JAN06	83%	7	0	$1,500	100%				
DEC05	83%	7	0	$1,200	100%				
NOV05	82%	7	0	$3,400	100%				
OCT05	83%	7	0	$2,100	100%				
SEP05	84%	6	0	$2,100	100%				

Quarterly Payment Trends

Payment History – Quarterly Averages					Account Status – Days Beyond Terms			
Quarter	Months	DBT	Balance	Cur	1–30	31–60	61–90	91+
Q4 – 05	OCT–DEC	0	$2,200	100%				
Q3 – 05	JUL–SEP	1	$2,500	96%	4%			
Q2 – 05	APR–JUN	0	$3,300	100%				
Q1 – 05	JAN–MAR	0	$2,900	100%				
Q4 – 04	OCT–DEC	0	$2,200	100%				

UCC Profile

The UCC Filings are summarized and listed below.

UCC Summary		Filings				
Date Range	Year	Cautionary UCCs**	Total Filed	Released/ Term'd	Cont	Amended/ Assigned
JAN – PRESENT	2006					
JUL – DEC	2005					
JAN – JUN	2005					
JUL – DEC	2004					
JAN – JUN	2004					
PRIOR TO JAN	2004	1	1			
Total		**1**	**1**			

*** Cautionary UCC Filings include one or more of the following collateral:*
Accounts, Accounts Receivable, Contracts, Hereafter Acquired Inventory, Leases, Notes Receivable or Proceeds.

UCC Filings

UCC FILED Date: 11/12/2003
Filing Number: 200312849973
Jurisdiction: ARIZONA SEC OF STATE
Secured Party: ARIZONA AUTO AUCTION FOR ITSELF AND AS AGENT TN NASHVILLE 37
Collateral: HEREAFTER AQUIRED PROP, VEHICLES, INVENTORY, UNDEFINED

Company Background Information

Corporate Registration

THE FOLLOWING INFORMATION WAS PROVIDED BY THE STATE OF ARIZONA

State of Incorporation: AZ
Date of Incorporation: 09/24/1986
Current Status: Active

Business Type: Profit
Charter Number: 01893728

Agent: MARC M HAYES
Agent Address: 3570 GRAND AVE PHOENIX, AZ

Additional Company Background Information

Key Personnel
Principal(s): MARK HAYES, OWNER

Operating Information
Primary SIC Code: BUSINESS SERVICES, NEC - 7389
Secondary SIC Code: USED MERCHANDISE STORES - 5932
Additional SIC Code: 6531

Years In Business: 10
Sales: $119,000

Experian prides itself on the depth and accuracy of the data maintained on our Databases. Reporting your customer's payment behavior to Experian will further strengthen and enhance the power of the information available for making sound credit decisions.... Give credit where credit is due. Call 1-800-478-0650 for more information.

End of report

1 of 1 report

The information herein is furnished in confidence for your exclusive use for legitimate business purposes and shall not be reproduced. Neither Experian Information Solutions, Inc., nor their sources or distributors warrant such information nor shall they be liable for your use or reliance upon it.

© Experian 2006. All rights reserved.
Experian and the Experian marks herein are service marks or registered trademarks of Experian.

LienGuard

LienGuard ID
2003TN0060019952

Date Ordered
04/11/06

Secured Party

ARIZONA AUTO AUCTION FOR ITSELF AND AS AGENT
435 METROPLEX DR
ATTN: HAROLD SMITH
NASHVILLE, TN 37211

Debtor

SIERRA AUCTION MANAGEMENT INC
3570 GRAND AVE
PHOENIX, AZ 85019

Order Number: 003	**Service**	**# of Pages**
AZ - Secretary of State		
003-001 Termination - UCC Filing	Regular	
003-001-001 GEN-UCC-3		0
	Total Number of Pages:	**2**

Account Number: 175105
Lending Institution File ID: 5101067

Contact: ARIZONA AUTO AUCTION FOR ITSELF AND AS AGENT	
Name	lgsystem LienGuard
Phone	(678) 645-2117
Fax	(678) 645-3003
Email	kaye.causey@choicepoint.net

Contact: LienGuard	
Name	
Phone	
Fax	
Email	

[redacted]

UCC FINANCING STATEMENT AMENDMENT

Draft - Not to be used for filing

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
ChoicePoint2 (720)747-0904

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

ChoicePoint2

3000 S. Jamaica Court
Suite 150
Aurora, CO 80014

Draft - Not to be used for filing

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
200312849973 11/12/03

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
SIERRA AUCTION MANAGEMENT INC

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
ARIZONA AUTO AUCTION FOR ITSELF AND AS AGENT

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
termination requested as per Mary Lou.

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

Draft - Not to be used for filing

A. NAME & PHONE OF CONTACT AT FILER [optional]
ChoicePoint2 (720)747-0904

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

ChoicePoint2

3000 S. Jamaica Court
Suite 150
Aurora, CO 80014

Draft - Not to be used for filing

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
200312849973 11/12/03

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
SIERRA AUCTION MANAGEMENT INC

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
ARIZONA AUTO AUCTION FOR ITSELF AND AS AGENT

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
termination requested as per Mary Lou.

SUBCONTRACTS

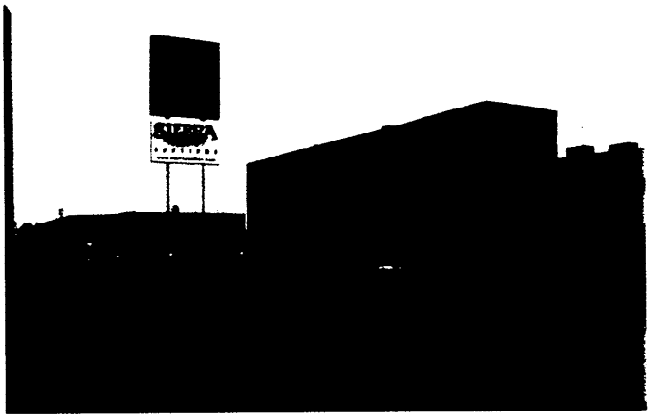
NONE REQUESTED

AMMENDMENTS
NONE REQUESTED

GRAND OPENING!

3570 NW Grand Ave . Phoenix, AZ . www.sierraauction.com

SIERRA AUCTION TUCSON!!!



THE 3RD SATURDAY OF EACH MONTH

BEGINNING MAY 20TH, 2006, 8am

1702 S EUCLID, TUCSON, AZ

Preview Friday, May 19th, 8am to 4pm and
Saturday, May 20th, 7am to 8am

(602) 242-7121

www.sierraauction.com

SIERRA
AUCTIONS

Arizona's Premier Auction Service

ACORD CERTIFICATE OF LIABILITY INSURANCE

CSR JK SIERR-1 | DATE (MM/DD/YYYY) 05/19/06

PRODUCER
The Horton Group, Inc. - AZ
www.thehortongroup.com
15825 N. 71st St. - Suite 205
Scottsdale AZ 85254
Phone: 480-998-1001 Fax:480-998-1002

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Sierra Auction Management Inc.
3570 Grand Ave
Phoenix AZ 85019

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Union Standard Ins. Group	
INSURER B: State National Ins. Co	
INSURER C: General Star Indemnity	
INSURER D:	
INSURER E:	

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	CPA4172176-20	10/23/05	10/23/06	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 5,000 $ 1,000,000 $ 1,000,000 $ 2,000,000
A		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON-OWNED AUTOS	CPA4172176-20	10/23/05	10/23/06	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
B	X	GARAGE LIABILITY [ ] ANY AUTO Care Custody Cont	CRS14784	10/23/05	10/23/06	AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ 1,000,000 $ 1,000,000 $ 2,000,000
C		EXCESS/UMBRELLA LIABILITY [X] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $	IXG398144A	10/23/05	10/23/06	EACH OCCURRENCE AGGREGATE	$ 1,000,000 $ 1,000,000 $ $ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
B		OTHER Garage keepers	CR5-14884	10/23/05	10/23/06	Limit Ded	200,000 1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate holder is Additional Insured and includes its agents, representatives, directors, officers, and employees.

*10 day days for nonpayment
Coverage is subject to policy terms, conditions,limitations and exclusions

CERTIFICATE HOLDER

City of Peoria
Materials Management
Procurement
8314 W. Cinnabar Ave.
Peoria AZ 85345

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

"We acted upon a recommendation when we first contacted your company, but we learned first hand that you are deserving of your reputation for professionalism and courtesy."
Jamie Lubeaty – Lloyds of London/Amsec International

"Thank you for the great service and assistance that Sierra Auction has given to Coconino County. Working with Sierra Auction has benefited Coconino County by getting top dollar for the equipment that you have sold for us."
Byron Browning – Coconino County

"The staff at Sierra Auction are professional, easy to deal with and very knowledgeable."
Bernie Bosen – City of Glendale

HUNDREDS OF SATISFIED CLIENTS WHO HAVE RECOVERED MILLIONS IN ASSETS!

Salt River Project	*AZ Dept of Revenue*	*Coconino County*
AZ Attorney General	*Mesa Police Dept*	*City of Tempe*
Smithsonian Inst	*Phx Union HS Dist*	*Glendale Police Dept*
Dept of Public Safety	*City of Glendale*	*Lloyds of London*
City of Mesa	*Pinal County*	*Tempe Police Dept*
Maricopa County	*City of Chandler*	*Town of Gilbert*
City of Avondale	*Yavapai County*	*Avondale Police Dept*
Phelps Dodge	*General Dynamics*	*Valley Metro*
Yuma County	*City of Surprise*	*City of El Mirage*
Town of Florence	*City of Casa Grande*	*City of Peoria*
Town of Fountain Hills	*Chandler Police Dept*	*Gilbert Police Dept*
City of Coolidge	*City of Goodyear*	*Paradise Valley Police Dept*
Buckeye Police Dept	*City of Scottsdale*	*Scottsdale Police Dept*
Town of Buckeye	*Coconino County Atty*	*Coconino Co. Sheriff's Office*
Maricopa Co. Sheriff's Office	*Tolleson Police Dept*	*and Many More*

SIERRA AUCTIONS

Sierra Auction Management Inc.
3570 NW Grand Ave., Phoenix, AZ 85019
602-242-7121
Fax 602-246-1903 • www.sierraauction.com

CAGA CERTIFIED APPRAISER

AZ Auction House License #99100952

AZ Vehicle Dealer License #L0002735

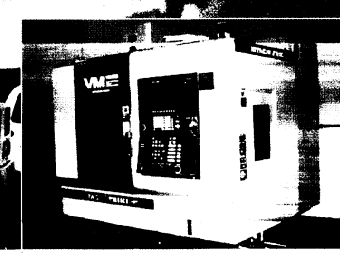
NAA

THE SOUTHWEST'S PREMIER AUCTION SERVICE

SIERRA AUCTIONS

FOR OVER 20 YEARS

Area-wide, Nationwide and Worldwide Sierra Auction Complete Service to help [illegible] a success



THE BEST IN THE BUSINESS

Courteous & Professional • Experienced Staff Helps Ensure Top Dollar Market Values

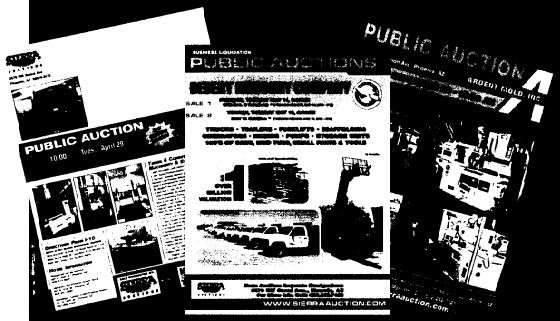
SERVICES

- *On-Line Worldwide Simulcast Auctions*
- *Live Auction Services*
- *Multi-Day Auctions*
- *Liquidations*
- *Asset Prep Team*
- *Complete Advertising/Sales/Marketing*
- *Private Treaty Sales*
- *Inventory Services*
- *Estate Settlements*
- *Select Auctioneers*
- *Customized Fees*
- *Errors & Omission Insurance*
- *Presorting & Lotting*
- *Complete On-line Sales Department*
- *Certified Appraisal Services*
- *Cash Buy-Outs*

Sierra Auction Management, Inc. specializes in Government and Corporate Surplus, Bankruptcy, Receiverships, Industrial/Plant/Facility Liquidations & Closures, Bank Secured Asset Sales, Insurance Claims, Asset Recovery, Inventory Reduction and Business Closings

Impeccable Preparation Before the Sale,
Unmatched Performance The Day of the Sale!

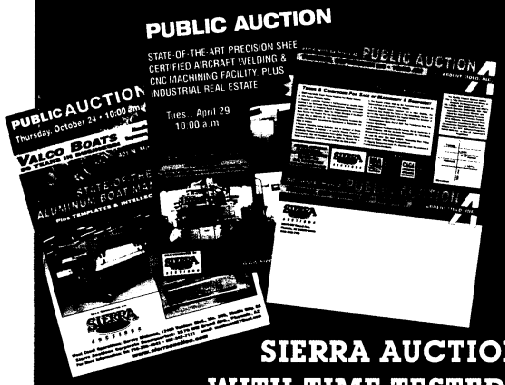
UNSURPASSED MARKETING HAS GIVEN SIERRA AN OUTSTANDING REPUTATION



Sierra Auction staff members take extra care To prepare your consignments to help ensure top Dollar market values. We clean, prepare and even Repair merchandise. Our presorting and careful Lotting process helps make the difference. And, Sierra Auction carries extensive "Errors & Omission Insurance" including Liability coverage to protect our Consignment clients and customers. We spend the time Necessary to contact prospective buyers on unusual Items, particularly high dollar consignments.

It's always a pleasant Experience when you attend A Sierra Auction!

10,000 sq. ft. Warehouse & Sale Facility
3 1/2 Acre Yard, 200+ Unit Vehicle Yard

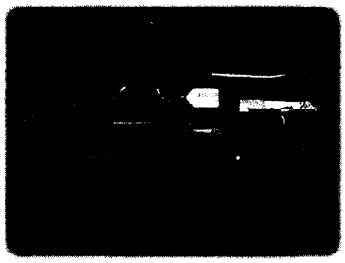
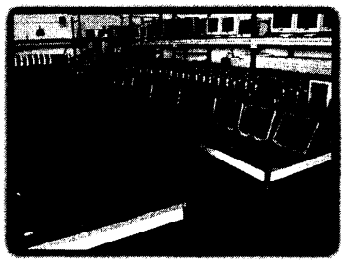


Sierra Auction has been serving Arizona and the Southwest for two decades. During that time, We have helped hundreds of satisfied clients to Recover millions of dollars in assets by Conducting successful auctions. To furnish our Clients with the best auction possible, we Provide a staff of auctioneers and Merchandisers to manage any need, from the Smallest sale to multi-day, multi-location Auctions.

SIERRA AUCTION ATTRACTS CROWDS WITH TIME-TESTED AND PROVEN METHODS!

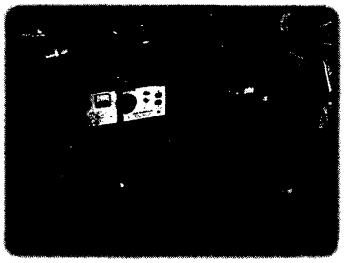
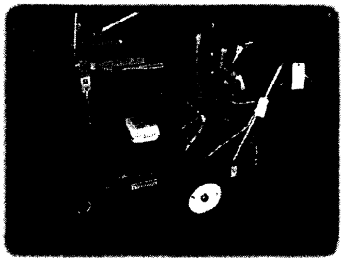
Auction- Saturday, April 1st, 8am

3570 NW Grand Ave . Phoenix, AZ . www.sierraauction.com

Preview: March 31st, 8am to 4pm • 3570 NW Grand Avenue, Phoenix, AZ 85019

Featuring: Handguns & Rifles • Beautiful Furniture & Bedroom Sets • Oriental/Middle Eastern Rugs Large Qty. Framed Prints • Household Goods • Huge Quantity of Laptops, PC's, Servers, Printers Plotters • Tools- Production Wire Welders, Arc Welders, Commercial Linestriper, Shopsmith, Jacks Compressors, Commercial Pressure Washers • Commercial Restaurant Equipment • Lg Qty Windows Home & Car Audio & Video- Sony 42" Flat Panel, Projection, Sat. Receivers, Complete DJ Package Cell Phones, Car Stereos, Subs, Amps • ***And Much, Much More!!!***

Terms & Conditions: $200.00 CASH only Refundable Deposit for Buyers Number. $500.00 CASH only Refundable Deposit For Buyers Number if Bidding on Vehicles. Payment in Cash or Cashiers Check. Amex, M/C, Visa (Except on Vehicles). 13% Buyers Premium (3% Discount For Cash). No Buyers Premium on Bankruptcy Items. Payment Due By 3PM, Monday, April 3rd. Removal by Wednesday, April 5th, 4PM.

upcoming auctions

GRAND OPENING!!!

SIERRA AUCTION - TUCSON

THE 3RD SATURDAY OF EACH MONTH

BEGINNING MAY 20TH, 2006, 8AM

1702 S EUCLID, TUCSON, AZ

PREVIEW FRIDAY, MAY 19TH, 8AM TO 4PM AND SATURDAY, MAY 20TH, 7AM TO 8AM

ARIZONA COUNTRY CLUB

Saturday, April 8th, 10am

5668 E Orange Blossom Ln, Phoenix, AZ 85018

(Enter 1 block East of 56th St., North Side of Thomas)

Preview Friday, April 7th, 10am to 2pm & Saturday, April 8th, 8am to 10am

MARICOPA COMMUNITY COLLEGE

Saturday, April 22nd, 8am

535 W Van Buren, Phoenix, AZ

Preview Saturday, April 22nd, 7am to 8am

602-242-7121 • www.sierraauction.com

SIERRA AUCTIONS

Arizona's Premier Auction Service

SIERRA AUCTIONS

3570 NW Grand Ave., Phoenix, AZ 85019

FIRST CLASS MAIL
US POSTAGE PAID
GLENDALE, AZ
PERMIT NO. 473

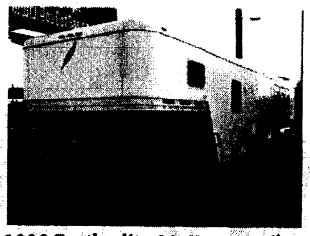
vehicle & surplus auction!

SATURDAY, APRIL 1, 8AM

PREVIEW: FRIDAY, MARCH 31, 8-4

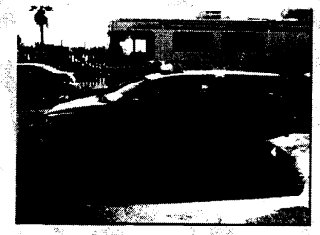
2001 Jaguar XK-8

2003 Cadillac Escalade ESV



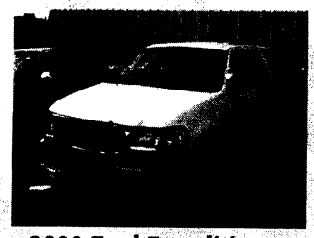
1996 Featherlite 29' Horse trailer

2006 Ford Fusion



2004 Volvo V70 Wagon

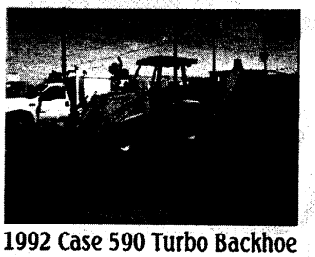
2001 Chevy Suburban



2000 Ford Expedition

1987 Seagrave HB50DF Firetruck

1988 Pierce Arrow 4DR 105' SM (not pictured)



1992 Case 590 Turbo Backhoe

OVER 250 VEHICLES BEING SOLD!!!

2003 Mercedes C240
1997 Ford Bounder Motorhome
1988 Pierce 105' Ladder Truck
2003 Cadillac Escalade
1997 Featherlite Horse Trailer
2004 Bonanza Horse Trailer
(2) 2000 Ford F550 Sign Trucks
1992 Case Backhoe
2006 Ford Fusion
2006 Chevy Aveo
2005 Chevy Cobalt
2005 Kia Sorento
2004 Volvo V70 Wagon
2001 Jaguar XK-8
2003 Honda Shadow Motorcycle
1997 Shuttlecraft Boat w/Jetski
1989 Ford Flatbed Tow Truck
2002 Ford F150
2003 Hyundai Accent
2002 Ford Mustang
1999 Pontiac Grand Am
1999 Ford Ranger
1996 Ford E350 Box Truck
1991 Chevy Bluebird School Bus
2001 Chevy Astrovan
(5) 1999-01 Chevy 1500's
2000 Ford Expedition
(10) 1995 Ford Tauruses
(6) 1997-03 Chevy Cavaliers
(25+) Ford Crown Vics
2002 Chevy 2500
(2) 1999 Chevy Tahoes
1998 Jeep Cherokee
1999 Dodge Dakota
(2) 1999-00 Chevy Blazers
(10+) Dodge 1500 Ram Vans
(2) 2000-01 Chevy Suburban
1999 Cadillac DeVille
1998 Peterbilt Side Loader

and Many More!!!

See opposite side of this Flyer for Hundreds of Other Items Being Sold

#0714

ORIGINAL

CONTRACT AMENDMENT

Solicitation No: **P06-0070** Page 1 of 1
Description: Auctioneering Services
Amendment No: One (1) Date: 02/26/07

Materials Management Procurement
8314 W. Cinnabar Ave.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Dan Zenko

In accordance with Special Terms and Conditions, **Contract Extension**, the above referenced contract shall expire on 5/31/07.

Contract Term: 6/1/07 to 5/31/08

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

[redacted] 3/2/07 [redacted] VP Sierra Auction Management Inc.

Date | Typed Name and Title | Company Name

3570 Grand Avenue	Phoenix	AZ	85019
Address	City	State	Zip Code

Attested by:

Mary Jo Kief, City Clerk

CC Number

ACON 24706A
Contract Number:

Official File

City Seal

Requested by:

Recommended by:

William L. Emerson, Assistant City Attorney

Approved as to Form: Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed

, 2007, at Peoria, Arizona.

Herman F. Koebergen, Materials Manager

07146

ORIGINAL

CONTRACT AMENDMENT

Solicitation No: P06-0070 Page 1 of 1
Description: Auctioneering Services
Amendment No: Two (2) Date: 02/22/08

Materials Management
Procurement
8314 W. Cinnabar Ave.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Dan Zenko

In accordance with Special Terms and Conditions, **Contract Extension**, the above referenced contract shall expire on 5/31/08.

THE NEW CONTRACT TERM IS:

Contract Term: 6/1/08 to 5/31/09

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

5/7/08	BRETT HIGGINS, G.M.	Sierra Auction Management Inc.
Date	Typed Name and Title	Company Name

3570 Grand Avenue	Phoenix	AZ	85019
Address	City	State	Zip Code

Attested by:
Mary Jo Kief, City Clerk

CC Number

ACON 24706B
Contract Number:

Official File

City Seal

Requested by:

Recommended by:

Ellen Van Riper, Assistant City Attorney
Approved as to Form: Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed 5/14/08, 2008, at Peoria, Arizona.

Herman F. Koebergen, Materials Manager

A CON 24706B

CONTRACT AMENDMENT

Solicitation No P06-0070 Page 1 of 2
Description Auctioneering Services
Amendment No Three (3) Date 03/24/09

Materials Management Procurement
8314 W Cinnabar Ave
Peoria, AZ 85345
Telephone (623) 773-7115
Fax (623) 773-7118

Buyer Peggy Ferrin

A In accordance with Special Terms and Conditions, Contract Extension, the above referenced contract is hereby extended **The new contract term is 06/01/09 to 05/31/10.**

B Standard Terms and Conditions are amended to reflect the following changes Paragraph 3, Applicable Law, Paragraph 19, Right to Audit Records, and Paragraph 32, Public Record, are hereby deleted and replaced with the following

3. **APPLICABLE LAW.** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement

   Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989 In addition, if this agreement pertains to construction, Contractor must also comply with A R S § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A R S § 34-302, as amended (Residence Requirements for Employees)

Contractor hereby acknowledges receipt and agreement A signed copy shall be filed with the City of Peoria, Materials Management Division

Signature	Date	Typed Name and Title	Company Name
	3/31/09	Brett Higgins, GM	Sierra Auction Management Inc

Address	City	State	Zip Code
3570 Grand Avenue	Phoenix	AZ	85019

Attested by
Mary Jo Kief, City Clerk

CC Number

ACON24706C
Contract Number

Official File

City Seal

(Rev 02/01/08)

Requested by

Recommended by
Ellen Van Riper, Assistant City Attorney

Approved as to Form Stephen M Kemp City Attorney

The above referenced Contract Amendment is hereby Executed
4/14/09, _____, at Peoria, Arizona

Herman F Koebergen Materials Manager

A ACON 24706C

CONTRACT AMENDMENT

Materials Management Procurement
8314 W Cinnabar Ave
Peoria, AZ 85345
Telephone (623) 773-7115
Fax (623) 773-7118

Buyer Peggy Ferrin

Solicitation No P06-0070
Description Auctioneering Services
Amendment No Three (3) Date 03/24/09

Under the provisions of A R S § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A R S § 23-214(A) (hereinafter, "Contractor Immigration Warranty")

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the City The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty Contractor agrees to assist the City in regard to any random verifications performed

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A R S §23-214(A)

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who provide services under this agreement or any subcontract "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor Services include construction or maintenance of any structure, building or transportation facility or improvement to real property

Contractor warrants, for the term of this agreement and for six months thereafter, that is has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona

This contract is subject to the provisions of ARS §38-511, the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract

19 **RIGH T TO AUDIT RECORDS**· The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City This right to audit also empowers the City to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 3 above

32 **PUBLIC RE CORD**· All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code However, subsequent to the award of the contract, any information and documents obtained by the City during the course of an audit conducted in accordance with Paragraph 19 above for the purpose of determining compliance by Contractor or a Subcontractor with the Contractor Immigration Warranty mandated by Paragraph 3 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction

CONTRACT AMENDMENT

Solicitation No: P06-0070
Description: Auctioneering Services
Amendment No: Four (4)

Page 1 of 2

Date: 03/17/10

Materials Management Procurement
8314 W. Cinnabar Ave.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Gerald Jackson

In accordance with Special Terms and Conditions, **Contract Extension**, the above referenced contract shall expire on 5/31/2010.

THE NEW CONTRACT TERM IS:

Contract Term: 6/1/2010 to 5/31/2011

In addition, the Contract is being amended to increase the following rates for all assets sold after February 19, 2010:

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

Signature	Date	Typed Name and Title	Company Name
	3/31/10	Brett Higgins, GM	Sierra Auction Management Inc.

Address	City	State	Zip Code
3570 Grand Avenue	Phoenix	AZ	85019

Attested by:

Mary Jo Kief, City Clerk

CC Number

ACON24706D
Contract Number:

Official File

City Seal

Requested by:

Recommended by:
Ellen Van Riper, Assistant City Attorney

Approved as to Form: Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed April 12, 2010, at Peoria, Arizona.

Herman F. Koebergen, Materials Manager

(Rev 02/01/08)

SCANNED

A CON 24706D

CONTRACT AMENDMENT

Solicitation No: P06-0070 Page 2 of 2
Description: Auctioneering Services
Amendment No: Four (4) Date: 03/17/10

Materials Management
Procurement
8314 W. Cinnabar Ave.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Gerald Jackson

The Contractor and the City of Peoria have agreed on specific costs associated with the transportation of items to be auctioned. Any other entity that utilizes this contract shall be responsible for negotiating cost associated with transporting items that are beyond the approximate geographic limits of the City of Peoria.

Towing Fees Specific To The City of Peoria Are Amended To Reflect The Following New Charges and Costs:

One (1), free double Standard Vehicle hook per calendar month with a charge of $45.00/hook + $2.50/per mile thereafter for Standard Vehicle.

Heavy Vehicle (i.e., garbage trucks, backhoe) - $125.00 ea

Truck Pick-up Service –
One (1), free Truck pick-up per calendar month with a charge of $40.00/hour truck & driver thereafter.

In lieu of Sierra Auction picking up vehicles for the City, the City of Peoria may make its own arrangements to deliver vehicles to Sierra Auction at 3570 W. Grand Avenue, Phoenix, AZ 85019

Charges Specific to Entire Contract:

Battery Prices are amended as follows:

Standard Vehicles–	Old Price - $39.95 ea **New Price - $60/ea**
Large Vehicles/Equipment-	Old Price - $69.95 & Up **New Price - $90.00 & Up**

All other fees and charges remain unchanged.