



STATE OF DELAWARE  
EXECUTIVE DEPARTMENT  
OFFICE OF MANAGEMENT AND BUDGET

October 17, 2014

TO: ALL OFFERORS

FROM: DENNIS SMITH  
STATE CONTRACT PROCUREMENT OFFICER

SUBJECT: ADDENDUM TO INVITATION TO BID  
CONTRACT NO. GSS15030-AUCTIONEER  
AUCTIONEER SERVICES

**ADDENDUM #1**

**This addendum responds to vendor questions about the bid requirements.**

1. Q. Have any addendums been released for this bid?
  - A. This addendum is the only addendum that has been posted for this current bid opportunity. However, per the terms provided, it is the vendor's responsibility to check the bid solicitation directory for any future posted addendums. The bid solicitation directory is at:  
  

[www.bids.delaware.gov](http://www.bids.delaware.gov)
2. Q. Am I correct in saying we are looking at auction services of vehicles and heavy equipment?
  - A. These items would be included
3. Q. How often do you have the sales and what is an average sale total?
  - A. We have been doing 3 to 4 auctions a month. For information on contract volumes please review the contract usage information made available for the current contract: [http://contracts.delaware.gov/contracts\\_detail.asp?i=3](http://contracts.delaware.gov/contracts_detail.asp?i=3) .
4. Q. Are you looking for sales to be held onsite simultaneous with online or online only?
  - A. All sales are either done live or online.
5. Q. Have you been using a buyer premium or do you usually pay commission?
  - A. There is no buyer premium, the State pays commission.

- 7 Q. Do auction firms pay all expenses such as advertising and set up?
- A. The auctioneer pays its own expenses for these items. The State may choose to do additional advertising at its own expense.
- 8 Q. How large is the State of Delaware's mailing list for notifying buyers about upcoming auctions?
- A. The State maintains an email mailing list that has 4,349 buyers. It is anticipated the auctioneer will have an additional buyer listing.
- 9 Q. Does this notice have to be sent out by postal mail for notification or is there an email list that will be forwarded to us?
- A. Typically e-mail is utilized.
- 10 Q. When it is time to do the auction listing does the State forward photos and descriptions to the auctioneer or does the auctioneer have to visit the site and do their own photos and descriptions?
- A. The photos are taken by the auctioneer, the State provides the inventory.
- 11 Q. If the candidate is a New York state certified woman-owned business enterprise (WBE) does this impact consideration for selection positively, or at all?
- A. The State of Delaware has no preferences. All bidders are on an equal playing field. Awards are made based on quality and capability.
- 12 Q. What are the gross auction receipts for the previous term of this contract, per year or for the entire term? What have the gross receipts been for the past three years, regardless of which firm held the auction contract?
- A. FY12 - \$1,800,000, FY13 - \$2,100,000, FY14 - \$3,400,000.
- 13 Q. Who or what firm was the previous auctioneer contracted and what was his/her method of calculating compensation (i.e. flat rate basis vs. percentage basis)?
- A. Auction List Services - Commission.
14. Q. What was the previous auctioneers' amount of compensation (flat rate dollar amount per lot/auction, or percentage charged per lot/auction)?
- A. Live 2.28, Internet 2.26
- 15 Q. Who paid that compensation (i.e. was he/she paid by the seller's commission, buyer's premium, or a combination of the two)?
- A. The State of Delaware pays the commission.
- 16 Q. Will school buses be auctioned off under this contract?

- A. School and Transportation buses are ~~sed~~ included
- 17 Q. Will auctioneer be expected to provide a fenced and secured storage yard for either/both live and/or online auctions?
- A. The State of Delaware provides the storage area.
- 18 Q. Will any real estate owned by the state be auctioned off under this contract?
- A. No real estate will be auctioned off.
- 19 Q. Will vendors audited corporate income tax returns and independently prepared profit/loss statements for the past three fiscal years suffice as the financials requested as part of our proposal response, if financials are requested?
- A. There is no requirement in the RFP for submitting financial records as part of the proposal.
- 20 Q. May selected auctioneer assess a convenience/processing fee to purchasers paying by credit card, and/or will this negatively impact consideration?
- A. There is no prohibition in the RFP for the vendor to solicit fees.
- 21 Q. Does the State of Delaware currently have an active contract regarding Auctioneer Services? If so, could you please answer the following questions:
- A. The State of Delaware currently has an active contract for Auctioneer Services. Details of this contract are available at:  
[http://contracts.delaware.gov/contracts\\_detail.asp?i=3](http://contracts.delaware.gov/contracts_detail.asp?i=3)
- 22 Q. Who is the contractor providing the services required under the current active contract?
- A. See answer to question #13
- 23 Q. What is the current fee arrangement for the current active contract? In other words, what commission rate is the current vendor charging the county? And what commission rate is the current vendor charging buyers?
- A. The current vendor is paying a percentage of 2.86% for onsite auctions and 2.26% for online silent auctions to the State of Delaware.
- 24 If the State of Delaware currently sells assets through auctions or public sales, could the State please provide the following:
- A. Annual gross sales revenue for each of the past 5 years.  
The last three (3) years is \$7.3 million
- B. Number of auctions or sales per year.

Depending on the amount of items turned in for sale, the State of Delaware holds at least 2 auctions a month.

C. Catalog or inventory list for the most recent 3 sales/auctions, including sales price.

Please see the answer to question # 3.

25 Q. Would it be possible to provide an estimated breakdown of items sold by percentage of each category?

A. 50% vehicles, 30% heavy equipment 20% other, but it all depends on the property turned in for auction.

26 Q. Based on examination of the RFP, the Appendix B included with the RFP is not an Excel spreadsheet. Is there any other additional information a Vendor must complete besides what is included currently as Appendix B within the RFP?

A. No other information is required as pertaining to Appendix B.

27 Q. This section states in part, "If a vendor feels that they cannot submit their proposal without including proprietary information, they must adhere to the following procedure or their proposal may be deemed unresponsive and will not be recommended for selection. Vendor(s) must submit such information in a separate, sealed envelope labeled "Proprietary Information" with the RFP number. The envelope must contain a letter from the Vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 Del. C. § 10002(d), and briefly stating the reasons that each document meets the said definitions."

A similar paragraph is written on page 12; however, it states that, "Vendor(s) must submit such information in a separate, sealed envelope labeled "Proprietary Information" with the RFP number. The envelope must contain Attachment 5 describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 Del. C. § 10002(d), and briefly stating the reasons that each document meets the said definitions."

Which paragraph is correct? Can a vendor utilize Attachment 5 to identify information as proprietary or, must it obtain legal counsel's assertions that the items are proprietary?

A. The paragraphs are cumulatively accurate. Legal counsel assertions are to be included.

28 Q. Considering that 98% of the auction activity would be online, would the State of Delaware be open to holding all auctions online? It would allow for savings by not needing clerks and onsite staffing. Furthermore, it would allow the provider to completely focus their marketing efforts on driving online bidders to the auction events.

A. The State of Delaware is not looking to go completely online.

29 Q. Would the State be open to separating the bid into an online portion and live portion? In other words, would the State accept a proposal that was for just the online auction portion of the services?

A. The State of Delaware is not at this time looking to separate the online for onsite aspects of this RFP.

30 Q. Please clarify the use of "mail" in this requirement. Would e-mail announcements suffice for notifying the state's customers and/or the vendor's clients?

A. It is expected e-mail would be a component of advertising.

31 Q. Could you please clarify this request? It seems like potentially a word or two is missing from the sentence? Item #11 on page 52 seems to address disbursement of payment to the state. What is this requirement asking for?

A. There is no missing content. Item #11 advises that the auctioneer shall issue a certified check made out to Office of Management and Budget, Government Support Services in the amount defined.

32 Q. Item 9.E on page 51 states that acceptable forms of payment are cash U.S. Currency, traveler's check, or letter of credit. Item #14 states that the vendor would need to be able accept company checks, credit cards, and wire transfers. Does the vendor need to be able to accept all forms of payment stated in requirements 9.E and 14?

A. **Item 9.E. is revised to read:** All payment must be made in full during or immediately following the sale. Acceptable forms of payment **include** cash in U.S. currency, traveler's check or letter of credit.

The awarded vendor needs to be able to accept payment in the form of cash as well as the forms of payment identified in item #14.

33 Q. Is the Vendor allowed to charge a premium to the buyer for items sold? This premium may assist in covering credit card merchant fees, etc., in order to provide a lower cost to the State.

A. See answer to question #20

All other terms and conditions remain the same.



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