

Addendum 2

Responses to Questions  
RFP 2016-39  
AUCTION SERVICES AND BULK DEALER VEHICLE PURCHASE

1. Website states there's an auction the first Thursday of each month, at the impound lot. Would the winning vendor/s be the ones doing those? So one a month?
  - A. You may submit such a proposal or any variation of, See Attachment B, Scope Section IV.
2. Are expense allowances for contractor travel permitted under this contract?
  - A. Include all overhead within your proposed pricing.
3. For the online auction solution, would the city be receptive to a software only solution?
  - A. See Attachment B, Scope Section I and Scope Section IV.
4. Would the city be receptive to an online auction solution that will connect to an internet gateway for the city's merchant account? In other words, is the city willing to process transactions on their own merchant account?
  - A. You may submit for consideration.
5. Will the City provide the documentation of chain of title, if it is selling vehicles without title?
  - A. City will provide documentation for titling eligible vehicles.
6. For online or live auctions, will the public be able to buy vehicles designated as junk or parts only?
  - A. See Attachment C.
7. For online auctions, will the contractor be expected to provide credit card pre-authorizations of bidders for fraud prevention as part of the registration process? If so, under what parameters will this be performed (prior to each auction, every 90 days, etc...)
  - A. Policy and procedures in regards to auction components is the responsibility of the proposer.
8. What happens in the online auction solution if the bidder does not pay?
  - A. Policy and procedures in regards to auction components is the responsibility of the proposer.
9. Can an online auction solution mandate a bid deposit to ensure payment and compliance with the bidder agreement?
  - A. Policy and procedures in regards to auction components is the responsibility of the proposer.
10. For online auctions, what parameters are the contractor permitted to charge winning bidders?
  - A. Policy and procedures in regards to auction components is the responsibility of the proposer.
11. How quickly is the city expecting to be paid from its contractor after the conclusion of the auction?
  - A. Payment expected in a timely manner, you may include payment timeline details as part of your proposal.
12. For an online auction solution, is city staff willing to photograph and catalog the assets?
  - A. You may submit such a proposal.
13. For an online auction solution, with what frequency are the online auctions expected to occur?
  - A. It is the proposers responsibility to determine what frequency would best achieve the RFP stated objectives.

14. Is the contractor for an online auction solution expected to prepare a bill of sale? If so, is a digitally generated (pdf) bill of sale acceptable?
  - A. Contractor is obligated to fulfill all documentation required by the State of Minnesota.
15. Is the contractor for an online auction solution expected to perform a title search or other due diligence prior to sale?
  - A. All notifications will take place prior to vehicle being offered to contractor.
16. Who is responsible for the mediation of disputes (odometer discrepancy, failure to disclose a branded title)
  - A. Contractor
17. Who is responsible for the verification of odometer readings for non-exempt vehicles?
  - A. Vehicles are sold as is, where is, with no guarantees or representations be made as to the condition, model year or mileage.
18. Company Financial Information – Would you be willing to sign an NDA and accept limited financials as we are a private company?
  - A. Under Minnesota State Data Practices Act financial information received as part of RFP process is private and will not be shared.
19. What name are the titles in? If a title is not present, what documentation is given to the public buyer so they may obtain a title?
  - A. City will provide documentation for titling eligible vehicles
20. Is there anything in particular you are looking for with the T&Cs (Attachment A) that need to be addressed?
  - A. Winning Contractor must adhere to all Terms and Conditions listed in Attachment A
21. Help us understand scrap/junk – do you have a requirement to scrap when a unit no longer meets emissions testing? How is “junk parts only” determined?
  - A. See Attachment C, along with Minnesota State Statute 168B.011, Sub. d. 3.
22. Cost/Fees – Need clarification. We have 1000+ employees in many different roles – what specifically are you looking for?
  - A. You should provide whatever information you feel will allow for an accurate description on how overhead cost are determined.
23. How soon is a unit saleable? From the time it is ready to be picked up?
  - A. Once City notifies contract unit is “ready to be picked up” it would be “saleable” immediately
24. Will we be handling redemptions on behalf of the City at any point?
  - A. Contractor responsible for Auction services that they are awarded.
25. Will Personal property need to be removed?
  - A. Open to reviewing all proposals.
26. If we were to do a mobile auction – how much land would be available?
  - A. Open to reviewing all proposals including with usage of Impound land and non-usage of Impound land.

27. What type of licensing is required if we were to do a mobile sale at the city of Minneapolis impound?  
 A. All applicable Municipal and State licensing requirements must maintained for the life of the contract.
28. For mobile sale options, what days and hours can we have access to the site?  
 A. Proposer may submit for consideration with listing of days and hours access requested.
29. Are there typically fluctuations in inventory over the course of a month or year or is it pretty steady throughout?  
 A. Tow volumes are higher following Snow Emergencies and Street Sweeps which result in a higher abandonment rate. Street Sweeps occur in the spring and fall.
30. Is the City open to allowing mutual termination rights?  
 A. See Attachment A, Item 21.
31. Is the City open to allowing (proposer ) to retain rights in certain data and other materials produced by (proposer) while providing the services so that (proposer) may use such data or materials as part of its ordinary business practices in the aggregate, which may require some slight technical modifications to Sections 22, 23, and 25 in the Terms and Conditions?  
 A. Entire RFP will be incorporated in final contract, any deviation of terms and conditions of Attachment A would require Legal and Council approval.
32. When questions are answered, will the name of person or company that submitted them be posted as well?  
 A. No
33. Auction quantities sold for 2014 and 2015 are listed under Objective Paragraph II Request for Proposal and again under Scope of Services. What are the average prices per vehicle for both the dealer and public vehicles?  
 A. The following numbers are approximate averages;
- |        | <u>2014</u> | <u>2015</u> |
|--------|-------------|-------------|
| Dealer | \$380.00    | \$220.00    |
| Public | \$1,229.00  | \$884.00    |
34. What factors and who determines a dealer vehicle from a public vehicle?  
 A. Currently Impound staff makes determination based on condition of vehicle. Winning proposer and City will work together to determine best practices process for vehicle classification
35. Can dealer vehicles be sold with a bill of sale to another dealer/parts company?  
 A. See Minnesota Statute 168.27
36. Who provides the paperwork prior to a vehicle assigned to auction?  
 A. The City will provide all necessary paperwork
37. What paperwork is provided for dealer and public auction vehicles? When is that paperwork available?  
 A. City will provide the documentation for titling eligible vehicles and selling dealer auction vehicles. Timeline for delivery of paperwork to be agreed upon by City and Contractor.

38. If the public auction must be held off site, is the associated transportation costs included in the fees for the services for the sale?  
A. All cost must be included in proposal.
39. Is the two day removal of dealer vehicles negotiable?  
A. You may submit such a proposal.
40. Instead of a two year contract with 2 one year options, would there be consideration for a two year with a two year option?  
A. No.
41. RFP Paragraph IV Proposal Due Date states Contractor shall submit Ten (10) Copies of proposal. Can you be more specific regarding the 10 copies? Should one be marked original? Should they be on recycled paper? Can they be submitted on disc or USB drive?  
A. You may mark one as original if you choose. It is your choice whether to use recycled paper. You may include a disc or USB drive, though it is not a requirement.
42. Are the contents in the vehicles available for the Contractor to sell/dispose?  
A. Proposal can be submitted either or both ways, i.e. City removes personal property, Contractor removes personal property and sells/disposes of property.
43. Are keys available with the vehicles?  
A. Sometimes.
44. RFP Paragraph XII Site Visit scheduled for May 5<sup>th</sup>. Is the site visit scheduled as a group or by individual potential contractor? Has time(s) been established?  
A. Site visit has occurred , see Sec XII.
45. In regards to the pre-proposal conference, is it possible to have a phone-in option? Whether to be able to questions, or even listen-only?  
A. No.
46. I have attached a google map of the Minneapolis impound to this email. Can you identify where the live auction yard is, and the location of important features, such as dumpsters, port-a-johns, buildings that could be used as a cash office, and electrical outlets?  
A. You may submit proposal with your requirements listed in regards to space required (auction space, administrative), dumpsters, port-a-johns, etc.....
47. Are expense allowances for contractor travel permitted under this contract?  
A. See answer to question #2 above.
48. Quick question about the RFP.... Do you have average gross salary history information for previous auctions/previous years?  
A. "Gross Salary" history, as stated above, is not available.
49. Are we to provide anything for Attachment C, answer anything? Or do you just want a statement saying we understand, agree, and have read the statutes 168.27 and 168.151 ?  
A. All required documents noted within RFP.
50. Since increasing vehicle turnover is a priority, what is the average amount of time to market once vehicles are available for sale (i.e. lienholders notified, legal notice has been published)?  
A. See Minnesota Statute 168B.051.

51. How are the vehicles currently marketed? If an auction company is used, what is their compensation system?  
A. Internet and print, compensation set rate per unit sold.
52. For the online auction solution, some vendors mandate that the government agency photograph and describe the asset, and other government contracts require the contractor to have a "person on the ground" to perform this service for the government. Does the city have the labor resources to photograph and describe the asset(s) themselves?  
A. Proposers may submit with either Contractor or City providing these services.
53. If a live auction solution was used, is there an expected regularity that they will be performed (biweekly, monthly, etc...?)  
A. It is the proposes responsibility to determine what frequency would best achieve the RFP stated objectives.
54. If a live auction is used, is there a facility to host the event (i.e. an empty fenced yard connected to the impound). Is there a structure in place to serve as a cash or registration office?  
A. See answer to question #2 above.
55. Some governments allow the auctioneer to be paid out of gross proceeds, others mandate that the auctioneer remit all proceeds and invoice the government for their commission fee. Is the City receptive to charging bidders a buyer's premium? Is the City receptive to the auctioneer being paid out of gross proceeds?  
A. You may submit proposal containing either or both payment options.
56. Some governments are resistant to the use of technology in a live auction environment because of the danger of the technology going down (power outage, internet outage, etc.). If a live auction solution is selected, is the contractor expected to perform the auction manually or a have a manual backup system?  
A. It is the proposes responsibility to determine what procedures and systems would best achieve the RFP stated objectives.
57. If a live auction solution was provided, does the city anticipate providing labor for registration or cashiering, or is this something that is up for negotiation?  
A. You may submit such a proposal, city providing labor for registration or cashiering, for consideration.
58. Does the live auction site have electricity? Does the live auction site have internet access? What kind? Is a map of the live auction site available  
A. See answer to question 46 above.
59. Is there a minimum level of marketing that the contractor is expected to perform at its own expense in relation to this contract?  
A. Contractor should propose a level of marketing that they feel will ensure successful delivery of services.
60. Who is responsible for inspecting the vehicles for weapons and drugs?  
A. Proposers may submit with either Contractor or City providing these services.
61. Who is responsible for removing license plates?  
A. Proposers may submit with either Contractor or City providing these services.

62. Who is responsible for unlocking vehicles?  
A. Proposers may submit with either Contractor or City providing these services.
63. Who is responsible for inspecting vehicles for keys, and testing the vehicles with those keys to see if the vehicle starts?  
A. Proposers may submit with either Contractor or City providing these services.
64. Will city surplus vehicles be sold on a bill of sale, by transferring title, or both?  
A. Currently by title, open to all proposals.
65. Will abandoned/confiscated/seized vehicles be sold on a bill of sale only, by transferring title, or both?  
A. Mix of both bill of sale and title.
66. For online auctions, is the contractor expected to accept credit cards for payment regardless of amount, or can the contractor mandate alternate tender above a certain amount?  
A. Policy and procedures in regards to auction components is the responsibility of the proposer.
67. Is the City receptive to providing security during a live auction? Is the City receptive to providing armed security? Is the City receptive to provide post-auction security to supervise post-auction vehicle pickup?  
A. You may submit with City providing security if you choose. City will not provide armed security. You may propose with City providing post auction security if you choose.
68. Is the City receptive to providing armored car service for the pickup of auction proceeds?  
A. You may submit such a proposal.
69. In a live auction solution, would the City be receptive to the auction staff carrying concealed weapons?  
A. Not if the live auction is held on City property.
70. Is the city receptive to provide port-a-potties at the live auction site?  
A. You may submit with City providing port-a-potties if you choose.
71. Is the city receptive to provide dumpster(s) for the removal of trash at the live auction site?  
A. You may submit with City providing dumpster(s) if you choose.
72. Is the city receptive for bidders to post a refundable cash deposit in order to obtain a bid card?  
A. It is the responsibility of the proposer to determine if such a deposit would be beneficial and propose accordingly.
73. If a live auction solution is selected, is the auctioneer still expected to post a catalog of the vehicles sold and the sales price?  
A. Contractor is responsible for fulfilling all legal posting responsibilities.
74. For safety reasons, is the city receptive to prohibiting persons under age 18 in the live auction yard?  
A. Yes.
75. Car dealers and scrap metal buyers like to pay by check. Is the City receptive to accepting paper checks from some or all bidders made out to the City of Minneapolis?  
A. Yes.

76. How is surplus construction, fire department trucks, and airport equipment currently marketed by the city? Is conceivable that this additional equipment could be sold by the contractor under this contract?
- A. Impound lot does auction equipment and vehicles for City departments. These other departments will continue to have the option of offering items for sale through this contract.

**Current Sale Day Specific Questions (Titled as such by Proposer)**

77. Are there any fees charged to the buyer besides tax, title, and license?
- A. Yes.

78. What is the current average attendance?
- A. The following numbers are approximate averages;

	<u>2014</u>	<u>2015</u>
Dealer	19	19
Public	156	158

79. Are the vehicles in A1-A6 ready to be sold?
- A. No.

80. What Marketing is the City of Minneapolis currently doing?
- A. Print and Internet.

81. What is the average standing inventory of vehicles ready to be sold?
- A. Inventory varies dependent on season, economy and other factors.

82. What is the average days from the time the vehicle is picked up to the time the vehicle is sold?
- A. Varies dependent on reason for tow.

83. When the vehicle is considered forfeited. How many days until vehicle is ready for sale?
- A. See answer to question #50 above.