

CITY OF TUCSON

Contract #161468

for

Online Auction Services

with

The Public Group

Effective: August 8, 2016 through August 7, 2021

The following documents comprise the executed contract between the City of Tucson and the Public Group, effective August 8, 2016:

- I. Signed Offer and Acceptance
- II. Negotiated Items
- III. Interview Agenda
- IV. Request for Clarification
- V. Supplier's Response to the RFP, incorporated by reference

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:

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

Company Name: The Public Group

Address: 3520 North University Avenue

City: Provo State : UT Zip: 84604

Signature of Person Authorized to Sign: Zackary Corbett

Printed Name: Zackary Corbett

Title: Product Manager

For clarification of this offer, contact:

Name: Zackary Corbett

Title: Product Manager

Phone: (801) 932-7000 x 153

Fax: (801) 932-7001

E-mail: zackaryc@thepublicgroup.com

ACCEPTANCE OF OFFER

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

Approved as to form this 8th day of August, 2016.

Awarded this 8th day of August, 2016. CITY OF TUCSON, a municipal corporation

[Signature]
As Tucson City Attorney and not personally, 2016.

Nathan Daon
for Marcheta Gillespie, C.P.M., CPPO, CPPB, CPM
As Director of Procurement and not personally

CONTRACT #161468
ONLINE AUCTION SERVICES

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**CITY OF
TUCSON**
DEPARTMENT
OF
PROCUREMENT

July 15, 2016

Sent via electronic mail, this day

Zachary Corbett
The Public Group
3520 North University Avenue
Provo, UT 84604
Email: zacharyc@thepublicgroup.com

**Subject: Request for Proposal No. 161468 – Online Auction Services
Negotiation Confirmation Letter**

Dear Mr. Corbett,

Based on previous discussions and negotiations, this letter serves as a request for confirmation that the statements below represent your firm's best and final offer to the City of Tucson regarding the subject solicitation. Specifically, you are asked to provide written confirmation by signing the concurrence line below. Points of agreement not identified below are not included in the offer. In the event there is any disagreement with this document or if there is other information that must be included in this document, The Public Group must specify such in a written response to this request.

The following agreement has been made between the City of Tucson and The Public Group with regard to Request for Proposal No. 161468.

A. Order of Precedence

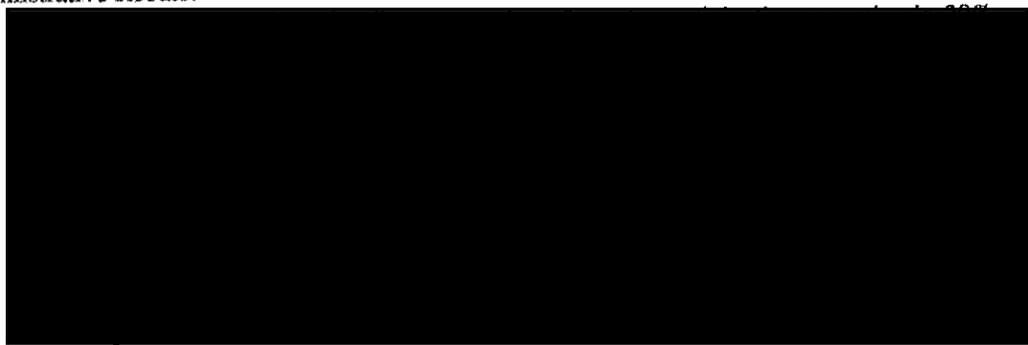
The following documents comprise the order of precedence of the executed contract.

1. Negotiated Confirmation Letter dated July 15, 2016.
2. The Public Group Best and Final Offer dated June 22, 2016.
3. City of Tucson's Request for Best and Final Offer dated June 16, 2016.
4. The Public Group Confirmation for Negotiations Response dated June 14, 2016.
5. City of Tucson's Confirmation for Negotiations letter dated June 10, 2016
6. The Public Group Response to the Notice of Intent to Negotiate dated June 3, 2016.
7. City of Tucson's Notice of Intent to Negotiate letter dated May 27, 2016.
8. The Public Group Response to Request for Software Demonstration dated April 18, 2016.

9. City of Tucson's Request for Software Demonstration letter dated April 14, 2016.
10. The Public Group Response to Request for Proposal.
11. City of Tucson's Request for Proposal including any and all amendments issued that modify the RFP.
12. Public Surplus Seller Agreement – The attached agreement replaces the original submitted agreement.

B. Administrative Rebate:

- 1.
- 2.
- 3.
- 4.
- 5.



Sincerely,

Handwritten signature of Lloyd B. Windle II in cursive.

Lloyd B. Windle II, C.P.M., CPPB
Principal Contract Officer

Concurrence,

Handwritten signature of Zackary Corbett in cursive.

Zackary Corbett
Product Manager

Cc: RFP #161468

Attachment: Public Surplus Seller Agreement

161648 – Best And Final Offer – The Public Group

1. Value Propositions: Describe any unique value propositions that will be offered through this contract.

Answer: We have many unique and valuable features of our service that we have mentioned in our RFP response and through discussions with the City of Tucson. This includes our Public Purchase and Public Contract systems. We also feel we bring very unique value to this contract as this would be our only National Cooperative group contract so when working with agencies that want to join a contract in that field this would be our best selection and we have agencies ready to join it, if awarded.

2. Statistics: Provide statistics for the following.

Total Active Bidders - 672,401

Total Active Mexican National Bidders

Total Active Canadian Bidders

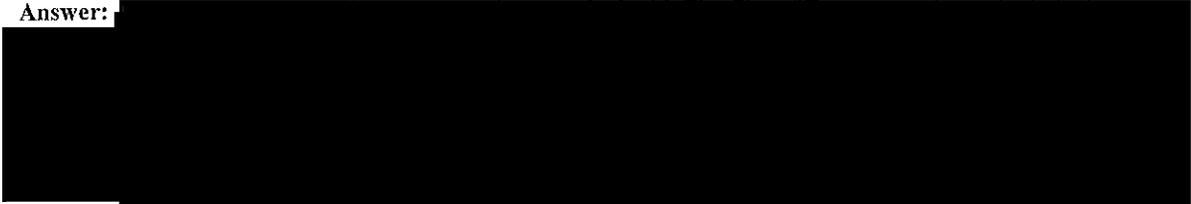
Answer: We can not provide the number of Canadian and Mexican bidders at this time. In order to reduce fraudulent activity, we do not allow payments outside of the USA or Canada. For this reason most Non-USA buyers supply USA banks and addresses they are associated with. In order for us to get an accurate accounting of all bidders in Mexico and Canada it would require us to trace where they are bidding from. Sorting through our almost 675K buyers for this information would be a very time consuming process. We do have a large presence of bidders all over the world that the City of Tucson can attest to from their 12 years of using our system and the numerous bidders they have sold to but putting an exact number is not feasible for us at this point.

3. State Contracts: Explain why the “take rate” is 4% for States.

Answer: The State 4% rate was a model we attempted many years ago in order to try and increase our presence in each State. However, it has operated at a loss for our company in some areas.

4. Administrative Fee: The City and National IPA appreciate the offer to increase the administrative fee to 20% for first year of an agencies sales and 10% thereafter. Confirm that the administrative fee is paid on all agency sales including the City of Tucson. Based on the value that the City and National IPA bring to the contract, the City proposes an administrative fee of 15% on all sales. Please confirm that you are in agreement, propose an alternate for consideration or do not accept. If you choose to not submit a revised fee offer, your most recent fee offer will be used for the City’s continued evaluation.

Answer:



5. Staffing Resources: Disclose the number of staff in each of the following categories.

Sales Team - 1

Marketing Team --

Field Staff - 17

Answer: We are not comfortable giving the size of our Marketing team. We feel this is a trade secret and could adversely harm us if this got out. We have more than enough staff in each area to support over 5,760+ government Agencies that we have, including 4 of the largest 5 cities, and 4 of the 7 largest counties in the United States. We have plenty of extra bandwidth to handle an increased spike in the amount of agencies from this contract and will have our product manager (number under sales team) work with the rest of our sales/support staff (number under field staff) to utilize this contract very effectively. Our top priority has been and will continue to be our current clients with best in industry customer support and always improving our technology.

6. Bidder Probation: Confirm that an agency may elect to institute a bidder probation policy.

Answer: Yes, the City of Tucson still has the ability to suspend a bidder from their auctions and can reinstate the bidder to bid on their auctions again at a later time. They are also able to have any internal probation period on their own that they would like. Nothing has changed preventing an Agency from doing this, and there is no intent to disable this ability in the future.

7. Bidder Default Fee: Confirm that TPG will be offering to agencies the ability to set their own bidder default rate.

Answer: Yes, this is a feature our programming team is working on and will allow users to do down the road.



**CITY OF
TUCSON**
DEPARTMENT
OF
PROCUREMENT

June 16, 2016

Sent via electronic mail, this day

Zachary Corbett
The Public Group
3520 North University Avenue
Provo, UT 84604
Email: zacharyc@thepublicgroup.com

Sent via email, this day

**Subject: Request for Proposal No. 161468 – Online Auction Services
Request for Best and Final Offer**

Dear Mr. Corbett,

The City of Tucson and National IPA thank you for your discussion during the negotiations. As a result of those discussions, the City is inviting your firm to submit a Best and Final Offer (BAFO). Your BAFO should reflect the discussions held on the items contained in the Negotiations Agenda letter dated June 10, 2016. Your BAFO may include other items not specifically listed. Include in your response the following.

1. Value Propositions: Describe any unique value propositions that will be offered through this contract.
2. Statistics: Provide statistics for the following.
 - a. Total Active Bidders
 - b. Total Active Mexican National Bidders
 - c. Total Active Canadian Bidders
3. State Contracts: Explain why the "take rate" is 4% for States.
4. Administrative Fee: The City and National IPA appreciate the offer to increase the administrative fee to 20% for first year of an agencies sales and 10% thereafter. Confirm that the administrative fee is paid on all agency sales including the City of Tucson. Based on the value that the City and National IPA bring to the contract, the City proposes an administrative fee of 15% on all sales. Please confirm that you are in agreement, propose an alternate for consideration or do not accept. If you choose to not submit a revised fee offer, your most recent fee offer will be used for the City's continued evaluation.
5. Staffing Resources: Disclose the number of staff in each of the following categories.
 - a. Sales Team
 - b. Marketing Team
 - c. Field Staff
6. Bidder Probation: Confirm that an agency may elect to institute a bidder probation policy.
7. Bidder Default Fee: Confirm that TPG will be offering to agencies the ability to set their own bidder default rate.

Submit your BAFO no later than Wednesday, June 22, 2016, Noon Local Az Time. Please contact me via e-mail or at (520) 837-4105 with questions regarding the items above.

Sincerely,

Lloyd B. Windle II, C.P.M., CPPB
Principal Contract Officer

4. THE PUBLIC GROUP CONFIRMATION FOR NEGOTIATIONS RESPONSE DATED JUNE 14, 2016.

5. CITY OF TUCSON'S CONFIRMATION FOR NEGOTIATIONS LETTER DATED JUNE 10, 2016

City of Tucson – Negotiations Meeting

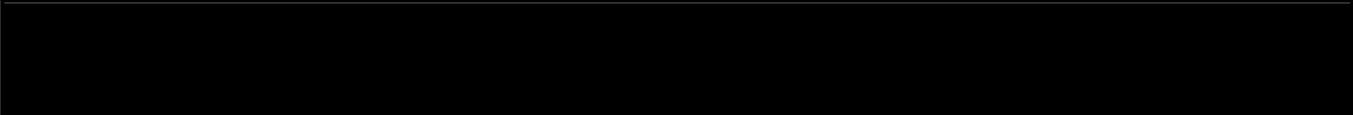
1. *Bidder Probation* – Our business model does not include a bidder “probation” period. We focus on bringing the highest amount of revenue to our agencies so we actively market your items by reaching out to potential businesses that would purchase your type of equipment. As we reach out to these buyers to use our system we have found it brings the revenue prices down on auctions as we “limit” the number of auctions or amount they can bid on items. This is one of the reasons we are able to beat our competitors on head-to-head comparison auctions as many of our competitors will “restrict” buyers and that decreases sale price.

We have a buyer team that monitors all new buyers and they must verify their address, phone number, e-mail address and Credit Card information. We are also developing an internal feature (expected release in August 2016) that will allow each agency to set their buyer default rate and will restrict any buyers over that default amount from bidding on their items.

Finally, if the City of Tucson desire a bidder “probation” on buyers bidding specifically on the City's auctions (or agencies on this contract) we can certainly look at implementing a system but we would want to make sure it doesn't bring down revenue price on items sold.

2. *Public Purchase and Public Contract* – If this contract is able to add our additional products to it we feel the value would be great. Public Purchase is a free software for the agency and vendor so there would not be any sort of fee associated with this product. However, the reason we offer this product is because we have found that many agencies that use Public Purchase will join Public Surplus or vice versa and it is a solid way to “cement” agencies in with all products offered through The Public Group.

Public Contract has a fee of \$100 per administrative user and \$70 per “view only” user for agencies. We



3. *Average Transaction Size* – Please see attached spreadsheet for this information.

4. *National Program Contract Marketing* -

A. State Agencies – Because we offer a different rate for State agencies (4%) few of our State agency contracts are piggybackable so if we have a contract within a State we would still market the City of Tucson/National IPA contract as that is the rate (6.5%) we will offer to the non-state agencies that can use our system.

B. Other Contracts – We are a firm believer in having one National Cooperative contract as it is most beneficial to the agencies involved. While Fairfax County, City of Mesa and TIPS/TAPS are contract we have, none of those are a national cooperative organization contract so the City of Tucson/National IPA contract will be positioned first and foremost at trade shows, sales calls and business conferences. The other contracts we have are more regionally focused and we will still continue to have those available to any users that request them but we fully expect the City of Tucson/National IPA contract to quickly become our biggest contract because of the national cooperative piece. We will provide all the contract material at all of our sales functions and template e-mails our sales team promotes as they are selling the service. We do not currently have plans to work with any other NIGP cooperative contracts (NJPA, US Communities,

WSCA) if we are awarded the Tucson/National IPA contract.

5. *Proposed Administrative Fees* – We have increased our proposed administrative fees to include an



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Administrative Fee Information

Largest Sellers

Largest County User

Largest City User

Largest State User (4% Rate)

Top 150 Agencies (Generally Over 150,000 Population)

Average County

Average City

Average State (4% Rate)

Other Agencies (Not in Top 150 and post at least 3 times)

Average County

Average City



Currently on the City of Tucson Contract:

4 Agencies fall in the Top 150 group (including the Tucson)

18 Other active agencies on the contract



**CITY OF
TUCSON**
DEPARTMENT
OF
PROCUREMENT

June 10, 2016

Sent via electronic mail, this day

Zachary Corbett
The Public Group
3520 North University Avenue
Provo, UT 84604
Email: zacharyc@thepublicgroup.com

Sent via email, this day

**Subject: Request for Proposal No. 161468 – Online Auction Services
CONFIRMATION FOR NEGOTIATIONS**

Dear Mr. Corbett,

This letter is sent to confirm the date, time and location for negotiations. The meeting has been scheduled for **Tuesday, June 14, 2016 from 12:30 p.m. to 2:30 p.m.** in the 5th Floor Conference Room at City Hall. City Hall is located at 255 W. Alameda Street. There is metered parking in front of City Hall as well as below ground parking.

Please be prepared to discuss the following agenda.

1. Bidder Probation: Discuss the details of the default bidder probation policy including any restrictions on new bidders such as limiting the number of auctions, etc.
2. Public Purchase and Public Contract (E-Procurement and Contract Management Systems): Elaborate on these value add products and how they connect to the online auction services product. Are you proposing to pay an admin fee for those products? If so, what fee do you propose?
3. What is your average transaction size?
4. National Program:
 - a. Discuss how the City of Tucson contract will be positioned in areas where The Public Group already has state contracts?
 - b. Discuss how the City of Tucson contract will be positioned in relation to the Fairfax County, the City of Mesa and TIPS/TAPS contracts?
5. Fees: Discussion on the proposed administrative fee. The City and National IPA request that the administrative fee be paid on all sales (City and Participating Agencies) to National IPA. Confirm you propose a 10% administrative fee to National IPA for all sales under the contract.

Negotiations are not an intent to award a contract and does not establish a contractual relationship between the firm and the City. After the negotiations cease, the City may give you an opportunity to strengthen your offer by submitting a Best and Final Offer and/or request a concurrence signature on a Negotiations Acknowledgement Letter commemorating agreed to items from this agenda.

Please contact me via e-mail or at (520) 837-4105 with questions regarding the items above.

Sincerely,

Lloyd B. Windle II, C.P.M., CPPB
Principal Contract Officer

6. THE PUBLIC GROUP RESPONSE TO THE NOTICE OF INTENT TO NEGOTIATE DATED JUNE 3, 2016.

7. CITY OF TUCSON'S NOTICE OF INTENT TO NEGOTIATE LETTER DATED MAY 27, 2016.

1. Proposed Exceptions:

1. 3.1.5 Software Escrow Code – Escrow: Accepted.

Answer: We just want to make sure no further action is needed with this request?

2. 3.1.2 Insurance: City does require \$2M Annual Aggregate for Professional Liability – Technology Errors and Omissions. Please confirm that this insurance will be provided if awarded the contract.

Answer: Our current aggregate limit for E&O is \$1M. However, if we are awarded the contract we would be able to increase it to \$2M.

3. 3.1.3 – Ownership of Data, 3.2.14 – Exclusive Possession, 3.2.19 - Indemnity and National IPA: The proposed language is acceptable.

Answer: We just want to make sure no further action is needed with this request?

2. Bidder Default Fee:

1. Is this fee applicable when an Agency collects payment?

Answer: Yes, the default fee (or bid deposit) is applicable no matter which collection method the agency selects.

2. Does an agency have the option to not charge a bidder default fee?

Answer: Yes, your agency is able to set their own default fee (or bid deposit) on all auctions. You can also select to have no deposit on an auction.

3. If a bidder defaults on one agencies auction, are they automatically blocked on other agencies auctions?

Answer: Not necessarily. Our system monitors the overall buyer default rate and that rate is based on sales amount spent. For example, if the buyer has purchased and paid for \$100,000 worth of equipment on our system and default on a \$1 item we will not suspend or block them from other agencies. Our default standard for buyers is 10%. Once they get over that 10% rate we automatically suspend them from all bidding practices on the website.

4. Can an agency unblock a bidder for its own auctions site?

Answer: Yes, your agency is able to block or unblock any bidders on your own auction site and items you wish to sell.

5. Is there a default rate or other parameters that are used to block bidders?

Define.

Answer: Yes, our parameter is 10% across the board. However, starting August 2016 we will allow your agency to set your own default rate parameter.

3. Bidder Probation: Does your agency have a bidder probation program? Define.

Answer: We review our buyers probation status on a case by case basis. Most buyers fall into our 1 year probation period and then their default rate resets back to 0% and they are able to bid on our system again. However, this can change depending the buyer's long-term history with us. We also allow agencies the flexibility of charging a "reinstatement" fee for a buyer to pay the agency directly to remove their default rate and remove that probation period from the bidder.

4. Bidder Payment: Is an agency able to determine the number of days for a bidder to pay regardless of whom collects payment?

Answer: If an agency collects payment themselves they are able to determine the number of days a bidder can pay. If Public Processing collects payment we have built in automated processes and timeframes for buyers to pay (7 days).

5. Online Payment Processor: If an agency elects to use its own contracted online payment system, how and where does this functionality get added to the agencies auction site?

Answer: We matchup our website directly with your payment processing company. The most common method is an API functionality. Once we connect then everything is online and setup where the buyer can pay directly online like they do if we collect payment but instead of the payment coming to us it will go directly to your agency payment processor.

6. Sales Agreements: Can an agency provide its own sales agreement (Terms and Conditions) that bidders must agree to? If so, how, where and when is it displayed on the agencies auction site? Does the agency or The Public Group post this agreement?

Answer: Yes your agency can provide it's own agreement and this is placed on each auction. Once a buyer goes to bid on your agency's auctions they will agree to those terms by manually selecting "agree" on a splash page of our system. It is displayed the first time a buyer goes to bid on your auctions, or if they clear their history from their browser they have to agree again. Also, if your agency changes your terms the buyer will have to agree to it again. The agency posts these terms to their website directly.

7. Chargebacks: The City proposes that The Public Group absorb any chargeback/fees when The Public Group processes payments. Do you agree with this term?

Answer: Our standard policy on this chargeback fee is that we will fight all chargebacks and absorb any fees associated with the chargeback. However, if the buyer wins the chargeback then the City would be responsible for pursuing legal action after the buyer to retrieve the funds. As long as your agency takes copies of the buyer's ID upon pickup then losing a chargeback is extremely rare. Public Processing is the agent that collects our payments and they do offer an insurance policy if the City wanted them to take on the liability of lost chargebacks. This insurance policy amount varies but the standard is 1% on the auction fee sale price for this insurance, if desired.

8. Implementation Plan: Describe in detail the implementation plan that The Public Group will present to a Participating Agency who agrees to piggyback off this City of Tucson contract. Refer to the attached template as a guide.

Answer: Since the City already uses Public Surplus there would be no implementation process directly with the City. For any agency that wishes to join Public Surplus on the City's contract we have attached our implementation process in the document you provided.

9. Fees: The City and National IPA will be proposing a model for the tracking, reporting, calculating and remitting of the administrative fee.

Answer: We have a standard way of tracking, reporting, calculating and remitting the fee but we are open to hearing how the City and National IPA would like this done and can most likely accommodate the desire.

10. National Program:

1. Discuss the response to the National IPA Exhibits and exceptions (if applicable exception are in the response).

Answer: Is there anything specific you would like for us to go over in this section?

2. Discuss the competitive landscape as it relates to Online Auction Services offerings of other cooperatives.

1. How does the Public Group proposal differ from the Online Auction Services cooperative contracts that currently exist?

Answer: If we are to be awarded this contract then it would be our only National Cooperative contract group and will be the top priority when offering our services to other agencies. We have other local contracts (such as Fairfax County or City of Mesa) but those are offered on a regional scale if an agency requests it. As far as a national cooperative this would be our contract we would focus our promoting on. We find it most beneficial to bring business to one location for all parties instead of trying to split it in through multiple cooperatives.

2. How does Public Group propose to differentiate the contract in order to move business (both existing online auction service business and business other competitors have) to the City of Tucson contract?

Answer: If awarded, this contract will be present at all conferences we attend as well as become our "template" contract we send out to any government agency that requests information on our cooperative contract. This contract is offered at our lowest fee and will be available to all agencies at the cheapest rate available which will certainly differentiate it from other options agencies have in our system.

3. Describe in detail how an award by the City of Tucson and offered through National IPA will be positioned in the marketplace in relation to other Public Group contracts.

Answer: We will be sending out this contract in our "newsletter" to all of our current users once the contract is awarded informing them to look at the contract if they are interested in joining a cooperative contract. We will also have the contract information readily available to our sales and support staff as they are contacting clients (or potential clients). It will also be our contract promoting at all local and national marketing events we attend such as conferences.

3. In 4.5 (Other Services, page 28) of your response Public Group indicates "*We never have more than 3 nationally piggybackable contracts we will be actively promoting and if we win this RFP the City of Tucson/National IPA contract will be one of those 3 we promote.*" Who are the other 2 national piggyback contracts?

Answer: Currently we offer piggybackable contracts through Fairfax County and the City of Mesa. Those contracts can be used on a national level but they are not a national cooperative group like National IPA. We have been in discussions with NJPA and US Communities but no contract has been awarded to those agencies yet and if we are awarded the contraction with National IPA we would no longer pursue those contracts during the term of National IPA unless we found that agencies were not able to use the National IPA contract and would be able to use one of the other cooperative groups contracts.

4. Provide a listing of current state contracts held by Public Group.

Answer: State agencies that currently have an agreement in place with The Public Group are below:

Alabama, Arizona, Connecticut, Florida, Georgia, Idaho, Indiana, Kentucky, Louisiana, Massachusetts, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Washington, Wyoming.

These agencies are all setup to use Public Surplus and have agreements with us to do such. The plan with having a contract such as this will be to expand our presence in these States and get additional States using our system.

5. The Public Group mentioned additional product/services. As an add value, does Public Group plan to offer those products under the agreement? If so, please elaborate further on the benefit of including the lines and pricing models.

Answer: We are more then willing to offer our additional two products under this contract as we feel it would be beneficial to all parties. The products we would offer as part of this contract are below:

Public Purchase-Our E-Procurement system that would allow an agency to place bids or RFP's online using our vendor database and importing their already established vendor database. This is a free service we would offer as part of this contract to all agencies and vendors.

Public Contract-Our online contract management software that allows agencies to create tasks, notifications and storage databases of their current or upcoming contracts. This system is generally \$100 per month, per user. Under this contract we could offer it as \$80 per month, per user.



**CITY OF
TUCSON**
DEPARTMENT
OF
PROCUREMENT

May 27, 2016

Sent via electronic mail, this day

Zachary Corbett
The Public Group
3520 North University Avenue
Provo, UT 84604
Email: zacharyc@thepublicgroup.com

Sent via email, this day

**Subject: Request for Proposal No. 161468 – Online Auction Services
NOTICE OF INTENT TO NEGOTIATE**

Dear Mr. Corbett,

Congratulations! The City of Tucson has completed the evaluation of submittals received in response to the subject solicitation. Based upon the recommendation of the evaluation committee, the City is inviting your firm to enter negotiations. This letter serves as notification of the City's intent to enter into negotiations. A meeting has been scheduled for **Tuesday, June 14, 2016 from 12:30 p.m. to 2:30 p.m.** Specifically, the City requests a discussion on the following agenda.

1. Proposed Exceptions:
 - a. 3.1.5 Software Escrow Code – Escrow: Accepted.
 - b. 3.1.2 Insurance: City does require \$2M Annual Aggregate for Professional Liability – Technology Errors and Omissions. Please confirm that this insurance will be provided if awarded the contract.
 - c. 3.1.3 – Ownership of Data, 3.2.14 – Exclusive Possession, 3.2.19 - Indemnity and National IPA: The proposed language is acceptable.
2. Bidder Default Fee:
 - a. Is this fee applicable when an Agency collects payment?
 - b. Does an agency have the option to not charge a bidder default fee?
 - c. If a bidder defaults on one agencies auction, are they automatically blocked on other agencies auctions?
 - d. Can an agency unblock a bidder for its own auctions site?
 - e. Is there a default rate or other parameters that are used to block bidders? Define.
3. Bidder Probation: Does your agency have a bidder probation program? Define.
4. Bidder Payment: Is an agency able to determine the number of days for a bidder to pay regardless of whom collects payment?
5. Online Payment Processor: If an agency elects to use its own contracted online payment system, how and where does this functionality get added to the agencies auction site?

6. Sales Agreements: Can an agency provide its own sales agreement (Terms and Conditions) that bidders must agree to? If so, how, where and when is it displayed on the agencies auction site? Does the agency or The Public Group post this agreement?
7. Chargebacks: The City proposes that The Public Group absorb any chargeback/fees when The Public Group processes payments. Do you agree with this term?
8. Implementation Plan: Describe in detail the implementation plan that The Public Group will present to a Participating Agency who agrees to piggyback off this City of Tucson contract. Refer to the attached template as a guide.
9. Fees: The City and National IPA will be proposing a model for the tracking, reporting, calculating and remitting of the administrative fee.
10. National Program:
 - a. Discuss the response to the National IPA Exhibits and exceptions (if applicable exception are in the response)
 - b. Discuss the competitive landscape as it relates to Online Auction Services offerings of other cooperatives.
 1. How does the Public Group proposal differ from the Online Auction Services cooperative contracts that currently exist?
 2. How does Public Group propose to differentiate the contract in order to move business (both existing online auction service business and business other competitors have) to the City of Tucson contract?
 3. Describe in detail how an award by the City of Tucson and offered through National IPA will be positioned in the marketplace in relation to other Public Group contracts.
 - c. In 4.5 (Other Services, page 28) of your response Public Group indicates *"We never have more than 3 nationally piggybackable contracts we will be actively promoting and if we win this RFP the City of Tucson/National IPA contract will be one of those 3 we promote."* Who are the other 2 national piggyback contracts?
 - d. Provide a listing of current state contracts held by Public Group.
 - e. The Public Group mentioned additional product/services. As an add value, does Public Group plan to offer those products under the agreement? If so, please elaborate further on the benefit of including the lines and pricing models.

Please submit a written response to me via email no later than **Tuesday, June 7th** that addresses each of the agenda items. Submit supporting documentation as applicable.

This notice of Intent to Negotiate is not intent to award a contract and does not establish a contractual relationship between the firm and the City. After the negotiations cease, the City may give you an opportunity to strengthen your offer by submitting a Best and Final Offer and/or request a concurrence signature on a Negotiations Acknowledgement Letter commemorating agreed to items from this agenda.

Please contact me via e-mail or at (520) 837-4105 with questions regarding the items above.

Sincerely,



Lloyd B. Windle II, C.P.M., CPPB
Principal Contract Officer

Cc: RFP #161468 – Online Auction Services

Attachments:

1. RFP #161468 – Implementation Plan

SOFTWARE DEMONSTRATION

1. THE PUBLIC GROUP RESPONSE TO REQUEST FOR SOFTWARE DEMONSTRATION DATED APRIL 18, 2016.
2. CITY OF TUCSON'S REQUEST FOR SOFTWARE DEMONSTRATION LETTER DATED APRIL 14, 2016.

The Public Group Demonstration

1. Administrative Functions:

a. Show the process for granting permissions to roles defined in the system and roles defined by the agency. Show the standard permissions available to grant. Can an agency add or customize permissions?

Roles defined by the City are:

i. Program Administrators – Full rights

ii. Coordinators – Users right plus reporting, block bidders, c. Users – Build and process auction completely.

b. Show how to setup and use “Departments” feature.

c. How to add pickup location, terms, disclaimer, etc.

d. How to build “homepage” for buyers.

e. Link up agency logo and homepage information for more traffic.

f. Pre-Qualified Bidders Group.

g. Bill of Sale function.

2. Auctions: Show the entire process for posting an auction, including a Dutch auction.

a. Internal Reallocation.

c. Auction creation process.

d. Video Upload.

e. Auction Extension feature.

f. Bid Increment and proxy bidding option.

g. Release and retracting auction.

h. Searching past auctions for City and all other agencies.

3. Reports and Queries:

- a. Show how to view past auctions data for sold and not sold items. Searchable features such as title, description, any data in the general description (mileage, vin, etc).
- b. Show how to run standard reports. Sales by defined period, final sales versus reserve, etc.
- c. Show the process to customize standard reports and/or create customized reports.
- d. Show the process to export the reports to formats such as excel, word, .pdf, etc.
- e. Show how to search for and run reports by unique identifiers such as department, codes, descriptions, auction type, or other agency defined way.
- f. Show the fields available for reporting.
- g. Show how to search for a bidders history. Able to search by “notes” attached to a bidders profile? Show how to view bidder profile, enter notes and block.

4. Bidders Side:

- a. Show the registration process for a new bidder.
- b. Show the process for a bidder to
 - i. locate auctions (by agency, region, category, item, etc.),
 - ii. submit questions,
 - iii. submit a bid including proxy,
- c. withdraw a bid, and
- d. communication that your bid has been surpassed.
- e. Bid Deposits on auctions.
- f. Defaults and suspension with buyer monitoring.
- g. Interest List and marketing of items to buyers.

5. Questions? Cover request for Clarification items if needed.

Lloyd Windle - Re: Thursdays presentation

From: Zackary Corbett <zackaryc@thepublicgroup.com>
To: Lloyd Windle <Lloyd.Windle@tucsonaz.gov>
Date: 4/18/2016 12:38 PM
Subject: Re: Thursdays presentation

Lloyd,

Yes we do, the information for a remove conference and webinar is below that you can pass out to your staff if needed.

Topic: Public Surplus Demo
Date & Time: Thursday @ 1pm Arizona Time
Duration: 120 Minutes

Please click on the link below to join my Mikogo session
<https://go.mikogo.com/?sp=&sid=876157462>

If the above link does not work, you can follow these steps instead to join a session:

1. Go to <http://go.mikogo.com>
2. Enter the Session ID: 876-157-462
3. Enter your name
4. Click "Join Session"

To join the conference call, dial one of the phone numbers below and enter the following access code when prompted:

United States [+1-209-647-1300](tel:+12096471300)
Access code: 876-157-462

Zackary Corbett
[1-801-932-7000 x 153](tel:18019327000x153)
zackaryc@thepublicgroup.com
www.publicsurplus.com

On 4/18/16 11:15 AM, Lloyd Windle wrote:

Do you have a web solution to offer so that remote attendees can view/follow along with the demonstration?

Lloyd B. Windle II, C.P.M., CPPB
Principal Contract Officer
City of Tucson
[520.837.4105](tel:5208374105)
[520.791.4735](tel:5207914735) Fax
lloyd.windle@tucsonaz.gov

Lloyd Windle - Re: RFP #161468 - Online Auction Services - Demonstration Agenda

From: Zackary Corbett <zackaryc@thepublicgroup.com>
To: Lloyd Windle <Lloyd.Windle@tucsonaz.gov>
Date: 4/18/2016 2:32 PM
Subject: Re: RFP #161468 - Online Auction Services - Demonstration Agenda
Attachments: City of Tucson - RFP Clarification.doc

Lloyd,

I've attached the document with our response to the questions that needed more clarification. If you still need further clarification on any of the items please let me know and I would be happy to assist!

Zackary Corbett
1-801-932-7000 x 153
zackaryc@thepublicgroup.com
www.publicsurplus.com

On 4/14/16 3:24 PM, Lloyd Windle wrote:

Zachary,

Again, congratulations on advancing to the next step in the evaluation process. Attached is the official invitation letter which contains the software demonstration script and Request for Clarification questions. Please ensure that a written response is submitted by Noon, Wednesday, April 20, 2016 Arizona Local Time that provides answers and additional information to the questions asked. You may also submit documentation regarding the demonstration of the software if you feel it will assist the City's staff in following the script.

I would like to touch base with you on Friday or Monday to discuss your thoughts on the time required to complete the demonstration script and any other questions you might have.

Lloyd B. Windle II, C.P.M., CPPB
Principal Contract Officer
City of Tucson
[520.837.4105](tel:520.837.4105)
[520.791.4735](tel:520.791.4735) Fax
lloyd.windle@tucsonaz.gov

City of Tucson RFP -Additional Questions

B. Request for Clarification

1. Confirm that where the term City, City of Tucson or Tucson is indicated extends to any agency electing to use the contract.

Response: Yes, we confirm that any agency electing to use this contract will be giving the same rights and privileges of this contract that the City of Tucson will receive.

2. 3.1 Application Requirements #2 – Explain the audit trail.

Response: Our "audit trail" is the fact that ANYTHING done on the system by the City of Tucson or buyer's is accessible and able to be seen at anytime. We guarantee all information is saved and accessible for 7 years even if the City stops using our system during that time. The City will be able to run reports or past auction data showing auctions that were sold, the selling price, the bidder that purchased the item, the bidders information, etc.

We can also show you the number of bidders bidding and looking at your items and items that didn't sell or ended early by the agency's wish. These are some of the main aspects of our audit trail but if you would like more specific information please let me know and I would be happy to provide answer to those questions.

3. 3.1.4 Reporting - #2 – Explain

Response: All of our reporting capability is accessible to the City online. I feel like the best way to explain our reporting is to show you the system while on site with the demonstration.

However, if you have specific questions about the reporting you would like answered before the presentation please let me know and I would be happy to answer that.

4. 3.2.2. System and Application Architecture - #2 – Explain in detail what micro-services are?

Response: This means that our application uses an architecture in which many components are decoupled as service providers, which make independent processes work together to serve each one of our products, this allows us to have a modular approach to continuous development on updates to our applications.

This article explains the concept widely in case they need to understand more about it:

<https://en.wikipedia.org/wiki/Microservices>

5. 3.2.3 Infrastructure - #1, 2, 3, 4 and 5 – Provide the information requested as it is important for Agencies to understand what hardware, operating systems, etc. are supported to access the software.

Response: Any desktop, laptop, tablet and/or cell phone that is able to access the internet can access our website software. Our system is accessible on any web browser including Firefox, Safari, IE, Chrome, etc. If you need more additional information then this please be specific

about what you are looking for.

4. 3.2.4 Database - #2 – Provide the information requested as it is important for Agencies to understand what hardware, operating systems, etc. are supported to access the software.

Response: Any desktop, laptop, tablet and/or cell phone that is able to access the internet can access our website software. Our system is accessible on any web browser including Firefox, Safari, IE, Chrome, etc. If you need more additional information then this please be specific about what you are looking for.

5. 3.2.4 Database - #2, #1 – Explain the comment on legal purposes.

Response: The statement about legal purposes is referring to bringing our database back to a certain point for your agency that could also effect other agencies. Due to our agreements with all of our agencies we will not go back to a database point for one agency if it also effects other agencies without their authorization. However, we are willing to help the City go back to specific points and obtain information if it is just pertaining and effects the City.

6. 3.2.5 Business Continuity - #3 – Explain in detail the services provided.

Response: We can go back to a certain point in time on the system and screenshot or save that information and then provide it to the City so they are able to see what information was setup in the system at a specific time. Is there more specific examples the City is looking pertaining to information? If you have examples of what you are looking for we can be more specific in our response.

7. 4.7 National Program

a. In accordance to your response to 4.7 National Program - B-16, using Attachment B: National IPA Exhibit A and B elaborate further on your ability to promote a national program.

Response: If the award is made we would setup a meeting with leadership from National IPA and the City of Tucson to outline a strategy for upcoming conference events that we will be attending and make sure we have the correct marketing material so we have this contract up front and available at our booth with conferences we will be attending. As a company we attend many conferences (APWA, ICMA, NaCo) each year including the NIGP and the NPI annual conference. We also attend any regional NIGP chapter meeting that we have a representative in the area. We can also attend any specific events that National IPA would recommend we attend and will have this contract information at these conferences to advertise to potential clients.

We will also have sales and support staff members from The Public Group trained on this contract and make sure they have the needed documentation in e-mail and brochure form to give to potential clients we speak with. Our team makes sales calls every day and will be promoting this contract in those calls.

Finally, we will add information about the contract on our live "News" section and we will

keep it up for the term of the entire contract as a piggybackable option for any agency that would like to use it.

c. What is your implementation plan for new subscribers? Is there a fee? If so, please define.

Response: There is no fee for new subscribers to join the contract. The process is very easy for new contracts. As we sell this contract to new agencies we will add them to the "group cooperative" on our internal system and then any revenue we make from that agency will have the 10% rebate offered as part of this contract. The agency joining the contract will sign any documentation National IPA or The City of Tucson requires in order to join the group.

d. What is your company's overall default rate for the past two years? What is your method to minimize the default rate?

Response: We find that the most pertinent information pertaining to default questions is our rate that occurred on the past contract with the City of Tucson. Over the past two years the City has held 4,160 auctions and had 408 defaults so the total default rate on all items is 9.7%. Of those defaults, 336 of those users are not blocked and suspended from the website. The reason why 72 buyers are not blocked is because they defaulted on a small value item and have bought and paid for many additional items for the City during this time.

We have many steps in place to deter default bidders. Many of these steps happen system-wide but the City is also in control of monitoring and blocking buyers directly from their auctions.

a. We have a buyer department that monitors buyers that are bidding on our system. If a buyer goes over our "Default Limit" our buyer department will immediately suspend that buyer from bidding on our system and prevent any future registrations on our system from that buyer.

b. We give the City full authority and ability to "block" buyers directly from bidding on their auctions if they do not wish to deal with a buyer because of defaults or any other set of circumstances. Once the City blocks the buyer they do also have the ability to unblock the buyer if they desire.

c. We have a "Bid Deposit" system in place that automatically puts a \$50 bid deposit on any auction over \$500 on our website. This ensures that buyers bidding on those auctions have money down upfront and if they win that auction but default they will lose out on that money. We also have a feature that we can enable for the City, if desired, that will allow the City to set the bid deposit amount above or below \$50 based on the estimated value of the item.

e. Page 7, 2.2 Product Data: Provide detail information and pricing on product named Public Purchase (Purchasing/Contract management software). Is this product also available on a national level? Can an agency procure the Public Groups: Surplus and Purchasing/Contract software? Is there an incentive to use both products? If so, please elaborate

on the benefits and fees structure.

Response: Public Purchase is a free e-procurement system that we offer all agencies using Public Surplus. This is a product that is available on a national level and an agency can have agreements with both Public Surplus and Public Purchase. Public Contract is a contract management system that charges users \$100 per month to use the system. However, if a user is a member of Public Surplus we do offer them a discounted rate of \$80 per user for Public Contract. We encourage agencies to use all 3 of our products and they all can be promoted and used on a national level.

f. Page 61.M. Please clarify the guarantee sales information:

\$9,534,53.00 in year one, \$15,959.47.00 in year two, \$18,989.49.00 in year three.

Response: This guarantee information is based on the past sales revenue we paid the City of Tucson for the previous cooperative contract we had with them. While we are unable to gurantee a set amount for this upcoming contract this should give your group an idea about what type of value the last contract had with us. We expect future contract sales to meet and exceed those expectations as we are able to continue to sell the contract and further advertise with the National IPA name.

g. The City has partnered with National IPA to administer the cooperative piece of the contract. Any administrative fees should be paid to National IPA directly. Based on your revenue share/administrative fee proposal assume for the Month of March 2016, \$50,000 in auction sales has been generated. Walk through how this will be calculated.

Response: Our company makes 7% on all items sold and paid for on our website. Our administrative fee model is a 10% rebate on all sales revenue Public Surplus receives for agencies using the contract. We propose to split that 10% rebate between the City and National IPA and we can pay out each group separately at 5%. For the example used, if \$50,000 in sales occurred then Public Surplus would make \$3,500 (7%). The rebate for that month would then be \$350 (10%) and split between National IPA and the City would be \$175 each.

If the scenario is \$50,000 in revenue made by Public Surplus then the actual amount sold on the website would be roughly \$715,000 and then Public Surplus makes \$50,000. The rebate at that point would be \$5,000 (10%) and split between National IPA and the City would be \$2,500 each for that month.

8. 5. Fees – Vendor Hosted

a. Rebate and Revenue Share – Discussion

Response: I believe we answered this in the question above but if you need more clarification please let me know.

9. 3.1.5 Software Escrow Code – Escrow

The City requests a retraction of this exception. This requirement assures the City that its investment in using this software system remains viable for the full potential contract term of

ten (10) years.

Response: Can the City please help us further understand the need for this code and the agreement they have with other companies pertaining to this request? In our 17 years of business we have never had an agency request this so this is uncharted territory for us, including the last contract we had with the City of Tucson that did not require this. Does this City have examples of what other companies have provided the City with this similar request? Do you have the "source code" information with other vendors you use such as Microsoft or Dell (can only assume the County works with Microsoft and/or Dell)? If we can see other agreements and documentation you have with other vendors it will help us understand how to best work with the City on this request.

From our understanding and background, This provision compromises our ability to protect our code which is truly the value of our company. City employees or contractors could potentially take or copy all or part of the code during audits.

The City's financial investment in Public Surplus is minimal. The software is SaaS, which eliminates the hardware costs. The software is essentially paid for on a per use basis each time an auction is completed and that cost can be passed to the buyer, there is absolutely no payment or fee to the City for using our system upfront. So the City's only real investment in our software is in terms of time to train employees on the system. The system is intuitive, user friendly, and requires very little training to use. Additionally, the system is already used by the City so its employees are currently trained and familiar with the system.

By comparison, our company has spent and will continue to spend hundreds of thousands of dollars, developing and maintaining the software, as well as providing training and technical support services for the software. There is far greater risk to us from the City misusing the code in escrow than to the City if we were to cease operation. If we were to cease operation, which is not expected, the assets would be sold to a purchasing company that the City would then be able to continue to work with.



April 14, 2016

CITY OF
TUCSON

DEPARTMENT OF
PROCUREMENT

Zachary Corbett
The Public Group
3520 North University Avenue
Provo, UT 84604
Email: zacharyc@thepublicgroup.com

Sent via email, this day

**Subject: Request for Proposal No. 161468 – Online Auction Services
REQUEST FOR SOFTWARE DEMONSTRATION**

Dear Mr. Corbett,

The City of Tucson requests that The Public Group provide a demonstration of their proposed software system. A three hour window will be provided for this demonstration from 1:00 PM to 4:00 PM on Thursday, April 21, 2016. This meeting will be held in the 6th Floor Conference Room located in the City Hall building at 255 W. Alameda Street, Tucson, AZ 85701. You will have access to the room at 12:45 PM in order to set up. The room does have a screen. Please bring your own presentation equipment (laptop, projector, internet access card, etc.). The City will provide a speaker phone for remote participants.

Since The Public Group has already advanced to the next stage of the selection process, a general sales presentation is not necessary at this meeting. The City is interested in exploring the functionality of your proposed system in as much detail as can be done within the time frame that is available for this meeting.

At a minimum, the City would like The Public Group to follow the demonstration script listed below and ensure that requirements listed on Attachment C of the RFP are shown. It is at your discretion on how best to present the information.

If time permits, the City would like to discuss the additional request for clarification questions listed below. Please provide a written response to the Request for Clarification questions by Noon, Wednesday, April 20, 2016, Arizona Local Time.

Please confirm your team's attendance on April 21, 2016 from 1:00 PM to 4:00 PM.

- A. Software Demonstration Script: Ensure your demonstration covers Auctions, Surplus, Reports and Queries, Administrative and Bidders in the following sequential order.
1. Auctions: Show the entire process for posting an auction, including a Dutch auction. Include data entry activities such as entering title, description, upload pictures and videos, upload attachments of documents, identify accepted payment methods, enter quantity, show bid increment rates and at what bid prices, set minimum, set reserve, process to hold and release, identify searchable fields, extend the bidding process by 5 minutes if a bid occurs, how to cancel an auction, etc.
 2. Surplus: Show the entire process for posting surplus for internal reallocation. Include how to convert to an auction manually and/or automatically.
 3. Reports and Queries:
 - a. Show how to query the production and historical database by unique identifiers in searchable fields to locate information. That is; by title, description, searchable user defined fields, codes, etc.
 - b. Show how to run standard reports. Sales by defined period, final sales versus reserve, etc.
 - c. Show the process to customize standard reports and/or create customized reports.
 - d. Show the process to export the reports to formats such as excel, word, .pdf, etc.
 - e. Show how to search for and run reports by unique identifiers such as department, codes, descriptions, auction type, or other agency defined way.
 - f. Show the fields available for reporting.
 - g. Show how to search for a bidders history. Able to search by "notes" attached to a bidders profile? Show how to view bidder profile, enter notes and block.
 4. Administrative: Show the process for granting permissions to roles defined in the system and roles defined by the agency. Show the standard permissions available to grant. Can an agency add or customize permissions?
Roles defined by the City are:
 - a. Program Administrators – Full rights
 - b. Coordinators – Users right plus reporting, block bidders,
 - c. Users – Build and process auction completely.
 5. Bidders:
 - a. Show the registration process for a new bidder.
 - b. Show the process for a bidder to
 1. locate auctions (by agency, region, category, item, etc.),
 2. submit questions,
 3. submit a bid including proxy,
 3. withdraw a bid, and

4. communication that your bid has been surpassed.

B. Request for Clarification

1. Confirm that where the term City, City of Tucson or Tucson is indicated extends to any agency electing to use the contract.
2. 3.1 Application Requirements #2 – Explain the audit trail.
3. 3.1.4 Reporting - #2 -- Explain
4. 3.2.2. System and Application Architecture - #2 – Explain in detail what micro-services are?
5. 3.2.3 Infrastructure - #1, 2, 3, 4 and 5 – Provide the information requested as it is important for Agencies to understand what hardware, operating systems, etc. are supported to access the software.
4. 3.2.4 Database - #2 – Provide the information requested as it is important for Agencies to understand what hardware, operating systems, etc. are supported to access the software.
5. 3.2.4 Database - #2, #1 – Explain the comment on legal purposes.
6. 3.2.5 Business Continuity - #3 – Explain in detail the services provided.
7. 4.7 National Program
 - a. In accordance to your response to 4.7 National Program - B-16, using Attachment B: National IPA Exhibit A and B elaborate further on your ability to promote a national program.
 - c. What is your implementation plan for new subscribers? Is there a fee? If so, please define.
 - d. What is your company's overall default rate for the past two years? What is you method to minimize the default rate?
 - e. Page 7, 2.2 Product Data: Provide detail information and pricing on product named Public Purchase (Purchasing/Contract management software). Is this product also available on a national level? Can an agency procure the Public Groups: Surplus and Purchasing/Contract software? Is there an incentive to use both products? If so, please elaborate on the benefits and fees structure.
 - f. Page 61.M. Please clarify the guarantee sales information: \$9,534.53.00 in year one, \$15,959.47.00 in year two, \$18,989.49.00 in year three.
 - g. The City has partnered with National IPA to administer the cooperative piece of the contract. Any administrative fees should be paid to National IPA directly. Based on your revenue share/administrative fee proposal

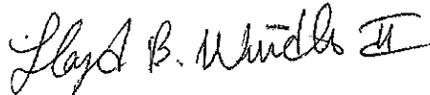
assume for the Month of March 2016, \$50,000 in auction sales has been generated. Walk through how this will be calculated.

8. 5. Fees – Vendor Hosted
 - a. Rebate and Revenue Share – Discussion

9. 3.1.5 Software Escrow Code – Escrow
The City requests a retraction of this exception. This requirement assures the City that its investment in using this software system remains viable for the full potential contract term of ten (10) years.

Please do not hesitate to contact me with questions at (520) 837-4105.

Sincerely,



Lloyd B. Windle II, CPPB, C.P.M.
Principal Contract Officer

cc: File No. 161468

THE PUBLIC GROUP RESPONSE TO
REQUEST FOR PROPOSAL.

Original
The Public | Group™

The Public Group Online Auction Proposal

City of Tucson
Request for Proposal for Online Surplus Auction Services

Derek MacFarland
President
(801) 932-7000 office

Zackary Corbett
Product Manager
Ph: (801) 932-7000 Ext. 153
Fax: 801-932-7001
E-mail: zackaryc@thepublicgroup.com

RFP NO. 161468

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**Note* Any font that is in italics throughout the response comes directly from the City of Tucson's RFP. We format it this way to make it easy for the City to see what question our answer is responding to.*

Response to Proposal Requirements

1. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.

The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

Provide and maintain minimum insurance limits as applicable

COVERAGE	LIMITS OF LIABILITY
<i>I. Commercial General Liability</i>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000 \$2,000,000
General Aggregate Per Project	\$2,000,000 \$1,000,000
Products & Completed Operations Aggregate Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	
<i>II. Commercial Automobile Liability</i>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
<i>III. Workers' Compensation (applicable to the State of Arizona)*</i>	
Per Occurrence Employer's Liability	Statutory \$1,000,000
Disease Each Employee Disease Policy Limit	\$1,000,000 \$1,000,000
<i>IV. Professional Liability – Technology Errors & Omissions - In addition to I, II, III</i>	

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<p><i>Each Claim Annual Aggregate</i></p> <p><i>Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract. Coverage shall include or shall not exclude settlement and/or defense of claims involving intellectual property, including but not limited to patent or copyright infringement. In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this Contract is completed.</i></p>	<p>\$1,000,000 \$2,000,000</p>
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<p><i>V. Network Security (Cyber) and Privacy Liability – In addition to I, II, and III</i></p>	
<p><i>Each Claim Annual Aggregate</i></p> <p><i>Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include loss of use, breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.</i></p> <p><i>In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.</i></p>	<p>\$1,000,000 \$2,000,000</p>

**1 Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARSS 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.*

ADDITIONAL INSURANCE REQUIREMENTS: *Policies shall be endorsed to include the following provisions:*

A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).

The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.

Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

Response: The Public Group agrees to all the insurance requirements that pertain to the needs of this RFP.

Introduction

City of Tucson
Department of Procurement
255 W. Alameda 6th Floor
Tucson, AZ 85701

To Whom it May Concern:

The Public Group, LLC, is pleased to respond to the request for proposal from the City of Tucson for Online Auction Services and offer our solution to the challenges currently faced by your agency. We understand that the agency desires a response in providing Internet based surplus auction sales of excess City inventory.

*The Public Group offers an acclaimed online auction application, **Public Surplus**, which will allow the agency to enjoy significant returns from the sale of excess property while minimizing associated costs. This application is designed to meet the unique needs of government agencies. **Public Surplus** is the most comprehensive and easy-to-use online auction service available.*

*The online auction application, **Public Surplus**, for the disposition of surplus property currently makes its services available to any government agency in the State of Arizona. We currently have over 200 clients in the State registered to use our system.*

We have a proven record of providing online auction services to over 4,000 agencies including state entities, cities, counties, public utilities, and Cities. This includes numerous contracts in place in which the optional extensions have been executed until they were exhausted and required to go out to bid.

We focus on doing business with clients that are innovative and see the benefit of using online auctions from an economic and staffing standpoint. Our dedicated sales and support staff attend government trade shows and discuss our services and the benefit of online auctions via telephone with government clients. We do not expand our sales business beyond that which our support staff can handle. Our growth comes from providing the best customer support in the industry. Many of our new clients are word of mouth referrals that come to us from other users of our system. As the nation continues to adopt online practices for bidding and auction processes, The Public Group will continue to be the leader in the industry assisting agencies every step of the way.

*The Public Group's online auction application, **Public Surplus**, is completely web-driven. The only requirement the agency will need to manage for conducting an auction is to supply digital pictures of the items to be sold and upload them via a web browser. The Public Group will supply a dedicated customer support representative to provide onsite assistance with the loading of assets to the auction site if the agency requires assistance.*

There is no software to install or maintain, and The Public Group takes full responsibility in keeping the auction site up and running 24 hours a day, 7 days a week, 365 days per year. The Public Group's staff assigned to your account will be available for consultation with site staff on an as-needed basis between 6:00 AM and 6:00 PM, Mountain (MT) Monday through Friday.

The Public Group has over fifteen (15) years of experience in the online auction business and extensive knowledge of how to use diverse advertising media in potential markets to attract bidders who are seeking the type of surplus property the agency has for sale. Providing first class customer service is the goal of The Public Group.

The Public Group will provide all training, manuals and on-site/online sessions the agency requires in order to be comfortable using our system. There will not be any additional charges for training and setting up of the system. The Public Group will also provide dedicated customer support representatives to assist with any additional training and assistance needed throughout the entire usage of Public Surplus.

We provide in-person system training, webinars, online chat, as well as dedicated support representatives to assist with all the agency's needs. Agencies also have access to our online Help section, where there are detailed instructions for how to create and manage auctions.

Our expert team is ready to assist the agency with a wide variety of marketing methods. The Public Group has found that there are several successful ways to increase the revenue and visibility of auctions, in addition to the customary advertisements in periodicals, newspapers and trade publications. Our buyer contact team has spent more than 15 years researching and developing the largest qualified buyer database for government agencies. The City of Tucson will benefit directly from this team calling on its valuable auctions to increase revenue where it is needed the most.

Our system provides a detailed audit record of all activity which allows for reallocation of surplus items internally and provides online auctioning for those items that are not internally reallocated.

The Public Group has created a tool that analyzes various metrics, i.e., names, addresses, phone numbers, etc., and sends an alert to our fraud department to evaluate the threat potential and minimize said threat. In addition to our threat protection, the seller has the ability to block any buyer they deem a threat from their criteria, to prevent them from bidding on their auctions. We use address verification with credit cards and bid deposits which greatly reduces the number of default bidders since the buyer will lose their bid deposit if they do not complete the purchase of an auction they won.

This proposal is in all respects fair and in good faith without collusion or fraud and that the signer of the proposal, Zackary Corbett has the authority to bind the principal proponent.

*Zackary Corbett – Authorized for Communication and Representation of proposal.
Surplus Product Manager
1503 South 40 East Suite 350 Provo, UT 84606
(801) 932-7000 Ext 153
801-932-7001*

Qualifications and Experience

2.1 Company Data

We are registered to conduct business in the State of Arizona

1. Name, corporate address, and number of years in business under current company organization.

Response: The Public Group, LLC; 1503 South 40 East Suite 350 Provo, UT 84606; 16 Years in Business

2. Type and number of employees committed to the product and support being proposed.

Response: The City of Tucson would have full access to our support team that includes 2 managers, 6 support representatives and 3 auction technicians.

3. Audited financial statements for the three most recently reported years (to be included in original copy, Appendix section). Please find this information under our "Confidential Information".

Response: Please see our financial information under our "Confidential section" at the end of our response.

4. Business and development plans for all product and support services proposed in connection with this submission (to be included in original copy, Appendix section).

Response: Please see Appendix section for information.

2.2 Product Data

1. What is the name and current version of the product(s) being proposed?

Response: Public Surplus is the product offered and can be found at www.publicsurplus.com. The Public Group also offers a Purchasing/Contract management software (www.publicpurchase.com) that we include as optional services we can provide the City if they desire.

2. How long has each product component/product suite being proposed been on the market and in production status at an organization of our size and/or line of business?

Response:

Product Component/Suite	Time on Market	Release date of most current version
Public Surplus	16 Years	We do quarterly upgrades and enhancements of our system but we never release a brand new version of the software.
Public Purchase	12 Years	We do quarterly upgrades and enhancements of our system but we never release a brand new version of the software.

3. Briefly list a three year history of software releases for the product being proposed (include dates, versions, and major enhancements for each release).

Response: We release updates every Quarter, releases to test are scheduled for the

end of the following months:
 January, April, July, October. Usually after two weeks these go to production.

Product/Version	Date	Major Enhancements
The Public Group (www.thepublicgroup.com)	1/1/16	This website was built to show our clients the all encompasses service with government procurement that we offer. It shows all of our products and gives more information about our company and goal of our website.

4. *What are your plans for future upgrades/releases?*

Response: We perform system upgrades and releases on a quarterly basis and the majority of these features come from ideas that our current clients provide us that would make the system much easier to use. We highly encourage our clients to provide us with such ideas and then we develop them in our system.

5. *With what government standards/regulatory bodies do you comply as they relate to your product or services?*

Response: We meet with all standards and regulations associated with a Government agency holding online auctions on our website within all 50 states within the United States of America. We currently have agencies using our system in every State except for Hawaii.

6. *Indicate the number of auctions posted on the proposed website in the last two years. Provide a random sample of auctions that opened and closed within the last two years.*

Response: For the past two years we have had 501,098 auctions held on our website, Public Surplus.

7. *How many auctions did bidders default on over the last two years? What site restrictions are in place for defaults? Are defaults set system-wide or by City only?*

Response: We find that the most pertinent information in these scenarios pertain specifically to the agency's account and not across the board. Over the past two years the City has held 4,160 auctions and had 408 defaults so the total default rate on all items is just below 10% for the City. Of those defaults, 336 of those users are not blocked and suspended from the website. The reason why 72 buyers are not blocked is because they defaulted on a small value item and have bought and paid for many additional items for the City during this time.

We have many steps in place to deter default bidders. Many of these steps happen system-wide but the City is also in control of monitoring and blocking buyers directly from their auctions.

A. We have a buyer department that monitors buyers that are bidding on our system. If a buyer goes over our "Default Limit" our buyer department will immediately suspend that buyer from bidding on our system and prevent any future registrations on our system from that buyer.

B. We give the City full authority and ability to "block" buyers directly from bidding on their auctions if they do not wish to deal with a buyer because of defaults or any other set of circumstances. Once the City blocks the buyer they do also have the ability to unblock the buyer if they desire.

C. We have a "Bid Deposit" system in place that automatically puts a \$50 bid deposit on any auction over \$500 on our website. This ensures that buyers bidding on those auctions have money down upfront and if they win that auction but default they will lose out on that money. We also have a feature that we can enable for the City, if desired, that will allow the City to set the bid deposit amount above or below \$50 based on the estimated value of the item.

8. *Indicate how many bidders participated in each of the auctions, stated above, over the last two years. Distinguish between those bidders who reside in Tucson, in Arizona, out of Arizona and out of the Country (if possible).*

Response: We find the most pertinent information for the City would be specific information about the City for the past two years. Below is the data pertaining specifically to the City and the auctions they have had on our site.

- * Bidders in Tucson area: 838
- * Bidders in Arizona (without Tucson): 1731
- * Bidders outside of Arizona: 1055
- * Bidders outside of US country: 56

9. *Provide your terms and conditions to register as a bidder for online auctions.*

Response: Our Buyer terms and conditions are attached below our Terms and Conditions Section at the end of our response.

2.3 Reference Information

1. *How many governmental entities are currently using the product being proposed?*

Response: We currently have over 4,000 government entities registered to use our product.

2. *Please provide a list of all government (or comparable) installations, within the last three years, in metro areas over 250,000 in population, with contact names, positions, e-mail addresses, and telephone numbers. If there are any governments that do not want to be a reference site, please so indicate. The City will select at least two references from this list to contact.*

Response: Below is a list of 10 Cities that have over population of 250,000 that are actively using our system and can be contacted as a reference. We have another 16 Cities, 81 Counties and 30 States that have over 250,000 population using our system that we can provide contact information for if requested. However, we feel that the 10 cities would be provide the most pertinent and relatable information for The City of Tucson.

City of Baltimore Bureau of Purchases	MD	Thompson, Robyn	robyn.thompson@baltimorecity.gov	(410) 396-1855
City of Chicago	IL	Loboda, Steve	Steve.Loboda@ex.cityofchicago.org	(312) 907-0812
City of Henderson (NV)	NV	West, Brenda	Brenda.West@cityofhenderson.com	(702) 267-1759
City of Houston	TX	Erdo, Scott A	scott.erdo@houston.tx.gov	(832) 393-9781
City of Las Vegas (NV)	NV	Gomoluh, Niki	ngomoluh@LasVegasNevada.GOV	(702) 229-6020
City of Mesa	AZ	Fugate, Doug	Doug.Fugate@mesaaz.gov	(480) 644-3373
Colorado Springs-City	CO	Hartmann, Regina	tmthompson@csu.org	(719) 668-7628
City of Albuquerque	NM	Harper, Dave	dharper@cabq.gov	(505) 857-8676
City of Atlanta	GA	Chapman, David A	dchapman@atlantaga.gov	(404) 330-6508
New York City	NY	McCauley, Gladys	gmccauley@dcas.nyc.gov	(718) 417-2156

3. *Provide current Client List for clients that have utilized your online auction program for a minimum of twenty (20) auctions.*

Response: We have over 4,000 government that use our services. We cannot provide a list of all of these clients as it would be against our privacy agreement with them unless we contacted each of them for permission to provide that data which would be very time consuming. However, the City can go online and see a list of all our clients under the "Browse Auctions within Area" and see everybody that is using us.

4. *What is the average size of governments (population/employees) where the product being proposed is installed?*

Response: We have 678 clients of over 100,000 population that are active in our system and 330 clients under 100,000 population. We are well rounded with government agencies of all sizes and surplus programs.

5. *What is your customer retention rate (%)? Define measurements used to calculate. (Number of Clients using us in 2013, 2014, 2015)*

Response: We have continued to increase our agency numbers each of the past three years so we have more continued growth then agency loss. Our retention rate has been over 125% each of the past three years since our agency users have grown at least that amount during that time.

Application Requirements

This section includes the specific evaluation criteria that the City will consider in the evaluation of proposals received. Offerors shall respond to all requirements in the order in which they are presented. Response to requirements in each section will be requested in two formats: 1) a written, narrative response (one to two paragraphs) to questions/requests, with each answer to be inserted immediately after the corresponding question, and 2) a single letter response to an "Ability to/provision for" phrases. These appropriate single letter responses are: Y (Yes), N (No), M (Modification), F (Future) or T (Tool). The explanation of these response letters is:

Y Yes - the product has this ability in the current version.

N No - the product does not have this ability in the current version. (explain)

M Modification - The Offeror will make a modification (as opposed to a configuration) to current version capabilities to specifically address this requirement (explain)

F Future - there are explicit, documented plans to include this ability in future versions.

T Tool - there is a third party tool supplied with the product and/or database that can provide this ability in the current version. Describe the specific tool(s) required.

3.1 General Requirements

Response to requirements are requested in two formats: 1) a written response to a question/request if present, and 2) a single letter response of Y, N, M, F, or T to the "ability to/provision for" phrases.

- 1. What process is in place to ensure that regulatory changes from federal, state and local government agencies and other regulatory organizations are addressed and distributed in software revisions as soon as possible?*

Response: We rely on our government clients within different states to keep us posted on changes at the regulatory level when it comes to online auctions. As soon as we are made aware of a potential change in regulations we take the steps to fix our system or enhance our system to meet whichever of the new requirements it would be.

- 2. Describe in terms of the overall system design the aspects of control and auditing embedded in your product/system. - Brian*

Response: The system design and structure is proprietary and copyrighted and we cannot release this information about how our system is in place for auditing.

- 3. Indicate if your software solution includes, or could potentially include, a module with any GIS considerations, such as a map interface and the use of spatial data. If so, describe the design.*

Response: We use geographic information to help agencies explore markets and buyers find items they may be interested in. Zack, you can add more information on how we work with this.

- 4. All interfaces to the City network must be optical or TCPIP. Does your product comply with this requirement?*

Response: Our product does comply with this requirement.

3.1.1 Conformability

Y 1. Ability for the City to create and define data fields to accommodate legal requirements or regulatory changes.

Y 2. Ability to incorporate regulatory agency definition and rule changes in a highly responsive, non-intrusive and timely update process.

3.1.2 Extensibility and Configuration

Y 1. Ability to easily make changes using parameter tables without modifications to the source code.

Y 2. Ability to allow for configuration to business rules, work flow, and user interfacing through the use of tables, templates, definition files, lists, parameter files, or other extensible data structures.

Y 3. Ability to retain configuration performed using extensible provisions whenever new versions of the application software are installed.

Y 4. Ability to control and configure system applications through user-definable and user-maintainable tables of codes.

Y 5. Ability to ensure through version tracking and control that modules remain compatible as selected modules are upgraded.

3.1.3 Consistency and Commonality

Y 1. Provision for consistent tools for configuration in all components.

Y 2. Ability to easily define business rules that are shared throughout the application.

Y 3. Ability for users to view consistent names, titles, and layouts on screens and reports.

Y 4. Provision for all components to use consistent navigation features.

Y 5. Provisions for screens and reports with similar organization in presentation of the data.

3.1.4 Reporting

1. Include in the Appendix section a list of all standard reports, with select examples of reports.

Response: This can be found under Confidential Information at the end of our response.

2. Describe whether reporting is performed against a data warehouse or data mart, versus against a live or in-production table.

Response: Depending on the report, both are done.

3. Describe the report writers and reporting methods that are available for the proposed product(s).

All of our reports can be printed, e-mailed or downloaded into a PDF or Excel version. The agency has full access to select this criteria.

Y 1. Ability to produce comprehensive management reporting for all areas within the organizational process

Y 2. Ability to produce both standard and ad hoc reports.

Y 3. Ability to design and implement both on-line ad hoc queries and batch reporting programs as required by user.

 Y 4. Ability for report generator to allow user to select data, choose fields, and create calculated fields.

 Y 5. Ability to reconcile reports from different components in the system.

 Y 6. Ability to extract data to another tool, such as EXCEL or a report writer.

3.1.5 Documentation

 Y 1. Provision for web-based online documentation

 Y 2. Provision for well-written, comprehensive, and detailed documentation that serves as a complete technical and user reference library of the application.

3.1.6 Portal Capability

 Yes we do and have the "ability to provide" points. 1. Does your product have an umbrella portal entrance into the various modules? If Yes, please describe, and respond to the following "ability to provide" points. If No, please so state, and place an X next to the entries in the table.

 Y 2. Ability to provide single sign-on to the total system, and all its component parts based on person's role.

 Y 3. Ability to customize which objects are displayed on the portal entry Ability to add other applications to this portal.

3.2 Functional and Technical Requirements

Responses to requirements are requested in two formats: 1) a written response to a question/request if present, and 2) a single letter response of Y, N, M, F, or T to the "ability to/provision for" phrases. Complete and submit Attachment B – Online Auction Services Function and Technical Requirements

3.2.1 Obsolescence Prevention Strategy

1. Describe the provisions of your strategy for implementing new technologies that will prevent current applications and functionality from becoming obsolete or orphaned?

Response: Each release includes upgrades to both software development frameworks and infrastructure. Also the application is constantly being updated every quarter with new features that are inline with latest trends.

3.2.2 System and Application Architecture

1. Describe your system architecture model and explain the capabilities and features of this model.

Response: Our architecture model is develop using Spring Framework that is a lightweight solution and a potential one-stop-shop for building enterprise-ready applications. Spring is modular, allowing us to use only those parts that we need, without having to bring in the rest. We use the Spring IoC container, with Freemarker on top, we also use Hibernate for the JDBC abstraction layer integration. Spring Framework allow us to use transaction management in a declarative way, also allow us to remote access to our logic through RMI or web services. It offers us a full-featured MVC framework, and enables us to integrate AOP transparently into our applications.

The high level architecture of our applications is composed by:

- Web layer: Controllers, Exception handler, Filter, Interceptors, View Template (Freemarker)

- Service layer: Application services and infrastructure services.
- Repository layer: Repository layer and their implementations (DAO/DaoImpl)

In between the Web layer and the Service layer we use DTOs (Data transfer objects) and between the Service layer and the Repository layer we use Domain model (Domain services, entities, value objects)

2. *Describe your approach to ensure scalability of the product and obsolescence prevention. This includes transaction growth, upgrades and replacements of components of the architecture, technology, and application.*

Response: Our systems use micro services that provide clients with functionalities, each micro service is stateless so it can be replicated in a matter of minutes.

Our web applications are stateless and virtualized, this allows us to increase the capacity of our applications and easily scale them.

Obsolescence prevention:

- Our teams are constantly refactoring the code to increase and improve performance /and improve, which results in preventing our products from having legacy code.
- We are periodically upgrading the framework libraries we use in order to always have the most recent stable version, helping us in offering the best quality on features built in to our systems.
- Database tables are monitored in order to establish vacuum procedures and to create processes that guarantee that the database access speed doesn't degrade.
- We incorporate new frameworks and architecture that increase cohesion and decrease coupling, including the use of micro services.

3. *What is the source language(s) of the product?*

Response: Java 1.7, Groovy.

4. *Is the source code available and, if so, under what conditions/terms?*

Response: The source code is part of our confidential information that we simply cannot release to any client. However, if the City wants specific information during the BAFO or negotiaion process of the potential contract we can discuss exactly what the City is looking for, why it is needed and if we are comfortable releasing it.

5. *Describe your ability to retain all user-made changes to business rules, standard screens and standard reports when new releases of base software are installed.*

Response: Our team uses git and gitlab. In order to perform a change in the master branch the developers needs to do a merge request, all merge requests are accepted by the release manager and product team lead, there is no other way to make changes in our production code.

3.2.3 Infrastructure

1. *List all hardware/operating system platforms upon which your product is supported. Provide specifications in terms of processors, processor speed, memory requirements, and other sizing and capacity factors to assist the City in budgeting for and acquiring hardware. List which industry standard benchmarks or guidelines measures are you using to establish this recommendation.*

Response: There is no hardware required by the City in order to use our product other then a computer and internet acces.

2. *Describe what virtual server environments your application can be used on.*

Response: This is not applicable to our product offered to the City.

Hardware	Operating System	Production Status (Y/N)
Environment vendor	Supported versions	Production or test

3. List all desktop operating systems that you simultaneously support on a single installation/version of the application. Indicate hardware/operating system platform if that is a consideration for support.

Response: Anything that can access the internet and use a browser will work with our system.

4. List all browsers that are certified for use with your application, and describe any required browser add-ons, function enablement, etc.

Response: All known browsers are supported and no add-ons are necessary

5. Virtual Desktop Implementation: Please describe if, and how, your solution will work on virtual desktop machines.

Response: Anything that can access the internet and use a browser will work.

3.2.4 Database

1. What technology does your relational database management system (RDMS) use to ensure integrity and completion of all transactions?

Response: We use the latest database in technology. However, we are not inclined to share our trade secrets but if there is specific pertinent information needed from the City we can possibly provide that during a BAFO or negotiation.

2. List all hardware/operating system platforms upon which your product's database(s) is/are supported. Indicate whether each configuration is actually in production at an institution relatively our size.

Response: We use various unix flavors.

Hardware/Operating System Platform	Clients Supported
Browsers Supported (include versions)	Add-ons and enabled functionality

Database Name and Version(s)	Hardware Platforms	Operating System(s)	Production Status (Y/N)

- Y *1. Ability to recover the database or a subset to a specific point in time.*
- Yes, but we won't do that for legal purposes. *2. Ability to purge and archive unneeded data.*
- Y *3. Ability to distribute the application among multiple servers.*
- Y *4. Ability to authorize user accounts/ids, passwords, and access rights from a single and central point of control.*
- Y *5. Ability to attribute each transaction to a specific user.*
- Y *6. Provision for reliable and secure method for user authentication. Describe the standard or methodology used.*
- Y *7. Provision for encryption capability option that prevents unauthorized access to data.*
- Y *8. Ability to backup and restore the entire database and subsets of the database while users are accessing the system.*

3.2.5 Business Continuity

1. *Describe the licensing requirements for redundant sites beyond the main site?*

Response: There are none.

2. *Identify the features of your product that support ease of movement to an alternative site for disaster recovery.*

Response: Our whole system is setup to be redundant.

3. *Describe additional services that you offer to support and assist the City to restore functionality and capacity if an incident exceeds the City's capability to respond.*

Response: Depending on what functionality the City needs to restore we have a wide variety of services we can offer the City.

3.2.6 User Interface

- Y *1. Ability to customize individual user menus to only show the options which a user has the security to access.*
- Yes, ad hoc reports are available *2. Ability for non-technical users to create ad hoc queries to*

extract data from all functional areas of the system at the same time (i.e, menu or drop down selection querying, etc.).

3.2.7 System Management

1. *Considering our transaction volumes, what hardware capacity recommendations can you make for the platforms you support that gives a user a one-second response for the simplest action of a single record retrieval?*

Response: We handle all the system management process so this would not be applicable to the City needing to support any of the platforms. Everything will go through our system and software.

2. *How does the solution being proposed provide the capability to run in a state of "graceful degradation" during a partial disaster where less than all hardware components are running?*

- Y 1. *Ability to recover the database or a subset to a specific point in time.*
- Y 2. *Ability to back-up and restore the entire database and subsets of the database while users are accessing the system.*
- Y 3. *Ability to access all components of the job scheduling system, and manage all jobs from a single location in addition to control from the originating module.*
- Y 4. *Provision for one-job scheduling mechanism to be used and shared by all jobs from all modules.*
- Y 5. *Ability to run batch jobs while users are accessing the application.*
- Y 6. *Ability to record and track on-line versions between modules.*
- Y 7. *Ability to support automated on-line distribution of all files and software releases to all clients and servers from a designated server.*
- Y 8. *Ability to distribute the database among multiple servers.*
- Y 9. *Ability to monitor and tune the application to enhance response time and other performance metrics.*
- Y 10. *Ability to provide a suite of tools to monitor and control all production processes.*
- Y 11. *Provision for error logs and messages to assess performance related events.*
- Y 12. *Ability to authorize user accounts/ids, passwords, and access rights from a single and central point of control.*
- Y 13. *Ability to delegate authorization of access to modules of the application to departments responsible for that level of authorization.*
- Y 14. *Ability to attribute each transaction to a specific user.*
- Y 15. *Provision for optional time-out and auto logout of an inactive application session.*

3.2.8 Interfaces

1. List which standard data interface formats and methods you natively support (XML, CSV, EDI, etc.).

Response: In some features we support XML, CSV and even XLS formats.

2. iCashiering/CORE: Describe your ability and experience with creating an interface to the iPayment online portal for accepting and processing credit card payments. The file needs to be a pipe-delimited file with a .txt or .csv file-name-extension and contain a unique lot identifier for each record. Payments are transferred to the City's commercial bank account at Wells Fargo by the iPayment software. See the attached table layout template in Attachment D.

Response: We are assuming this is what the City is already doing with us so we are compliant with the City's current usage of the City. However, if the City is looking for more merchant payments then what they are currently doing with our system we certainly offer that.

4. Support and Services

4.1 Training

1. *What provision do you have for providing primary training for the proposed system? Training shall be adequate to the needs of the typical systems user and administrator including both functional training and technical staff support and operational training.*

Response: When it comes to training and implementation the Public Group is dedicated to making sure the City of Tucson will be comfortable using the **Public Surplus** system and will provide sufficient training for posting of auctions, marketing of auctions, receiving payment from bidders, blocking bidders and invoicing.

Training and customer support is provided at no cost to all users of the system. However, **Public Surplus** is user friendly and generally requires a short amount of training especially since the City of Tucson has used Public Surplus for many years.

2. *What provision do you make for training system end users to address issues that will be encountered during day-to-day use? Be sure to include training on all system functionality, including screen and report use, as well as ad hoc report creation and use.*

Response: Materials are updated on an as-needed basis and we have a help section that will help end users find any questions they have on day-to-day use. Also, within our system there are question mark tabs that a user can select anytime to get more information about the section they are looking at.

Online support is provided via chat, email, and toll free telephone support for the Agency. The Agency will also be provided multiple dedicated customer service representatives available from 6:00 A.M. – 6:00 P.M. MT, Monday through Friday with the exception of holidays.

The City will receive listing assistance as appropriate from the Project Manager, the local representative, the Auction Tech, and the Agency Support Team. Assistance will include, but not be limited to: auction creation, minimum bid, reserve pricing strategies, and creation of disclaimers. Online support is provided via email or phone during regular business hours. The City will also have access to the online FAQ section of Public Surplus 24/7/365.

3. *What provision do you make for Administrator training to address issues involved with the administration of the system?*

Response: We provide two standard types of support for administrators. The first is our standard service which includes having two customer support representatives assigned to the Agency's account that will be accessible at any time and will reach out to the City at least on a bi-monthly basis. There is no additional fee for this type of support and the time involved is as much as the Agency needs. The second type of support is our auction technician support where we offer to provide a representative to come on site and take pictures of items the Agency needs to post. Both types of support are available for as much time as the Agency needs.

For the City of Tucson the two representatives (Zackary Corbett, Megan Gatwood) will be assigned to your account as main contacts and then there will be an additional staff member (Bradley Milligan) available as a third point of contact and can provide auction technician services if needed.

4. *What provision do you have to provide technical training to City IT staff, as necessary? Describe how you will address training on the responsibilities related to system operation and management, security, problem identification and problem resolution.*

Response: We have outlined our standard training plan—which includes what is needed from the agency and from our staff. These roles vary and are subject to change as needed and will encompass training City IT staff if necessary on security, problem identification and problem resolution.

The Public Group's Role

- Provide onsite or online auction training as needed to ensure the agency is as comfortable as possible with the system.
- Provide the buyers an easy-to-use system to bid on the items and provide all customer support for buyers as they attempt to bid on agency's items.
- Provide an auction extension feature and marketing of items that will ensure we make more money for the agency than any other auction avenue available.
- Provide a system that will make sure our buyers are qualified bidders and perform functions like a bid deposit that will keep buyer's accountable on the transactions they purchase.
- Provide a payment collection service that will handle all payments from buyers on an agency's auction and remit the payment back to the agency on a Net30 cycle.
- Provide constant improvements to the website that make the auction process easier for agency's and implement ideas that agency's may bring forth on their unique account.
- Assist the agency with advertising items in their local newspaper as well as providing a logo link to bring more traffic to the agency's auctions.
- Provide all website security measures and protocols to meet the rules and regulations that are needed during the government auction process.
- Provide all report and audit functions that government agencies need including customizable reports they can access whenever needed.
- Provide all customer support items an agency may need such as online chat, help tabs and a dedicated customer support representative.

Agency's Role

- Setup users in the The Public Group's system that will have the permissions to create auctions and manage the auction system.
- Provide pictures and descriptions of items that need to be sold. These description items include condition of item and VIN, hours or mileage if applicable.
- Provide a location for buyers to be able to pick the items up. There can be multiple locations within an agencies account if needed.
- Provide an auction contact person that will be available to view and answer any questions a buyer may ask about the item.
- Provide the buyers with a pickup time for them to come and remove the property from the agency's location in a timely manner.
- Provide the transfer of titles if needed on vehicle items.

Buyer's Role

- Register on our website and meet all of our qualification processes in order to be a user in our system.
- Place bid or proxy bid on an item that will exceed the agency's reserve price and complete the bid deposit process.
- Provide adequate and approved payment of items within 5 business days after the auction closes.

5. *Do you have the ability to provide web-based training?*

Response: The Public Group will provide all training, manuals and on-site/online sessions the Agency requires in order to be comfortable using our system. There will not be any additional charges for training and setting up of the system. The Public Group will also provide dedicated customer support representatives to assist with any follow up training and assistance as needed.

End user training will be provided in a group type forum via an online presentation via GoToMeeting or Mikogo. Users will be able to interact and voice questions during the presentation and on certain occasions video conferencing tools may be implemented. Agencies also have access to our online. Help section where there are detailed instructions for how to create and manage auctions.

4.2 Implementation

1. Describe your implementation methodology and proposed implementation schedule. Attach a high-level project schedule, with milestones from each implementation phase

Response: The City of Tucson currently utilizes Public Surplus so an implementation schedule and methodology would not be applicable. The City can continue to use our system as they currently do and there would not be any delay in continuing the usage.

2. State the assumptions implicit in your implementation timetable (City resources, your resources, third parties, etc.) and detail the effect(s) of those assumptions not being met.

Response: We will provide all training at the City's convenience if needed and this training can be online or onsite with our local representative (Bradley Milligan). The City's resources for implementing the system include computers, internet connection, a camera to create photographs and a staff member to input the information into the system. IF the City elects to use our auction technician service to have a representative come on site and create the auctions for the City then we will provide all material to create the auctions and the City will be responsible for review, release and arranging pickup with the buyers on the auctions.

3. Describe your approach to project communication, including the strategy, the calendar and responsible parties.

Response: We are dedicated to communicating with the City of Tucson staff on a bi-monthly basis and will be calling the City contacts provided to us in order to make sure that the system is meeting all the needs of the City. However, the City will have our contact information and can communicate with our staff at any time to discuss strategy or improvements whenever needed.

4.2.1 Vendor Hosted Implementation

1. List—in recommended order of implementation—the proposed solution’s modules, their average or typical implementation time, the suggested number of vendor on-site consultants, suggested number of customer staff, and the module’s dependency upon other modules or activity. Immediately following the table, include any assumptions upon which your suggestions are based.

Response: The City currently uses our system and will not need to perform and new implementation process in order to continue to use it how they do. The only recommendation we can provide here would be pertaining to using our auction technician service which is an optional feature.

Description of Implementation by Module	Avg. Time	#Vendor Staff	# City User Staff	# City Tech Staff	Dependency
Optional Auction Technician Service	Once a week – 4 hours	1 Technician	1 Staff Member	No Tech Staff	

4.2.2.1 Vendor Hosting

1. Describe the physical and electronic security of the hosting data center, including security provisions for staff, as well as facilities.

Response: We use several difference co-location facilities to host are data. All of which have the best security, reduncancies and disaster prevention possible.

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

Response: We use various means of encryption for data, passwords, etc allowable by the federal government but we are not willing to release information on our code.

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

Response: Everything is live and redundant and all backups are live and redundant and can be restored at a moment's notice.

Use ability to/Provision for Codes

- Y 1. Ability to provide all City data in easily usable electronic form at regular intervals.
- Y 2. Ability to develop interfaces between other City applications and this hosted product to allow bidirectional data flow.

- Y 3. Provision of software/hardware environment that yields 99.9% uptime, exclusive of planned maintenance windows.
- Y 4. Provision of notification to City for downtime in advance if planned and immediately if unplanned.
- Y 5. Provision of secure network connection between City users and host site via industry standard techniques.
- Y 6. Ability to restore entire environment within contracted durations.
- Yes our system has this capability but we would need further clarification on the type of "jobs" the City is preferring to in order to better answer this question. 7. Ability for Users to Schedule and Submit Jobs
- Y 8. Ability to provide redundancy in network and hardware environments.
- Y 9. Ability for users to run reports during all hours except for specified maintenance windows of no greater than two hours per day.
- Yes our system is a permission based system and authorized users for the City can select what other users are able to do. 10. Provision of security so that the City's data is available only to authorized users.
- Y 11. Ability to accommodate growth in City's requirements.
- Y 12. Provision of notification and appropriate City testing of software updates and security patches.
- Y 13. Provision for encryption capability option that prevents unauthorized access to data.

4.3 Application Support

1. The City requires that the production environment for this application cannot be unavailable for longer than one hour during normal business hours (see number 3, below). Describe the provision you make to provide this support level of system availability.

Response: We schedule routine maintenance on the weekends when auctions are not being sold in order to upgrade our system to be able to support our growth. In the rare instance that our system does become available it is generally for a short period of time. We have multiple servers available that the system information is being sent and used on so in the case of a system outage we immediately use one of our other servers in order to quickly get the website back up in working order. We will also automatically extend any auctions that were set to end during this downtime so that it will not effect the buyers or auctions being sold on the website. We will also have our support representatives reach out to our agencies to see if they would like for us to contact any of the buyers directly to explain the situation.

2. In the event of an extended service outage, describe what provisions you make to compensate the City for direct costs incurred to compensate for the outage.

Response: In the event of an extended outage that effects auctions the City of Tucson was trying to sell then the Public Group will offer a 50% discounted fee rate on those specified auctions. So the rate of 7% will be dropped down to 3.5% on any auctions that are effected during the downtime or the City can elect to have us extend such auctions so that compensation will not be needed and the auctions will simply end when the website is back up in working order.

3. *The City requires a system availability of least 99.9% based on twenty-four (24) hours per day, seven (7) business days. Describe what methods you use to support the system remotely (e.g. VPN, etc.).*

Response: We have remote logins and our IT facilities are centrally located near our IT support so that we are able to fix and maintani any website issues as quickly as possible.

4.

<i>Description of Support Services</i>	<i>Rate</i>	<i>Base Cost or Optional</i>

Response: N/A. Not quite sure what is being asked here. However, if further clarification is needed please let us know.

5. *Describe the terms and conditions of your technical support service contract.*

Response: All of our services are in house and included in the cost offered to do business with us.

6. *List the locations of the nearest support offices in the Mountain and Pacific Time zones and the number of support people at each location.*

Response: We have 3 support offices within 500 miles of the City of Tucson. These include our branch offices in Phoenix, Arizona (AT – 3 people); Fontana, California (PT – 3 people); Henderson, NV (PT – 4 people) and we also have our our Headquarter office out of Provo, UT (MT – 17 People).

7. *List the levels of technical support, times of the day each level is available, and method of contact.*

Response: Your support contacts are the representatives assigned to your account. The City of Tucson will have 3 representatives assigned to their account and they can reach these representatives via e-mail or telephone Monday – Friday.

Zackary Corbett (Available 7am – 5pm MT)

Megan Gatwood (Available 6am – 4pm MT)

Bradley Milligan (Available 8am – 6pm MT)

The City will also have access to these representatives cell phone numbers for after hours issues.

8. *Describe your problem management and escalation procedures. Include information about logging and tracking calls, mean response time, and acknowledgment and confirmation to the customer.*

Response: There are two main methods for an agency to contact us about problems:

A. The first is for the agency to contact their account representative via Telephone or E-Mail. Once the representative has been notified of the issue they will send a request form into their immediate manager and that manager will either resolve the issue or forward that issue into the correct department (Accounting, IT, Legal, etc) to fix the problem. That e-mailed bug is then tracked by the programming team and is an "open bug" Depending on the issue the response time can be minutes or up to 24 hours

but we attempt to resolve all issues within 24 business hours. Once the issue has been resolved the bug is then sent back to the manager with the "completion code" and then the manager passes it onto the representative and the representative contacts the agency to resolve the issue.

B. The second method is for the agency to go onto our website and open up a "chat" window with us (found on the upper left corner – screenshot below). They will then speak with the representative immediately and the representative will resolve the issue or push the issue to their direct manager and at that point an "open bug" is created within Public Surplus about the issue and the same procedures from above in section A will be performed.

9. *Is there a toll-free telephone number for clients to call with questions or concerns about ongoing service and support? What times are available for its use?*

Response: We have a toll-free number that we provide agencies to reach out to at any time and that number has a representative available from 5am MT – 6PM MT Monday – Friday (excluding major Holidays). The City of Tucson will also have cell phone numbers of their representatives for after hour issues. .

10. *Is there a dedicated account representative for each agency?*

Response: Yes there is and please see our response under item 7 for this answer.

4.4 Key Personnel

1. *Describe the provisions that you will make to staff the project with adequate experienced personnel, capable of the successful accomplishment of work to be performed under this Contract.*

Response: We pride ourselves on providing our clients with enough staff members to make the system as easy as possible. The City will be provided access to the 4 representatives mentioned in the organization chart below and can reach out to any member of that chart at any time for assistance needed during the period of the contract.

Description of Services – Staffing

Name	Classification/Title	No. of yrs. w/ Company	No. of yrs. with online auction systems
Zackary Corbett	Surplus Product Manager	7 Years	7 Years
Megan Gatwood	National Account Manager	4 Years	4 Years
Bradley Milligan	Arizona Support Representative	2 Years	2 Years

2. *Describe your ability to maintain key project personnel in place for the duration of the project.*

Response: As you can see from the organization chart below we have a good record of maintaining staff

members and you will work with people that have a minimum of two years experience in our system. These staff members are very experienced and if we continue to grow and a new representative is assigned to your account they will also have a minimum of 2 years experience.

- 3. In the event that key personnel are not available for work under this Contract for a continuous period exceeding thirty calendar days, or are expected to devote substantially less effort to the work than initially anticipated, what provisions do you have to notify the City and, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications?

Response: in the event that one of the available staff members above is unavailable to the City then a new representative with a minimum of two years experience will be assigned the the City's account. This representative will reach out to the City immediately to provide them with their contact information and begin supporting the City in anything that is needed.

- 4. Provide resumes and information on key personnel, including an account manager. Will Offeror commit to the availability of these individuals for work under this contract?

Response: Below is the resume of Zackary Corbett and Megan Gatwood who will be the account manager's over the City of Tucson and will be committed to supporting your account.

ZACK CORBETT

◆ (800) 591-5546 Ext. 153 ◆ zackaryc@thepublicgroup.com

EXPERTISE

With over 7 years of experience in customer service and client relations, along with strong training and support background, Zack is a trusted asset in our company. With all 6 years of e-commerce experience specifically with government agencies, Zack has held top sales and support positions, and earned recognition for sales and support performance on several projects. He takes pride in his customer relations skills and goes the extra mile to assure the agency the best possible outcome. His unique understanding of Governments and their disposal process is unmatched within TPG.

CORE COMPETENCIES

New Business Development ◆ Account Management ◆ Client Relations
◆ Proposal Development ◆ Prospecting/Cold Calling ◆ Issues Resolution

TPG SUMMARY

- Public Surplus Product Manager.....2013 – 2015**
Manages the top 500 government agency sales accounts in the nation; helps implement processes and procedures to bring success to all agencies; provides high end customer service to existing and potential agencies; develops long-lasting client relationships; performs product demos; attends trade shows to exhibit TPG products; meets and exceeds all requirements set forth.
- Large Agency Sales/Support.....2009 - 2013**

With a passion for customer relations and a willingness to 'dig in' to a project, it quickly became apparent that Zack would thrive in a training position. He trains our larger agencies, some with several hundred users, on our specialized software applications. Zack has a long career with TPG.

1. Strong eCommerce background
2. Ability to remain focused in a high volume setting

ROLE FOR THE CITY

Zack will be the lead trainer and support contact for the City. In this role he will assure proper training of all City users utilizing this contract by providing each with individual attention for their specific needs pertaining to their surplus programs. Zack champions the success and understanding of the online surplus disposal process. The City will have at its disposal our top support representative.

EDUCATION

Bachelors in Business Management ♦ Ashford University
Masters in Business Administration ♦ University of Massachusetts

MEGAN GATWOOD

♦ (801) 932-7001 Ext. 186 ♦ megangatwood@thepublicgroup.com

EXPERTISE

With over 8 years of professional experience in account management, customer service and client relations, Megan is a trusted asset in our company. With her 2 1/2 years of experience with government agencies, Megan has held top support positions within the company. Her understanding of the government sector and ability to build relationships with her accounts is one of her strongest assets.

CORE COMPETENCIES

Client Relationship Management ♦ Account Management ♦ Strategic Account Development ♦
Prospecting/Cold Calling ♦ Issue Resolution

TPG SUMMARY

Large Agency Sales/Support.....2012 - Present

- Manage 300+ National Accounts
- Implement processes and procedures to bring success to all agencies
- Develop long lasting client relationships
- Meet and exceed all requirements set forth

ROLE FOR THE CITY

MEGAN WILL BE AN ADDITIONAL LEAD TRAINER AND SUPPORT CONTACT FOR THE CITY. IN THIS

ROLE SHE WILL ASSURE PROPER TRAINING OF ALL CITY USERS UTILIZING THIS CONTRACT BY PROVIDING EACH WITH INDIVIDUAL ATTENTION FOR THEIR SPECIFIC NEEDS PERTAINING TO THEIR SURPLUS PROGRAMS. MEGAN CHAMPIONS THE SUCCESS AND UNDERSTANDING OF THE ONLINE SURPLUS DISPOSAL PROCESS. THE CITY WILL HAVE AT ITS DISPOSAL ONE OF OUR TOP SUPPORT REPRESENTATIVES. _

EDUCATION

BACHELORS IN MATHEMATICS ♦ ROOSEVELT UNIVERSITY

4.5 Other Services

1. *Describe your ability to actively market auctions to prospective bidders in order to expand the Contractor's bidders list.*

Response: All our marketing information can be found under our confidential section at the end of our response..

2. *Describe your ability to work directly with the City on marketing of new functionality or services to cooperative agencies utilizing the City's contract.*

Response: We are always actively promoting our cooperative contracts we have with agencies. We have these contracts available at Trade Shows and in e-mail format if an agency requests it. We do not push one contract over the other but we simply show our contracts to the clients and they are able to select whichever contract works best for them. We guarantee that the City will have the best rate available with their cooperative contract and they will receive the maximum exposure from our reps of their cooperative contract to potential clients. We never have more then 3 nationally piggybackable contracts we will be activately promoting and if we win this RFP the City of Tucson/National IPA contract will be one of those 3 we promote.

3. *Describe your ability to provide resources to ensure that the City and its current cooperative agencies are transitioned in the most efficient and least disruptive manner.*

Response: We currently have the City of Tucson setup in our system under cooperative contracts so there will be no disruption in that service or rebate for the City from all the agencies under that contract as we will just make a transfer on our internal end and nothing will be changed. For any new agency wishing to join the contract we will simply require an e-mail request from them stating they would like to join the City's contract and then we will add them on our internal side of agencies under the cooperative and an agency contributing to the rebate the City will receive for being the lead agency on this cooperative.

4. *Describe your ability to provide a report, on a quarterly basis, that identifies all cooperative agencies that are utilizing the City of Tucson contract. The report shall clearly identify new agency users and their respective "go-live" dates.*

Response: We can provide this report at any time the City requests it and we also have a report that the City can access on our website at any time called the "Coop Revenue Report" that will show the City each agency using the contract and the rebate being received because of the usage that agency is doing on the contract.

4.6 Deliverables and Acceptance

Please indicate your agreement to the Acceptance and Deliverables criteria below:

	<i>Deliverable</i>	<i>Acceptance Criteria</i>
YES	<i>Installation</i> Successful installation of the system on a Vendor server(s).	An installation will be deemed successful if City staff can access the system to conduct configuration activities and can execute a full range of transactions using sample data.
YES	<i>Training Plan</i> Formal training plan and training services and materials.	Successful execution of training plan. Delivery of the training services and materials as determined in the proposal and contract.
YES	<i>System Documentation</i> Develop a complete and comprehensive set of system documentation that reflects all components of the software solution, including enhancements.	Functional documentation shall be complete and accepted by the City on or before initial implementation and provided to the City in a printable, electronic format. City shall have the ability to print the documents from the electronic document source files and/or directly from the vendor's system.

YES	<i>User Documentation</i> Develop complete and comprehensive user documentation that reflects all components of the software solution, including enhancements and Help guides.	User documentation shall be complete and accepted by the City on or before initial implementation and provided to the City in a printable, electronic format. City shall have the ability to print the documents from the electronic document source files and / or directly from the vendor's system.
YES	<i>Software and Hardware (if applicable) Support</i> Software and hardware support for a specified warranty period and proposed terms and conditions for the first five years of annual software and hardware support.	Vendor to resolve all issues surfaced during the warranty period to the City's satisfaction. City to review and accept terms and conditions for annual support.
YES	<i>Data Conversion</i> The plan shall include what provision you make testing data conversion and how the customer will be presented with an acceptance of the conversion.	Customer acceptance of the conversion.

YES	<p><i>Test Plan</i> <i>Testing shall be completed by the City test team and Vendor. The test plan shall specify how performance testing will be done from a business perspective and the technical perspective. Test objectives shall be agreed to and are to include test scenarios.</i></p>	<p><i>Tested components in City production environment shall be functional as intended and performance tested.</i></p>
YES	<p><i>Test Acceptance</i> <i>The City requires a minimum and error-free acceptance test period of 30 calendar days, followed by a test reliability period of 60 calendar days to complete final acceptance testing.</i></p>	<p><i>The City shall perform its own tests in the City test and production environments to verify all test results. If major defects or numerous minor defects are found during the City's acceptance testing, these tests shall be terminated and the Vendor shall resolve the outstanding issues. Once all issues have been addressed, the Vendor shall recommence the acceptance test process from the beginning.</i></p>

1. *Include any provision you make for testing to be extended in the event that all high-severity errors are not corrected in the test window.*

Response: We have a demonstration site (or sandbox) that allows users to go in and test new features we are rolling out. Generally speaking we do all of this testing ourselves but if the City requested an enhancement we would give them access to this site to test the feature and if the feature isn't working properly on the test site we will fix the feature before rolling it out to the live site for agency usage.

2. *Describe your provision to defer the start of warranty until after final acceptance of the system by the City. Include the process by which final acceptance will be made.*

Response: Please see our response under the "Warranty" section that can be found under section 6.

4.7 National Program

1. *Include a detailed response to Attachment B, Exhibit A, National IPA Response for National Cooperative contract. Responses should highlight experience, demonstrate a strong national presence, describe how offeror will educate its national sales force about the contract, describe how products and services will be distributed nationwide, include a plan for marketing the products and services nationwide, and describe how volume will be tracked and reported to National IPA.*

Response: Please see our response directly under the Exhibit from National IPA page response.

2. *The successful offeror will be required to sign Attachment B, Exhibit B, National IPA Administration Agreement The Agreement shall be signed no later than issuance of the City of Tucson's Notice of Intent to Award letter. Offerors should complete all reviews of the document prior to submitting a response. Offeror's response should include any proposed exceptions to the National IPA Administration Agreement.*

Response: Please see our response directly under the Exhibit from National IPA page response.

5. Fees – Vendor Hosted

1. Fees

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

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

a. Present all fees and any costs related to the program (including training, implementation, etc.) that will be charged or withheld from the City and cooperative agencies.

Response: **Public Surplus** can be paid by the agency or in the form of Buyer's Premium for the use of our application or the agency can pay the fee directly. A Buyer's Premium is a set percentage that is in addition to the winning bid; this amount is in addition to any applicable taxes and charges. The Buyer's Premium is listed as a separate line item from the winning bid amount. Any applicable fees such as taxes are totaled and charged to the Buyer.

All auctions clearly state and explain the Buyer's Premium for all Bidders (if the City elects to have one), along with the methods acceptable for payment. Winning bidders also receive this information via email once the buyer has won the auction. If an item listed by the City is not successfully won, The Public Group does not collect a fee. We feel strongly about our application, we do not charge additional fees found by other online auction sites.

We also do not charge any setup or startup costs. Some of these fees, which we do not charge for, includes:

- Re-Listing fees
- Uploading fees for:
 - Photos
 - Manuals
 - Item supporting documentation
 - Warranty information
 - Internal re-allocation fee
 - Targeted marketing
 - Email blasts
 - Contacting specialty buyers
 - Record Storage fees
 - Integration into the agency's website

Our fee breakdown service is as follows:

7% Auction Selling Fee – Our service is completely free for the City as you will not pay us anything. Or standard fee is 7% and the buyer would pay this fee in the form of a buyer's premium.

Example: If the item sells for \$100.00 and the City charges a buyer's premium the City will receive \$100.00. The buyer will pay \$107.00 and Public Surplus will receive \$7.00 from the buyer. If the City elects to pay the fee then in the scenario above the buyer would pay \$100.00, the City would receive \$93.00 and Public Surplus would receive \$7.00.

This fee can also be reduced if a volume-pricing discount is applied.

Any agency joining this contract would be on our standard rate of 7% auction selling fee.

3% Payment Collection Fee (Optional through Public Processing) – This additional fee is applied if the City decides to have Public Surplus collect payment from the buyer's. Public Surplus uses Public Processing to collect payments from the buyer and will allow the buyer to pay via credit card or wire transfer. This 3% fee is paid by the buyer on top of the sale price. For example, if an item sells for \$100.00 the City will receive \$100.00 and the buyer will pay \$110.00 which will pay

b. Discuss how fees are collected from a City pay and a Buyer pay perspective.

Response: If the City wants to pay the fee directly then the buyer will simply pay the amount the auction sold for (including sales tax) and then the City will receive an invoice from Public Surplus at the end of each month for what the City owes for the auctions sold that month.

If the City wants the buyer to pay the fee then the buyer will pay the amount of the auction (including sales tax) plus give the City the buyer's premium portion when they are paying for the item. The City will then receive an invoice at the end of the month from Public Surplus and use the money collected from the buyer's to pay the invoice fee.

c. Describe options available for collecting payment from bidders (e.g. agency collect, Contractor collect etc).

Response: This option takes away the risk and work involved for the City of Tucson to collect payment from the buyer. The auction will end and then the buyer will pay Public Processing directly for the auction, sales tax and fees. Buyers can pay via paypal, Credit Card or Wire transfer. Once payment is received and confirmed Public Surplus will notify the City that payment has been processed and the City can release the item to the buyer at that time.

Under our payment collection service, Public Processing, LLC accepts payments directly from buyers and remits net proceeds to the government agency via ACH transfer. Payment remittance to agencies is based on set billing cycles and subject to the terms of the Public Processing, LLC Agreement for Payment Processing.

Standard Billing Cycle (Net 30)

The Standard Billing Cycle is 30 days. This billing cycle starts on the 1st of the month that begins after Public Processing, LLC has received payment. Payment is remitted during the first week of the month following the end of the billing cycle. For example:

Auction closes on August 10th and payment is received on August 15th.

Billing cycle will begin on September 1st and will end on September 30th.

Public Processing will remit payment via ACH transfer to the agency during the first week of October.

Expedited Billing Cycle (Weekly ACH Transfer)

The Expedited Billing Cycle is offered to agencies that need to receive payment on an expedited schedule. Under the Expedited Billing Cycle, Public Processing, LLC will remit payment via ACH transfer to the agency on a weekly schedule. Agencies who elect to implement the Expedited Billing Cycle will pay an additional fee of 1%, bringing the total fee to 4% of the winning bid price. This can be passed on to buyers in the form of a buyer premium.

This weekly billing cycle starts on Sunday, and includes all items that are **paid for** in the previous week. A week is defined as Sunday through Saturday. Payment is remitted on the second Tuesday following the beginning of the billing cycle. It can take up to 48 hours for funds to be credited to the agency's account. For Example:

Sunday, January 1st - Saturday, January 7th

Any item that is **paid for** within the week will be included in the January 8th billing cycle. Payment will be remitted via ACH transfer on Tuesday, January 17th and may not reach the agency's account until Thursday, January 19th.

Sunday, January 8th -Saturday, January 14th

Any item that is **paid for** within the week will have an ACH payment transfer sent on Tuesday, January 24th, and may not reach the agency's account until Thursday January 26th.

d. *What payment options does the Offeror accept from bidders and the City (cash, check, credit card)?*
Response: We prefer and accept payments via Wire Transfer and Credit Card but with pre-approval we will accept cashier's checks or money orders as forms of payment.

e. *Will payment be accepted via commercial credit card?* Yes No

1. *If yes, can commercial payment(s) be made online?* Yes No

2. *Will a third party be processing the commercial credit card payment(s)?*

Yes No

3. *If yes, indicate the flat fee per transaction \$ 3% Fee on all auctions we collect payment on. _____ (as allowable, per Section*

5.2.E of Visa Operating Regulations).

4. *If "no" to above, will consideration be given to accept the card?*

Yes No

2. **Sales Tax**

a. *Indicate how sales tax / use tax would be tracked and paid.*

Response: Sales tax is added as a configuration option on the City's auctions and then when the user creates the auction they will indicate if this auction should have taxes charged on it. If so, the sales tax is added on top of the sale price and the buyer will pay the tax directly to the City or will pay it directly to Public Surplus (if we collect payment) and then we will forward the sales tax to the City with our monthly payments we send out.

b. *Identify what jurisdiction(s) would be the recipient of sales tax revenue.*

Response: The City of Tucson would receive all sales tax payments from buyers and responsible for submitting that unless the City wanted to use our Sales Tax Remittance option which can be used.

3. Revenue Share

a. *Discuss possible revenue share arrangements.*

Response: We offer the City of Tucson a **10% revenue sharing option**. What this means is that any agency that wishes to join your contract will be under the City of Tucson's cooperative group. Then on the profits that Public Surplus makes from the agencies using the contract we will send the City of Tucson 10% of that revenue. The City of Tucson will then split that payment with National IPA in whatever manner is agreed upon between those two parties. The City of Tucson will receive this revenue sharing check from us on a quarterly basis on all profits we receive.

b. *Identify if the City as the lead agency will receive revenue share based on the City's auctions and/or revenue share based on the auctions that other cooperative agencies post.*

Response: The City of Tucson will receive this revenue share on all auctions that other cooperative agencies post under their contract but the City of Tucson will be eligible directly for our auction volume discount outlined in this response.

c. *Offerors should state proposed percentages, how revenue share will be calculated and how and when they will be paid to the City.*

Response: Please see our answer above under section a.

4. *As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _____%, if payment is made within _____ days. These payment terms shall apply to all purchases and to all payment methods.*

Response: We do not currently offer any discounted pricing for payments made within a certain timeframe.

5. *Does your firm have a City of Tucson Business License? _____ Yes ___X___ No If yes, please provide a copy of your City of Tucson Business license.*

5.1 Warranty & Maintenance

1. *What level of customer technical support services and response times are provided as part of the product's basic license fees, and what additional cost services or extended warranties are available?*

Response: All warranties and support services are included in our price offered and there are no additional fees for technical support.

2. *Are all enhancements and upgrades of licensed software delivered as part of the client's annual maintenance contract? If not, explain what costs, including consulting costs, might be required. List the typical frequency of major upgrades, minor releases and bug fixes, and state whether upgrades are*

cumulative.

Response: All enhancements and upgrades are included in our price offered. The only thing not offered for free would be agency specific requests that would have a price negotiated.

3. *Describe any discount schedules or special entitlements for the maintenance agreement.*

Response: Since it is included in price there is no additional discount needed.

4. *Attach terms and conditions for warranty in an appendix.*

Response: Please see our terms and conditions for this information.

Additional Information

If there are any additional points you would like to make regarding your product that you feel have not been adequately covered by the preceding sections, please describe.

*We provide many additional services and marketing plans to assist the City of Tucson with being as effective and efficient with their surplus needs. Below are some optional functions available as well. You can also view our marketing materials and experience under our **confidential sections**.*

Internal Reallocation

Many government agencies are required by state or local mandate to offer their surplus items for internal transfer before they auction them to the public. The Public Surplus auction system has a built-in internal reallocation feature for you to offer your surplus items to departments within your agency, or to other affiliated agencies or non-profit entities. You can do this before (or instead of) offering the items to the general public. Items offered for internal reallocation are not auctioned; they are offered on a first-come, first-served basis for a specific price or for free.

Internal reallocation is an automated tool to manage your surplus property and will save you the hassle of creating an email for an item and sending to multiple contacts before listing it for public auction. Using this feature allows you to make the item available internally for a set time before it is available to be bid on by the public. You also have the option to make items available internally only, and not be offered to the public at all.

In order to invite departments/agencies to view your internal auctions Public Surplus will provide you an Internal Registration hyperlink and Registration Code. The department/affiliate then registers and will be notified of all internal reallocation listings as they are listed. This is just a one-time registration.

You can select how long you would like an item listed as Internal Reallocation by selecting the number of days (between 4 and 42) from the drop down menu under Time Frame when you are creating an auction. You can set a price for the item under Internal Price. If you would like to give the item away for free you can enter zero (0.00) in the Internal Price box. If an item has not sold before the end date it will automatically be released as a current auction if the City desires.

There is no fee associated with internal reallocation and we only make money on this feature if the item isn't claimed internally and it goes out for public bid. We will then receive our fee on top of the sale price from the buyer. We have been a master and innovator of this system for many years and will work hand-in-hand with the City to set it up exactly for what is needed.

Our system allows the City to set a zero dollar amount on all internal reallocation items as well as any other price. The City is also currently setup with our internal reallocation in the tiered format that allows the City to select which groups the internal auctions should go to first. The City currently has it setup in our system but this can be edited and changed for the City if needed.

Public Surplus will not receive any commission on internal items that are reallocated and if the items are not claimed internally they will then go out to Public Auction and the City will be able to select a minimum price and reserve price on these items that are deemed appropriate by City staff.

Departments

Our system is built with an extensive department feature that several of our agencies use. Our biggest client has over 200 departments setup in our system. The departments are assigned users and these users can post items on behalf of each department. The City of Tucson will be able to monitor and edit these departments. The creation and setup is very easy on the website and can be explained during any training process.

Uploading pictures (unlimited)

You can upload as many pictures as you would like. We do not charge per pictures and we encourage as many as you have. We also encourage the agency to take videos of auctions that have a running part so the buyers can see the piece of equipment working. There is no limited size on the pictures but there is a 10 minute limit on videos. You can also upload any documents you would like to with this item include Excel and PDF files.

Start and Stop times

The agency is able to set whatever date they want the auction to end on as well as set the time of that day that they want the auction to end. If the auction extends due to continuous bidding the time will go over the stop time but if there are no final bids it will end at the selected time. The City is also able to release the auctions out to bid at whatever time and day they want to. We have a held section that allows the City to create all the auctions and then release them at one time when they are ready.

Ability to set a reserve

The agency is able to set whatever date they want the auction to end on as well as set the time of that day that they want the auction to end. If the auction extends due to continuous bidding the time will go over the stop time but if there are no final bids it will end at the selected time. The City is also able to release the auctions out to bid at whatever time and day they want to. We have a held section that allows the City to create all the auctions and then release them at one time when they are ready.

Ability to activate an "Auto Extension of the auction time" option

Our system was the first online auction system to offer an auto extension feature. If a bid is placed during the final 5 minutes of an auction, the end time will automatically extend for an additional 5 minutes. This will continue until no bids are placed during the last five minutes.

This is much like a live auction: When the auctioneer is concluding the sale of an item, a person might make a bid at the last moment. The auctioneer then asks if anyone else would like to make a higher bid, essentially extending the auction until everyone has had a chance to make their final bid on the item.

Most online auctions are bid on during the final minutes. This option allows everyone a fair chance to bid until no more bids are placed.

Auction #1417171 - 2005 FORD F-150 CE-6217

City of Port Saint Lucie

Bid on Item

2005 FORD F-150 CE-6217

Auction #1417171

Region: FL

Current Price: \$3,506.00

Increment: \$50.00

Minimum Bid: \$250.00

Your Proxy Bid:

Current Bid: USD

Bid Increments: REQUIRED

Public Surplus will place the maximum bid for you up to the maximum amount you are willing to bid in the proxy bidding. Your maximum intent is only visible to you. No other bidders will know what your maximum bid is. If made, it will be yours.

Current Price **\$3,506.00** (Reserve has been met)

Time Left **3 hours 11 min**

High Bidder **EliteTeam**

of Bids **21**

First Offer **\$250.00**

Auction Started **Aug 2, 2015 1:00:00 PM MDT**

Auction Ends **Aug 16, 2015 1:00:00 PM MDT**

Note: This auction might extend

Seller **City of Port Saint Lucie**
[View seller's auctions]

Terms and Cond. [View Terms and Conditions]

Pick-up Location **City of Port Saint Lucie** [Map It]
121 SW Port St. Lucie Blvd.
Port St. Lucie, FL 34984

Auction Contact Please login to view contact

Payment **Visa, MasterCard, Discover**
Online CC Payment Less than or equal to \$4,000.00

Shipping **Buyer must pickup item(s)**

Share |

Bid History
[View bid history]

Questions
You can ask the seller questions about this auction after you login.

Description	
<p>Year: 2005</p> <p>Make: FORD</p> <p>Model: F-150</p> <p>Mileage: 113,890</p>	<p>Inspection of Auction Items by appointment only. City of Port Saint Lucie may require a bid deposit.</p>

Permission Based System

Our system is a permission based system that allows the City administrators to manually select the permissions and controls that each user in the system is able to access and navigate. The City will be able to specify who is administrators on the website and who has the ability to create/release auctions. Once the City begins using our system we will help them create their users with the needed access and then they can begin creating auctions

Our online system is designed for ease of use when it comes to auction creation. Users are able to use an excel upload file to create a lot of auctions or can manually create them 1 by 1 with our standard form. Once the auctions are live we have easy to use features that give the City the ability to revise existing listings, copy existing listings for creation of new listings, and the ability to retract or end listings. All of these features are readily accessible from the seller user menu.

The Public Group understands that the City will exclusively determine the items and equipment available for surplus. The City will have the utmost flexibility in how the listings may be conducted. The following functionality is included in our solution:

- i. Ability to have multiple line items per lot (ie. Computers);
- ii. Ability to have one asset per listing (i.e. vehicles);
- iii. Ability to have dutch auctions (i.e. same item and condition but multiple quantities and multiple bidders can purchase one or many)

Our system is built specifically for government agencies and we have the ability for agencies to add their own inventory categories they want on each item. These fields are customizable and can be tracked and reported. We are able to customize whatever information for tracking purposes that the City would need.

After the City inputs the information they want in the auction creation page it will go to a "Held" section that will allow any City users with the correct permissions to view and release the items for sale. While the auctions are out for sale

the City will be able to view who is bidding on the item, the number of bids and the current price the bidding is out. The auction page will also show all contact information for the City employees responsible for the auction. The City will also be able to place any additional information about the item that they would like in this section such as payment and pickup procedures. .

Once an item is released for sale our system allows any user to search for auctions on our website using our search feature. Users that are on the website will be able to search for current auctions as well as closed auctions. Buyers are able to search for items by a specific region and/or specific agency. Below is an example of using this search feature for past auction data.

English

Release | Login | Switch

Chat | Help | Logout

Search Auctions

Keyword:

In Category:

Ended Current

Ended Between: and

Price Range: From \$ To \$
(leave blank to see all auctions)

Located: miles from zip code

In Region:

Auction	Title		Time Left	Bids	Current Price
1350506	2002 Chrysler Sebring		CA Ended	2	\$1,050.00
1358824	2006 White Ford Crown Vic		AZ Ended	14	\$1,275.00

During the duration of the auction buyers are able to access the auction page and ask questions they may have pertaining to the auction. The user that created the auction will then be notified of the question and be able to answer it via e-mail and/or on the website. The user will be able to review the question and approve or deny it before responding and providing an answer.

When a buyer goes to bid on an auction they will have to agree to the terms and conditions that the City is able to create and edit. When a buyer goes to bid on these items they must agree to the terms, which works as an electronic signature agreeing to whatever specifications the agency has set forth. Below is an example of an agreement page.



Bid on Item
TEST CARBURETOR
WACHS

Auction # 278107	
Item #	10
Current Bid	\$1,200.00
Buyer's Premium	\$180.00
High Bidder	11427100
Time Left	2078:10:17

[How to place a bid](#)

Terms And Conditions - City of Midway

CITY OF MIDWAY - ONLINE AUCTION TERMS AND CONDITIONS

PLEASE READ THIS DOCUMENT CAREFULLY. SHOULD YOU HAVE ANY QUESTIONS, SEND THEM TO AUCTIONS@CITYOFMIDWAY.ORG

PART I - GENERAL AUCTION AND PAYMENT TERMS

The online auction is opened to the general public. However, City of Midway employees and their relatives will not be permitted to bid. Buyer must be of legal age to enter into a contract with the City of Midway.

ALL SALES ARE FINAL. There are no refunds or exchanges.

The City of Midway reserves the right, in its sole discretion, to reject any or all bids considered, if the public interest may be served thereby. The City of Midway also reserves the right to withdraw an item at any time - including during the bidding process.

THIS ITEM IS BEING SOLD "AS IS", WITH NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

At the conclusion of bidding, the successful bidder must submit full payment within five (5) business days of the auction close. Cash, cashier's checks, certified checks, money orders and

I have read this document and I decline the purchase of the item. **DECLINE**

I have read this document and I accept the purchase of the item. **ACCEPT**

Once an auction ends our system automatically sends a winning notification and payment notification to the buyers after payment has been made. The City will be able to customize the information e-mailed to the buyers. The City also has the ability to manually send notifications through our e-mail system within our website.

These winning bidder notifications go out automatically after each auction is ended. The winning bidder and City will both receive the e-mail notification. The City is able to customize the information they want within this winning notification. The City is also able to manually send this information to the winning bidder or second bidder if they want to offer the item to them through our system.

You can view any auctions that ended on our closed auction tab which will show all auctions that closed, the price they ended for bid and who the winning bidder was.

Once the auction closes the buyer has 5 business days to pay for their item and then 5 days from payment to pickup the item. The City can negotiate these terms with the buyer if they so desire. If the City has any issues with buyers then the City will have the ability to block or otherwise decline bidders / buyers whom have defaulted on previous City or any other government agencies auctions. Additionally, **Public Surplus** can block or otherwise restrict buyers on a per case basis.

Appendices

This section is provided to insert hard copy information and materials that are requested in several sections of the proposal response. Include your materials under the following headings.

7.1.1 Vendor Qualifications

We feel that the best way to share our experience and qualifications is to have examples and testimonials of agencies that have used our system. Below is numerous examples and agencies that have provided this information.

Our first example -

TPG has assisted an agency in turning a regular expense into a new stream of revenue as documented in the email below:

Testimonial: NYC Director of Bridge Painting

*With the advent of the online auction process, even some of the most un-sellable items are able to be advertised and marketed to a much, bigger set of potential end users. As such, New York City DOT would like to share with you their 100% positive experiences in the very short time that they have been using the online auction process to market and sell excess/unwanted inventory. Specifically NYCDOT would like to focus on the various paints, which they have been able to market and sell to the general public. Recently NYCDOT was able to sell, via on-line auction approximately 800, 5 gallon buckets of paint, generating an income to the City of approximately \$20,000. Without **Public Surplus**, disposal of this paint would have taken the traditional route of transferring it into 55 gallon drums and then paying an environmental subcontractor \$220 per drum to cart away and legally dispose of the paint. This would have been 73 each 55 gallon drums x \$220 per drum = \$16,060. By my math, this results in a net savings to the City of \$20,000 + \$16,060 + all of the man hours saved to transfer the paint into the drums and then cart away the empty buckets via dump truck to a transfer station, easily another \$5000.*

*NYDOT usually does not make it a policy to endorse any particular outside vendor or company, but in this case we feel compelled to break our rules and go out of my way to praise **The Public Group** and their outstanding customer support representatives. Their company is full of talented self-starters and conduct themselves with the highest level of professionalism and customer-focused service attitude. NYDOT is very pleased to be using **The Public Group** and will continue to use it wherever possible as we know they are the best avenue for disposing of surplus in a timely, profitable manner.*

-Director of Bridge Painting, NYC, Ron Rauch

Our second testimonial demonstrates our ability to dispose of items that are specific to the City's and the scope of our buyers' base.

Testimonial: Metropolitan Atlanta Rapid Transit Authority (MARTA)

*We have been using **Public Surplus** for more than 3 years. MARTA has sold over 200 buses, 12 retired police cars, and over 100 Auctions for surplus and obsolete equipment in the past year on **Public Surplus**, obtaining*

bids from Alabama to Portland, Oregon. The ability to obtain as many as 25 bids for our obsolete and surplus equipment maximizes the revenue we make versus local auction houses alone and we are completely satisfied with the service.

Roger Mahler
Purchasing Manager
Metropolitan Atlanta Rapid Transit Authority

Our third example - TPG has assisted an agency in disposing of an item for more than the price the same item was being sold for:

Testimonial: Oldham County, TX

Oldham County is located in the beautiful, high plains of the Texas panhandle. In the past year the Sheriff's department had the good fortune of discovering **Public Surplus** at the annual Texas Sheriff's Convention. After investigating **Public Surplus**, how they work and the great things they have done for other agencies we decided the smartest thing we could do was join up and give **Public Surplus** a try. The County had a group of seized vehicles that in the past they would sell at a local auction. This time we decided to try to power of **Public Surplus** and we where not disappointed. Over the next couple months we auctioned off vehicles that had been sitting around for years. After seeing what **Public Surplus** could do we were able to come to the conclusion that online auctions is the way to go and we have seen considerable revenue growth compared to our local live auction of the past. One vehicle of note was a motor home that you could find the same year, make and model for sale on the Internet for \$12,995.00, with **Public Surplus** it went for over \$17,000! This made even more money for the Sheriff's department. Overall we are very satisfied and look forward to using and making more money in the future with **Public Surplus**.

Our fourth testimonial states the significant increase in revenue since utilizing our **Public Surplus** application.

Testimonial: City of Albuquerque, NM

To whom it may concern:

Public Surplus has been our web-based auction since 2007. Since then, our revenue has increased about \$400,000 to 500,000 a year. Customer service has been excellent in regards to reports, reconciling and customer communication. The program is simple and user friendly. It is easy to use all around and is an enjoyable auction website. We would definitely recommend it to all Government surplus based companies and entities

Our fifth testimonial shows the effectiveness of our training, customer service, and increases revenue and is from the City of Mesa.

Testimonial: City of Mesa, AZ

The City of Mesa started using Public Surplus as a tool to increase our sale of surplus property in February 2012. The representatives from Public Surplus provided training over the phone and in person. When we first started listing items our representative came to our location to assist with our listings. She offered suggestions on how to create our listings so that the largest number of bidders would be drawn to them. The representatives are available to assist with any questions or situations that we encounter. The use of Public Surplus has dramatically increased our sale of city surplus items, which in turn reduces the shelf time of the surplus items. The process of listing items on Public Surplus is quick and not as complicated as other online selling options. With the bidder paying the "bidder's premium", it is easy to clearly see what our organization receives for each item by not having to deal with additional listing fees. Our relationship with Public Surplus is a "Win Win" situation.

*Thank-you,
Yvonne Brown
Inventory Control Specialist
480-644-2686 Office
480-644-4621 Fax*

Reference Article

Mayor Rahm Emanuel announces \$3.6 million from online auctions of surplus materials in 2011

BY: City Of Chicago - USA

City Nearly Doubles Revenue from 2010, \$4.6 Million More Expected in 2012

CHICAGO — Mayor Rahm Emanuel announced today that the Department of Procurement Services (DPS) collected \$3.6 million in selling City surplus materials through its online auction system, nearly twice the amount collected in the year previous. The online auctions allow the City to sell unneeded surplus possessions including fax machine toner, scrap metal, old vehicles parts, and street sweepers.

"It is our responsibility to the taxpayers of Chicago to leave no stone unturned or old fax machine unsold when it comes to bringing in new revenue to the City," said Mayor Emanuel. "For each dollar we bring in through our online auction system, it's one less dollar we have to find from someplace else which allows us to preserve critical City services that Chicagoans depend on. I commend the Department of Procurement Services for its aggressive pursuit of items that can be sold online. It is an example of the type efficient, ingenuity that we will continue to strive for every day."

Through increased coordination and outreach between City departments, DPS doubled the amount it collected in previously from \$1.8 million to \$3.6 million. In addition, DPS has projected that it will increase that amount in 2012 for a total of \$4.6 million in revenue. Already in the first month in this new year, DPS auctions have generated over \$90,000 in new revenue.

Recently successful auctions include 450 tons of scrap metal, several pieces of heavy equipment and a set of decommissioned Micro-Turbine power generators. Most auction items are sold at the City's salvage yard, though some equipment is auctioned onsite at the City facilities where they were used. DPS also works internally with City departments and Sister Agencies to identify any items that still may have potential use to the City. DPS has sold surplus items to buyers all over the United States as well as South America, Mexico, and Canada. Anyone

interested in purchasing surplus items should visit the City's website at www.cityofchicago.org/procurement or call DPS at 312.744.4900.

Press Release/Reference Info:

City of Houston
Scott Erdo
(832) 393-9781
scott.erdo@houstontx.gov
2511 Broad Street
Houston, TX 77087

Article Title: *City auction helps close growing budget shortfall*

HOUSTON -- An auction of aging city vehicles is proving to be a financial windfall for Houston as it works to bridge a growing budget shortfall.

The city doing everything it can to cut costs and generate revenue, including auctioning off its aging fleet of vehicles, with starting prices as a low as \$500.

It's proving to be a financial windfall, according to Christopher Newport from the City of Houston's Administration and Regulatory Affairs Department.

"Our customers go as far north as Wisconsin, as far east as Arizona [and] as far west as California," said Newport. "Many of them are repeat customer from right here in the city of Houston."

The vehicles are sold through the Public Surplus website. The city has sold old fire engines, aging police cars and tractors. It has sold close to 400 vehicles since July. That has brought in more than \$1 million for Houston's bottom line.

"Any time you talk about increasing the return to the taxpayer dollar by 278 percent you're obviously on the right track," Newport said.

The program is expected to gain popularity with the public "A lot of people don't have the credit to go to a car lot, or they don't have the money to go to a car lot," said Cristyl Marshall, a Houston resident. "If they can help themselves two ways -- a cheaper car and putting [money] back into the City -- I mean, you can't beat that," she said.

The online auctions started last summer. They have been so successful the City plans to expand it by selling as much as 97 percent of its aging fleet.

Press Release/Reference Info:

Article Title: Arizona department switches to online auctions

PHOENIX (AP) - The Arizona Department of Transportation is going online with its auctions of surplus vehicles and other equipment.

The department says it's scrapping its past practice of holding public auctions once or twice a year at an equipment yard in Phoenix.

According to ADOT, the online auction will be more convenient and result in used vehicles, older construction equipment and other surplus items being put up for sale more frequently as they become available.

The department says potential bidders will need to register online at publicsurplus.com, will select Arizona as the region and then the Arizona Department of Transportation as the participating agency.

Credit cards will also now be accepted as payment options.

7.1.2 Company Organization and Segmentation

Response: We have provided all the organization and segmentation information we feel is applicable to this response but can provide more direct information as needed by request of the City.

7.1.3 Reserved

Response: Nothing to add to this section from us.

7.1.4 Business and Development Plans

Response: We continue to increase our business and develop products on a consistent manner. We update our Public Surplus and Public Purchase website on a quarterly basis to better serve our customers. Most of the enhancements we create during this process come from input from our customers. We are currently in the process of working on a Public Warehouse and Public Contract system that will continue to extend our reach and capabilities with government agencies. We have 4 of the 5 biggest Cities already using Public Surplus and 4 of the 7 biggest Counties so we will continue to focus on those large clients that do not yet use our system.

7.1.5 Financial Rating Reports – Can be found under our Confidential information section.

7.2 List of Standard Reports and Examples of Key Reports

Response: Please see our reports section under “Confidential Information” at the end of our response.

List of Exceptions

CITY OF TUCSON EXCEPTIONS

Part A

3.1.5. Escrow of Source Code. We cannot agree to releasing our source code to the City. This is what makes our company valuable and unique. If we release that to agencies we would lose all of our marketability.

3.1.2. Insurance. City requires \$2M Annual Aggregate for Professional Liability-- Technology Errors and Omissions insurance coverage. Our annual aggregate is currently \$1M. We would be willing to increase this limit if it was absolutely necessary.

Part B

2.3 Reference Information. Be sure we have permission from the respective agencies before listing this information. As usual, be sure to clearly mark "**Confidential**" all financial information, any information about current or former clients.

NATIONAL IPA EXCEPTIONS

Part A

3.1.3. Ownership of Data.

TPG cannot agree to the first paragraph of this section, which conflicts with paragraph 7.8 of The Public Surplus Seller Agreement. TPG can agree to the remainder of the paragraphs provided the following changes are made:

In the event that any **City data related to City** is transmitted to the Offeror's systems or location, the Offeror agrees to securely maintain the data, in such manner as is defined within this agreement; to freely release all data at the end of the agreement for any reason; and to permanently remove all data from their systems once the City has issued a written receipt for the data's return.

The Contractor will make copies of all of the ~~City's~~ **data related to City** within ten (10) days of receipt of the City's written request for such data. The data is to be delivered via electronic media, in a format mutually agreed upon by the City and the Contractor. Proof of receipt of a request is constituted by the delivery acknowledgment provided by third party package handlers or by the US Postal Service. The City agrees to bear reasonable costs for extracting the data, not to exceed \$1,000 dollars.

If the Contractor fails to deliver the data within ten (10) days of receipt of a request; or upon termination of the contract; or if the Contractor fails to either securely maintain all data files while they are maintaining them or to completely erase all the data from their possession after the data has been returned to the City upon termination of this agreement; then the Contractor shall be liable for all costs, fees and damages incurred by the City as a result of the Contractor's actions.

3.2.14. Exclusive Possession.

TPG cannot agree to this language but can agree to the following:

The Public Group will not release to a third-party any information, reports, or other data created under this Contract without prior written permission from the City.

3.2.19. **INDEMNIFICATION** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions ***in proportion to and to the extent*** caused ~~in whole or part~~ by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

NATIONAL IPA

Suppliers are required to pay an administrative fee of 2% of the greater of the Contract Sales under the Master Agreement and guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

Response: We are offering a 10% rebate on all auction sales to the City of Tucson for agencies on their contract. The City can elect however they would like to distribute that rebate to National IPA. This will be used as the payment on our administrative fee of 2%. This will also include rebates on current agencies that use our system under this contract.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in

each calendar month shall be provided by Supplier to National IPA by the 10th day of the following month. Such reports shall be accompanied by an administrative fee payment in the amount indicated on the report as being due. Administrative fee payments are to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. ~~All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.~~

Response: We cannot agree to the interest rate.

Copy of RFP and Amendments

CITY OF TUCSON

DEPARTMENT OF PROCUREMENT

REQUEST FOR PROPOSALS NO.161468

Online Auction Services

AMENDMENT NO. One (1) DATE ISSUED: Monday, March 07, 2016

The referenced document has been modified as per the attached Amend No. One (1)

Please sign this Amendment where designated and return the executed copy with your PROPOSAL.

This amendment is hereby made part of the referenced solicitation as though fully set forth therein.

Any questions regarding this amendment should be addressed to Lloyd B. Windle, II, Principal

Contract Officer at (520) 837-4105. Lloyd.Windle@tucsonaz.gov

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR PROPOSAL. THIS RFQ IS AMENDED AS FOLLOWS:

1. The due date for submitting proposals will REMAIN unchanged for March 17, 2016, at 4:00 pm Local AZ Time.
2. Part A, Instructions to Offerors, Page A-6, Paragraph 2.1.A - Preparation of Proposal:
Submit one original and 6 copies instead of 5 for a total of 7. Submit 2 electronic copies instead of one.
3. Part A, Special Terms and Conditions, Pages A-17 through A-19, Paragraph 3.1.8 Living Wage Requirement:
This requirement is REMOVED in its entirety from the solicitation as it is not applicable to this solicitation.
4. Part B, Page B-8, 3.2 Functional and Technical Requirements:
 - a. Rename "Attachment B.." to "Attachment C – Online Auction Services Functional and Technical Requirements".
 - b. In the comments field, explain how your solution will meet the "ability to or provision for" requirement.
5. Part B, Page B-8, 3.2.3 Infrastructure:
Add Item 5. Virtual Desktop Implementation:
Please describe if, and how, your solution will work on virtual desktop machines.
6. Part B, Page B-9, 3.2.4 Database:
Replace item 2.6. in its entirety with the following. Provision for reliable and secure method for user authentication. Describe the standard or methodology used.
7. Part B, Page B-11, 3.2.8 Interfaces: Add the following language.

iCashiering/CORE: Describe your ability and experience with creating an interface to the iPayment online portal for accepting and processing credit card payments. The file needs to be a pipe-delimited file with a .txt or .csv file- name-extension and contain a unique lot identifier for each record. Payments are transferred to the City's commercial bank account at Wells Fargo by the iPayment software. See the attached table layout template in Attachment D.
8. Part B, Page B-14, 4.6 Deliverables and Acceptance:
 - a. Installation – Delete the words "City or".
 - c. System Documentation – Delete the words "(City Hosted)".
9. S.A.M.M. Division: In April 2016, S.A.M.M. will be staffed with 5 full time equivalent employees of whom 2 will operate the surplus and auction program. The warehouse stores non-rolling stock in the 30,000 square feet facility. Rolling stock is held in a separate 1 acre lot.
10. Firearms: Shotguns and sporting rifles are the only firearms processed through the auctions. Bidders must be pre- qualified as an FFL to participate.
11. Vehicles: All public service vehicles are processed for the auction by the City of Tucson's Fleet Division. All public safety equipment is removed prior to auction. Auctions are tracked by the unique vehicle identification number.
12. Credit Cards: S.A.M.M. does not currently accept credit card payments but anticipates doing so during the contract that results from this RFP.

13. Auction Volume: S.A.M.M. processes approximately 25 to 30 lots per week for posting to the auction website. Approximately 200 lots are ready for pickup monthly.

Jewelry and Other Valuables: The City has been unable to locate a source to authenticate valuable items. The City fully discloses all information known for these items including posting photos. The City is interested in evaluating value added services such as authentication services that are offered in a proposal.

14. Training: The City is interested in evaluating options for onsite and online training as well as training provided for new employees who might be hired during any term of the contract.

15. Services: The City is interested in evaluating various solutions that might range from a minimal approach, such as a listing service, to a more robust offering, such as full service. Offerors may provide more than one solution for the City to consider. Explain the advantages and disadvantages for each solution, and explain how each will meet the specified requirements.

16. Surplus and Internal Reallocation Process: The City currently processes non-rolling stock for private viewing by City employees, who may claim an item by submitting a zero dollar bid. These items are built into a lot so that they can be easily moved to a live auction if not claimed. Property transfer forms are processed manually to reallocate these items.

17. National IPA – Attachment A to RFP: Offerors shall respond to Exhibit A and B and include any redline, exception and proposed language with their proposal. Exhibit E is a sample template that Offeror may use to report sales. Offeror may submit an alternate Exhibit E template in their proposal.

***** END OF AMENDMENT *****

ALL OTHER PROVISIONS OF THE REQUEST FOR QUALIFICATIONS SHALL REMAIN IN THEIR ENTIRETY. VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Zackary Corbett
Signature _____ Date _____
Zackary Corbett – Product Manager
Print Name and Title

____The Public Group____
Company Name
____3520 North University Avenue____
Address
____Provo, UT 84604____
City State Zip

Product Literature

Response: We have provided all the literature we feel is applicable to this response but can provide more direct information as needed by request of the City.

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:

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

Company Name: The Public Group

Address: 3520 North University Avenue

City: Provo State : UT Zip: 84604

Signature of Person Authorized to Sign: *Zackary Corbett*

Printed Name: Zackary Corbett

Title: Product Manager

For clarification of this offer, contact:

Name: Zackary Corbett

Title: Product Manager

Phone: (801) 932-7000 x 153

Fax: (801) 932-7001

E-mail: zackaryc@thepublicgroup.com

ACCEPTANCE OF OFFER

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

CITY OF TUCSON, a municipal corporation

Approved as to form this ____ day of ____ 2016. Awarded this ____ day of ____, 2016.

As Tucson City Attorney and not personally, 2016.

Marcheta Gillespie, C.P.M., CPPO, CPPB, CPM

As Director of Procurement and not personally

National IPA Information

SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

3.1 Company

1. *Brief history and description of your company.*

Response: Please see response under Introduction on Page 6 & 7.

2. *Total number and location of sales persons employed by your company.*

Response: We currently have 16 sales/support representatives employed by our company.

3. *Number and location of support centers (if applicable).*

Response: We have two corporate offices, one in Utah and one in Nevada and then we have multiple branch locations strategically located across the Country.

4. *Annual sales for the three previous fiscal years.*

Response: Please see our financial reports under the "confidential section"

5. *Submit your FEIN and Dunn & Bradstreet report.*

Response: 91-2198986 and we do not currently have a Dunn & Bradstreet report.

3.2 Distribution, Logistics

6. *Describe how your company proposes to distribute the products/service nationwide.*

Response: We will be attending all national major conference events for government agencies which include NIGP, NACO, APWA, ICMA, NPI, GFX, ASBO and many other shows. We will be promoting this contract at those conferences. We will also build out an e-mail template in our system and as our sales and support team contacts agencies about our system we will send them over information on this contract and service we provide.

7. *Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.*

Response: The only other company involved in this contract would be Public Processing LLC which would handle payment collections directly from the buyer if the City of Tucson (or any cooperative user) decided to have us collect payment from the buyer for

them.

8. *Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.*

Response: Not Applicable with our system as the government agency will be selling the items directly on our website from their facility.

9. *State any return and restocking policy and fees, if applicable, associated with returns.*

Response: Not Applicable with our system.

3.3 *Marketing and Sales*

A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:

i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days

Response: If the award is made we would setup a meeting with leadership from National IPA and the City of Tucson to outline a strategy for upcoming conference events that we will be attending and make sure we have the correct marketing material so we have this contract up front and available at our booth with conferences we will be attending.

We will also have sales and support staff members from The Public Group on the call to learn the best way to promote this contract and share the benefits of this contract compared to other contracts we have in our system. We will make sure our entire staff has the needed documentation in e-mail form and as they make their regular sales or support calls we will be notifying all potential clients about this contract and agreement.

ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days .

B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:

1. Creation and distribution of a co-branded press release to trade publications within first 10 days.

Response: We do quarterly newsletters with updated information on company growth and partnerships. We will plan on sending out a co-branded publication release to all of our current clients via this newsletter e-mail list we have within 10 days of award.

2. Announcement, contract details and contact information published on the company website within first 30 days

Response: As soon as the contract is awarded we will add information about the contract on our live "News" section and we will keep it up for the term of the entire contract as a piggybackable option for any agency that would like to use it.

3. Design, publication and distribution of co-branded marketing materials within first 90 days

Response: As soon as the contract is awarded we will add information about the contract on our live "News" section and we will keep it up for the term of the entire contract as a piggybackable option for any agency that would like to use it.

4. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement

Response: We attend many conferences (APWA, ICMA, NaCo) each year including the NIGP and the NPI annual conference. We also attend any regional NIGP chapter meeting that we have a representative in the area. We can also attend any specific events that National IPA would recommend we attend.

5. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.

Response: We certainly agree and look forward to this marketing opportunity.

6. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement

Response: We have our normal publications and newsletters that we will promote and recognize the cooperative agreement with National IPA. We can also design special publications for National IPA and our agreement with the City of Tucson if requested.

7. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, etc.)

Response: We will promote this agreement throughout the entire term of the contract when new business opportunities arise and continue to show case studies and follow up information on the contract.

8. *Dedicated National IPA internet web-based homepage with:*

- *National IPA standard logo;*
- *Copy of original Request for Proposal;*
- *Copy of contract and amendments between Principal Procurement Agency and Supplier;*
- *Summary of Products and pricing;*
- *Marketing Materials*
- *Electronic link to National IPA's online registration page;*
- *A dedicated toll free number and email address for National IPA*

Response: We will provide a specified location on our website that will show the National IPA agreement with all the required information above. Agencies can click on this agreement directly from our website. We will also have a specific URL page direction that can take customers through National IPA or see just information pertaining to our system with National IPA. We can agree to the terms above.

9. *Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.*

Response: Any agencies that are currently setup under our City of Tucson contract will simply be added to the new cooperative contract and there will not be any lapse in usage of the contract or revenue sharing.

We currently have the following regional contracts: Fairfax County, VA; City of Port St. Lucie, FL; City of Mesa, AZ;

We currently have the following national contracts: TIPS/TAPS, TX.

If we are to be awarded this contract with National IPA and the City of Tucson we will promote it at all conferences and any time an agencies asks for a list of national contracts we will provide them all the information about this contract.

10. *Acknowledge that your company agrees to provide its company/corporate logo(s) to*

National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions.

Response: We will provide this logo and any other promotional material that would assist National IPA in promoting this contract.

11. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:

- 1. Master Agreement was competitively solicited by a Principal Procurement Agency*
- 2. Best government pricing*
- 3. No cost to participate*
- 4. Non-exclusive contract*

Response: We agree to the terms above.

F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:

- 1. Key features of Master Agreement*
- 2. Working knowledge of the solicitation process*
- 3. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA*

Response: We agree to the terms above. And will implement contract selling procedures within 10 days of the contract being award with our sales and support team.

G. Provide contact information for the person(s), who will be responsible for:

- 1. Marketing – Zack Corbett, zackaryc@thepublicgroup.com, 1-801-932-7000 x 153*
- 2. Sales – Zack Corbett, zackaryc@thepublicgroup.com, 1-801-932-7000 x 153*
- 3. Sales Support – Megan Gatwood, megangatwood@thepublicgroup.com, 1-801-932-7000 x 186*
- 4. Financial Reporting – Brian Donnelly, briandonnelly@thepublicgroup.com, 1-801-932-7000 x 130*
- 5. Contracts – Jason Dixon, jasondixon@thepublicgroup.com, 1-801-932-7000 x 131*

H. Describe in detail how your company's national sales force is structured, including

contact information for the highest-level executive in charge of the sales team.

Response: Zackary Corbett is our Public Surplus Product Manager and is in charge of the sales team. We have 4 different types of sales teams that he oversees with managers over each team:

A. National Sales Team (Manager – Don Clayton) that is in charge of selling all large accounts

B. Demo Sales Team (Manager – Daphne Massouras) that is in charge of selling to small and school district accounts.

C. Auction Technician Sales Team (Manager – Michael Flygare) that is in charge of providing on-site listing assistance for clients that do not have staff to post items themselves.

D. Support Sales Team (Manager – Megan Gatwood) that is in charge of supporting current clients and selling them to contracts as the opportunity arises.

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

Response: We propose that we will have a group meeting within 10 days of contract award and will include the sales team managers from Public Surplus and National IPA. In this meeting we will discuss best approaches for conference attendance and promotion, publication literature and information available to be e-mailed to current and potential clients of the contracts. We will value feedback from the National IPA staff as to what trends they have seen be successful and will be willing to implement their ideas as well as bring our own ideas to the table such as promoting on our website and upselling the information to our current clients that may be interested in joining a piggybackable contract.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.

Response: We propose that we will hold a group meeting of the National IPA staff and the Public Surplus management staff quarterly to evaluate new agency sales, potential sales and current users on the contract. We feel the best way to improve and increase growth is to know where the current business is at and identify upcoming trends and conferences that will allow us to target new customers. We will provide all new account set-up in the system and National IPA can be instrumental in getting agencies interested in the cooperative agreement and then the Public Surplus sales team will take over and walk the client through the registration, configuration and selling cycle.

K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

Response: We can't provide that specific data that for other agencies without a FOYA since they can consider it private but you can certainly reach out to our top 10 Public Agency customers and they can provide it if they are willing.

City of Baltimore Bureau of Purchases	MD	Thompson, Robyn	robyn.thompson@baltimorecity.gov	(410) 396-1855
City of Chicago	IL	Loboda, Steve	Steve.Loboda@ex.cityofchicago.org	(312) 907-0812
City of Henderson (NV)	NV	West, Brenda	Brenda.West@cityofhenderson.com	(702) 267-1759
City of Houston	TX	Erdo, Scott A	scott.erdo@houston.tx.gov	(832) 393-9781
City of Las Vegas (NV)	NV	Gomoluh, Niki	ngomoluh@LasVegasNevada.GOV	(702) 229-6020
City of Mesa	AZ	Fugate, Doug	Doug.Fugate@mesaaz.gov	(480) 644-3373
Colorado Springs-City	CO	Hartmann, Regina	tmthompson@csu.org	(719) 668-7628
City of Albuquerque	NM	Harper, Dave	dharper@cabq.gov	(505) 857-8676
City of Atlanta	GA	Chapman, David A	dchapman@atlantaga.gov	(404) 330-6508
New York City	NY	McCauley, Gladys	gmccauley@dcas.nyc.gov	(718) 417-2156

L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Response: This answer may require further clarification but the way we pay cooperative agencies is in a "rebate" format. Any client using the City's contract will pay Public Surplus 7%. Public Surplus will then pay a quarterly 10% rebate on the total profits we make on that 7% from agencies on that contract. The City of Tucson will then pay the agreed upon revenue sharing with National IPA.

M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement.

\$9,534.53.00 in year one, \$15,959.47.00 in year two, \$18,989.49.00 in year three.

Response: We cannot make a guarantee on contract sales as it is completely

dependent on how many items the agencies joining this contract sell but based on our current contract with the City of Tucson we can estimate that this contract will produce at least the amount above if no new agencies join and we just maintain current sales under the contract. However, we fully expect that with a national name like National IPA we can grow this contract and revenue shares with it.

N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation that is for Products covered under the Master Agreement.

- 1. Respond with Master Agreement pricing (Contract Sales reported to National IPA).*
- 2. If competitive conditions require pricing lower than the standard Master Agreement pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.*
- 3. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement.*
- 4. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.*

Response: We agree to the terms above pertaining to future formal solicitations.

ATTACHMENT C - RFP #161468 - Online Auction Services Software			
Functional and Technical Requirements Complete per instructions in Part B., Paragraph 3. Application Requirements			
Item Number	Functionality/Feature	Paragraph 3. Application Requirements (Y, N, M, F, T)	Comments
1	<i>Ability to configure the dashboard display and layout by end users</i>	Y	We allow end users to configure their own "homepage" on our website.
2	<i>Ability for agency to manage all aspects of the bidding process online, including, but not limited to,</i>	Y	

	<i>creating, posting, modifying and marketing auctions.</i>		
3	<i>Ability to upload various media types to auctions/surplus in video, photos, excel, pdf, word, etc.</i>	Y	We allow all these methods and are in the process of building a tablet application for upload.
4	<i>Ability for agency to stop auctions, create addendums, move to next highest bidder, retract offer, etc.</i>	Y	The City has full permission to do this on their own.
5	<i>Ability to upload post award documentation to closed auctions for audit purposes.</i>	Y	We have a "notes" section on our website that allows the City to post any information they want.
6	<i>Ability to mark auctions as picked up by bidder</i>	Y	We have an icon the agency can select to mark picked up.
7	<i>Ability to create a bill of sale with customized language</i>	Y	
8	<i>Ability to flag auctions according to their funding source. (i.e. General Fund, Environmental Services Department, Tucson Water Department, Federal Funding source, etc.)</i>	Y	
9	<i>Ability to post "Dutch" auctions</i>	Y	
10	<i>Provision for standard and agency customized templates/forms</i>	Y	
11	<i>Ability to customize auctions</i>	Y	
12	<i>Ability to view/modify current auctions</i>	Y	
13	<i>Ability to automatically extend auctions for additional time when a bid occurs within 10 minutes of auction ending.</i>	Y	We allow the agency to do this but our limit is within 5 minutes of an auction ending, not 10 minutes.
14	<i>Ability to accept and process electronic payments via online payment portal.</i>	Y	The agency can have Public Surplus collect payment or we can create a payment portal that would allow the City to accept electronic payments on their own.
15	<i>Ability to access bidder profile information in order to call, fax or email bidder.</i>	Y	
16	<i>Ability to block bidders from City auctions at the City's sole discretion.</i>	Y	

17	Ability to automatically notify City and winning Bidder of awarded auctions	Y	
18	Ability to upload items as surplus to allow agency departments to claim items for internal reallocation at no cost.	Y	
19	Ability to notify agency employees of items available for surplus and relocate at no cost to agency.	Y	
20	Ability to override/change status of items in surplus to auction.	Y	
21	Ability to sell surplus property online 24 hours a day, 7 days per week.	Y	
22	Ability for system to store historical data for retrieval for a minimum of 3 years.	Y	
23	Ability to track, record, and report on the auction process.	Y	
24	Ability to provide permission based access to limit a departments ability to access their own auctions.	Y	
25	Ability to seamlessly link from the City's auction domain name (citysurplus.org) to the software website with minimal clicks by bidders	Y	
26	Ability for a parent/child relationship to allow an agency to run auctions for other agencies.	Y	
27	Ability to accept the transfer of current auctions from the current provider.	Y	We are the current provider so you would simply continue to post auctions as you currently do.
28	Ability to notify potential bidders for specific auctions.	Y	
29	Ability to notify bidders of time extensions, status of their bid, etc.	Y	
30	Ability for bidders to login by creating an account	Y	
31	Ability for bidders to view auctions without logging in	Y	Buyers will be able to view all auctions but cannot bid on auctions without logging in.
32	Provision to easily access and prompt responsive customer service and technical support. Contractor will endeavor to respond within one-hour, but not	Y	

	<i>later than within one business day, to all inquiries from the City, its cooperative partners and buyers. In addition, technical issues identified by the Contractor, which have the potential to disrupt business, must be communicated to the City and to all Cooperative Agencies within one business day of issue identification.</i>		
33	<i>Ability for agency to view a detailed bid history of its auctions at any time during the auction or after it closes.</i>	Y	
34	<i>Ability to provide ad hoc reporting in formats such as excel, pdf, html, etc.</i>	Y	
35	<i>Ability to create custom reports by department, category, etc. and store them on the auction site.</i>	Y	We can set the City up with as many departments as they desire so you can run reports per department if desired.
36	<i>Ability to track and report on buyer history including all associated documents such as tax exempt documentation.</i>	Y	
37	<i>Ability to incorporate agency logo onto the agency home page</i>	Y	
38	<i>Ability for agency to modify home page.</i>	Y	
39	<i>Ability for agency to modify terms and conditions</i>	Y	
40	<i>Provision to notify agency and bidders of maintenance downtime and duration</i>	Y	
41	<i>Provision for ongoing training opportunities and documentation for agencies and Bidders.</i>	Y	
42	<i>Provision for as needed training for newly added functionality.</i>	Y	
43	<i>Ability to use mobile devices to process sold auctions</i>	Y	
44	<i>Ability for system to work with mobile devices, desktop computers, wifi, cellular, routers, etc.</i>	Y	

PUBLIC SURPLUS SELLER AGREEMENT
THE ATTACHED AGREEMENT REPLACES THE
ORIGINAL SUBMITTED AGREEMENT.

Public Surplus Agreements

Public Surplus – Seller Agreement

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

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

Conflict: The City of Tucson Contract #161468 – Online Auction Services shall govern in all terms, conditions and language where conflict exists between this Seller Agreement and Contract #161468.

1. ACCESSING OUR SITE AND USING OUR SERVICES

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

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

- (a) No contingency to Your sales offer exists other than those stated in the listing at the time of sale.
- (b) You will be responsible for delivering property sold using Your username and password.
- (c) You are fully capable of transferring title to the property offered for sale in a timely manner.
- (d) You are a real person or entity, with a verifiable address, telephone number and email address as provided to Us.
- (e) You are dealing in good faith and are not attempting to defraud, cheat, or wrong Public

Surplus or any Buyer.

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

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

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

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

1.7. Obligation to Ensure Compliance with this Agreement. You agree that You will take all steps necessary to ensure that Your employees, contractors, and agents comply with the covenants, terms, and provisions of this Agreement, including but not limited to the covenants contained in sections 1.5 and 7.8 of this Agreement. You acknowledge that You will be

responsible and liable for any damages, claims, liabilities, and expenses of any kind suffered by Public Surplus or any of Our affiliated companies arising from any and all actions or failures to act taken by any party using Your username and password or taken by Your employees, contractors, or agents, whether or not in accordance with the terms or intent of this Agreement.

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

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

2. SELLER UNDERSTANDINGS AND OBLIGATIONS

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

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

2.2. Deposits. We reserve the right to require an earnest money deposit from Buyers prior to or during the listing on certain items at our sole discretion. Any such deposits will be retained and applied in Public Surplus' discretion.

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

3. PAYMENT PROCESSING SERVICES

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

4. LIABILITY LIMITATIONS AND RELEASES

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

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

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

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

inclusion of any link on the Site does not imply that Public Surplus endorses the linked site. You use the links at Your own risk.

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

4.6. Indemnity. You agree to indemnify, defend and hold harmless Public Surplus from and against any and all debts, liabilities, obligations, claims, suits, judgments, damages, expenses, including attorney's fees, and demands, made or incurred by any third party arising out of Your breach or alleged breach of this Agreement or Your violation or alleged violation of any applicable law or any rights of a third party.

5. PRIVACY

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

6. TERMINATION OR SUSPENSION

Public Processing reserves the right to suspend or terminate Your access to the Site and Services for any reason or no reason and without notice. We may suspend or terminate Your access to the Services if (a) You breach any of the provisions of this Agreement and Seller fails to cure in 30 days; (b) We suspect that You have engaged in fraudulent activity of any kind in connection with the Site; (c) You manipulate the price of any item or interfere with another user's communications or transactions; (d) We are unable to verify or authenticate any information You provide to Us; or (e) We believe that Your actions may cause legal liability for You, our users or Us. Notwithstanding the foregoing, Public Surplus may suspend your access to the Site and Services immediately and without notice if We believe Your access would result in immediate and irreparable harm to Public Surplus or one of Our affiliates.

7. MISCELLANEOUS

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

7.2. Record Keeping. Public Surplus guarantees the preservation or maintenance of records relating to historical auction transactions and bidding activity for at least a period of 7 years and in accordance with the Sellers records retention policy.

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

7.4. Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State in which the Seller is located. Any right to trial by jury with respect to any claim, action, suit or proceeding arising out of this Agreement or any of the matters contemplated hereby is waived. You further agree to the exercise of personal jurisdiction in the State in which the Seller is located in connection with any dispute or claim involving Public Surplus. See Standard Term and Conditions, 3.2.1 Applicable Law of Contract #161468 – Online Auction Services for City of Tucson governing law.

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

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

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

7.8. Intellectual Property. All inventions, know how, improvements, discoveries, methods, processes, concepts, designs, ideas, prototypes, samples, drawings, documents, blueprints, specifications, computer or intellectual property programs, methods of doing business, data in Public Surplus' databases (including but not limited to databases containing bidders, Buyers and other users of the Site and their names and contact information), systems, copyrights, trademarks, trade names, software and/or other works conceived of and/or reduced to practice or writing or otherwise relating in any way to the Site or the Services are the exclusive intellectual property of Public Surplus (the "**Public Surplus IP**"). In addition, all content contained on the Site is Public Surplus IP that is copyrighted material, and Public Surplus retains and reserves all rights and interests in the content. Public Surplus IP may be created by one of more of Public Surplus' employee(s) alone or jointly with a user or users of the Site or Services arising from the users' use and development of the Services or as a result of feedback regarding the Site or

Services ("**Feedback**"). All right, title, and interest in any Public Surplus IP will belong to Public Surplus and will be subject to the conditions of this Agreement. You hereby irrevocably assign to Public Surplus all right, title, and interest You may acquire in any Public Surplus IP, whether or not generated from Feedback. Public Surplus may, at its option, file an application for intellectual property protection for Public Surplus IP. If any such Public Surplus IP is created with Your participation or Feedback, You agree to cooperate with Public Surplus to assure that such application(s) will cover, to the best of Your knowledge, all related assets, including all features of commercial interest and importance. Public Surplus IP is the sole and exclusive property of Public Surplus and may not be used, copied, reproduced, modified, published, transmitted, distributed, displayed, or sold, or derivative works created, without the prior written consent of Public Surplus. Furthermore, You may not provide access to, or information from, the Site to any other party without Public Surplus' prior written consent.

7.9. Copyrights. The Site may contain copyrighted, trademarked, or other proprietary materials that belong to third parties and are used with the owner's permission. You agree not to copy, modify, distribute, or create any derivative work from such materials without prior written consent from the owner. You will indemnify and hold Us harmless, as provided for previously in this Agreement, from any claim or demand made by a third party due to or arising out of your violation of any law or rights of a third party.

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

7.11. Assignment. This Agreement may not be assigned by You or by operation of law to any other person, persons, firms or corporations without the express written approval of Public Surplus.

7.12. Entire Agreement. This Agreement is incorporated into and is subservient to Contract #161468 – Online Auctions Services which shall take precedence where conflict exists between both documents.

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

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

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

Public Processing, LLC
Agreement for Payment Processing

Public Processing, LLC, a Nevada limited liability company ("**Public Processing**", "**We**")

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

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

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

1. ACCESSING THE SITE AND USING THE SERVICES

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

1.2. Seller Agreement with Public Surplus. By using our Site and the Services, You acknowledge, agree, and confirm that You have agreed to the form of the separate Seller Agreement with Public Surplus on the Site that is required to be accepted by you upon registration upon the Site (the "**Seller Agreement**"). In the event of any inconsistency between the provisions of this Agreement, the Seller Agreement, and Contract #161468 – Online Auction Services, Contract #161468 will govern.

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

1. You will be responsible for delivering property sold using Your username and password.
2. You are fully capable of transferring title to the property offered for sale in a timely manner.
3. You are a real person or entity, with a verifiable address, telephone number and email address as provided to Us.
4. You are dealing in good faith and are not attempting to defraud, cheat, or wrong Public Processing or any Buyer.

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

1.5. Fees. Fees apply for the Services available through the Site. Changes in Our fees must be agreed to in a written amendment by You and Us. . You are responsible for paying all fees and any applicable taxes associated with transactions effected through the Site in a timely manner and with a valid payment method. You agree that the fees and any taxes due may be deducted and retained by Us from any payment amounts processed by Us. If Your payment method fails or Your account is past due, We may collect the fees and taxes owed using other collection mechanisms.

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

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

1.8. Obligation to Ensure Compliance with this Agreement. You agree that You will take all steps necessary to ensure that Your employees, contractors, and agents comply with the

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

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

2. SELLER UNDERSTANDINGS AND OBLIGATIONS

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

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

2.2. Deposits. We reserve the right to require an earnest money deposit from Buyers prior to or during the listing on certain items at our sole discretion. Any such deposits will be retained and applied in Public Surplus' discretion.

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

3. PAYMENT PROCESSING SERVICES

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

1. The Services do not include risk or fraud management, dispute management, collection agency services, or electronic checks;
2. We will not perform Services with respect to transactions prohibited by the applicable

- laws or by bank, financial institution, or credit card association bylaws or rules;
3. We will not provide Services with incomplete transaction information or if transaction information cannot be confirmed;
 4. We will only perform Services for domestic credit cards; and
 5. You will not engage any other person to perform Services while we are providing them under this Agreement.

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

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

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

3.4. Liability and Risk of Loss for Failure to Pay, Charge Backs, and Other Items. You will bear the burden and risk of any and all loss, liability, and exposure arising from any of the

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

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

3.6. Public Processing Payment to You. Public Processing will keep records of all amounts received in good funds on Your behalf. Except as provided in paragraph 3.7, Public Processing will make payment to You monthly (unless otherwise agreed) of amounts received (net of fees, offsets, and any taxes). Unless otherwise agreed by Us, You agree that payment will only be made by Automated Clearing House (ACH) deposits to an account specified and properly maintained by You. You agree to provide promptly the authorizations needed for such ACH deposits and to be responsible and liable for any and all fees relating to such ACH deposits. You also agree to monitor the account and the deposits therein. You will bear the burden of any and all loss, liability, and risk of loss arising from any fraud, theft, mistake, or deception involving such ACH deposits, unless they arise from fraud, mistake, or deception by Us or our employees or agents.

3.7. Minimum Amount Required for Payment. Public Processing will make payment to You, as set forth above, of all amounts received (net of fees, offsets, and any taxes) on Your behalf, so long as the total amount received exceeds \$100. We will not make payments to You of \$100 or less. Where any amount or amounts received on Your behalf do not exceed \$100, payment will be made to You upon receipt of additional funds that bring Your balance in excess of \$100. Public Processing will own the interest on any balance held because it does not exceed \$100.

However, when You close Your account with Public Surplus and Us, any remaining balance will be paid to You, regardless of the minimum balance requirements stated above.

4. LIABILITY LIMITATIONS AND RELEASES

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

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

4.3. Interruption of Service. Public Processing is not responsible for any damages or losses

related to any system errors or interruptions affecting its Site and the processing of any solicitations, requests, offers, bids, auctions, or sales. You understand and acknowledge that the Site and the Services may be unavailable unexpectedly.

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

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

4.6. Indemnity. You agree to indemnify, defend and hold harmless Public Processing from and against any and all debts, liabilities, obligations, claims, suits, judgments, damages, expenses, including attorney's fees, and demands, made or incurred by any third party arising out of Your breach or alleged breach of this Agreement or Your violation or alleged violation of any applicable law or any rights of a third party.

5. PRIVACY

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

6. TERMINATION OR SUSPENSION

Public Processing reserves the right to suspend or terminate Your access to the Site and Services

for any reason or no reason and without notice. We may suspend or terminate Your access to the Services if (a) You breach any of the provisions of this Agreement and Seller fails to cure in 30 days; (b) We suspect that You have engaged in fraudulent activity of any kind in connection with the Site; (c) You manipulate the price of any item or interfere with another user's communications or transactions; (d) We are unable to verify or authenticate any information You provide to Us; or (e) We believe that Your actions may cause legal liability for You, our users or Us. Notwithstanding the foregoing, Public Surplus may suspend your access to the Site and Services immediately and without notice if We believe Your access would result in immediate and irreparable harm to Public Surplus or one of Our affiliates.

7. MISCELLANEOUS

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

7.2. Record Keeping. Public Processing guarantees the preservation and maintenance of records relating to historical auction transactions and bidding activity for at least a period of 7 years and in accordance with the Sellers records retention policy.

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

7.4. Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State in which the Seller is located. Any right to trial by jury with respect to any claim, action, suit or proceeding arising out of this Agreement or any of the matters contemplated hereby is waived. You further agree to the exercise of personal jurisdiction in the State in which the Seller is located in connection with any dispute or claim involving Public Surplus. See Standard Term and Conditions, 3.2.1 Applicable Law of Contract #161468 – Online Auction Services for City of Tucson governing law.

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

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

7.7. Independent Contractor Relationship. The relationship between You and Public Processing is that of an independent contractor. No agency, partnership, joint venture or franchise

relationship is implied, intended or created by this Agreement.

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

7.9. Copyrights. The Site may contain copyrighted, trademarked, or other proprietary materials that belong to third parties and are used with the owner's permission. You agree not to copy, modify, distribute, or create any derivative work from such materials without prior written consent from the owner. You will indemnify and hold Us harmless, as provided for previously in this Agreement, from any claim or demand made by a third party due to or arising out of your violation of any law or rights of a third party.

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

7.11. Assignment. This Agreement may not be assigned by You or by operation of law to any other person, persons, firms or corporations without the express written approval of Public Surplus.

7.12. Entire Agreement. This Agreement is incorporated into and is subservient to Contract #161468 – Online Auctions Services which shall take precedence where conflict exists between both documents.

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

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

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