

City of Scottsbluff, Nebraska

Tuesday, February 19, 2019

Regular Meeting

Item Reports5

Council to consider approving an agreement with Bid It Bob Auction Service to conduct public auctions of unclaimed and abandoned property in possession of the City and authorize the Mayor to execute the agreement.

Staff Contact: Kevin Spencer, Police Chief

City of Scottsbluff

Agenda Statement

Item No. _____

For Meeting of: February 19th, 2019

AGENDA TITLE:

SUBMITTED BY DEPARTMENT/ORGANIZAYION: Police Department

PRESENTATION BY: Kevin E. Spencer, Police Chief

SUMMARY EXPLANANTION: The Scottsbluff Police Department is required by state law to dispose of surplus, abandoned and unclaimed property at public auction. Auctions conducted in the past have not been sufficient in disposing of the property or results have been less than adequate. In an effort to streamline our disposal process we would like to enter into an agreement with Bid It Bobs Auction service to conduct public auctions for the department on a regular basis. As property is accumulated it would be delivered to Bid It Bob's in lots for sale. The attached contract lists the rates of commission and conditions. The City of Scottsbluff would still be required to advertise the auction as required by State statute.

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EXHIBITS

Resolution: Ordinance Contract **XXX** Minutes Plan/Map

Other (specify)

Notification List: None

Further Instructions: None

APPROVAL FOR SUBMITTAL: _____

City Manager

AGREEMENT FOR AUCTION SERVICES

This Agreement for Auction Services ("Agreement") is made between the City of Scottsbluff, Nebraska, a municipal corporation, ("City") and Ryan Hergenreder, doing business as Bid It Bob Auction Service ("Bid It Bob"), dated this ____ day of _____, 2018.

- a. It is the intent of the City and Bid It Bob to contract for services to conduct public auctions ("auctions") of unclaimed and abandoned property in the possession of the City. The auctions may be conducted at the regular auction times for Bid It Bob, however, the City must ensure notice provisions set forth in the Scottsbluff Municipal Code have been complied with prior to the auction.
- b. Unclaimed and abandoned property auctions shall be conducted under an "AS IS, WHERE IS" status and the City will not be responsible for the condition or operating capacity of any property delivered.
- c. Bid It Bob agrees to use its best efforts to conduct the auction and to sell the unclaimed and abandoned property brought to it by the City in good faith and in a professional manner.

AGREEMENT

1. The City, through its Police Department, has unclaimed and abandoned property ("property") in its possession which must be sold according to the Scottsbluff Municipal Code at public auction. The City has attempted public auctions on many occasions with little success and intends to use a commercial auction house in order to generate additional interest in the purchase of the property.
2. Bid It Bob agrees to use its best efforts to sell the property for the City. In consideration of Bid It Bob auctioning the property, the City agrees to pay Bid It Bob the following commission scale from its auction:
Auction Commission Rates/Charges per Lot
(including general merchandise & coins)
 - i. \$0-\$5.00 75% Commission
 - ii. \$5.01-\$10.00 50% Commission
 - iii. \$10.01-\$100.00 20% Commission
 - iv. \$100.01-\$499.99 15% Commission
 - v. \$500.00-\$1,000.00 10% Commission
 - vi. \$1,000.01 and higher 8% Commission

3. Bid It Bob agrees to auction the property as brought over by the City during at least two separate auctions. Any property that does not sell after two separate auctions shall be considered of no value and the City, through its Police Department, agrees to retrieve and dispose of the property following the second auction.

Upon notification to the City's Police Department, the City will retrieve the property within two weeks of the second auction. Provided, however, the two week period may be extended for extenuating circumstances, including but not limited to a public disaster, civil unrest, or a major criminal incident which would render police personnel unavailable to retrieve the property. Following resolution of the extenuating circumstances, the property will be retrieved as soon as possible.

4. The parties agree and acknowledge the City must follow its own Municipal Code at §6-4-4 and provide advanced public notice of all auctions where there will be an attempt to sell the property. The notice provisions must be complied with and when completed, the Police Department of the City will notify Bid It Bob the property will be ready for auction. The Police Department will notify Bid It Bob of any known legitimate ownership claims to any of the property delivered for auction and those items will be removed from the auction until the claim of ownership can be investigated and confirmed. If ownership is confirmed, the City will retrieve the property. If ownership is not confirmed, the property will remain at the auction for sale as soon as practical.

If Bid It Bob is made aware of a claim of ownership of property delivered by the City, Bid It Bob will remove it from the auction, notify the Police Department, and tell the person claiming ownership to go to the Scottsbluff Police Department. Following this procedure, the City will investigate the ownership claim. If the ownership cannot be confirmed, the property will again be delivered to Bid It Bob for auction.

5. The City will deliver the property in lots. There will be no particular schedule of when lots are brought over. It will depend upon when enough property has accumulated to be worth bringing to an auction, in the sole discretion of the City. There may be significant periods of time between delivery of property for auction. The City will notify Bid It Bob of when it will be bring property over for auction with reasonable advanced notice, for Bid It Bob to coordinate the auction.
6. All property auctioned by Bid It Bob will be auctioned "AS IS, WHERE IS". The City does not warrant nor represent any property will be brought in a functional or useful condition. However, the City will not bring items it considers to be trash or junk. The City furthermore will not bring hazardous property, property which is illegal to auction, illegal to possess, contraband or property in such a state of repair it would be dangerous to any purchaser.

7. Following the auction of property and within thirty days thereafter, Bid It Bob will make a full accounting to the City of the amounts of auction, the commission earned through the auction, and the proceeds along with a check made payable to the City for the proceeds of the auction. Bid It Bob shall be allowed to use all means at its disposal to advertise the auction. This would include the use of technology for remote auctions. The winning bidder of a remote auction may be required to pay any shipping costs incurred and Bid It Bib may charge winning bidders for shipping, however, the City will not be liable or charged for any such amounts. This Agreement does not include the auctioning of motor vehicles.
8. The term of this Agreement shall be for one year and will automatically renew, unless either party delivers thirty days advanced notice, in writing, to the other party it has decided to terminate the Agreement.
9. It is the express intent of the parties that this Agreement shall not create an employer-employee relationship. Bid It Bob and its employees shall not be deemed to be employees of the City and employees of the City shall not be deemed to be employees of Bid It Bob. Bid It Bob and the City shall be responsible to its respective employees for all salary and benefits. Neither Bid It Bob, its employees nor the City and its employees shall be entitled to any salary, wage or benefit from the other party, including but not limited to, overtime, vacation, retirement benefit, workers' compensation, sick leave or injury. Bid It Bob shall be responsible for maintaining workers' compensation insurance, unemployment insurance for its employees, for payment of all Federal, State and local and any other payroll taxes with respect to its employees compensation. Bid It Bob shall also carry and maintain commercial general liability insurance of at least \$1,000,000 per occurrence. The City shall not direct or control, in any manner, the way Bid It Bob performs this Agreement. Bid It Bob shall be considered an Independent Contractor.
10. Notification. If either party provides written notice to the other under this Agreement, written notice shall be sent to the following address:

City of Scottsbluff c/o Police Chief 1801 Avenue B Scottsbluff, NE 69361	Ryan Hergenreder Bid It Bob Auction Service 1624 1 st Avenue Scottsbluff, NE 69361
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11. This Agreement may not be assigned without the express prior written consent of either party. The parties agree and acknowledge time is of the essence with respect to the consummation of the transaction contemplated by this Agreement. This Agreement shall be construed according to the laws of the State of Nebraska. No waiver of any breach of any provision of this Agreement will be deemed a waiver of any other breach of this Agreement. No extension of time for performance of any acts

will be deemed an extension of time for performance of any other act. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all counterparts taken together will constitute one and the same instrument.

CITY OF SCOTTSBLUFF,

By _____
Raymond Gonzales, Mayor

Ryan Hergenreder, doing business
as Bid It Bob Auction Service

Attest:

City Clerk