

P.O. Box 400 Austin, TX 78767-0400 600.695.2919 | 512.467.0222 | Fax: 800.211.5454 buyboard.com

July 26, 2014

Sent Via E-mail: salessupport@govdeals.com

Nettie cartwe GovDeals Inc 5907 Carmichael Place Montomery, AL 36117

Proposal Name & Number: Auction Services #457-14

Congratulations, your company has been successful on the above referenced proposal! This contract will be effective September 1, 2014. The contract documents are those identified in Section 3 of the General Terms and Conditions of the specifications.

To see the items your company has been awarded, please review the proposal tabulation #457-14 on the following web-site: www.vendor.buyboard.com. Only items marked as awarded to your company can be sold through the BuyBoard contract. In addition, on this website you will find the membership list which will provide you with the names of all entities with membership in our purchasing cooperative.

Attached to this letter you will find the following documents:

Vendor Quick Reference Sheet Electronic Catalog Format Instructions Vendor Billing Procedures

Receipt of a purchase order directly from a Cooperative member is not within the guidelines of the Cooperative. Accepting orders directly from member entities may result in a violation of the State of Texas competitive bid statute and cancellation of the proposal award therefore all orders must be processed through the Cooperative in order to comply. We request your assistance in immediately forwarding by fax (1-800-211-5454) to the cooperative any orders received directly from member entities. If by chance an order sent directly to you has been unintentionally processed, please fax it to the Cooperative (1-800-211-5454) and note it as RECORD ONLY to prevent duplication.

Per proposal specifications, awarded vendors will have 60 days to submit their electronic catalog including pricing. If the electronic data is not provided within 60 days of notice of award, we reserve the right to inactivate any company's award information from the BuyBoard until such time the electronic data is received.

On behalf of the Texas Association of School Boards, we appreciate your interest in the Cooperative and we are looking forward to your participation in the program. If you have any questions, please contact Arturo Salinas at 800-695-2919 ext. 6200.

Sincerely, Mylonic Lewy

Melonie Perry Bid Administrator









## PROPOSER'S AGREEMENT AND SIGNATURE

Proposal Name: Auction Services

Proposal Number: 457-14

Proposal Opening Date and Time:

May 1, 2014 at 2:00 PM

Location of Proposal Opening:

Texas Association of School Boards, Inc. **BuyBoard Department** 12007 Research Blvd.

Austin, TX 78759

Contract Time Period: September 1, 2014 through August 31, 2015 with two (2) possible one-year renewals.

**Anticipated Cooperative Board Meeting Date:** 

July 2014

GovDeals, Inc.	April 28, 2014
Name of Proposing Company	Date
5907 Carmichael Place	Root DeBouldob
Street Address	Signature of Authorized Company Official
Montgomery, Alabama 36117 City, State, Zip	Robert L. DeBardelaben Printed Name of Authorized Company Official
800-613-0156, Ext. 4457	Operating President
Telephone Number of Authorized Company Official	Position or Title of Authorized Company Official
334-387-0519	63-1241096
Fax Number of Authorized Company Official	Federal ID Number

The proposing company ("you" or "your") hereby acknowledges and agrees as follows:

1. You have carefully examined and understand all Cooperative information and documentation associated with this Proposal Invitation, including the Instructions, General Terms and Conditions, Attachments/Forms, Item Specifications, and Line Items (collectively "Requirements");

2. By your response ("Proposal") to this Proposal Invitation, you propose to supply the products or services submitted at the prices quoted in your Proposal and in strict compliance with the Requirements, unless specific deviations or exceptions are noted in the Proposal;
3. Any and all deviations and exceptions to the Requirements have been noted in your Proposal and no others

will be claimed;

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- 4. If the Cooperative accepts any part of your Proposal and awards you a contract, you will furnish all awarded products or services at the prices quoted and in strict compliance with the Requirements (unless specific exceptions are noted in the Proposal), including without limitation the Requirements related to:
  - a. conducting business with Cooperative members, including offering pricing to members that is the best you offer compared to similar customers;
  - b. payment of a service fee in the amount specified and as provided for in this Proposal Invitation;
  - c. the **possible** award of a piggy-back contract by another governmental entity, in which event you will offer the awarded goods and services in accordance with the Requirements; and
  - d. submitting price sheets or catalogs in the proper format for posting on the BuyBoard as a prerequisite to activation of your contract;
- 5. You have clearly identified any information in your Proposal that you believe to be confidential or proprietary or that you do not consider to be public information subject to public disclosure under a Texas Public Information Act request or similar public information law;
- 6. The individual signing this Agreement is duly authorized to enter into the contractual relationship represented by this Proposal Invitation on your behalf and bind you to the Requirements, and such individual (and any individual signing a Form) is authorized and has the requisite knowledge to provide the information and make the representations and certifications required in the Requirements;
- You have carefully reviewed your Proposal, and certify that all information provided is true, complete and accurate, and you authorize the Cooperative to take such action as it deems appropriate to verify such information; and
- 8. Any misstatement, falsification, or omission in your Proposal, whenever or however discovered, may disqualify you from consideration for a contract award under this Proposal Invitation or result in termination of an award or any other remedy or action provided for in the General Terms and Conditions or by law.



## VENDOR PURCHASE ORDER, REQUEST FOR QUOTES, AND INVOICE RECEIPT OPTIONS

	Company: G	ovDeals, Inc.	General Contact	Name: <u>James Oakley</u>	_
4	<u>Purchase Or</u>	rders: Purchase or	rders from Cooperative members	will be available through	the Internet or by facsimile.
	order	s can be sent to t	endors need Internet access and the Internet contact when a ne t choose this option to assist the	w purchase order arrive	s. An information guide will t
4	Option	n 2: Fax. Vendors	need a designated fax line avail	able at all times to receive	e purchase orders.
	Please choo requested in		) of the following options	for receipt of purcha	se orders and provide the
<b>1</b>	xx□	I will use the <u>IN</u>	TERNET to receive purchase or	ders.	
4		E-mail Address:	salessupport@govdeals.com		
		Internet Contact	: Nettie Carter	Phone: 800-613-015	6, Ext. 4516
1		Alternate E-mail	Address: ncarter@govdeals.com		
		Alternate Interne	et Contact: <u>Andrea Hatcher</u>	Phone: <u>800-613-0156</u>	, Ext. 4534
3		I will receive pu	rchase orders via <u>FAX</u> .		
<u>.</u>		Fax Number:			<u></u>
		Fax Contact:	,	Phone: .	
•	Request for for the receipt		Cooperative members will send	RFQs to you by e-mail.	Please provide e-mail addresses
i	E-mai	il Address: <u>salessu</u> p	port@govdeals.com		
	Altern	nate E-mail Address	: ncarter@govdeals.com		
9	Invitation. At they are rea	Il invoices are a	be billed monthly for the service vailable on the BuyBoard wed. Please provide the following communications:	ebsite and e-mail noti	fications will be sent when
_	Mailing addr	ress: <u>5907 Carm</u>	ichael Place Departm	ent: <u>Accounting</u>	_
•	City: Monto	omery	State: <u>Alabama</u>	Zip Code: <u>36117</u>	<u> </u>
5	Contact Nan	ne: <u>Beth Davis</u>	Phon	e: <u>800-613-0156, Ext.</u>	4457
	Fax: <u>334-3</u>	<u>87-0519</u> E-mail <i>‡</i>	Address: <u>bdavis@govdeals.co</u>	<u>m</u>	
4	Alternative E	E-mail Address: <u>a</u>	ccounting@govdeals.com		
	FORM B				Form 10-9-13 PAPER



## FELONY CONVICTION DISCLOSURE AND DEBARMENT CERTIFICATION

#### **FELONY CONVICTION DISCLOSURE**

Subsection (a) of Section 44.034 of the Texas Education Code (Notification of Criminal History of Contractor) states: "A person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Section 44.034 further states in Subsection (b): "A school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

	Please check $()$ one of the following:
	My company is a publicly-held corporation. (Advance notice requirement does not apply to publicly-held corporation.)  My company is not owned or operated by anyone who has been convicted of a felony.  My company is owned/operated by the following individual(s) who has/have been convicted o a felony:
	Name of Felon(s):
	Details of Conviction(s):
	By signature below, I certify that the above information is true, complete and accurate and that I am authorized by my company to make this certification.  GovDeals, Inc.
	Company Name  Robert L. DeBardelaben  Printed Name
	DEBARMENT CERTIFICATION  Neither my company nor an owner or principal of my company has been debarred, suspended or otherwise made ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension," as described in the Federal Register and Rules and Regulations.  By signature below, I certify that the above is true, complete and accurate and that I am authorized by
	my company to make this certification.
(	Company Name Robert L. DeBardelaben
	Signature of Authorized Company Official Printed Name

FORM C



## RESIDENT/NONRESIDENT CERTIFICATION

FORM D

Chapter 2252, Subchapter A, of the Texas Government Code establishes certain requirements applicable to proposers who are not Texas residents. Under the statute, a "resident" proposer is a person whose principal place of business is in Texas, including a person whose ultimate parent company or majority owner has its principal place of business in Texas. A "nonresident" proposer is a person who is not a Texas resident. Please indicate the status of your company as a "resident" proposer or a "nonresident" proposer under these definitions. Please check  $(\sqrt{})$  one of the following.

I certify that my company is a Resident Proposer.

XX I certify that my company is a Nonresident Proposer.

If your company is a Nonresident Proposer, you must provide the following information for your resident state (the state in which your company's principal place of business is located):

GovDea Compar	Carl cool & Salar Committees		armichael Plac Address	ce	
Montgo City	mery		ALState	36117 Zip Code	
Α.	under	your resident state require a proposer v r-price proposers whose resident state is ntage to receive a comparable contract? Yes No			
В.	What	is the prescribed amount or percentage?	\$N/A	or%	ó
Section conside whethe busines If neith busines	44.03 er whe er the ss in Te ner you	MPLOYMENT CERTIFICATION  (1(b) of the Texas Education Code estable of the Texas Education Code estable of the Vendor's ultimate parent exas; or (ii) employs at least 500 people in the company nor the ultimate parent company, described of the following.	ract. Among or majority of Texas. many or major	the criteria for certain contracts in owner (i) has its principal place of tity owner has its principal place of	is of of
	XX	Yes No			
(Vendo	r Empi	pelow, I certify that the information in Sectional Completes (Sectional Completes Certification) above is true, completes this certification.			
		GovDeals, Inc		X	
1/20:	+(1	Company N	ame		
Signatu	re of A	Authorized Company Official	Earl 12/ 19/1	ert L. Debardelaben	

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## **HISTORICALLY UNDERUTILIZED BUSINESS CERTIFICATION**

A proposer that has been certified as an Historically Underutilized Business (also known as a Minority/Women Business Enterprise or "MWBE" and all referred to in this form as a "HUB") is encouraged to indicate its HUB certification status when responding to this Proposal Invitation. The electronic catalogs will indicate HUB certifications for vendors that properly indicate and document their HUB certification on this form.

Please	check (1	/) all that apply					
	I certify that my company has been certified as a HUB in the following categories:						
		Minority Owned Business					
		Women Owned Business					
	Service-Disabled Veteran Owned Business (veteran defined by 38 U.S.C. §101(2), who has a service-connected disability as defined by U.S.C. § 101(16), and who has a disability rating of 20% or more as determined by the U.S. Department of Veterans Affairs or Department of Defense)						
	Certification Number:						
	Name of Certifying Agency:						
XX	X My company has <b>NOT</b> been certified as a HUB.						
		elow, I certify that the above is true, complete and accurate and that I am authorized by make this certification.					
Compa	GovDeals, Inc Company Name  Company Name  Signature of Authorized Company Official						
Robert Printed		rdelaben					



## **AFFIRMATION REGARDING CONSTRUCTION RELATED GOODS AND SERVICES**

A contract awarded under this Proposal Invitation covers only the specific goods and services awarded by the BuyBoard. As explained in the BuyBoard Construction Related Goods and Services Advisory for Texas Members ("Advisory"), Texas law prohibits the procurement of architecture or engineering services through a purchasing cooperative. This BuyBoard contract does not include such services. Architecture or engineering services must be procured by a Cooperative member separately, in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and other applicable law and local policy.

The Advisory, attached to this Form F, provides an overview of certain legal requirements that are potentially relevant to a Cooperative member's procurement of construction or construction-related goods and services, including those for projects that may involve or require architecture, engineering or independent testing services.

By signature below, the undersigned affirms that Proposer has read and understands the Advisory attached to this Form F and is authorized by Proposer to make this affirmation. If Proposer sells construction-related goods or services to a Cooperative member under a BuyBoard contract awarded under this Proposal Invitation, Proposer will comply with the Advisory and applicable legal requirements, and will make a good faith effort to make its Cooperative clients or potential clients aware of such requirements.

	GovDeals, Inc.
2020	Company Name
your hande	Robert L. Debardelaben
Signature of Authorized Company Official	Printed Name
	April 28, 2014
	Date



# CONSTRUCTION RELATED GOODS AND SERVICES ADVISORY FOR TEXAS MEMBERS

Why make purchases using BuyBoard? Purchasing through a cooperative or "interlocal contract" satisfies the requirement of local governments to seek competitive procurement for the purchase of goods or services. Therefore, you may purchase goods and services from a vendor through BuyBoard without having to conduct your own competitive procurement. If, however, you are procuring construction related services through a BuyBoard Job Order Contract (JOC) or contract for the installation of equipment or materials (e.g., athletic fields and surfaces, kitchen equipment, HVAC, playground equipment, or modular buildings), you may need to procure certain aspects of these services using a separate procurement process outside of the BuyBoard.

What is BuyBoard's Procurement Process? The BuyBoard uses a competitive procurement process to award contracts to vendors for products and services that the BuyBoard determines, based on an evaluation of multiple criteria, represent the best value for its members.

How does BuyBoard award a contract to a vendor? As a condition of being awarded a BuyBoard contract, a vendor is bound by and must agree to comply with all the terms of the BuyBoard's proposal invitation (or specifications), the vendor's proposal response, and any additional contract terms negotiated with the BuyBoard member. Among other things, the vendor must honor the pricing submitted in the vendor's proposal. THE PRICE YOU PAY FOR THE PRODUCTS AND SERVICES COVERED BY THE BUYBOARD CONTRACT MAY BE LESS THAN THE AWARDED PRICING, BUT CANNOT BE MORE. Additionally, the vendor must comply with the BuyBoard contract's general terms and conditions, and any additional terms and conditions that apply to the specific contract, as set out in the proposal invitation.

How does a BuyBoard member make purchases through the BuyBoard contract? You utilize the awarded BuyBoard contract by issuing a signed purchase order through the BuyBoard online application to procure the selected products or services. Although BuyBoard must receive a copy of the signed purchase order, BuyBoard does not review or approve the purchase order or other supplemental agreement that you obtain – this is a matter between you and the vendor. If construction-related services are procured through the BuyBoard, additional contracts with professionals and the contractor may be required, depending on the nature and scope of the services. Consult your procurement officer and/or legal advisor for specific advice.

### How do I know that my entity has made a purchase through the BuyBoard?

BuyBoard must have a copy of the purchase order in order for the purchase to be considered a BuyBoard procurement. To ensure that your entity has satisfied state law requirements for competitive procurement, make sure that the BuyBoard has your purchase order. Do not rely on the vendor to submit the purchase order on your behalf; it is your responsibility to make sure that the BuyBoard has the signed purchase order. You may log in to <a href="https://www.buyboard.com">www.buyboard.com</a> using your member I.D. and password to view the Purchase Order Status Report to confirm that the purchase order is in the BuyBoard system.

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What should BuyBoard members consider when using BuyBoard for constructionrelated purchases? While purchasing goods and services through BuyBoard satisfies your legal requirement to competitively procure a good or service, as a general matter you must keep in mind other legal requirements that may relate to the purchase, especially when using BuyBoard for construction-related procurement.

When making construction-related purchases through a BuyBoard contract, BuyBoard members must consider the following:

- Best value determination. In compliance with Texas law and any local policy, your entity must first determine that purchasing through an interlocal contract or purchasing cooperative is the procurement method that will provide best value. This is done by the governing body (e.g., board of trustees, council, commissioners' court, etc.) or can be delegated by the governing body to an individual or committee, with written notice.
- Products or services not covered by the BuyBoard contract. The BuyBoard contract covers only the specific products and services awarded by the BuyBoard. If you want to purchase from a BuyBoard vendor products or services that are not covered by the vendor's BuyBoard contract, such as architectural, design, or engineering services, you must procure them separately in accordance with state law and local policy.
- Architectural or Engineering and Independent Testing services. If your product includes a construction component that requires architectural or engineering services, you must procure those services separately. YOU MAY NOT PROCURE ARCHITECTURAL OR ENGINEERING SERVICES THROUGH A BUYBOARD CONTRACT. Texas law requires architectural and engineering services to be obtained in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and prohibits them from being procured through a purchasing cooperative.
  - o **Architecture.** A new building owned by a political subdivision having construction costs exceeding \$100,000 or an alteration or addition to an existing building having construction costs exceeding \$50,000 must have architectural plans and specifications prepared by an architect.
  - o **Engineering.** If the products or services procured through the BuyBoard will involve engineering in which the public health, welfare, or safety is involved, the plans for structural, mechanical, electrical, electronic, fire suppression, geotechnical systems, foundation design, surface water drainage, plumbing and certain roof modifications and associated estimates must be prepared by an engineer, and the engineering construction must be performed under the direct supervision of an engineer. The Engineering Practice Act provides two exceptions to this rule no engineer is required if (1) the project involves mechanical or electrical engineering and will cost \$8,000 or less, or (2) the project does not require mechanical or electrical engineering and will cost \$20,000 or less.

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- o **Independent Testing**. Public entities are required to contract for the testing of construction materials engineering and verification testing services necessary for acceptance of the facility by the entity, independent of the contractor, construction manager, or design-build firm. The procurement of the testing services should be done under the Professional Services Procurement Act, and not under a BuyBoard contract.
- o **Written Certification.** Effective 09/01/2013, a local governmental entity purchasing construction-related goods and services through a cooperative in an amount that exceeds \$50,000 must certify in writing that the project does not require the preparation of plans or specifications by an architect or engineer OR that an architect or engineer has prepared the plans or specifications.
- **Bonds.** You must also consider whether the vendor is required to provide a payment or performance bond. A payment bond is required for contracts that exceed \$25,000 to protect subcontractors who supply labor or materials for the project. A performance bond is required for a contract that exceeds \$100,000, to protect the local government if a contractor fails to complete the project. Without payment and performance bonds, if the contractor fails to pay its subcontractors or to complete the project, the public entity that entered the contract can be held responsible for payment claims or costs to complete.
- > Construction Contract. Even though the procurement of construction or constructionrelated services may be through the BuyBoard, your construction contract is between your entity and the contractor. The BuyBoard contract's general terms and conditions, standing alone, are not sufficient to document your entity's specific transaction. THEREFORE, YOU SHOULD USE AN APPROPRIATE FORM OF CONSTRUCTION CONTRACT JUST AS YOU WOULD DO IF YOU PROCURED CONSTRUCTION SERVICES INDEPENDENTLY, USING COMPETITIVE SEALED PROPOSALS. The contract must contain provisions required by state law including; performance and payment bonds. requirements for payment of prevailing wages to all construction workers, workers' compensation coverage for all workers and, on projects where contractor employees may have direct contact with students, criminal history record checks. Other provisions which should be considered in the construction contract are retainage, contingency, liquidated damages and dispute resolution, among others. By supplementing the BuyBoard contract with an appropriate form of construction contract, you ensure that your entity's unique interests are addressed and that your entity can enforce the contract directly.
- ➤ **Legal advice.** Because of the variety of laws that relate to construction-related purchasing and the potential risk of high exposure, you are well-advised to consult with your entity's legal counsel before procuring construction-related products and services under any procurement method, including a purchasing cooperative.

For more information about BuyBoard, contact us at 800-695-2919.

Issued; June 19, 2013



## DEVIATION AND COMPLIANCE SIGNATURE FORM

If your company intends to deviate from the General Terms and Conditions, Item Specifications or other requirements associated with this Proposal Invitation, you must list all such deviations on this form, and provide complete and detailed information regarding the deviations on this form, an attachment to this form, or elsewhere in your Proposal. (If you do not provide the information on or as an attachment to this form, the information must be clearly identified in your Proposal.) The Cooperative will consider any deviations in its contract award decision, and reserves the right to accept or reject a proposal based upon any submitted deviation.

In the absence of any deviation identified and described in accordance with the above, your company must fully comply with the General Terms and Conditions, Item Specifications and all other requirements associated with this Proposal Invitation if awarded a contract under this Proposal Invitation.

No: Deviations XX Yes; Deviations List and fully explain any deviations you are submitting: BuyBoard's One percent (1%) Service Fee - GovDeals, Inc. Agrees to pay a one percent (1%) service fee on all sales made by governments in the State of Texas. GovDeals Agrees to pay one-quarter of one percent (.25%) Service Fee on Sales made by Governments using the contract outside the State of Texas. PLEASE PROVIDE THE FOLLOWING INFORMATION: 1. Shipping Via: ☐ Common Carrier ☐ Company Truck XX Other: Since this is a service contract no shipping is required 2. Payment Terms: XX Net 30 days 1% in 10/Net 30 days Other: Number of Days for Delivery: N/A ARO 4. Vendor Reference/Quote Number: RFP No. 457-14 – Auction Services 5. State your return policy: N/A - GovDeals provides a Service and not a commodity 6. Are electronic payments acceptable? XX Yes \( \square\$ No

Signature of Authorized Company Official

Robert L. Debardelaben Printed Name

FORM G

GovDeals, Inc. Company Name

#### **Arturo Salinas**

From:

Robert Debardelaben

Sent:

Thursday, June 05, 2014 4:04 PM

To:

Arturo Salinas

Cc: Subject: Nettie Carter; Steve Kranzusch; James Oakley

Subject: Attachments: FW: BuyBoard Gov Deals.pdf

Dear Sir:

We agree to honor the 1% Service Fee for Clients we sign to the Buy Board in Texas and Nationally. By making this statement we have no deviations to the RFP as it is written.

If you can accept this email as our agreement to pay the 1% Service Fee for all clients in Texas and Nationally, please confirm your agreement to do so.

Sincerely,

Bob DeBardelaben

President

www.govdeals.com

Toll Free: 800-613-0156, Ext. 4454

Cell: 334-462-7364

Email: bdebardelaben@ govdeals.com

From: Nettie Carter

Sent: Thursday, June 05, 2014 3:43 PM

To: Alicia Andrews Cc: Robert Debardelaben Subject: BuyBoard

Please reference the attached document and email below from Arturo Salinas with BuyBoard.

Regards,

**Nettie Carter** 

Business Development Support | GovDeals.com | (800) 613-0156 x 4516

From: Arturo Salinas

**Sent:** Thursday, June 05, 2014 3:27 PM

To: Nettie Carter

Cc: Gerald Brashears; Andrea Sheehan; Sedora Jefferson; Chris Szaniszlo

Subject: FW: gov deals

Good Afternoon Nettie,

As referenced in my voicemail, enclosed is a copy of the Deviation and Compliance Signature Form submitted by GovDeals, Inc. for BuyBoard Proposal No. 457-14 for Auction Services.

This is to inform GovDeals, Inc. that this deviation, as it pertains to the National Purchasing Cooperative, is not acceptable. The service fee as it pertains to this proposal is one percent for sales in Texas and the National Purchasing Cooperative and is non-negotiable.

Therefore, in order for GovDeals, Inc.'s proposal to be considered for the National Purchasing Cooperative this deviation will need to be removed.

Please advise as to your decision pertaining to this matter and feel free to contact me at the BuyBoard should you need any further information.

#### **ARTURO SALINAS**

**BUYBOARD PROCUREMENT DIRECTOR** 

Texas Association of School Boards
P.O. Box 400 • Austin, Texas 78767-0400
12007 Research Blvd. • Austin, Texas 78759-2439
Phone: 512.467.0222, ext. 6200 • 800.580.8272

Fax: 800-211-5454 arturo.salinas@tasb.org



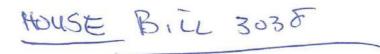
From: Stacy Burlison

Sent: Thursday, June 05, 2014 11:08 AM

To: Arturo Salinas Subject: gov deals

Stacy Burlison

stacy.burlison@tasb.orq
BuyBoard, Bids Administrative Assistant
Texas Association of School Boards
Phone (800) 695-2919
Fax (800) 211-5454



H.B. No. 3038

#### AN ACT

relating to licensing and regulation of auctioneers; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: SECTION 1. Section 1802.001, Occupations Code, is amended by amending Subdivisions (3) and (5) and adding Subdivisions (10), (11), (12), and (13) to read as follows:

(3) "Auction" means the sale of property by competitive bid using any method, format, or venue.

(5) "Auctioneer" means any person [an individual] who:

(A) sells or offers to sell property at auction, with or without receiving [valuable] consideration; or

(B) solicits, negotiates, or executes an auction listing contract [, as a bid caller].

(10) "Personal property" means any property other than real property, including all tangible and intangible types of property.

improvements, fixtures, and other property appurtenant to or used in connection with the land, and any other estate, interest, or legal or equitable right in the land, improvement, fixture, or appurtenant property.

(12) "Recurring basis" means more than once every 24

months.

(13) "Sealed bid auction" means a sealed bidding procedure that incorporates or allows for the competitive increasing or decreasing of bids after the opening of sealed bids.

SECTION 2. Sections 1802.002 and 1802.003, Occupations Code, are amended to read as follows:

Sec. 1802.002. APPLICABILITY. (a) This chapter does not apply to:

 a sale conducted by order of a United States court under Title 11, United States Code;

(2) a sale conducted by an employee of the United States, this state, or a political subdivision of this state in the course and scope of employment;

(3) a sale conducted by a charitable, religious, or civic organization, including an organization having a tax exempt status under Section 501(c), Internal Revenue Code of 1986, or organized as a nonprofit entity, if the person organizing, arranging, or conducting the auction receives no compensation;

(4) a sale conducted by any person [an individual] of the person's [individual's] property if the person [individual] is not engaged in the business of selling property at auction [as an auctioneer] on a recurring basis;

(5) a foreclosure sale of real property personally conducted by a trustee under a deed of trust;

(6) a foreclosure sale of personal property personally conducted by:

 $\mbox{(A)}$  a person who holds a security interest in the property, including a mortgage; or

(B) an employee or agent of a person described by Paragraph (A) acting in the course and scope of employment, if:

OCCOUPATIONS CORE CHAPTER # 1802

with the land, and any other estate, interest, or legal or equitable right in the land, improvement, fixture, or appurtenant property.

- (12) "Recurring basis" means more than once every 24 months.
- (13) "Sealed bid auction" means a sealed bidding procedure that incorporates or allows for the competitive increasing or decreasing of bids after the opening of sealed bids.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999. Amended by Acts 2003, 78th Leg., ch. 816, Sec. 4.001, 4.019(1), eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 14.010, 14A.351, eff. Sept. 1, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1048 (H.B. 3038), Sec. 1, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1048 (H.B. 3038), Sec. 17, eff. June 14, 2013.

Sec. 1802.002. APPLICABILITY. (a) This chapter does not apply to:

- (1) a sale conducted by order of a United States court under Title 11, United States Code;
- (2) a sale conducted by an employee of the United States, this state, or a political subdivision of this state in the course and scope of employment;
- (3) a sale conducted by a charitable, religious, or civic organization, including an organization having a tax exempt status under Section 501(c), Internal Revenue Code of 1986, or organized as a nonprofit entity, if the person organizing, arranging, or conducting the auction receives no compensation;
- (4) a sale conducted by any person of the person's property if the person is not engaged in the business of selling property at auction on a recurring basis;
- (5) a foreclosure sale of real property personally conducted by a trustee under a deed of trust;
- (6) a foreclosure sale of personal property personally conducted by:



# **DEALERSHIP LISTINGS**

If you have more than one location that will service a contract awarded under this Proposal Invitation, please list each location below. If additional sheets are required, please duplicate this form as necessary.

	N/A	
Company Name		
Address		
City	State	Zip
Phone Number	Fax Number	
Contact Person	<u> </u>	<del></del>
Company Name		
Address		
City	State	Zip
Phone Number	Fax Number	
Contact Person	<del> </del>	

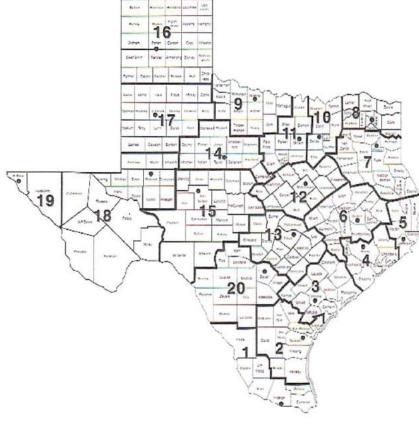


# TEXAS REGIONAL SERVICE DESIGNATION

Unless you designate otherwise on this form, you agree to service members of The Local Government Purchasing Cooperative statewide!

The Cooperative (referred to as "Texas Cooperative" in this Form I and Form J, State Service Designation) offers vendors the opportunity to service its members throughout the entire State of Texas. If you do not plan to service all Texas Cooperative members statewide, you <u>must</u> indicate the specific regions you will service on this form. Additionally, if you do not plan to service Texas Cooperative members (i.e., if you will service only states other than Texas), you must so indicate on this form.

# Regional Education Service Centers



GovDeals, Inc.

Company Name

Signature of Authorized Company Official

Robert L. Debardelaben
Printed Name

XX I will service Texas Cooperative members statewide.

I will not service Texas Cooperative members statewide. I will only service members in the regions checked below:

Region	<u>Headquarters</u>
1	Edinburg
2	Corpus Christi
3	Victoria
4	Houston
5	Beaumont
6	Huntsville
7	Kilgore
8	Mount Pleasant
9	Wichita Falls
10	Richardson
11	Fort Worth
12	Waco
13	Austin
14	Abilene
15	San Angelo
16	Amarillo
17	Lubbock
18	Midland
19	El Paso

I will not service members of the Texas Cooperative.

San Antonio

20



# STATE SERVICE DESIGNATION

The Cooperative offers vendors the opportunity to service other governmental entities in the United States, including intergovernmental purchasing cooperatives such as the National Purchasing Cooperative BuyBoard. You must complete this form if you plan to service the entire United States, or will service only the specific states indicated. (Note: If you plan to service Texas Cooperative members, be sure that you complete Form I, Texas Regional Service Designation.)

Regional Service Designation.)	
$\underline{XX}$ I will service all states in the United States.	
$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ $	ly the states checked below:
Alabama   Alaska   Arizona   Arkansas   California (Public Contract Code 20118 & 20652)   Colorado   Connecticut   Delaware   District of Columbia   Florida   Georgia   Hawaii   Idaho   Illinois   Indiana   Iowa   Kansas   Kentucky   Louisiana   Maine   Maryland   Massachusetts   Michigan   Minnesota   Mississippi   Missouri   Montana	Nebraska   New Hampshire   New Jersey   New Mexico   New York   North Carolina   North Dakota   Ohio   Oklahoma   Oregon   Pennsylvania   Rhode Island   South Carolina   South Dakota   Tennessee   Texas   Utah   Vermont   Virginia   Washington   West Virginia   Wisconsin   Wyoming
This form will be used to ensure that you can service other gove indicated. Your signature below confirms that you understand contract awarded under this proposal.	
GovDeals, Inc.	
Politica Raulalal Company Name	Robert L. Debardelaben
Signature of Authorized Company Official	Printed Name



## **NATIONAL PURCHASING COOPERATIVE VENDOR AWARD AGREEMENT**

In accordance with the Terms and Conditions associated with this Proposal Invitation, a contract awarded under this Proposal Invitation may be "piggy-backed" by another governmental entity. The National Purchasing Cooperative is an intergovernmental purchasing cooperative formed by certain school districts outside of Texas to serve its members throughout the United States. If you agree to be considered for a piggy-back award by the National Purchasing Cooperative, you agree to the following terms and agree to serve National Purchasing Cooperative members in the states you have indicated on Form J, State Service Designation, in your Proposal.

#### By signing this form, Proposer (referred to in this Agreement as "Vendor") agrees as follows:

- 1. Vendor acknowledges that if The Local Government Purchasing Cooperative ("Texas Cooperative") awards Vendor a contract under this Proposal Invitation ("Underlying Award"), the National Purchasing Cooperative ("National Cooperative") may but is not required to "piggy-back" on or re-award all or a portion of that Underlying Award ("Piggy-Back Award"). By signing this National Cooperative Vendor Award Agreement ("Agreement"), Vendor accepts and agrees to be bound by any such Piggy-Back Award as provided for herein.
- 2. In the event National Cooperative awards Vendor a Piggy-Back Award, the National Cooperative Administrator ("BuyBoard Administrator") will notify Vendor in writing of such Piggy-Back Award, which award shall commence on the effective date stated in the Notice and end on the expiration date of the Underlying Award, subject to annual renewals as authorized in writing by the BuyBoard Administrator. Vendor agrees that no further signature or other action is required of Vendor in order for the Piggy-Back Award and this Agreement to be binding upon Vendor. Vendor further agrees that no interlineations or changes to this Agreement by Vendor will be binding on National Cooperative, unless such changes are agreed to by its BuyBoard Administrator in writing.
- 3. Vendor agrees that it shall offer its goods and services to National Cooperative members at the same unit pricing and same general terms and conditions, subject to applicable state laws in the state of purchase, as required by the Underlying Award. However, nothing in this Agreement prevents Vendor from offering National Cooperative members better (i.e., lower) competitive pricing and more favorable terms and conditions than those in the Underlying Award.
- 4. Vendor hereby agrees and confirms that it will serve those states it has designated on Form J (State Service Designation Form) of this Proposal Invitation. Any changes to the states designated on Form J must be approved in writing by the BuyBoard Administrator.
- 5. Vendor agrees to pay National Cooperative the service fee provided for in the Underlying Award based on the amount of purchases generated from National Cooperative members through the Piggy-Back Award. Vendor shall remit payment to National Cooperative on such schedule as it specifies (which shall not be more often than monthly). Further, upon request, Vendor shall provide National Cooperative with copies of all purchase orders generated from National Cooperative members for purposes of reviewing and verifying purchase activity. Vendor further agrees that National Cooperative shall have the right, upon reasonable written notice, to review Vendor's records pertaining to purchases made by National Cooperative members in order to verify the accuracy of service fees.

FORM K - PAGE 1 Form 10-9-13 PAPER



- 6. Vendor agrees that the Underlying Award, including its General Terms and Conditions, are adopted by reference to the fullest extent such provisions can reasonably apply to the post-proposal/contract award phase. The rights and responsibilities that would ordinarily inure to the Texas Cooperative pursuant to the Underlying Award shall inure to National Cooperative; and, conversely, the rights and responsibilities that would ordinarily inure to Vendor in the Underlying Award shall inure to Vendor in this Agreement. Vendor recognizes and agrees that Vendor and National Cooperative are the only parties to this Agreement, and that nothing in this Agreement has application to other third parties, including the Texas Cooperative. In the event of conflict between this Agreement and the terms of the Underlying Award, the terms of this Agreement shall control, and then only to the extent necessary to reconcile the conflict.
- 7. This Agreement shall be governed and construed in accordance with the laws of the State of Rhode Island and venue for any dispute shall lie in the federal district court of Alexandria, Virginia.
- 8. Vendor acknowledges and agrees that the award of a Piggy-Back Award is within the sole discretion of National Cooperative, and that this Agreement does not take effect unless and until National Cooperative awards Vendor a Piggy-Back Award and the BuyBoard Administrator notifies Vendor in writing of such Piggy-Back Award as provided for herein.

WHEREFORE, by signing below Vendor agrees to the foregoing and warrants that it has the authority to enter into this Agreement.

GovDeals, Inc.

Name of Vendor

RFP No. 457-14 – Auction Services
Proposal Invitation Number

Signature of Authorized Company Official

Robert L. DeBardelaben

Printed Name of Authorized Company Official

April 28, 2014

Date

Note: (Regarding Paragraph # 5 Above)

PLEASE SEE DEVIATION LISTED ON FORM G CONCERNING THE 1% SERVICE FEE TO BE PAID TO THE LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD) MEMBERS OUTSIDE THE STATE OF TEXAS. GOVDEALS, INC AGREES TO PAY THE BUYBOARD A 1% SERVICE FEE FOR ALL GOVERNMENTS USING THE CONTRACT IN THE STATE OF TEXAS AND A .25% SERVICE FEE ON GOVERNMENTS OUTSIDE THE STATE OF TEXAS.



## FEDERAL AND STATE/PURCHASING COOPERATIVE DISCOUNT COMPARISON FORM

The Cooperative strives to provide its members with the best services and products at the best prices available. The Cooperative determines whether prices/discounts are fair and reasonable by comparing prices/discounts stated in your Proposal with prices/discounts you offer federal and state entities and other interlocal purchasing cooperatives (collectively referred to as "purchasing cooperative" in this form). Please respond to the following questions.

- Provide the dollar value of sales to or through purchasing cooperatives at or based on an established catalog or market price during the previous 12-month period or the last fiscal year: \$5,750,000.00. (The period of the 12 month period is April 1, 2013/March 31, 2014). In the event that a dollar value is not an appropriate measure of the sales, provide and describe your own measure of the sales of the item(s).
- 2. Based on your written discounting policies are the discounts you offer the Cooperative equal to or better than the best price you offer other purchasing cooperatives acquiring the same items regardless of quantity or terms and conditions?

YES XX NO

 Based on your written discounting policies, provide the information requested below for other purchasing cooperatives, either in the chart below or in an equivalent format. Rows should be added to accommodate as many purchasing cooperatives as required.

PURCHASING GROUP	DISCOUNT (%)	QUANTITY/VOLUME	FOB TERM
1. Federal General Services Adm.	N/A		
2. T-PASS	N/A		
3. U.S. Communities Purchasing Alliance	N/A		
4. The Cooperative Purchasing Network	N/A		
5. Houston-Galveston Area Council	N/A		
6. Other - NJPA	Varies by Client	\$5,500,000.00	Net/30

MY COMPANY DOES NO	CUDDENTI V LIAVE	ANY OF THE ADOM	E OD CIMIL AD TVD	E CONTRACTO
MIT COMPANT DUES NO	I CURRENILI HAVE	ANT OF THE ABOVE	E OK SIMILAK I YPI	E CUNTRACTS

#### **CURRENT BUYBOARD VENDORS**

If you are a current BuyBoard vendor, indicate the discount for your current BuyBoard contract and the proposed discount in this Proposal. Explain any difference between your current and proposed discounts.

Current Discount (%): Varies by client option selected. Proposed Discount (%): Will vary by client option

**Explanation:** GovDeals does currently hold a BuyBoard contract and plan to maintain the same discount schedule in this proposal as in our previous contract. Please see specific discounts offered in our pricing proposal.

By signature below, I certify that the above is true, complete and accurate and that I am authorized by my company to make this certification.

	GovDeals, Inc.	
Day (1) 10 201	Company Name	
Valit Cabacadas	Robert L. Debardelaben	
Signature of Authorized Company Official	Printed Name	
FORM L		Form 10-9-13 PAPER



## REFERENCES AND PRICE/DISCOUNT INFORMATION

PART I: For your Proposal to be considered, you must supply a minimum of five (5) individual governmental entity references. Provide the information requested below, including the existing price/discounts you offer each customer. The Cooperative determines whether prices/discounts are fair and reasonable by comparing prices/discounts stated in your Proposal with the prices/discounts you offer other governmental customers. Attach additional pages if necessary.

Entity Name	Contact	Phone#	Discount	Quantity/ Volume	FOB Term	
1.Austin, TX Fleet	Erik Maxey	512-978-2632	See Pricing	\$5,691,600	Net 30	
2. Galveston, Co TX	Jim Nolan	409-770-5417	See Pricing	\$1,469,625	Net 30	
3. Bastrop, Co TX	Krystel Burton	512-581-7110	See Pricing	\$ 439,220	Net 30	
4. Galveston, TX	David Smith	409-797-3920	See Pricing	\$ 790,175	Net 30	
5. Victoria, TX	Richard Ruiz	361-485-3170	See Pricing	\$1,238,970	Net 30	
Do you ever modify your written policies or standard governmental sales practices as identified in the above chart to give bette						

discounts (lower prices) than indicated? **YES** \bigcup **NO XX** If YES, please explain:

Comment: GovDeals optional Pricing Schedule allows each government to discount their price to zero (0) and pass the entire cost of the auction service on to the winning bidder if they choose to do so. This is explained in our Pricing Schedule.

PART II: For your Proposal to be considered, you must submit the Marketing Strategy you will use if the Cooperative accepts all or part of your Proposal. (Example: How you will initially inform Cooperative members of your BuyBoard contract, and how you will continue to support the BuyBoard for the duration of the contract period.) Attach additional pages if necessary: Please review Marketing Strategy in Exhibit J.

By signature below, I certify that the above is true and correct and that I am authorized by my company to make this certification.

	eals, Inc. any Name	
Kee	dis Barallot	
Signat	ture of Authorized Company Official	
Robert	t L. Debardelaben	
Printed	d Name	

FORM M Form 10-9-13 PAPER

### Marketing Strategy for a contract awarded under RFP Number 457-14

**PART II:** For your Proposal to be considered, you must submit the Marketing Strategy you will use if the Cooperative accepts all or part of your Proposal. (Example: How you will initially inform Cooperative members of your Buy Board contract, and how you will continue to support the BuyBoard for the duration of the contract period.)
Attach additional pages if necessary.

#### Response:

Please see our Marketing Program in the marketing section of the proposal of how we will market the Cooperative Members assets to potential buyers.

Below is a narrative of how we will market the Contract to prospective Cooperative Members who need a competitively bid service to sell their surplus assets.

We are prepared to use the BuyBoard membership list to enthusiastically announce and promote the award. This will be directly supplemented by our local sales and client services staff in Texas and nationally through direct client/prospect visits and attendance at 12-14 conferences in Texas where we display BuyBoard signage and include the contract number and info on our sales representative's business card and brochures. In regions of the country where BuyBoard promotes its services, we are prepared to leverage those efforts with support from our local teams. Our inside sales support personnel are set up to understand the specific BuyBoard contract adoption process and will utilize BuyBoard specific reports and information within our proprietary software to track, support, and report contract activity, including the documentation required to report sales and fee payment.



GovDeals, Inc.
5907 Carmichael Place • Montgomery, Alabama 36117
Tel: (800) 613-0156 • FAX: (334) 387-0519 • www.govdeals.com

April 28, 2014

The Local Government Purchasing Cooperative Attn: Bid Administrator 12007 Research Blvd Austin, TX 78759

Reference: Request for Proposal Number 457-14 – Auction Services

Dear Sir:

GovDeals, Inc. (GovDeals) is very pleased to have this opportunity to respond to Request for Proposal Number 457-14 for Auction Services.

The GovDeals Online Auction System and related services were developed by people with government surplus experience exclusively for government organizations. Online Auction Services are the only services we provide our government clients. GovDeals was incorporated as a "C" Corporation December 20, 1999 with Federal ID Number 63-1241096. In addition to providing an exceptional online platform for auctioning the Cooperative Member's surplus property to the general public, GovDeals offers a multi-tiered asset reallocation capability. Our no-cost reallocation component is a powerful tool that can be used to manage internal re-distribution of the Cooperative Members' surplus equipment among other agencies, to other governments or to non-profit organizations. Items that are not claimed for reallocation automatically move to the GovDeals public auction site to be auctioned to the general public.

The GovDeals auction system is completely web-driven. The only requirement for a Cooperative Member to conduct their online auctions is an inexpensive digital camera and access to the internet via a common web browser. There is no software to load or maintain and GovDeals takes full responsibility for maintaining a high-quality auction

website that is available to bidders 24 hours a day, 7 days a week. GovDeals exponentially increases competition for and the amount of money obtained for surplus, abandoned and confiscated items, because our service includes local, national and international marketing and promotions that are designed to attract targeted buyers to our clients' surplus items at no additional cost. GovDeals currently maintains a bidder base of over 407,750 verified and registered bidders.

GovDeals is a wholly owned subsidiary of Liquidity Services, Inc. (LSI), a financially strong, publicly traded company whose stock is traded on the NASDAQ stock exchange under the letters LQDT. Through links to all of LSI Marketplaces, GovDeals has the ability to expose each Cooperative Member's surplus property to over 2.4 million registered bidders worldwide. The GovDeals online auction system can successfully auction any type of asset a Coop Member can legally sell.

GovDeals' services include top-quality customer service. Our regionally based Client Services Representatives and Business Representatives are available for on-site or web-based training and ongoing customer support. In addition, we provide toll-free Help Desk bidder support seven (7) days a week. A complete audit-trail of all transactions placed on GovDeals is available to ensure transparent surplus sales, inventory management and bidding and reports can be generated by date range and item types. As a consequence, over six thousand (6,000) public sector organizations have adopted the GovDeals web-based internet auction support services to successfully redistribute and dispose of surplus, unclaimed and confiscated assets.

Understanding this contract will result in a national cooperative award, GovDeals is positioned to immediately launch an aggressive marketing campaign to sign up new government users in all 50 states. Currently, in our Client Relations Management database, our sales force has over 8,972 prospects they are working with who are interested in an online surplus auction services. Many of these prospects are looking for a competitively bid cooperative award to piggyback on, rather than issuing their own RFP for surplus sales. As soon as the contract is awarded, letters will go out to many of these prospects announcing the cooperative contract. In addition, many of GovDeals' over 6,000 existing clients are searching for a competitively bid online auction contract to use when their current contract expires.

We have proposed a very lucrative revenue sharing program in our pricing section that we feel will offer all Cooperative Members healthy cash rebate each year based on a GovDeals national cooperative Annual Volume Discount Program (AVDP), and give GovDeals additional leverage to sign up multiple users inside and outside the State of

BuyBoard Cooperative Purchasing

Texas. In order to fund this program outside the State of Texas, we ask that you accept our deviation listed on <u>Form G in Exhibit H</u>. In addition, we offer pricing discounts to Cooperative Members when a single high value asset exceeds minimum sales prices. Please review GovDeals' tiered pricing schedule and Flexible Pricing Options in <u>Exhibit F</u>.

GovDeals' personnel will be happy to meet with you at your convenience to discuss the attached information, provide additional information or set up a demonstration. We look forward to hearing from you, and should you have any questions or wish to discuss this information in more detail, please do not hesitate to contact me.

Sincerely,

Robert L. DeBardelaben

Operating President

Telephone: 800-613-0156, Ext. 4454

Cellular Phone: 334-462-7364

Email: bdebardelaben@govdeals.com

# THE LOCAL GOVERNMENT PURCHASING COOPERATIVE DETAILED SPECIFICATIONS AND PROPOSAL FORM

#### SEALED PROPOSAL NO. 457-14 - AUCTION SERVICES

#### INTENT AND SCOPE OF WORK

The intent of this Proposal Invitation is to establish a contract for online auction services and systems for the sale of surplus personal property and equipment for Purchasing Cooperative Members. Proposer should allow the Member to conduct auctions as often as the Member chooses to hold them with minimal assistance from Proposer. Proposer must have adequate personnel available to assist Members in conducting their own auctions. Proposer must have been conducting on-line auctions for a minimum of five years. Proposers subject to the licensing requirements of House Bill 3038 to offer or sell property at auction must hold a State of Texas auctioneer's license issued by the Texas Department of Licensing and Regulation.

Services specified herein are required as minimum services. Proposer may offer expanded services that support the goals of this Proposal Invitation and shall detail those services in its Proposal.

#### PROPOSAL REQUIREMENTS AND SPECIFICATIONS

- A. Proposer's Proposal should include:
  - History/experience with auction services and internet auctioning

#### Response:

GovDeals, Inc. (GovDeals) was incorporated in the State of Delaware December 20, 1999. After a year and four months of developing the software needed to operate the online auction website and conducting and testing through several pilot projects with state and municipal governments, GovDeals held its first live online auction in April 2001.

Since going live in April 2001, over 6,000 governments, to include 18 state surplus operations, have utilized a GovDeals Seller's Account. Our clients have conducted more than 700,000 online auctions at a total sales value of more than \$832 million.

GovDeals employs a staff of 65 full-time employees, with 31 of these employees based throughout the United States and Canada so that they are within driving distance from our clients. All training and client support is provided by salaried GovDeals employees; therefore, GovDeals does not utilize the services of subcontractors.

GovDeals has the financial strength, knowledge and experience to meet, and exceed, the requirements of this RFP. GovDeals already has 29 employees residing and working throughout the United States and 2 employees within Canada. Therefore, we are already prepared to serve



the governments who elect to utilize this cooperative award, regardless of their location and size. GovDeals is committed to maintaining a client/staffing ratio that ensures our clients receive comprehensive training and ongoing and interactive client support. GovDeals has readily available financial assets and the financial backing of a strong, debt-free owner which will enable us to hire additional staffing when and where this is needed in order to maintain the optimum client/staffing ratio and maximize the value of this cooperative award.

Based on the last full month data, the GovDeals auction website, <a href="www.govdeals.com">www.govdeals.com</a>, received 745,500 "Unique Visitors" in the month of February 2014 and more than 1,700,000 hits to its live auction website during the same month. We define a Unique Visitor as a person that is only counted once when he/she visits our site, even though the bidder may have visited our site 100 times during the month. The Unique Visitor count is recorded on each active and completed auction conducted on GovDeals. GovDeals clients successfully auction 96% of the assets they list for auction.

2. Site references and site structure (dedicated page, shared, etc.)

#### Response:

Each Cooperative Member will have their own private account to load their assets on a dedicated asset page. Once the assets are loaded to the GovDeals website, each asset can be accessed by the bidders through various search engines that include by state, category and keyword search, and items closing within a certain time frame up to 48 hours. The bidder can request the system to pull up assets within a certain distance of a ZIP code entered by the bidder, and he or she can search all items for sell by a Cooperative Member by simply selecting the Cooperative Member's name.

The asset page itself gives a full description of the item being sold, and there is no limit to the amount of photos that can be loaded to the asset page. All pages come with a reference to the Seller's Terms and Conditions, payment and removal instructions, and a section where the bidder can submit questions directly to the seller through the system. When the question is answered, the response is posted to the asset page so that all potential bidders who access the asset page can see the question and subsequent answer.

Each asset page displays the ending date and time of the auction, the beginning price, how many bids have been placed, the bid increment, the current high bid amount, and the number of "Unique Bidders" who have viewed that asset page.



3. Method of contacting buyers (buyer database, etc.)

#### Response:

BuyBoard Cooperative Purchasing

GovDeals provides very aggressive marketing to all of its clients by posting assets in various publications and on other internet sites to attract bidders. GovDeals also uses its automated E-Flyers feature to contact hundreds and thousands of its bidder base of 407,750. For example, if a farm tractor is loaded to the system and doesn't appear to be getting the bids it should, the Marketing Team may send out E-Flyers to all bidders who have bid on farm tractors in the past. The E-Flyers go out in the form of an e-mail with a hotlink back to the auction site. When the bidder receives the email, all they have to do is click on the link and it will take the bidder directly to the item posted on the site. If the bidder is logged in, they can immediately place a bid on the item.

Items that are posted to other websites and included in hard copy advertisements in magazines and specialty publications are accompanied by a Quick Asset Lookup (QAL) number. All the bidder needs to do now is pull up GovDeals' website and enter the QAL number on the front page of the website, and the system will pull up the item that was listed in the advertising media. If the bidder is logged in, they can immediately place a bid on the item if they choose to do so. If the person is not registered, all they have to do is click on the "Register" tab that will take them to the GovDeals registration form. Please see a more detailed explanation of GovDeals' marketing services on Page 17-19.

4. Examples of information available to potential buyers (data, photos, etc.)

#### Response:

Please see screenshots available to potential buyers in <u>Exhibit J</u>. Also included in this exhibit is a copy of the Bidder's Agreement setting out the rules of the internet auction, and a sample of a client's Terms and Conditions, which sets out the rules for what the client expects from a bidder. Before a bidder can place their first bid on an item for sale, they must first agree to the client's Terms and Conditions. If they do not agree, their bid will be rejected. The bidder only has to agree to the Terms and Conditions once, when they place their first bid. Future bids placed, after the first bid, are accepted without any further agreement to the Terms and Conditions.

5. Method of data collection and photo of sale items

#### Response:

Within a few hours of contract signing, an account will be established for the Cooperative Member, and a dedicated Client Services Representative (CSR) will be assigned to the Cooperative Member. The GovDeals CSR will usually contact the Cooperative Member's Point of Contact within 24 to 48 hours to schedule on-site training. The training will include the CSR providing the POC with an asset form for each type of asset to be sold. The form consists of data categories that are important in describing a particular asset to be sold.



BuyBoard Cooperative Purchasing

Once the asset data is collected and recorded on the form, and all photos have been taken, the CSR will teach each employee how to load the descriptions and photos to the asset page in the system.

6. Method of auctioning (set minimums, deadline date and time, modified deadlines, etc.)

#### Response:

After the CSR has trained all employees how to gather descriptions, load photos and post the descriptions and photos to the site, the CSR will then teach each employee how to set beginning and ending auction dates, starting prices, bid increments and reserve prices, and how to send the asset to the live auction.

The system is very user-friendly, and any information loaded to the auction page can be corrected or modified prior to the asset being sent to the live auction site. Photos can be deleted or arranged in different sequence that best presents the photos to the bidder, or new photos can be added. If an asset has already been sent to auction, changes can still be made without withdrawing the asset from the live auction site to make the change. Minor corrections such as grammar or misspelled words can be made to the auction without withdrawing the item. If, however, information will be added to the asset page that will increase or reduce the value, the asset should be withdrawn from the live auction site. When the asset is withdrawn, an e-mail notification is automatically sent to all bidders and watchers that the asset was withdrawn and the reason why. If and when the asset is sent back to the live auction site, an e-mail notification is automatically sent to all previous bidders and watchers that the asset is back on the site.

GovDeals gives the Cooperative Member the option to close auctions at a specific time, or the Member can choose to use the extended bid option to end the auction. The extension of bid option will extend the auction end time by 5 minutes if there is a bid placed in the final 5 minutes of the auction close time. If another bid is not placed in the last 5 minutes, the auction will automatically close, and an award will be made to the high bidder.



 Copy of State of Texas Auctioneer License issued by the Texas Department of Licensing and Regulation, or detailed explanation and supporting documentation or authority of why no license is required under Texas law

#### Response:

GovDeals is an internet services provider to over 6,000 governments in 48 states and Canada. We are not auctioneers and are not required to obtain an auctioneer's license. GovDeals provides auction software to governments to use in managing their own auction programs. GovDeals does not take possession of any government property, and the entire auction program is supervised and conducted by the government clients in Texas and other states. These government users, especially in the State of Texas, are specifically exempt from the Auctioneers Code, and more specifically from licensing requirements of House Bill 3038. Included in **Exhibit E** is a copy of the first page of House Bill #3038. The verbiage highlighted in yellow specifically refers to Section 1802.002, Applicability in the Occupation Code for Auctioneers. It states that this chapter, referring to Section 1802.002 of the Occupations Code Chapter 1802, Auctioneers, does not apply to "A sale conducted by an employee of the United States, this state, or a political subdivision of this state in the course and scope of employment." Also included in Exhibit E is page 2 of 18 of the Texas Occupation Code, Chapter 1802. This page came directly from the State of Texas Occupations Code that deals with Auctioneers licensing. The verbiage highlighted in yellow specifically exempts governments from the auctioneer's licensing requirements.

- B. Proposers that provide an auction service for the purpose of selling surplus property and equipment must provide a fully functional service that includes:
  - 1. Proposer will provide all hardware, software, and servers needed to operate an online auction service. Proposer must give the Cooperative Member full access to the Member's assigned online auction account that allows the Member to load its own equipment via a common internet browser. The system should be available to Members 24 hours a day, 7 days a week, 365 days a year. The Member must be able to load items it wishes to sell at any time.

#### Response:

The GovDeals online auction system will meet and provide the Cooperative Member all of the services and requirements requested in item 1 above.



2. Proposer will provide and absorb all costs of a secure hosting facility to operate the online auction system and allow the Cooperative Member full access to their account. The Member will not be required to install any additional computer hardware or software at the Member's location; the only requirements will be that the Member has an internet connection via a common web browser, as well as a digital camera. Proposer's auction service shall not interact with a Member's computer hardware, software or database systems, except to allow access to the Member's account through a common web browser.

#### Response:

The GovDeals online auction system will meet and provide the Cooperative Member all of the services and requirements requested in item 2 above.

3. Proposer will provide maintenance and upgrades to the system hardware and software at no cost to the Cooperative Member.

#### Response:

GovDeals agrees to provide all maintenance and upgrades to the system hardware at no cost to the Cooperative Members.

 Proposer will supply all operating software and applications needed for the auction site to function.

#### Response:

GovDeals agrees to this requirement.

 Connectivity to the internet shall be accessible through industry standard internet connections, web browsers, and e-mail. The system must allow access from both Windows and Apple Mac operating systems. The system provided will not require the installation of any special software on the computer systems of the Cooperative Member.

#### Response:

The GovDeals online auction system will meet and provide the Cooperative Members all the services and requirements requested in item 5 above.



 Maintenance and support, including email and telephone support needed to operate the auction site and live customer service support, must be available to Cooperative Members Monday-Friday between the hours of 8:00 A.M. and 5:00 P.M. Central Standard Time.

#### Response:

The GovDeals customer and bidder support hours meet and exceed the hours required in this requirement.

7. Proposer's system should have simple and uniform methods for bidders to submit bids and have the highest bid price to date posted on the bidding site for all bidders to see. It shall also have a system to notify a bidder if the bidder's bid has been rejected and identify the reason for such rejection.

#### Response:

The GovDeals online auction system provides an auction site that is easy to use and maneuver and, at all times, displays the highest bid posted to date for anyone to see. The system will instantly notify the bidder if they have placed a bad bid and the bid was not accepted. The bidder must agree to all bids placed, and once the agree button is selected, the bid will be accepted.

Through the "Advanced Search" feature, a user can search for items by state, seller, category, keyword search and by item number, if known. The user has the ability to search for items closing in 1 to 48 hours and can locate new items posted within 1 to 48 hours.

In addition, a ZIP code search is provided that allows the user to enter a postal ZIP code and search by category or keyword within a selected distance from the ZIP code. Once the information is entered, the user presses the submit button, and a map will be displayed with all the items selected displayed on the map and marked with a red teardrop. Beneath the map, a list of all the items located will be displayed, and within this screen, the total items for sale by each seller will also be shown. The user can then click on the seller's name, and the system will take the user directly to the item they selected, and if logged in, they can immediately place a bid. If not already a registered bidder, the user can click on the "Register" tab and register to bid.

- 8. Proposer's system must include the following:
  - Clearly displayed date and time to the end of bidding.

#### Response:

The GovDeals online auction system will meet and provide the Cooperative Member all the services and requirements requested in this requirement by clearly displaying the date and time that the bidding will end.



 The capability for the Cooperative Member to set a minimum opening bid price and a minimum bid increment.

#### Response:

The Cooperative Member has the capability through its private GovDeals account to set minimum starting prices, bid increments, and beginning and ending dates of the auction and the ability to set a reserve price if needed.

c. The capability to automatically notify other governmental entities of available surplus personal property or equipment prior to the items being made available to the general public on the auction site. (In cases of a sale to another governmental entity, Proposer would not be entitled to receive a commission on the sale.)

#### Response:

The GovDeals system has a patented Tiered Re-Distribution feature whereby the Cooperative Member can first load items in a tier that can only be seen and accessed by governments that have been approved to login to the government tier. The items in the tier can be given away or set up to be auctioned to other governments. After a predetermined set time and no government selected the item or chose to bid on the item, the item will be sent to the public site and made available for bid by the general public. The Tiered Re-Distribution feature is provided to the Cooperative Members at no cost.

d. An internal method of recording all bids, a method of identifying the winning bidder, and a method of identifying the second highest bidder in those instances where the winning bidder reneges on completing the sale.

#### Response:

All bids are recorded in real time for all bidders and visitors to the <a href="www.govdeals.com">www.govdeals.com</a> site to see. Anyone that visits the site can see how many bids are placed without having to be registered on the GovDeals site. If a visitor wants to place a bid on an item, then they must register to bid and then be logged into the site to place a bid.

As soon as the auction ends, the Winning Bidder and the Seller are automatically notified via e-mail that the item has been awarded. The winning bidder receives a Buyer's Certificate, and the seller receives a Seller's Certificate with all of the information needed by both parties to finalize the transaction.

If the winning bidder defaults on their obligation to purchase an item, they are locked from the system and not allowed to place bids on future auctions. With only the click of a button and a few seconds, the item can be automatically offered to the second-highest bidder.



e. A record of bids that may be provided to the Cooperative Member.

#### Response:

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All Cooperative Members will have the ability to pull up a record of bids and the winning bidder by accessing their GovDeals private account and using the Reports menu.

f. Security systems, anti-virus, and firewalls capable of preventing the hacking of any auction information from the auction servers, preventing the assimilation or distribution of viruses and other programs, and preventing any bidder from learning the identity of any other bidder.

#### Response:

GovDeals maintains secure anti-virus software and firewalls that prevent any hacking of our clients' information or bidders' information. We also have a privacy policy in place that prevents GovDeals from sharing any bidder information or client information with third parties without their express written consent. At no time, that we are aware of, has another bidder been able to obtain the identity of another bidder.

During the 13-plus years GovDeals has been in business, none of our clients' or bidders' information has been compromised.

g. Contingency plans to backup and recover information, including a disaster recovery plan that covers internet failure, electricity failure or system failures.

#### Response:

The GovDeals online auction system will meet and provide the Cooperative Members all the services and requirements requested in item g.

GovDeals provides a system that in real time backs up its system and databases and can recover from a major server failure in less than 4 hours. GovDeals' servers responsible for running the online auction process are housed in a secure hosting facility in Ashburn, Virginia, with back-up electricity provided in case of a total power outage and also alternate trunks to the internet in case the primary internet connection experiences a failure. The building housing the GovDeals servers is highly secure with security cameras and alarms, and only personnel with pre-approved access are allowed to enter the building.



A system for posting auctions that is easy to use and allows the Cooperative Member control
over the auction.

## Response:

The GovDeals online auction system will meet and provide the Cooperative Members all the services and requirements requested in item h.

The GovDeals system was specifically designed for ease of use in posting information about items to sell and then easily posting them to the online auction for sale. The system was designed so that a government client has access to their own private account, where they can post auctions for sale, and print or view reports in real time with very little assistance from GovDeals.

GovDeals' support services employees who reside in the State of Texas are always available for assistance when needed. Their email addresses and cellular telephone numbers will be given to the Cooperative Member Client's employees who are responsible for running their surplus programs.

 A method for the Cooperative Member to withdraw and cancel an auction without penalty and notifies bidders if an auction has been withdrawn or cancelled.

## Response:

The GovDeals system will allow the Cooperative Member to withdraw an item from the live auction site without being charged for the item. GovDeals never charges a fee if the item is not sold and the money deposited into the bank.

When an item is withdrawn from the live auction site prior to the auction ending, an e-mail notice is automatically sent to the bidders and watchers that the item has been withdrawn and the reason why the item is being withdrawn.

If and when the item is sent back to the live auction site, an e-mail notice is automatically sent notifying the previous bidders and watchers that the item has been posted back on the live auction site.

j. A system that provides the Cooperative Member a method of duplicating prior auctions, and cutting, pasting, and editing information from prior auctions that will help the Member save time posting new auctions to the online auction site.

## Response:

The GovDeals online auction provides all the requirements of this section.



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k. A system that allows the Cooperative Member's own terms and conditions to be posted for each asset offered for sale and provides a quick link to the Member's terms and conditions. The system must also provide a section on the asset auction page for posting special instructions for each asset that include important terms from the Member's terms and conditions, such as when payment should be made and when an item should be picked up by the winning bidder. This section can also be used to give the bidder contact information to call to inquire about the asset being auctioned or any other helpful information that the bidder may need to make a bid.

#### Response:

The GovDeals online auction system provides all the requirements of this section.

A unique feature of the GovDeals system is that when a bidder places their first bid on an asset, the system will display the Cooperative Member's Terms and Conditions for the bidder to read and agree to. If the bidder clicks the Agree button, they are allowed to continue bidding; if the bidder clicks the Do Not Agree button, they are not allowed to place a bid.

The GovDeals system also provides a method for the bidders to ask a question about the item. The question is posted in the Cooperative Member's private account for the Member to read and respond to. When the question is answered, the question and answer is posted on the asset page for all bidders to see. This feature greatly reduces the overall quantity of phone calls to the seller from bidders.

 A system of collecting payments from bidders that accepts payment via Pay Pal, wire transfer, or credit card.

## Response:

Using the GovDeals Financial Settlement Services (FSS), the winning bidder is allowed to pay via PayPal, Credit Card (Visa, MasterCard, American Express and Discover), and by Wire Transfer. Please see a detailed explanation of how GovDeals' Financial Settlement Services functions in **Exhibit C**.

m. A system to generate and send both the Cooperative Member and the buyer a "PAID" e-mail notice (electronically) when payment is received.

## Response:

Once the winning bidder has paid electronically, the GovDeals system will automatically send an e-mail notification to GovDeals and the Cooperative Member that the item has been paid for.



n. A system that provides detailed financial and summary reports of all transactions to both the Cooperative Member and the Purchasing Cooperative.

## Response:

The GovDeals system provides an array of financial and summary reports to the Cooperative Members that can be viewed online or printed. Below are descriptions of some of the reports that are available to each Cooperative Member. Please see examples of these reports in **Exhibit A**.

**Sold Assets Report** – This report provides a quick summary of all assets sold by selected date range. The Sold Assets Report displays the bidder name, asset number, inventory ID number, description, category, starting price, final sales price, number of bids received, and auction end date and time. Also, the reports display the total sales amount for the period selected.

Status Report – This report provides the ability to quickly display the status of all items that have been loaded into a client's password-protected account, but have not yet been auctioned. It also allows clients to produce a report of all items that have been sold. The items on this report include all information on the asset, as well as the photos. The post popular statuses selected on this report are Sold On Auction, Hold, Sent to Auction, Reserve Not Met, Withdrawn From Auction, and Request for Credit Complete.

Paid For/Picked Up Report – These reports allow the client to track the payment and pickup of sold assets. Reports can be generated that show all items sold that have not been paid for, all items sold that have been paid for but have not yet been picked up, and all items sold that have been paid for and picked up. All the printed or online views of these reports display the item ID, inventory number, auction end date and time, high bid amount, sales tax, additional fees if any, and status (paid, payment pending, paid and picked up).

Invoicing Report – The Invoicing Report details all the items sold during a month and is sent to the Cooperative Member to request payment of the auction fee. This report can be sent in hard copy or electronically each month, depending on the Member's requirements. Also, the Invoicing Report is posted each month to the Member's private account, which gives the Member the ability to print the report any time it chooses. The Invoicing Report displays the item description, inventory ID number, date sold, sold amount, auction fee percent charged, auction fee, item certificate number, credits issued, and credit issue date. This report also displays the total amount of payment requested.

Bill of Sale – This report is populated with the Seller name, the winning bidder name and all the information needed with regard to the asset sold, such as VIN or serial numbers, make, model, etc., of the item being sold, and the sales price and date sold. The Bill of Sale can be emailed to the winning bidder or printed out and given to the bidder when the bidder arrives to pick up the item won. The Bill of Sale also contains a disclaimer that states that after the bidder removes the property from the seller's premises, there are no refunds.



9. Proposer must have documented training tools and processes to train Cooperative Members on use of the system.

## Response:

As soon as a Cooperative Member elects to use the GovDeals contract, GovDeals will establish an account for the Cooperative Member and assign a dedicated Client Services Representative (CSR) to the account. The CSR will contact the Cooperative Member and schedule a training session where the CSR will train as many employees as requested. There is no fee for training or subsequent training, which can be done on-site or via the internet. We prefer the initial training to be conducted on-site.

The initial training usually lasts for less than 8 hours, and at the end of the training, the CSR will provide all employees that are involved with the Cooperative Member's surplus program with their cellular telephone number and e-mail address so that they can reach the CSR at any time if they need assistance.

GovDeals also posts to the Cooperative Member's private account a complete training manual that can be viewed online or printed.

10. Proposer must have a system and process of handling item payment disputes.

# Response:

GovDeals has an excellent and well-trained accounting department consisting of a finance manager and 4 accounting clerks whose specific job duties are to handle and solve any disputes involving payments with clients and bidders. No client, or winning bidder that we know of, has ever lost any money using the GovDeals online auction system. If the Cooperative Member has a question about their invoice, they simply dial GovDeals' toll-free number (1-800-613-0156) and choose option 4 for the accounting department. Any one of our 5 accounting personnel will be glad to answer your question immediately and get back to the Cooperative Member the same day with an answer or a solution.

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11. Proposer must have a documented process and tools for marketing and promoting the site constantly to entice bidders.

## Response:

GovDeals provides all of its government clients with a proactive marketing plan designed to expose their assets to buyers nationally and internationally. Please see an overview of GovDeals' marketing program below and examples of successful marketing campaigns and prior auction results in **Exhibit B**.

#### Marketing Overview:

GovDeals employs a comprehensive marketing program aimed at identifying existing and new potential buyers of client assets and of achieving the highest possible prices for these assets. Our marketing staff is comprised of a Vice President of Marketing, a Marketing Supervisor, and 4 full-time Marketing Associates. GovDeals will assist the Cooperative Member in determining the approximate value of high-dollar and unique items that is helpful in setting beginning prices and reserves, if needed. GovDeals marketing is available to all clients at no additional cost.

We have employees within our marketing department and on our help desk that are fluent in Spanish, and we have a language service available for situations in which we need assistance communicating with a prospective bidder who is not fluent in English. Because many of the assets auctioned by our Clients no longer meet stringent U.S. guidelines or they are technology that is no longer desirable within the U.S., it is important that these surplus assets be exposed directly to potential buyers outside of the U.S., rather than to a middleman who will buy these assets at a low price and then facilitate an international sale. GovDeals' Marketing Department works hard to connect our Clients to buyers who are willing to pay a fair price for their assets. To facilitate international sales, GovDeals provides our Clients assistance in communicating with these prospective bidders.

#### Asset Specific Marketing

Certain assets can warrant a customized marketing plan involving identification of target audiences and specialized marketing venues. GovDeals encourages Clients to notify their Client Services Representatives or the GovDeals Marketing Department as soon as the Client becomes aware that an asset of this type will be listed. Assets that often warrant custom marketing plans include, but are not limited to, aircraft, watercraft, classic or custom automobiles, utility vehicles, heavy equipment, and laboratory and medical equipment.

- All heavy trucks and heavy equipment are advertised in the print edition of Rock and Dirt
  magazine and on its website, www.rockanddirt.com. Also utilized is a print ad in the monthly
  Spanish-language publication, Rock and Dirt en Espanol. Additionally, GovDeals has a
  weekly advertising position in the nationally distributed print edition of Contractors Hotline and
  their online site, www.contractorshotline.com. Several assets per week are advertised in
  these publications, depending on auction timing. All other appropriate equipment is
  advertised on appropriate online niche sites.
- Cars, trucks, and vans are advertised in the online site www.autotrader.com.
- Fire trucks, ambulances and associated apparatuses are advertised in <u>www.1stresponder.com</u>, while garbage trucks are advertised at <u>www.trashtrucksonline.com</u>.



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For high-value and unique assets, custom marketing plans are developed to ensure they are exposed to the appropriate target audiences. These asset types include helicopters, airplanes, large watercraft and various other high-value assets. Specialty publications and sites are used to market these assets to the appropriate target audience. Two examples of specialty publications used are *Trade-A-Plane* (<a href="www.trade-a-plane.com">www.trade-a-plane.com</a>) and *Aircraft Dealer* (<a href="www.aircraftdealer.com">www.aircraftdealer.com</a>). Additional publications include <a href="www.boats.com">www.boats.com</a>, <a href="www.aircraftdealer.com">www.aircraftdealer.com</a>), and others as appropriate.

## Bidder Database and E-mail Marketing

GovDeals currently has over 407,750 verified and registered bidders in all 50 U.S. states and 68 foreign countries. Also, GovDeals has five (5) sister companies all under the umbrella of Liquidity Services, Inc. (LSI). All of our sister company sites are linked to GovDeals' website, and our site to theirs, which gives our company the capability of exposing the State's surplus property to more than 2.4 million bidders worldwide. The linked sites are <a href="www.govliquidations.com">www.govliquidations.com</a>, <a href="www.govliquidations.com">www.govliquidations.com</a>,

As part of the marketing of each asset, E-mails are sent to previous bidders and buyers of that particular type of equipment. This highly focused bidder presence is the key to GovDeals' success and is not available at local on-site auctions, and as far as we know, none of our competitors' online auction services can offer this benefit.

## **Local Marketing**

In order to make the local market aware of a Client's auctions, GovDeals' Marketing Department implements various strategies to inform local residents of the Client's surplus sales, including assisting the government agency with preparing initial and periodic press releases and placing newspaper advertisements when appropriate. Additionally, strategic marketing efforts, such as outdoor advertising and other marketing outlets, are utilized as needed. GovDeals can also provide outdoor banner(s) for high-traffic areas, as well as flyers for bulletin boards and to pass out to local businesses and residents.

#### **Direct Website Link**

GovDeals will facilitate placement of a link and logo on the Client agency's website for easy access to the Client's surplus listings. This link will go directly to the Client's auctions on the GovDeals website. This makes it very easy for prospective bidders to navigate from the Client's website to quickly view the Client's available assets.

#### National and Regional Advertising

National vertical media, as discussed above, are utilized on a weekly/monthly basis and focus on specific assets. Regional marketing outlets, such as area newspaper networks, are utilized for strategic branding and client-specific applications.

#### Social Media

GovDeals utilizes social media such as Facebook, Twitter, and YouTube to promote assets to prospective Buyers on a more personal level. GovDeals also follows its Clients that use Twitter, Facebook, YouTube and other social media channels, creating a network between the Client, GovDeals, and both organizations' followers.

#### **Employee-Specific Marketing**

GovDeals currently employs 16 regional Client Services Representatives and 15 regional Sales Representatives who distribute information to potential bidders as they travel throughout the 48 states in which GovDeals currently serves clients.



## **National Media Coverage**

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Through GovDeals' parent company, Liquidity Services, Inc.'s public relations department, GovDeals periodically receives national broadcast and print media coverage. Due to a story on MSN Money, GovDeals registered more than 500 new bidders in one day. GovDeals normally registers an average of 6,000 new bidders each month.

Please see examples of marketing materials and auctions results produced by GovDeals in **Exhibit B**.

## **Example of Marketing Success**

GovDeals' marketing initiatives have proven successful time and again. As one example, the State of Utah, a long-time GovDeals client, recently needed to sell a surplus helicopter. In order to help them obtain maximum return for this high-value asset, GovDeals marketing was needed to attract targeted bidders to compete for this asset.

The State of Utah's helicopter, a 1994 Eurocopter Astar model, was advertised using the following niche websites selected for their specific audiences and successful past performance: Aircraftdealer.com, GlobalAir.com, AircraftShopperOnline.com, and Trade-A-Plane.com. In addition, an E-Flyer was sent to 725 registered GovDeals bidders who were prior bidders on and buyers of aircraft and aviation parts and equipment. The helicopter was viewed by 994 unique visitors, received 69 bids and exceeded the State of Utah's reserve of \$800,000 to successfully auction for \$871,000.

From reviewing web analytics, GovDeals determined that the winning bidder initially linked to The State of Utah's helicopter auction from the advertisement GovDeals placed on AircraftShopperOnline.com. Without GovDeals' use of this strategic advertising placement, the winning bidder may have been unaware that this helicopter was for sale. Because other bidders became aware of this helicopter through our marketing, there was competition for this asset that drove the selling price from the beginning bid increment of \$260,000, over the State of Utah's reserve of \$800,000, to the final selling price of \$871,000.

Samples of GovDeals' marketing strategies, including the helicopter asset listing referenced above, are provided in **Exhibit B**.



# PROPOSAL PRICING FORM

BuyBoard Cooperative Purchasing

Auction Services for the Sale of Surplus Personal Property and Equipment

ITEM No.	ITEM DESCRIPTION	Auction Service Fee <sup>1</sup>
1	PRICE PER AUCTION (Listing Fee)  This is a price per auction that Proposer will be paid once an auction item is listed on the auction web site, regardless of whether or not there is a completed sale. <sup>2</sup>	\$
2	COMMISSION FEE SCHEDULE  Proposer must attach its commission fee schedule that details the percentage commission fee that will be charged on the sale price after each completed sale. State the percent (%) of discount off commission fee schedule. <sup>3</sup>	7.5 % A 5% Buyer's Premium will be charged the Winning Bidder if GovDeals collects the Auction Proceeds for the Coop Member. Please see attached Commission Schedule

#### PROPOSAL FORM NOTES:

- 1. No price or fee will be accepted other than a price per auction (listing fee) and a percentage commission fee schedule.
- 2. If Proposer does not charge a listing fee, Proposer must insert a zero (\$0.00) bid on the price per auction line. If the price per auction line is left blank, Proposer's

Proposal may be determined to be non-responsive.

3. If Proposer does not submit its Commission Fee Schedule with its Proposal, the Proposal will not be considered.

Proposer Name: GovDeals, Inc.	
Signature of Authorized Company Official:	

## Annual Volume Discount Program:

GovDeals will sign up all Cooperative Members that use the BuyBoard/TASB contract in its Annual Volume Discount Program. When the aggregate sales of all Cooperative Members reach \$1 million within a twelve months period, each participating Cooperative Member will receive a cash payment based on their volume of sales. Please review in detail the ADVP in **Exhibit D**.



# GovDeals Annual Volume Discount Program Agreement (AVDP)

GovDeals continues to offer a significant tiered rate reduction schedule for individual items selling in excess of \$100,000.

In conjunction with GovDeals' tiered rate reduction, the AVDP will pay a cash payment to your government calculated on a cumulative auction threshold of \$1,000,000 in gross sales over a twelve-consecutive-month period. The payment will be paid on the first \$100,000 of a single item which is considered the eligible volume. The amount of an individual item sale that exceeds \$100,000 will not be included in the payment calculation; however, the total amount of the sale of the item will be used to reach the percentage levels used to calculate the payment as shown in the following schedule.

#### **How the AVDP works:**

All GovDeals' clients are eligible to participate in the (AVDP).

- In order to participate in the AVDP, clients must sign the agreement on page two and agree to the AVDP start date.
- Multiple clients using a cooperative contract or are governed by the same council, council of
  governments, commission, or state government may be eligible for aggregation of auction proceeds
  during an established program year, subject to GovDeais' approval. Each participating government
  must sign the AVDP agreement in order to receive a payment.
- Cooperative governments can enter the AVDP at any time within the twelve (12) month period and be eligible for a cash payment based on their pro-rata share of the gross sales amount of all other governments participating.
- If a client, or cooperative group of client's, cumulative gross sales, net of all credits, reach a minimum of \$1,000,000 over a twelve-consecutive-month period, a cash payment will be paid to the client or cooperative group of clients within sixty (60) days of the end of the twelfth months of the period used to calculate the sales volume.
- The term of the agreement is for twelve months from the agreed start date entered on page two (2) and will automatically renew for another twelve (12) month period unless a sixty (60) day cancellation notice is given by the client or GovDeals prior to the end of the assigned twelve (12) month period.

#### Example of how payments are calculated and distributed under the AVDP:

One item sold for \$500,000 by government number one (1) and another item sold for \$1,600,000 by government number two (2) and a third item sold for \$65,000 by government number (3) for a cumulative gross sales total of \$2,165,000. Government number (1) and (2) have an eligible sales volume of \$100,000 each while government number (3) has an eligible sales volume of \$65,000. Based on the payment schedule on page two, the payment will be calculated using .50% based on the gross sales amount of \$2,165,000. Please note that the percentage used to calculate payments is capped at 1.25% at a volume of \$5,000,000, but the eligible volume the payment percentage is paid on is never capped.

#### Calculation:

As explained in paragraph 1, the payment percentage is applied on the portion of the first \$100,000 of each single item sale. The total payment for the group is \$1,325 (\$265,000 X .50% equals \$1,325). Governments number one (1), (2) and (3) will share the \$1,325 payment based on their pro-rate contribution to the total gross sales amount as follows:

		Percent	Payment
Seller	Gross Sales	to Total	Amount
Government #1 sold	\$ 500,000	23% X \$1,325 =	\$ 304.75
Government #2 sold	\$1,600,000	74% X \$1,325 =	\$ 980.50
Government #3sold	\$ 65,000	3% X \$1,325=	<b>\$</b> 39.75
Totals	\$2,165,000	100%	\$1,325.00

# GovDeals Annual Volume Discount Program Agreement - Continued

Annual Volume Discount Schedule				
A n n u a l Gross Sales Net of Credits	Annual Payment % is applied to eligible volume			
\$ 0	0.000%			
\$1,000,000	0.250%			
\$1,499,999	0.250%			
\$1,500,000	0.375%			
\$1,999,999	0.375%			
\$2,000,000	0.500%			
\$2,499,999	0.500%			
\$2,500,000	0.625%			
\$2,999,999	0.625%			
\$3,000,000	0.750%			
\$3,499,999	0.750%			
\$3,500,000	0.875%			
\$3,999,999	0.875%			
\$4,000,000	1.000%			
\$4,999,999	1.000%			
\$5,000,000	*1.250%			
\$5,499,999	*1.250%			
\$5,500,000	*1.250%			
\$5,999,999	*1.250%			
	*Annual Discount is capped at 1 Eligible Sales Volume is not cap			

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Program start date:

(1st of the month of the date signed below)

Related Entity:

(If the entity named above is joining an existing AVDP agreement, list the existing government here)

Signature

(Authorized signature of participating government)

(Printed Name

Title

GovDeals Signature

Title



# Financial Settlement Services (FSS)

It is understood the Client elects GovDeals to collect all proceeds due the Client from the winning bidder and remit the proceeds to the Client less the GovDeals fee. Optionally, the Client may elect to not have GovDeals withhold the fee by electing the appropriate section on the following page of this exhibit.

GovDeals will charge the winning bidder a Buyer's Premium; therefore, the Client is not allowed to charge the winning bidder an additional Buyers Premium.

GovDeals will collect all proceeds from the winning bidder, including the Buyer's Premium, through PayPal, credit card or wire transfer. This is the only means of payment by the bidder.

The Client will not release an asset to the winning bidder until the Client has received verification from GovDeals that payment has been received from the winning bidder. Prior to an item being released to the winning bidder, the Client will ensure the winning bidder or his/her agent has signed a "Bill of Sale" containing the following notation: "Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises, there is no refund of monies previously paid." The Bill of Sale must be printed from the Client Asset Server (CAS). Any other "Bill of Sale" used by the Client must be submitted to GovDeals for approval.

No proceeds will be remitted to the Client for any asset sold without verification of payment from GovDeals and verification from the Client the item has been picked up by the winning bidder. Approved payment from the winning bidder through PayPal, credit card, or wire transfer will be noted in CAS. It is the Client's responsibility to notify GovDeals when an item has been picked up, which is accomplished by the Client accessing CAS and selecting the "Picked Up" option from the "Paid, not picked up" report.

GovDeals will remit all proceeds collected, less the Buyer's Premium and the GovDeals fee, to the Client on a weekly basis for all assets marked in CAS as "Picked Up." However, if you choose to be invoiced for the GovDeals fee, GovDeals will remit all proceeds collected, less the Buyer's Premium only. All proceeds will be remitted electronically by Automatic Clearing House (ACH) unless elected on the following page of this exhibit to receive a paper check. Whether proceeds are remitted electronically via ACH or via paper check, a detailed backup will be submitted to the Client to support the amount remitted.

Under no circumstance will the Client collect any proceeds directly from the winning bidder, and if requested to do so, the Client should refer the winning bidder directly to GovDeals for payment instructions.

GovDeals will absorb all costs of Charge Backs by PayPal or a credit card company where an item is released to the winning bidder after the Client receives proper payment notification from GovDeals, GovDeals receives proper pickup notification from the Client, and the Client obtains and retains a signed "Bill of Sale" from the winning bidder.

GovDeals will refund proceeds collected to the winning bidder in those rare occasions where the winning bidder pays for an asset but never picks it up and subsequently convinces PayPal or the credit card company to withdraw the amount from GovDeals' bank account. It is the Client's responsibility to request a credit on the asset paid for but not picked up as soon as the allowable pick-up time passes. By taking the credit, it insures GovDeals will not charge the client a fee and will allow the Client to resell the asset. If the asset is mistakenly placed in "Picked Up" status by the Client and GovDeals has remitted payment, the Client agrees to refund this amount back to GovDeals.

A GovDeals Client Services Representative or a GovDeals Help Desk Representative will train the Client on how to effectively use the Financial Settlement Services feature and will provide ongoing support as needed. There are no additional costs to the Client for training and support.

GovDeals is covered by a Crime Insurance Policy with a limit of \$5,000,000, which will protect the Client against any loss of funds.

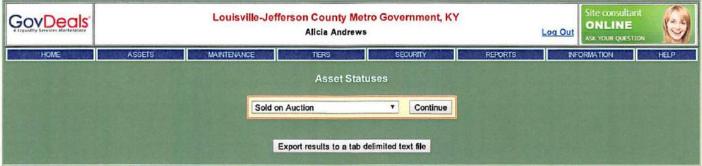


# Financial Settlement Services (FSS) Election and Information

# Please complete payment instructions below:

If the Client elects FSS, this section must be completed when submitting the signed MOU back to GovDeals.

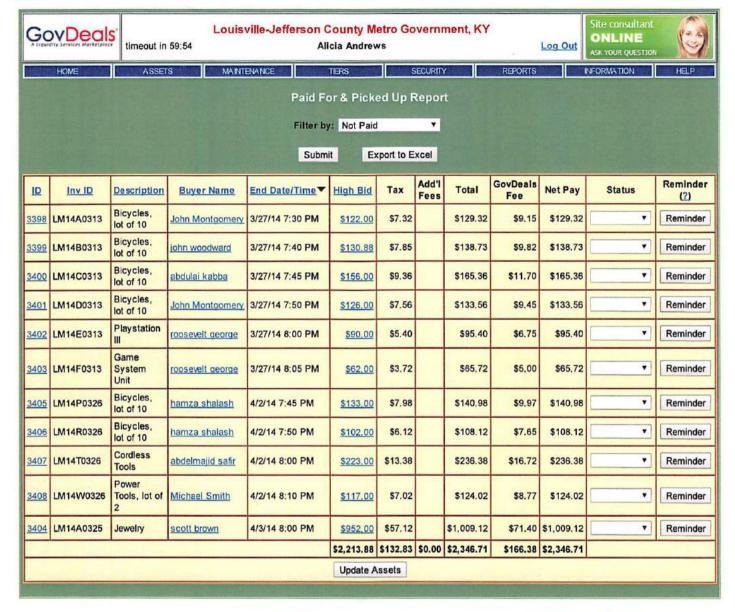
Accounting Contact: (Person to receive checks and invoices)	Name and Title
E-Mail Address:	
Phone Number:	
If payment will be made by ACH,	please provide the following information:
Name of Bank	
County of Bank	
Name of Client (Name on Bank Account)	
Bank Routing Number	
Bank Account Number	
Checking/Savings	
If payment will be made by pape	r check, please provide the following information:
Client's Legal Name	
Street Address / P.O. Box	
City, State and Zip Code	
	ent elects to NOT allow GovDeals from proceeds due to the client.



[D ‡	Inv.ID	# Photos	<u>Description</u>	Action Date	<u>Start</u> Date/Time	End Date/Time	<u>Open</u>	Increment	Reserve/Strike	# Bids	High Bid	<u>At</u> Exte
3408	LM14W0326	5	Power Tools, lot of 2	4/2/14 8:12 PM	3/27/14 8:15 AM	4/2/14 8:10 PM	\$20.00	\$2.00	\$0.00	20	\$117.00	
3407	LM14T0326	7	Cordless Tools	4/2/14 8:02 PM	3/27/14 8:15 AM	4/2/14 8:00 PM	\$10.00	\$2.00	\$0.00	55	\$223.00	
3406	LM14R0326	3	Bicycles, lot of 10	4/2/14 7:52 PM	3/27/14 8:15 AM	4/2/14 7:50 PM	\$10.00	\$2.00	\$0.00	14	\$102.00	
3405	LM14P0326	3	Bicycles, lot of 10	4/2/14 7:46 PM	3/27/14 8:15 AM	4/2/14 7:45 PM	\$10.00	\$2.00	\$0.00	34	\$133.00	
3404	LM14A0325	22	Jewelry	4/3/14 8:02 PM	3/26/14 8:15 AM	4/3/14 8:00 PM	\$20.00	\$2.00	\$0.00	51	\$952.00	
403	LM14F0313	3	Game System Unit	3/27/14 8:06 PM	3/19/14 1:00 PM	3/27/14 8:05 PM	\$10.00	\$2.00	\$0.00	17	\$62.00	
3402	LM14E0313	2	Playstation III	3/27/14 8:02 PM	3/19/14 1:00 PM	3/27/14 8:00 PM	\$10.00	\$2.00	\$0.00	19	\$90.00	
3401	LM14D0313	3	Bicycles, lot of 10	3/27/14 7:52 PM	3/19/14 1:00 PM	3/27/14 7:50 PM	\$10.00	\$2.00	\$0.00	21	\$126.00	
400	LM14C0313	2	Bicycles, lot of 10	3/27/14 7:46 PM	3/19/14 1:00 PM	3/27/14 7:45 PM	\$10.00	\$2.00	\$0.00	30	\$156.00	
399	LM14B0313	2	Bicycles, lot of 10	3/27/14 7:42 PM	3/19/14 1:00 PM	3/27/14 7:40 PM	\$10.00	\$2.00	\$0.00	29	\$130.88	
398	LM14A0313	3	Bicycles, lot of 10	3/27/14 7:32 PM	3/19/14	3/27/14 7:30 PM	\$10.00	\$2.00	\$0.00	23	\$122.00	
396	LM14F0226	4	Sound Mixing Console	3/6/14	2/27/14 3:00 PM	3/6/14 8:10 PM	\$10.00	\$2.00	\$0.00	31	\$178.51	
395	LM14E0226	. 2	Car Stereos & Amps, lot of 14 pieces	3/6/14	2/27/14 3:00 PM	3/6/14 8:00 PM	\$15.00	\$2.00	\$0.00	35	\$252.00	
394	LM14D0226	3	Yard Related Tools, lot of 2	3/6/14 7:52 PM	2/27/14	3/6/14 7:50 PM	\$10.00	\$2.00	\$0.00	2	\$12.00	
393	LM14C0226	5	Power Tools, lot of 3	3/6/14 7:46 PM	2/27/14	3/6/14 7:45 PM	\$10.00	\$2.00	\$0.00	10	\$36.00	
				3/6/14	2/27/14	3/6/14						
392	LM14B0226	5	Chain Saws, lot of 2	7:42 PM	3:00 PM	7:40 PM	\$10.00	\$2.00	\$0.00	18	\$68.00	
391	LM14A0226	4	Mitre Saw	3/6/14 7:32 PM	2/27/14 3:00 PM	3/6/14 7:30 PM	\$15.00	\$2.00	\$0.00	14	\$49.00	
390	LM14H0220	2	Bicycle	3/7/14 9:38 AM	3/7/14 7:31 AM	3/7/14 9:37 AM	\$22.00	\$1.00	\$22.00	1	\$22.00	
389	LM14P0220	3	Portable Air Tank	3/3/14 8:12 PM	2/24/14 6:00 AM	3/3/14 8:10 PM	\$10.00	\$2.00	\$0.00	7	\$22.00	
388	LM14N0220	3	Air Compressor	3/3/14 8:02 PM	2/24/14 6:00 AM	3/3/14 8:00 PM	\$15.00	\$2.00	\$0.00	20	\$67.00	
387	LM14M0220	5	Heater	3/3/14 7:56 PM	2/24/14 6:00 AM	3/3/14 7:55 PM	\$15.00	\$2.00	\$0.00	31	\$137.00	
386	LM14L0220	2	Bike	3/3/14 7:52 PM	2/24/14 6:00 AM	3/3/14 7:50 PM	\$10.00	\$2.00	\$0.00	12	\$36.00	
385	LM14K0220	2	Bike		2/24/14 6:00 AM	3/3/14 7:45 PM	\$10,00	\$2.00	\$0.00	10	\$29.00	
384	LM14J0220	2	Bike	3/3/14 7:42 PM	2/24/14 6:00 AM	3/3/14 7:40 PM	\$10.00	\$2.00	\$0.00	10	\$33.00	
383	LM14G0220	2	Bike	3/3/14	2/24/14 6:00 AM	3/3/14 7:30 PM	\$10.00	\$2.00	\$0.00	21	\$70.00	
382	LM14F0220	2	Bike	3/3/14	2/24/14 6:00 AM	3/3/14 7:25 PM	\$10.00	\$2.00	\$0.00	19	\$63.00	
381	LM14E0220	3	Bike	3/3/14	2/24/14 6:00 AM	3/3/14 7:20 PM	\$10.00	\$2.00	\$0.00	9	\$22.00	
380	LM14D0220	2	Bike	3/3/14	2/24/14 6:00 AM	3/3/14 7:15 PM	\$10.00	\$2.00	\$0.00	39	\$250,00	
379	LM14C0220	2	Bike	3/3/14	2/24/14 6:00 AM	3/3/14 7:10 PM	\$10.00	\$2.00	\$0.00	11	\$37.00	
378	I M14R0220	2	Rike		2/24/14	3/3/14	\$10.00	\$2.00	\$0.00	5	\$16.00	

4/4/201	V2014 GovDeals Client Asset Server											
-		<del>-</del>		_	6:00 AM 2/24/14	7:05 PM 3/3/14	7,2,22			$\dashv$	V.1	
<b>-</b>	LM14A0220	2	Bike	7:02 PM	6:00 AM 2/3/14	7:00 PM 2/11/14	\$10.00	\$2.00	\$0.00	3	\$15.00	
$\vdash$	LM14D0203	7	2001 Buick Century	8:12 PM	11;30 AM 2/3/14	8:10 PM 2/11/14	\$100.00	\$10.00	\$0.00	58	\$1,435.00	
3375	LM14C0203	9	2002 Chevrolet Mortle Carlo	6:02 PM	11:30 AM 2/3/14	8:00 PM 2/11/14	\$100.00	\$10.00	\$0.00	40	\$1,021.11	
3374	LM1480203	4	Scrap Metal Rem	_	11:30 AM	7:40 PM	\$10.00	\$2.00	\$0.00	14	\$82.00	
3373	LM14A0203	5	Miscellaneous items	7;32 PM	2/3/14 11:30 AM	2/11/14 7:30 PM	\$10.00	\$2.00	\$9.00	1	\$10,00	
3372	LM14A0130	1	Water Cooler	2/5/14 7:46 PM	1/30/14 12:06 PM	2/5/14 7:45 PM	\$10.00	\$2.00	\$0.00	1	\$10.00	
3371	LM14B0129	4	Scrap Metat	2/7/14 7:52 PM	1/30/14 11:30 AM	2/7/14 7:50 PM	\$20,00	\$2,00	\$0,00	50	\$408,00	
3370	LM14A0129	8	Screp Metal	2/7/14 7:46 PM	1/30/14 11:30 AM	2/7/14 7:45 PM	\$20.00	\$2.00	\$0.00	32	\$324.00	
3369	LM14C0129	4	Screp Metel	2/7/14 7:56 PM	1/30/14 10:00 AM	2/7/14 7:55 PM	\$20,00	\$2,00	\$0,00	19	\$107,00	
3367	LM14C0113	6	Asserted Power Tools	1/21/14 8:02 PM	1/14/14 1:00 PM	1/21/14 8:00 PM	\$25.00	\$2.00	\$0.00	8	\$50.00	
3366	LM14B0113	5	Assorted Power Tools	1/21/14 7:52 PM	1/14/14 1:00 PM	1/21/14 7:50 PM	\$25,00	\$2.00	\$0.00	15	\$59.00	
3365	LM14A0113	5	Assorted Power Tools	1/21/14 7:46 PM	1/14/14 1:00 PM	1/21/14 7:45 PM	\$20.00	\$2,00	\$0,00	16	\$52,00	
3364	LM14A0114	9	Miscellaneous Monitoring Equipment	1/22/14 8:02 PM	1/14/14 1:00 PM	1/22/14 8:00 PM	\$10.00	\$2.00	\$0,00	18	\$132,00	
3363	LM14A1209	11	Miscellaneous Equipment	12/16/13 7:46 PM	12/9/13 10:30 AM	12/16/13 7:45 PM	\$20.00	\$2.00	\$0.00	16	\$172,00	
3362	LM14D1107	4	Spectrophotometer System	11/14/13 8:16 PM	11/7/13 2:00 PM	11/14/13 8:15 PM	\$50.00	\$5.00	\$0.00	13	\$1,081.00	
3361	LM14C1107	7	1986 Kawasaki Motorcycje	11/14/13 8:12 PM	11/7/13 2:00 PM	11/14/13 8:10 PM	\$50,00	\$5,00	\$0,00	37	\$405.00	
3360	LM14B1107	7	2000 Jeep Grand Cherokee	11/14/13 8:02 PM	11/7/13 2:00 PM	11/14/13 8:00 PM	\$100.00	\$10,00	\$0,00	52	\$1,610,00	
3359	LM14A1107	7	2001 Chevrolet Tahoe	11/14/13 7:46 PM	11/7/13 2:00 PM	11/14/13 7:45 PM	\$100.00	\$10.00	\$0.00	56	\$3,260.00	
3358	LM14B1103	12	Scrap Equipment	12/5/13 2:22 PM	12/2/13 10:41 AM	12/5/13 2:20 PM	\$799,00	\$1,00	\$799.00	1	\$789.00	
3357	LM14A1103	1	Screp Metal	11/11/13 7:46 PM	11/4/13 10:00 AM	11/11/13 7:45 PM	\$20.00	\$2.00	\$0.00	18	\$252.00	
3356	LM14A1030	5	2001 Crown Victoria, 5442	11/6/13 8:32 PM	10/30/13 3:00 PM	11/6/13 8:30 PM	\$100.00	\$10,00	\$0,00	10	\$272.00	
3355	LM14Z1028	5	2003 Crown Vistoria, 5653		10/30/13 3:00 PM	11/6/13 8:25 PM	\$100.00	\$10.00	\$0,00	18	\$489,00	
3354	LM14Y1029	5	2006 Chevrolet Coball, 801	11/6/13 8:22 PM	10/30/13 3:00 PM	11/6/13 8:20 PM	\$50.00	\$5.00	\$0.00	14	\$187.00	
3353	LM14X1029	5	2003 Crown Victoria, 5849		10/30/13 3:00 PM	11/6/13 8:15 PM	\$100.00	\$10,00	\$0,00	12	\$257.00	
3362	LM14W1029	6	2005 Crown Victoria, 5752		10/30/13 3:00 PM	11/6/13 8:10 PM	\$100.00	\$10.00	\$0.00	6	\$210,00	
3351	LM14V1029	3	2000 Dodge Intrepld, 822		10/30/13 3:00 PM	11/6/13 8:00 PM	\$100,00	\$10.00	\$0,00	44	\$585,00	
3350	LM14U1029	4	1996 Ford Taurus, 236900	11/6/13 7:52 PM	10/30/13 3:00 PM	11/6/13 7:50 PM	\$100,00	\$10.00	\$0.00	27	\$1,060,00	
3349	LM14T1029	5	2003 Crown Victoria, 5600		10/30/13 3:00 PM	11/6/13 7:45 PM	\$100.00	\$10.00	\$0.00	30	\$570.00	
3348	LM14R1029	4	2006 Crown Victoria, 5820		10/30/13 3:00 PM	11/6/13 7:40 PM	\$100.00	\$10,00	\$0,00	40	\$887.77	
3347	LM14Q1029	3	2001 Crown Victoria, 5421		10/30/13 3:00 PM	11/6/13 7:30 PM	\$100.00	\$10.00	\$0.00	28	\$451.02	
3346	LM14P1029	5	2006 Crown Victoria, 5821		10/30/13 3:00 PM	11/6/13 7:20 PM	\$100,00	\$10.00	\$0.00	14	\$385.01	
3345	LM14N1029	ė	2005 Crown Victoria, 5802		10/30/13 3:00 PM	11/6/13 7:15 PM	\$100.00	\$10.00	\$0,00	20	\$510.00	
3344	LM14M1029	4	2007 Crown Victoria, 5913		10/29/13 3:00 PM	11/5/13 6:30 PM	\$100.00	\$10.00	\$0,00	21	\$513.00	
3343	LM14L1029	3	2001 Crown Victoria, 5467		10/29/13 3:00 PM	11/5/13 8:25 PM	\$100.00	\$10,00	\$0.00	20	\$435.38	
3342	LM14K1029	7	2008 Crown Victoria, 4773	11/14/13		11/14/13 7:30 PM	\$50.00	\$5.00	\$0.00	16	\$264.00	
3341	LM14J1029	6	2005 Crown Victoria, 5808	11/5/13	10/29/13 3:00 PM	11/5/13 8:15 PM	\$100.00	\$10.00	\$0,00	23	\$710,00	
3340	LM14H1029	5	2000 Crown Victoria, 5354	11/5/13	10/29/13 3:00 PM	11/5/13 8:10 PM	\$100.00	\$10,00	\$0.00	26	\$445.00	
3339	LM14G1029	3	2000 Crown Victoria, 5350		10/29/13 3:00 PM	11/5/13 8:00 PM	\$100.00	\$10.00	\$0.00	28	\$461.00	
itto://w	waandeals netfin	dex cfm	?fa=Reports.Status								•	2.09

3338	LM14F1029	6	2003 Crown Victoria, 5659		10/29/13 3:00 PM	11/5/13 7:50 PM	\$100.00	\$10.00	\$0.00	29	\$515.00	
3337	LM14E1029	4	2000 Ford Contour, 641		10/29/13 3:00 PM	11/5/13 7:45 PM	\$100.00	\$10.00	\$0.00	29	\$510,00	
3336	LM14D1029	4	2003 Crown Victoria, 5644	11/5/13 7:42 PM	10/29/13 3:00 PM	11/5/13 7:40 PM	\$100.00	\$10.00	\$0,00	24	\$470.00	
3335	LM14C1029	3	2000 Crown Victoria, 280900		11/25/13 1:00 PM	12/2/13 7:30 PM	\$50,00	\$5,00	\$0,00	14	\$355.00	
3334	LM14B1029	5	2005 Crown Victoria, 5721	11/5/13 7:22 PM	10/29/13 3:00 PM	11/5/13 7:20 PM	\$100.00	\$10,00	\$0,00	21	\$445.00	
3333	LM14A1029	5	2001 Crown Victoria, 5471		10/29/13 3:00 PM	11/5/13 7:15 PM	\$100.00	\$10.00	\$0.00	29	\$432.00	
3332	LM14A1022	11	Scrap Equipment		10/22/13 11:30 AM	10/29/13 7:45 PM	\$20.00	\$2,00	\$0,00	127	\$552,00	
3331	LM14A1015	6	Cell Phones		10/15/13 9:00 AM	10/22/13 8:00 PM	\$20.00	\$2.00	\$0.00	51	\$482.00	
3330	LM14A1009	7	TRANSMISSIONS, LOT OF 9	10/16/13 8:02 PM	10/9/13 11:30 AM	10/16/13 8:00 PM	\$50.00	\$5.00	\$0,00	31	\$288,00	<u> </u>
3329	LM14A0927	23	Jawairy	10/3/13 8:02 PM	9/27/13 10:45 AM	10/3/13 8:00 PM	\$20.00	\$2.00	\$0.00	124	\$5,502,00	
3328	LM14A0926	2	Misceflaneous items	10/3/13 7:46 PM	9/26/13 11:50 AM	10/3/13 7:45 PM	\$10.00	\$2.00	\$0.00	24	\$139.00	
3327	LM14A0920	1	Scrap Efectronic Components	9/26/13 8:02 PM	9/20/13 8:15 AM	9/26/13 8:00 PM	\$20.00	\$2,00	\$0,00	34	\$3,814,00	L.
3326	LM14D0916	4	2002 BMW 745i	9/23/13 8:22 PM	9/16/13 11:30 AM	9/23/13 8:20 PM	\$200.00	\$10.00	\$0.00	95	\$5,210.00	
3325	LM14C0916	- 5	1996 Jaguar XJ		9/16/13 11:30 AM	9/23/13 8:15 PM	\$200.00	\$10.00	\$0.00	8	\$2,582,00	
3324	LM14B0916	6	2006 Cadillac DeVilla		9/16/13 11:30 AM	9/23/13 8:10 PM	\$100,00	\$10.00	\$0.00	54	\$2,610.00	
3323	LM14A0916	5	Screp Truck		10/17/13 7:45 AM	10/22/13 8:00 PM	\$100,00	\$10.00	\$0.00	62	\$1,468.00	
3322	LM14B0910	5	Miscellaneous Tools		9/10/13 3:00 PM	9/17/13 8:15 PM	\$10.00	\$2.00	\$0.00	22	\$60.00	
3321	LM14A0910	5	Assorted Computer Equipment		9/10/13 3:00 PM	9/17/13 8:00 PM	\$10.00	\$2.00	\$0.00	61	\$458.88	
3320	LM14C0903	8	Asserted Misc. Hand Tools		9/3/13 1:00 PM	9/11/13 8:10 PM	\$10.00	\$2.00	\$0.00	20	\$129,77	
3319	LM1480903	6	Assorted Misc. Hand Tools		9/3/13 1:00 PM	9/11/13 B:00 PM	\$10.00	\$2.00	\$0.00	31	\$125,00	
3318	LM14A0903	14	Clothing		9/3/13 1:00 PM	9/11/13 7:45 PM	\$25,00	\$2.00	\$0.00	29	\$102.00	
3317	LM14A0822	13	Scrap Metal	9/4/13 8:02 PM	8/27/13 10:00 AM	9/4/13 8:00 PM	\$20.00	\$2,00	\$0,00	35	\$452.00	
3315	LM14A0815	10	Scrap, recyclable		8/15/13 11:00 AM	8/21/13 6:00 PM	\$20.00	\$2.00	\$0.00	31	\$279.99	
3314	LM14B0814	6	Misc. Computer Equipment	8/21/13 8:02 PM	8/14/13 11:52 AM	8/21/13 8:00 PM	\$20.00	\$2,00	\$0,00	28	\$167.00	
3313	LM14A0814	4	New Television Set	8/21/13 7:48 PM	8/14/13 11:40 AM	8/21/13 7:45 PM	\$20.00	\$2.00	\$0.00	18	\$74.00	
3312	LM14B0807	3	Table Saw & Band Saw	8/14/13 7:48 PM	8/7/13 11:00 AM	8/14/13 7:45 PM	\$10.00	\$2.00	\$0.00	29	\$152.00	
3311	LM14A0807	2	Mitor Saw & Miscellaneous Equipment	8/14/13 7:32 PM	8/7/13 11:00 AM	8/14/13 7:30 PM	\$10,00	\$2.00	\$0.00	22	\$87,00	
3310	LM14B0806	3	Zoo Train Parts		8/6/13 2:00 PM	8/13/13 8:00 PM	\$1,000.00	\$100.00	\$0.00	1	\$1,000.00	
3308	LM14G0731	5	Ladders, (ot of 2	8/8/13 8:32 PM	8/1/13 1:00 PM	8/8/13 8:30 PM	\$10.00	\$2.00	\$0,00	22	\$50.00	
3307	LM14F0731	6	Speakers, lot of 14	8/8/13 8:22 PM	8/1/13 1:00 PM	8/8/13 8:20 PM	\$10.00	\$2.00	\$0.00	32	\$84.00	
3306	LM14E0731	4	X-Box & Geme Cube	8/8/13 8:16 PM	8/1/13 1:00 PM	8/6/13 8:15 PM	\$10.00	\$2.00	\$0.00	7	\$43,00	
3305	LM14D0731	4	Playstation ii Game Systems, tot of 2		8/1/13 1:00 PM	8/8/13 8:10 PM	\$10.00	\$2,00	\$0,00	6	\$22.00	
3304	LM14C0731	2	X-Box 360 & PSP		8/1/13 1:00 PM	8/8/13 8:00 PM	\$10.00	\$2.00	\$0,00	32	\$107.02	
3303	LM14B0731	2	X-Box 360 Kinect	B/B/13	8/1/13 1:00 PM	8/8/13 7:50 PM	\$10.00	\$2,00	\$0,00	26	\$102.00	
3302	LM14A0731	5	Carneras, tot of 12	8/6/13	6/1/13 1:00 PM	8/8/13 7:45 PM	\$20.00	\$2.00	\$0.00	24	\$152.00	
3301	LM14B0728	5	Miscellaneous items	8/5/13	7/29/13 10:45 AM	6/5/13 7:45 PM	\$20.00	\$2.00	\$0.00	25	\$147,00	
3300	LM14A0728	2	Radios, Chargers & Batteries		8/20/13	8/23/13 6:42 PM	\$551.00	\$1,00	\$551.00	1	\$551.00	
3299	LM14K0726	7	1999 Ford Ambidance WRECKED, 1-792		7/29/13	8/5/13 8:15 PM	\$100.00	\$10.00	\$0.00	45	\$1,010.00	
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For Support, contact your CSR: Steve Mort (615-973-6575) or call 800-613-0156 from 9 am - 6 pm ET or email Support.

Acet ID: 237 - P17

Site Map

This Bidders Agreement ("Agreement") contains the terms and conditions applicable to bidders (sometimes referred to as "You" or "Bidder" or "Buyer") using the services of GovDeals, Inc. a Delaware corporation ("GovDeals" or "We") to purchase goods sold by third party sellers ("Seller"). Together, Bidders, Buyers, and Sellers constitute the users of the GovDeals website ("User"). We have the right to amend this Agreement at any time by posting the amended terms on our site. Unless otherwise stated, all amended terms shall be effective immediately. It is your responsibility to read this Agreement and to seek out clarification if You do not understand any of the Terms or Conditions included in this Agreement. By using the GovDeals on-line auction service, You agree to all of the terms hereof.

- 1. Eligibility: You may only use GovDeals on-line auction services if You can form legally binding contracts under applicable law and have not been barred or suspended by GovDeals. We reserve the right to refuse access to our site and services to any person in our sole and absolute discretion. This Agreement constitutes a binding agreement until terminated by You or us. You may discontinue use of our site and services at any time with or without notice to us. We may terminate your account with or without notice to You. Upon termination, You are obligated to immediately cease using our site and services. We reserve the right, in our sole and absolute 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.
- 2. Fees and Services: There are no fees for registering as a Bidder and bidding on GovDeals. If, however, You bid on item, are the successful Bidder, and do not purchase same, You may be, at our sole option, assessed a liquidated damages fee equal to 40% of your successful bid price. Because it is rarely possible to determine the actual damages incurred by GovDeals due to a Buyer's failure to consummate a sale, You agree that the liquidated damages fee described herein shall represent the exclusive remedy of GovDeals for any failure to complete a sale on which You were the high Bidder.
- 3. Limited Purpose: Our site allows Sellers to list items for sale and potential Buyers to bid on those items. In most cases, we will not be involved in the actual transaction between Buyers and Sellers. We have no control over the items listed or the truth and accuracy of the listings, the ability of Sellers to legally sell items or the ability of Buyers to buy items. We cannot ensure that any transaction will actually be completed. 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. WE DISCLAIM 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. WE DO NOT WARRANT THAT THE SERVICES. FUNCTIONS, FEATURES OR CONTENT WILL BE FUNCTIONAL, TIMELY, SECURE, UNINTERRUPTED OR ERROR FREE, OR THAT DEFECTS WILL BE CORRECTED. WE MAKE NO WARRANTY THAT THE LISTED ASSETS, SITE OR SERVICES WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS, AND EXPRESSLY DISCLAIM ANY WARRANTIES OR GUARANTEES THAT BY LISTING THE LISTED ASSETS, THE LISTED ASSETS WILL BE SOLD. WE MAKE NO WARRANTY REGARDING ANY LISTED ASSETS OR SERVICES PURCHASED OR

OBTAINED THROUGH THE SERVICES OR ANY TRANSACTIONS ENTERED INTO THROUGH THE SERVICES. NO ADVICE, INSTRUCTIONS OR INFORMATION RECEIVED BY YOU, WHETHER ORALLY OR IN WRITING, FROM US SHALL CREATE ANY WARRANTY BY US NOT EXPRESSLY MADE HEREIN. WE EXPRESSLY DISCLAIM ANY ENDORSEMENT OR WARRANTY OF ANY LISTED ASSETS SOLD ON OR THROUGH THE SERVICES, AND ANY RESPONSIBILITY FOR ANY MISREPRESENTATIONS OR BREACHES COMMITTED BY ANOTHER USER.

- 4. Limited Verification and Authentication: When GovDeals registers Bidders and Sellers, it attempts to authenticate their identities. However, registering using false or misleading information with the intent to do harm to GovDeals, Inc., the site, Sellers, or other Buyers may subject the registrant to legal damages and criminal prosecution associated with their fraudulent or misleading conduct.
- 5. Release from Liability: All actual transactions take place between the Bidder and the Seller, and GovDeals is not a party to the transaction. In the event You have a dispute with another User, You release us, our directors. officers, employees and agents from any and all claims, demands and damages, whether actual or consequential, of every kind and nature, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way connected with such disputes. This release includes any claims brought by any individuals relating to misuse or unauthorized use of data You give to us. You agree to defend, indemnify and hold harmless us, our affiliates, subsidiaries, directors, officers, employees and agents to the fullest extent lawful against any and all damages (whether direct, consequential or otherwise), claims, liabilities, costs and expenses incurred (including, without limitation, all reasonable attorney fees and costs), as a consequence of any acts by You undertaken in connection with our site and services, including without limitation, those arising out of any breach of any representation or warranty by You, your obligations hereunder, any transaction attempted by You through the site, or any dispute between You and any other Users. IN NO EVENT, SHALL WE OR OUR SUPPLIERS BE LIABLE FOR LOST PROFITS OR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH OUR SITE, OUR SERVICES, OR THIS AGREEMENT EVEN WHEN WE HAVE BEEN ADVISED THAT SUCH DAMAGES MAY EXIST.
- 6. Indemnity: You agree to indemnify, defend and hold harmless GovDeals, its affiliates and parent company, and their directors, officers, employees, agents, successors and assigns 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.
- 7. Accuracy: Users are solely responsible for the accuracy, completeness and validity of all the information provided by Users that is made available through our system and GovDeals accepts no responsibility for the accuracy of such information.
- 8. Bidding and Buying: GovDeals employs a phased entry approach or probationary period for new bidders to place bids and purchase items on the GovDeals website. The reason for this policy is that we have experienced a recurring problem with new bidders placing numerous amounts of bids and winning numerous items, but not following through with the payment and pick up process. To limit the frequency of this situation, new bidders are restricted to the number of items they are allowed to bid on during the first ninety (90) days after they register. The probation policy depends on the number of completed transactions and a time period. A completed

transaction is an auction that is won, paid for and marked picked up. The probationary period is made up of three (3) thirty (30) day periods or levels.

# Level One

During the first thirty (30) days of probation a bidder may only have three (3) transactions open at any one time. As soon as a transaction is completed another transaction may be opened. At the end of the first thirty day period if a bidder has a minimum of three (3) completed transactions, they will be moved to Level Two.

#### Level Two

During the second thirty (30) days of probation a bidder may only have six (6) transactions open at any one time. As soon as a transaction is completed another transaction may be opened. At the end of the second thirty day period if a bidder has a minimum of six (6) completed transactions, they will be moved to Level Three.

# Level Three

During the third thirty (30) days of probation a bidder may only have nine (9) transactions open at any one time. As soon as a transaction is completed another transaction may be opened. At the end of the thirty day period if a bidder has a minimum of nine (9) completed transactions, they will be removed from probation and will be allowed to bid freely.

To move to the next level both number of completed transactions and time must be met.

- If the bidder does not want to be restricted to the amount of items they are allowed to purchase during the probationary period, the bidder may send GovDeals a \$1,000 refundable deposit and the restriction will be removed from the bidder's account upon receipt of the deposit. The deposit must be made to GovDeals, Inc. in the form of a Certified Cashier's Check or U.S. Postal Money Order. Once the bidder has completed nine (9) transactions, GovDeals will return the bidder's deposit.
- All bidders are continuously monitored based on the number of transactions they have open at any given time. If it is discovered that the bidder is opening multiple accounts in order to circumvent the probationary period, all of the bidder's accounts will be locked and the bidder will be barred from future use of the GovDeak online auction website.
- If the bidder does not pay for and pick up the items won within the stated time frame, the bidder will be assessed liquidated damages equal to 40% of the successful bid price thereon and, at our discretion, be subject to suspension or de-activation of the bidder's account, which will prevent the bidder from using the GovDeals online auction service in the future. These conditions may be listed in the item's description or linked to from the asset to the terms and conditions. This paragraph notwithstanding, the bidders are not obligated to complete a transaction that is in violation of this Agreement or is otherwise unlawful.
- 9. Export Controls. These Terms of Use involve the sale of assets which are subject to U.S. government export control laws and regulations and may, in certain cases, also be subject to the export laws and regulations of other countries (collectively "Export Control Laws"). In order to ensure compliance with such laws and regulations, Buyer agrees as follows:
- a. Buyer acknowledges that its receipt and use of the assets are subject to Export Control Laws.
- b. Buyer is not a citizen, national, permanent resident of, or incorporated or organized to do business in, and is not under the control of, the governments of Cuba, Iran, North Korea, Sudan or Syria. Buyer will not sell, transfer or otherwise re-export any assets, directly or indirectly, to the above mentioned countries or to citizens, nationals or permanent residents of those countries.

- c. Buyer is eligible to receive exports of the assets in that Buyer is not listed on any of the U.S. Office of Foreign Assets Control's ("OFAC's") list of Specially Designated Nationals or on the U.S. Department of Commerce's Table of Denial Orders or Entity List or Unverified List, or any other applicable denied party list. Buyer will not sell, transfer or otherwise re-export the assets, directly or indirectly, to any ineligible persons.
- d. Buyer will not use the assets and will not enable the assets to be used for any purposes prohibited by Export Control Laws, including the development, design, manufacture or production of nuclear, missile, chemical and biological weapons and technology.
- e. Buyer will not export or import the assets in contravention of any applicable Export Control Laws.
- 10. Posted Information: You agree that any information You post to the GovDeals site or provide to other users of GovDeals is truthful and accurate; shall not be fraudulent or willfully misleading; shall not infringe any third party's copyright, patent, trademark, trade secret, or other proprietary rights or rights of privacy; shall not violate any law, statute, ordinance, or regulation (including without limitation those governing export control, consumer protection, unfair competition, anti-discrimination, or false advertising); shall not be defamatory, trade libelous, unlawfully threatening or harassing; shall not be obscene or contain pornography; shall not contain any viruses, Trojan horses, worms, or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept, or expropriate any system, data or personal information from GovDeals systems or those of its users; shall not create liability for us; and shall not link directly or indirectly to sites or organizations in direct or indirect competition with GovDeals.
- 11. Access and Interference: You agree that You will not use any robot, spider, other automatic device, or manual process to monitor or copy our web pages or the content contained herein without our prior express written permission. You agree that You will not use any device, software, or routine to interfere or attempt to interfere with the proper working of our site or any auction being conducted on our site. You agree that You will not take any action that imposes an unreasonable or disproportionately large load on our infrastructure. We may in our sole and absolute discretion, monitor material, content and information on the web site, including, but not limited to, auction listings and bidding activity, to determine compliance with this Agreement and current and future operating procedures and rules of conduct established by us. We may also intercept and disclose any content, record, use or other information to the extent reasonably necessary to carry out this Agreement, to protect our rights, for quality control, or to comply with any law, regulation, information, or court order submitted or transmitted to us. We reserve the right, in our sole and absolute discretion, to amend, edit, remove or otherwise block any material posted by You that may, in our sole interpretation, violate any state, federal or local law or violate any aspect of this Agreement or in order to limit our liability. However, we do not assume any obligation or responsibility for monitoring or verifying the material, content and information on the web site. We are not responsible for any damages, losses, expenses or other injuries incurred by You as a result of relying on any material, content and information posted on our website.
- 12. No Warranty: WHEN YOU USE OUR WEB SITE OR PURCHASE ASSETS YOU AGREE TO ACCEPT THE ASSETS "AS IS, WHERE IS AND WITH ALL FAULTS". "ACCEPT" AS USED HERE ALSO MEANS THAT, BY PURCHASE OF THE ASSETS, YOU WILL BE DEEMED TO HAVE EXAMINED, OR HAD THE OPPORTUNITY TO EXAMINE, THE LOTS. WE DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, WITH RESPECT TO THE LOTS, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE PROPERTY IS FREE FROM LATENT DEFECTS. YOU

WAIVE ANY AND ALL CLAIMS AGAINST US AND THE SELLER FOR DAMAGES, LOSSES, COSTS, INJURIES, PENALTIES, EXPENSES, ATTORNEYS' FEES AND LIABILITIES OF WHATEVER NATURE WHETHER IN TORT, CONTRACT, WARRANTY OR STRICT LIABILITY (COLLECTIVELY, "SPECIFIED CLAIMS"). UNDER NO CIRCUMSTANCES ARE WE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES TO YOU OR ANY OTHER PARTY. YOU AGREE TO INDEMNIFY, DEFEND AND HOLD US AND THE SELLER HARMLESS FROM AND AGAINST ANY AND ALL SPECIFIED CLAIMS

- 13. Links to Third Parties' Sites. This Web Site may contain links and pointers to sites maintained by third parties. GovDeals does not operate or control, in any respect, any software, hardware, information, products or services received on or through such third-party sites. Third-party links and pointers are included solely for the convenience of users, and do not constitute any endorsement, representation, warranty or guarantee by GovDeals of such third-party sites. You assume sole responsibility and risk for use of such third-party links and pointers.
- 14. Application Service Providers. This Web Site may contain pages that are maintained or hosted by third parties, including application service providers (ASPs). GovDeals does not operate or control, in any respect, any software, hardware, information, products or services associated with or received on these pages on the Web Site, and cannot guarantee the privacy or security associated with these pages.
- 15. Privacy. Our policies with respect to Information and other data concerning users are set forth in our Privacy Policy, which is incorporated by reference to this Agreement. By using the Web Site, You consent to the collection and use of Information and other data in accordance with the Privacy Policy and this Agreement. Notwithstanding anything to the contrary in this Agreement, we may compile, collect, copy, modify, publish, display, distribute and use aggregate auction transactional and performance data related, generated from or based on sales of assets and your use of the services and summary or derivative information based thereon, for our analytical and other business purposes. We may do so provided that You will not be identified as the source of such information. The foregoing rights shall supersede and shall not be subject to any obligation on our part to return or destroy confidential information.
- 16. Legal Compliance: At all times, You shall comply with applicable laws and regulations pertaining to the respective performance under this Agreement. You certify that You will not use the site or the services in fürtherance of any illegal activity, and that You have not given or offered to give anything of value in exchange for any unfair economic advantage, nor has any employee of ours requested from You anything of value in exchange for an unfair economic advantage. You should immediately report any request for anything of value in exchange for an unfair economic advantage to our Legal Department by emailing the details of such request to ComplianceHelp@liquidityservicesinc.com. Bidding on an asset with the intent not to complete the transaction or bidding on multiple assets causing disruption to the process and not completing the transactions may be considered tortious interference, trespass to chattels, or breach of contract, and may be prosecuted to the fullest extent of the law.
- 17. No Agency: The relationship between You and us is that of independent contractors. No agency, partnership, joint venture or franchise relationship is implied, intended or created by this Agreement.
- 18. Arbitration: You agree to work with the Seller or GovDeak in good faith to attempt to resolve any dispute

prior to seeking arbitration. All disputes must be submitted to us in writing. Any controversy or claim arising out of or relating to this Agreement, the breach thereof, or our services shall be settled by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any such controversy or claim shall be addressed on an individual basis, and shall not be consolidated with any claim or controversy of any other party.

- 19. Governance: This Agreement shall be governed in all respects by the laws of the State of Alabama as such laws are applied to agreements entered into and to be performed entirely within Alabama between Alabama residents.
- 20. Force Majeure: The operation of the GovDeals site is dependent upon numerous factors outside our control and we do not guarantee its continuous, uninterrupted, or secure operation. In this clause, the term "force majeure event" shall mean an event beyond the control of either of us that prevents one of us from complying with any of our obligations under this Agreement, including, but not limited to, severe weather, war or hostilities, insurrection, riot or civil unrest, strike or other labor action, environmental contamination or release of radioactive, chemical or biological agent into the atmosphere, epidemic, terrorist act(s), or similar events beyond the reasonable control of a party. Neither of us shall be considered in breach of this Agreement to the extent that any of our respective obligations (excluding payment obligations) are prevented by a force majeure event that arises after the date an obligation is due to be performed.
- 21. Severability: If any provision of this Agreement is deemed illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining terms will not be affected.
- 22. Headings: Headings are for reference purposes only and in no way affect the interpretation of this Agreement.
- 23. Non-waiver: Our failure to enforce any provision of this Agreement at any time does not waive our right to enforce the same or any other provision(s) hereof in the future. Any waiver of any term or condition of this Agreement shall be in writing, signed by an executive of GovDeals, and shall be effective only for the instance specified to in the writing.
- 24. Entire Agreement: This Agreement sets forth the entire understanding and agreement between us with respect to the subject matter hereof. Any oral statement or representation by us, changing or supplementing the offering or contract or any condition of the offering or contract, is unauthorized and confers no right on You and may not be relied on by You. No interpretation of any provision of this Agreement, including applicable performance requirements, is binding on us unless agreed to in writing by us.
- 25. Binding Effect: This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Any warranties, covenants and representations of the parties shall survive termination of the Agreement.
- 26. Exclusivity, Confidentiality: The proprietary Internet based auction system, environment and components (collectively, the "System") provided by GovDeals under this Agreement are and will remain the exclusive property of GovDeals.

27. Default by Bidder: In the event You default under this Agreement by failing to purchase an item for which You are the highest bidder, or any other default, we may specifically enforce this Agreement and may, in addition to any other rights at law or in equity, bring suit to collect any service fee due us under paragraph 2 above. In the event we retain a collection service or attorney in order to enforce our rights, including collecting said service fee, You will be responsible for paying a reasonable collection service fee, as well as attorney's fees and court costs.

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- 28. Consent to E-Mail Correspondence from GovDeals. You hereby consent to allow GovDeals to send future correspondence to You via electronic mail ("e-mail") that notifies You of auction items that GovDeals, in its sole discretion, believes may interest You. Any such e-mail correspondence to You (i) shall be clearly and conspicuously identified as sent by GovDeals; (ii) shall describe how You may choose not to receive such e-mail correspondence from GovDeals; and (iii) shall clearly and conspicuously display a functioning return e-mail address to enable You to reply to GovDeals.
- 29. Assignment. This Agreement may not be assigned by You or by operation of law to any other party without our express written approval.
- 30. Limited License. Subject to your compliance with this Agreement, we grant You a limited, non-exclusive, revocable, non-sublicensable and non-transferable license to use the Site and Services solely for the purposes of searching, bidding on, or purchasing property through our website. All other uses of our intellectual property are prohibited. Except as expressly set forth in this Agreement, no right or license is granted to You or any third party by estoppel, implication, exhaustion or other doctrine of law, equity or otherwise with respect to any product, content, technology, intellectual property or service of Liquidity Services, Inc., its subsidiaries and affiliates, or its or their clients. In addition, nothing in this Agreement shall be deemed to grant to You or anyone else the right to use our intellectual property on any platform or device, in any place or in any manner that is not expressly authorized hereunder. Nothing in this Agreement shall be deemed to be a waiver or release of your past, present or future obligations to acquire such rights and/or licenses from Liquidity Services, Inc. or its subsidiaries and affiliates.
- 31. Third Party Intellectual Property Ownership. All trademarks, trade names, logos, and service marks (collectively, the "Third Party Intellectual Property") featured on assets listed on this website are the property of the owners of that Third Party Intellectual Property. We disclaim any associations or endorsements that may be implied through the use of the Third Party Intellectual Property of others. You agree not to use any Third Party Intellectual Property in a way that would infringe upon the rights of the owners of Third Party Intellectual Property.
- 32. GovDeals Intellectual Property. Our intellectual property includes, but is not limited to, all inventions, know-how, buyer and seller lists, improvements, discoveries, methods, processes, concepts, designs, ideas, prototypes, samples, drawings, blueprints, specifications, computer or intellectual property programs, methods of doing business, copyrights, trademarks, trade names, software and/or other works conceived of and/or reduced to practice or writing or otherwise relating to the Site or Services (our "Intellectual Property"). Our Intellectual Property may be created by one or more of our employee(s) alone or jointly with You or other Users arising from the use and development of the Services or as a result of your feedback regarding the Site or Services ("Feedback"). All right, title and interest in any Intellectual Property developed during your use of our Site and Services shall belong to us and shall be subject to the conditions of these Terms of Use. You hereby irrevocably assign to us all right, title and interest You may acquire in any of our Intellectual Property. We may, at our option, file an application for intellectual property protection for our Intellectual Property. If any of our Intellectual Property is created with your participation, You agree to cooperate with us to ensure that such application(s) will

cover all related assets, including all features of commercial interest and importance. Our Intellectual Property is the sole and exclusive property of Liquidity Services, Inc., and its subsidiaries and affiliates, unless otherwise stated and may not be used without our prior written consent.

- 33. This Bidder's Agreement was last revised on November 9, 2011.
- By clicking "I Accept" below, You agree:
- 1. You have the legal standing to enter into such Agreements;
- 2. that You have read, understand and agree to abide by this Agreement and any documents it incorporates by reference;
- 3. You intend to form a legally binding contract; and
- 4. a print out of this Agreement and any documents it incorporates by reference will constitute "a writing" under any applicable law or regulation.



# Online Sales - Terms and Conditions

Acceptance of Terms and Conditions. By submitting a bid, the bidder agrees that they have read, fully understand and accept these Terms and Conditions of Online Sales, and agree to pay for and remove the property, if the bid is accepted, by the dates and times specified.

Guaranty Waiver. All property is offered for sale "Sold As Is – No Warranty" at the point shown. County of Henrico (Seller) makes no warranty, guaranty or representation of any kind, expressed or implied, as to the merchantability or fitness for any purpose of the property offered for sale. Those submitting bids are expected to examine the property and determine for themselves the information they desire concerning it. The Buyer is not entitled to any payment for loss of profit or any other money damages – special, direct, indirect, or consequential.

**Conflict of Interest.** In accordance with the terms of the State and Local Government Conflict of Interests Act, Virginia Code, Sections 2.2-3100 through 2.2-3127, the following provisions apply to the sale of surplus County property.

- (1) Employees of an agency or office, including members of their immediate family, may not participate in the purchase from the County of any property which has been declared surplus by that agency or office and which is sold by public auction or through competitive sealed bidding.
- (2) Employees of the Department of General Services Central Automotive Maintenance, as well as members of their immediate family, may not participate in the purchase from the County of any automotive equipment sold at public auction or through competitive sealed bidding.
- (3) Employees of the Department of General Services Purchasing Office, as well as members of their immediate family, may not participate in the purchase from the County of any item which is sold at public auction or through competitive sealed bidding.
- (4) Any County employee, regardless of his or her position, agency, or office, who has acquired, by reason of his or her position, confidential information about the property being sold, and which

information is not available to the public. May not participate in the purchase from the County of any property (about which he has acquired confidential information), which is sold at public auction or through competitive sealed bidding.

- (5) All County employees may purchase property from the County, which is offered for sale at uniform prices available to the public.
- (6) In paragraphs (1) through (3) above, the term "immediate family" means a spouse and any other person residing in the same household as the officer or employee, who is a dependent of the officer or employee or of whom the officer or employee is a dependent. "Dependent" means a son, daughter, father, mother, brother, sister, or other person, whether or not related by blood or marriage, if such person receives from the officer or employee, or provides to the officers or employee, more than 1/2 of his financial support.

Questions concerning the application or interpretation of the State and Local Government Conflict of Interests Act with respect to the purchase or surplus property should be directed to the office of the Commonwealth Attorney or the County Attorney.

Description Warranty. The description of property offered for sale has been compiled from available data, but there is no guaranty or warranty on the part of the County as to condition or quality, or that the property offered or a portion thereof may not be withdrawn prior to the sale. The County can furnish no service of any kind and any cost of weighing, the bidder shall assume packaging, crating, loading, or hauling unless otherwise indicated. Bidders are invited and urged to inspect the property before submitting their bid. The responsibility as to the condition of the property rests with the bidder. <u>Under no circumstances will a refund or adjustment be made because property not coming up to the standard expected, nor will failure to inspect be considered grounds for such claim.</u> Please note that upon removal of the property, all sales are final, no refunds, no returns, and no exchanges.

Inspection. Most items offered for sale are used and may contain defects not immediately detectable. Bidders may inspect the property prior to bidding. Property may be inspected between the hours of 8:00a.m. and 3:00p.m., Monday through Friday, excluding legal holidays. For information, please contact the agency representative listed in "Special Instructions".

Personal and property risk. Persons attending during inspection, sale or removal of goods assume all risks of damage of or loss to person and property and specifically release the Seller and GovDeals from liability therefore. The purchaser is to assume all liability for the property after the award is made. The County will exercise its usual care for protection up to the time of removal, but will not be responsible for any loss or damage whatsoever. No property may be removed by the purchaser prior to full payment of the purchase price.

Consideration of Bid. Seller reserves the right to reject any and all bids and to withdraw from sale any of the items listed and/or to waive all technicalities.

Buyer's Certificate. Successful bidders will receive a Buyer's Certificate by email from GovDeals.

Buyers Premium. If a Buyers Premium is shown on the auction page bidder box, then that amount (expressed as a percentage of the final selling price) will be added to the final selling price of all items in addition to any taxes imposed.

Payment. Payment <u>in full</u> is due not later than **5 business days** from the time and date of the Buyers Certificate. Payment must be made electronically through the GovDeals Website. <u>Acceptable forms of payment are</u>:

- PayPal
- Wire Transfer
- Visa
- MasterCard
- American Express
- Discover

PayPal and Credit Card purchases are limited to below \$5,000.00. If the winning bid plus applicable taxes, if any indicated, and the buyer's premium, equals more than \$4,999.99, PayPal and Credit Cards may not be used. If Wire Transfer is chosen, a Wire Transfer Transaction Summary page will provide payment and account information. The Wire Transfer must be completed within 5 days.

**Sales Tax.** State of Virginia sales tax of 5.0% of the final purchase price will be collected at time of payment, unless successful bidder can furnish tax exemption certificate or information.

Removal. All items must be removed within 10 business days from the time and date of issuance of the Buyer's Certificate. Purchases will be released only upon receipt of payment as specified. Successful bidders are responsible for loading and removal and any and all property awarded to them from the place where the property is located as indicated on the website and in the Buyer's Certificate. The Buyer will make all arrangements and perform all work necessary, including packing, loading and transportation of the property. Under no circumstances will Seller assume responsibility for packing, loading or shipping. Property may be removed between the hours of 8:00 a.m. and 3:00 p.m., Monday through Friday, excluding legal holidays. Please contact in advance to schedule time for pick-up. For information, please contact the agency representative listed in "Special Instructions". The successful bidder must assume all liability that may be incurred in connection with the removal of the property from the premises. If the purchaser does not remove the property purchased within the specified number of days after date of the award, the County of Henrico reserves the right to retain the purchase price and re-sell the property a second time, keeping any proceeds obtained.

Vehicle Titles. Seller will issue a title or certificate upon receipt of payment. Titles may be subject to any restrictions as indicated in the item description on the website. Open titles cannot be issued. County

of Henrico will not issue replacement titles.

**Default.** Default shall include (1) failure to observe these terms and conditions; (2) failure to make good and timely payment; or (3) failure to remove all items within the specified time. Default may result in termination of the contract and suspension from participation in all future sales until the default has been cured. If the purchaser fails to pay for the property within ten (10) days the property purchased may be promptly re-sold in such manner as the Director may elect and the defaulting purchaser charged with loss to County, if any, together with all expense of the sale. **Seller** reserves the right to reclaim and resell all items not removed by the specified removal date.

**Authority to restrict or suspend.** Current and future participation in public auctions is subject to the laws governing removal and suspension. The Purchasing Manager may restrict or suspend any person or firm from participation in the public sale of county-owned property who fails to complete transactions from bid. Reasons for removal or suspension includes, but is not limited to the following reasons:

- 1. Failure to pay for all items awarded.
- 2. Failure to remove all items awarded and paid for from county property with the time allowed.



12007 Research Boulevard \* Austin, Texas 78759-2439 PH: 800-695-2919 \* FAX: 800-211-5454 \* www.vendor.buyboard.com

# AUCTION SERVICES PROPOSAL NO. 457-14

# **ADDENDUM NO. 1**

The following information becomes a permanent part of the Proposal Invitation document:

**PROPOSAL OPENING DATE:** The **new** proposal opening date is **May 1, 2014 at 2:00 P.M**.

Please sign and return one copy of the addendum with proposal as verification of receipt and compliance with addendum information.

Company Name: GovDeals, Inc.	
Address: 5907 Carmichael Place – Montgomery,	AL 36117
Signature of Authorized Authorized Company Official:	Title: President
Telephone Number: 800-613-0156 Evt 4454	Date: April 28, 2014



12007 Research Boulevard \* Austin, Texas 78759-2439 PH: 800-695-2919 \* FAX: 800-211-5454 \* www.vendor.buyboard.com

# PROPOSAL NO. 457-14 - AUCTION SERVICES

# **ADDENDUM NO. 2**

The following information becomes a permanent part of the Proposal Invitation document:

# PROPOSAL PRICING FORM:

Item No. 2: COMMISSION FEE SCHEDULE - Proposer must attach its commission fee schedule that details the percentage commission fee <u>and all other fees to be</u> included with this sealed proposal.

This fee schedule must disclose the following:

- Percentage commission fee to be charged on the sale price after each completed sale
- All applicable service minimum charges
- All applicable buyer's premiums
- Any additional fees to seller or buyer

Please sign and return one copy of the addendum with proposal as verification of receipt and compliance with addendum information.

Company Name: GovDeals, Inc.
Address: 5907 Carmichael Place – Montgomery, AL 36117
Signature of Authorized Company Official: President
Telephone Number: 800-613-0156, Ext. 4454 Date: April 28. 2014



12007 Research Boulevard \* Austin, Texas 78759-2439 PH: 800-695-2919 \* FAX: 800-211-5454 \* www.vendor.buyboard.com

# FORMS CHECKLIST (Please check (v) the following)

	xx	Completed: Proposer's Agreement and Signature (Form A)
<b>:::</b>	xx	<u>Completed</u> : <b>Vendor Purchase Order, Request for Quotes, and Invoice Receipt Options</b> (Form B)
<b>₩</b>	xx	<u>Completed</u> : Felony Conviction Disclosure and Debarment Certification (Form C)
<b></b>	xx	Completed: Resident/Nonresident Certification (Form D)
نجا	xx	<u>Completed</u> : <b>Historically Underutilized Business (HUB) Certification</b> (Form E)
_	xx	Completed: Affirmation Regarding Construction Related Goods and Services (Form F)
torci	xx	Completed: Deviation/Compliance Signature Form (Form G)
tend	xx	Completed: Dealership Listings (Form H)
Lend	xx	Completed: Texas Regional Service Designation (Form I)
<del>und</del>	xx	Completed: State Service Designation (Form J)
<b>=</b>	xx	Completed: National Purchasing Cooperative Vendor Award Agreement (Form K)
ಀೢಀ	xx	Completed: Federal and State/Purchasing Cooperative Discount Comparison Form (Form L)
_	xx	Completed: References and Price Discount Information (Form M)
<b>.</b>	×	Completed: Forms Checklist (Form N)
	xx	<u>Completed</u> : Proposal Pricing Form, Fee Schedule, and Copy of License from the State of Texas

FORM N Form 10-9-13 PAPER

## **PROPOSAL PRICING FORM**

Auction Services for the Sale of Surplus Personal Property and Equipment

ITEM No.	TEX DESCRIPTION	AUGDON SERVICE FEEL
1	PRICE PER AUCTION (Listing Fee) This is a price per auction that Proposer will be paid once an auction item is listed on the auction web site, regardless of whether or not there is a completed sale. <sup>2</sup>	\$
2	COMMISSION FEE SCHEDULE  Proposer must attach its commission fee schedule that details the percentage commission fee that will be charged on the sale price after each completed sale. State the percent (%) of discount off commission fee schedule. <sup>3</sup>	7.5 % A 5% Buyer's Premium will be charged the Winning Bidder if GovDeals collects the Auction Proceeds for the Coop Member. Please see below Commission Schedule

#### PROPOSAL FORM NOTES:

- 1. No price or fee will be accepted other than a price per auction (listing fee) and a percentage commission fee schedule.
- 2. If Proposer does not charge a listing fee, Proposer must insert a zero (\$0.00) bid on the price per auction line. If the price per auction line is left blank, Proposer's Proposal may be determined to be non-responsive.
- 3. If Proposer does not submit its Commission Fee Schedule with its Proposal, the Proposal will not be considered.

# **Commission Fee Schedule**

# **GovDeals Flexible Pricing Options**

GovDeals' tiered fee schedule below explains how the base auction fee of 7.5% is reduced for assets that sell in excess of \$100,000 on <a href="www.govdeals.com">www.govdeals.com</a>. GovDeals offers variable pricing options depending on whether the Cooperative Member elects to collect their auction proceeds or allow GovDeals to collect auction proceeds. GovDeals does not charge a setup fee, listing fee, training fee or any other fees other than the fees listed below when an item successfully sells and the Coop Member has collected the auction proceeds from the winning bidder.

- 1. When an asset sells for up to \$100,000 in a winning bid, the GovDeals fee is seven and one-half percent (7.5%) of the winning bid, but not less than \$5.00.
- 2. Where an asset sells for more than \$100,000, but less than \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the winning bid up to \$100,000, plus five and one-half percent (5.5%) of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000.
- 3. Where an asset sells for greater than \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the bid amount in excess of \$500,000 and up to \$1,000,000.

GovDeals, Inc. Page 1

4. Where an asset sells for greater than \$1,000,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the next \$500,000 of the winning bid plus a fee of two and one-half percent (2.5%) of any amount over \$1,000,000.

The Coop Member has the option to choose from the following alternative pricing plans:

# A - Cooperative Member Collects Auction Proceeds

**Option A1:** The Client pays a 7.5%\* fee which will be reduced according to the tiered pricing schedule above. GovDeals will invoice the Coop Member each month for fees on items sold in the previous month. The client is allowed thirty (30) calendar days from date of invoice receipt to remit payment.

Option A2: The Client pays a 7.5%\* fee but is given the capability to easily pass the entire fee on to the winning bidder as an Administrative Fee. The client is only allowed to pass on to the winning bidder the amount charged to them based on the tiered pricing schedule above. The amount invoiced to the winning bidder will include the gross sale amount of the item, the administrative fee, any special fees and sales taxes, if any. By passing this fee on to the winning bidder, the client's effective fee is zero percent (0%). GovDeals will invoice the client each month for fees on items sold in the previous month. The client is allowed thirty (30) calendar days from date of invoice receipt to remit payment.

# <u>B - Coop Member Elects GovDeals Financial Settlement Services (FSS) allowing GovDeals to Collect Auction Proceeds.</u> Only one option below can be used.

Option B1: The Member pays a 7.5%\* fee and the winning bidder pays a 5% Buyers Premium. \*\*

Option B2: The Member pays a 5%\* fee and the winning bidder pays a 7.5% Buyers Premium.

**Option B3:** The Member pays a 2.5%\* fee and the winning bidder pays a 10% Buyers Premium.

**Option B4:** The Coop pays zero percent fees (0%) and the winning bidder pays a 12.50% Buyers Premium.

\*Subject to a minimum per item/lot fee \$5.00. \*\*If the Client chooses to pay the full 7.5% fee, they will have access to the aforementioned tiered pricing decrease schedule.

# GOVDEALS ANNUAL VOLUME DISCOUNT PROGRAM

GovDeals offers all of its government clients a program where a government who meets certain sales volumes in a twelve (12) month period will receive a cash rebate. At \$1 million dollars the rebate is .25% and at \$5 million the rebate is 1.25%. The percentage is paid on the gross sales of the combined governments and not on GovDeals fee. If a government or group of governments were to reach \$6 million in surplus sales, the rebate would be \$75,000.

GovDeals agrees to allow all Coop Members that use this cooperative contract to be included in a nationwide GovDeals' cooperative Annual Volume Discount Program. The value of a nationwide cooperative Annual Volume Discount Program is that a Coop Member that does not meet the minimum volume of \$1 million,

GovDeals, Inc. Page 2

which pays .25%, could receive a 1.25% rebate on its total contributed volume. This would include all Coop Members in the State of Texas and all Coop Members in the other forty-nine (49) states who use the contract. The annual rebate will be paid to each Coop Member based on each member's contribution to the twelve (12) months volume. Please review GovDeals' Annual Volume Discount Program in **Exhibit E.** 

<u>Note:</u> Please feel to call Bob DeBardelaben at 334-387-4454 or 800-613-0156 Ext. 4454 if you need clarification of our Flexible Pricing Option or the GovDeals Annual Volume Discount Program.

Proposer Name: GovDeals, Inc.

Signature of Authorized Company Official: