



HISTORIC  
FRANKLIN  
TENNESSEE

# MEMORANDUM

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## Memorandum

TO: Board Of Mayor and Aldermen  
FROM: Eric Stuckey, City Administrator  
DATE: November 18, 2010  
RE: Items approved by City Administrator  
On behalf of the Board of Mayor and Aldermen

Through the authority granted by the Board of Mayor and Aldermen, the following items of action were approved by me on your behalf:

- a. Authorization of an addendum to an agreement by and between the City of Franklin and GovDeals, dated January 11, 2006, said addendum to authorize and direct GovDeals (1) to collect from the buyer all proceeds from the sale of any surplus personal property of the City sold by means of electronic auction facilitated by GovDeals, and (2) to remit to the City said proceeds less the GovDeals fee for services rendered.  
Brian Wilcox, Purchasing Manager
- b. Consideration Of Award For One (1) Multifunction Copier For The Parks Department (Purchasing Office Procurement Solicitation No. 2011-007).  
Lisa Clayton, Parks Director
- c. Professional Services Agreement with Leane Cox for Fast Track Infrastructure Development Grant Program Application (Jackson National Life Project)
- d. Professional Services Agreement With Lisa Gregory For Review Of Development Process And Customer Service Within The Department Of Building And Neighborhood Services, In An Amount Not To Exceed \$2,500

# GovDeals

## Financial Settlement Services (FSS) Addendum

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This Addendum is between GovDeals, Inc. (GovDeals), having its principal place of business at 5907 Carmichael Place, Montgomery, Alabama 36117, and City of Franklin, Tennessee  
(Client) having its principal place of business at 109 3<sup>rd</sup> Ave. South, Franklin, TN 37064.

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 "Buyer's 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 obtained and retained 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 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 client elects FSS, this section must be completed when submitting the signed MOU back to GovDeals.

Accounting Contact: \_\_\_\_\_ Purchasing Manager  
(Person to receive checks and invoices) Name and Title

E-Mail Address: \_\_\_\_\_ purchasing@franklintrn.gov

Phone Number: \_\_\_\_\_ 615/550-6614

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

} Information on file

If payment will be made by paper check, please provide the following information:

Make check payable to: \_\_\_\_\_ n/a  
Client's Legal Name

Mail check to: \_\_\_\_\_ n/a  
Street Address / P.O. Box Number

\_\_\_\_\_ n/a  
City, State and Zip Code

Approved for GovDeals:  
\_\_\_\_\_

Approved for Client:  
*Eric S. Sturkey*

President  
Title \_\_\_\_\_ Date \_\_\_\_\_

City Administrator  
Title \_\_\_\_\_ Date 11-17-2010

**COPY**

Please check here only if Client elects to NOT allow GovDeals to deduct the GovDeals fees from proceeds due the client.

Approved as to form  
by City Attorney's Office on  
11 / 19 / 10  
Initials: pac

# GovDeals

## Flexible Pricing Options (FPO)

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**The Client has the option to choose from the following alternative plans:**

### **A - Client Collects Proceeds**

**Option A1:** The Client pays a 7.5%\* fee which will be reduced according to the Tiered Fee Reduction Schedule (described below). 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.

**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.

**B - Client Elects GovDeals Financial Settlement Services (FSS) allowing GovDeals to Collect Proceeds. Only one option below can be used and once this option is chosen, it cannot be changed for twelve (12) months.**

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

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

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

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

### **Tiered Fee Reduction Schedule**

GovDeals' **Tiered Fee Reduction Schedule** below explains how the base auction fee of 7.5% is reduced for assets that sell in excess of \$100,000 on [www.govdeals.com](http://www.govdeals.com).

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.

\*Subject to a minimum per asset/lot fee of \$5.00.

**\*\*If the Client chooses to pay the full 7.5% fee, they will have access to the Tiered Fee Reduction Schedule.**

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Please choose one fee option your government would like to use from the Pricing Schedule.

**Option A:** Client elects to collect all proceeds from the buyer:

Option A1  Option A2

**OR**

**Option B:** Client elects for GovDeals to collect all proceeds from the buyer:

X Option B1  Option B2  Option B3  Option B4

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Client Name: City of Franklin, TN

Contact Name: Purchasing Manager

Phone Number: 615/550-6614

Email: purchasing@franklintn.gov