

**From:** Tom Morgan  
**Sent:** Saturday, November 05, 2011 12:36 PM  
**To:** Edward Wilmes  
**Subject:** Committe action- Online Auction

Ed,

I am recommending the Village of Orland Park try out PublicSurplus.com to sell off no longer needed vehicles and equipment. This service indicates that we can generate more revenue in using them because of the nationwide audience. This will free up needed space at the public works facility. We would continue to participate in the annual Southwest Mayors auction but this can bridge the gap between those date(s). In the past few years there has only been one auction per year previously there were two per year. Revenue generated would go into the village's general fund. We currently have several units to sell that did not make the September 24, 2011 auction because replacement vehicles had not been delivered as of then.

Below are bullet points that Public Surplus has provided us for review and consideration to use them.

Our site is designed specifically for government agencies. Agencies typically see a 50-200% increase in net revenue, 16-35% more on vehicles and specialty equipment. The City of Houston experienced a 223% increase in auction revenue using our service. Here is the press release from KHOU Channel 11 News <http://www.khou.com/news/City-auction-helps-close-growing-budget-shortfall-93006214.html>

Public Surplus has the largest qualified buyer base in the nation (hundreds of thousands).

We are free for the agencies who use our service and charge a 7% buyers premium to the buyer. 3% is added if Public Surplus collects payment.

Public Surplus automatically assures compliance with state and federal requirements.

Public Surplus has a 7 year audit trail. This information is transparent and available to the public 24/7. Absolutely everything that happens on our site is saved, even IP addresses. This is very helpful for audits or to just stay organized.

Public Surplus has a huge specialty buyer base. Over 2,000 agencies nationwide use their service.

All buyers are able to go to our site and set up a want list. Buyers list what they want and enter states they are willing to travel to. When surplus is listed that meets their criteria, an email notification is sent to them. This method alone can bring thousands of buyers to your auctions.

Public Surplus does not require a contract but if your agency does we can get you a piggyback-able contract.

Agencies can sell items as soon as they are available. Agencies will typically receive a premium for these items because they are in the best condition they will ever be in and have not been locked away to depreciate any further. By exercising this method, agencies can lower storage costs and quickly sell surplus that the agency is paying insurance on. This method will also provide a steady stream of revenue for the agency.

Respectfully,

Tom Morgan

## **Payment Remittance Cycle for Agencies**

Under the terms of Payment Collections, Public Surplus collects payment from the buyers directly, and sends net proceeds directly to the government agency.

Payment remittance to agencies is based on set billing cycles. A billing cycle begins for a closed auction on the 1<sup>st</sup> day of the month after Public Surplus has received payment. For instance, if an auction were to close on September 5 and payment is received on September 10, the billing cycle will start on October 1. Public Surplus processes payment via ACH to agencies during the first week of the month beginning at the completion of the billing cycle.

### **Standard Billing Cycle (Net 30)**

The Standard Billing Cycle is 30 days. The billing cycle starts on the 1<sup>st</sup> of the month that begins after Public Surplus has received payment. For example:

1. Auction closes on August 10 and payment is received on August 15.
2. Billing cycle will begin on September 1 and will end on September 30.
3. Public Surplus will process payment via ACH to the agency during the first week of October.

The Expedited Billing Cycle is offered to agencies who need to receive payment sooner than what is offered under the terms of the Standard Billing Cycle.

### **Expedited Billing Cycle (7 day ACH)**

Under the terms of the Expedited Billing Cycle, Public Surplus will process payment via ACH to the agency within 7 days of receiving payment for an auction. Agencies who elect to use the Expedited Billing Cycle will pay an additional fee of 2.0%.

# Public | Surplus

P.O. Box 50676 Provo, UT 84605  
PH: 801-932-7000 FX: 801-932-7001  
[accounting@thepublicgroup.com](mailto:accounting@thepublicgroup.com)

## ACH Payment Enrollment Form

Payee/Agency Information (To be Completed by Account Receivable Department)			
Agency Name:		Tax ID Number:	
Address:		Email Address:	
Contact Name:		Title:	
<b>Payee Certification:</b> In signing this form, I authorize payments from The Public Group, DBA Public Surplus to be sent to the financial institution named below and deposited to the designated account. This authorization is effective until terminated by this Department or the agency named above. If terminated by the agency, we must be notified 30 days before the termination date.			
Print Name:	Signature of Agency Representative:	Telephone Number:	Date:
<b>Account Information</b>			
Type of Account: <input type="checkbox"/> Savings <input type="checkbox"/> Checking			
Routing Transit Number:		Account Number:	

# Voided Check

## Village of Orland Park Terms and Conditions

### ONLINE SALES – TERMS AND CONDITIONS

**Guarantee Waiver.** All property is offered for sale “**as-is, where-is.**” *Village of Orland Park* 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. The Buyer is not entitled to any payment for loss of profit or any other money damages – special, direct, indirect, or consequential.

**Description Warranty.** *Village of Orland Park* warrants to the Buyer that the property offered for sale will conform to its description. Any claim for mis-description must be made prior to removal of the property. If *Village of Orland Park* confirms that the property does not conform to the description, the Village will keep the property and refund any money paid. The liability of *Village of Orland Park* shall not exceed the actual purchase price of the property. Please note that upon removal of the property, **all sales are final.**

**Inspection.** Most items offered for sale are used and may contain defects not immediately detectable. Bidders may inspect the property prior to bidding. Bidders must adhere to the inspection dates and times indicated in the item description or contact the person listed to schedule an inspection.

**Consideration of Bid.** *Village of Orland Park* reserves the right to reject any and all bids and to withdraw from sale any of the items listed.

**Notice of Award.** Successful bidders will receive a Notice of Award by email from PublicSurplus.com

**Payment.** Public Surplus collects all payments for *Village of Orland Park*. Payment for an awarded item must be received within 5 business days of close of auction. Payment shall be made online by credit card, or wire transfer. If you choose to pay with a credit card please follow the instructions below. The credit card limit per transaction is \$4,000.00. For payments larger than this amount follow the instructions listed under Wire Transfers.

#### Payment by Credit Card

Login to the Public Surplus site. Click on "My Stuff" and then click on "Past Bids". Click on the description of the auction and then click on "Pay Online" link located on the right hand side of the screen. Follow the steps to complete the transaction. A receipt will be emailed to you once the payment has cleared.

#### Partial Payment

There will be **NO** partial payments of an auction allowed. All auctions must be paid in full per payment process used per auction. For Example: You **WILL NOT** be able to pay partially for an auction by Credit Card and pay the remainder by another payment method such as a wire transfer.

#### Wire Transfers:

For payments over \$4,000.00 a Wire Transfer is required. **NO CASH, CHECKS, OR MONEY ORDERS WILL BE ACCEPTED.** If you need to do a wire transfer please email support at [buyersupport@publicsurplus.com](mailto:buyersupport@publicsurplus.com) asking for wire instructions or request the instructions via live chat. These instructions will be emailed to you. Please follow them exactly to allow for prompt payment.

#### Pick Up Procedures

1. Public Surplus will notify the Buyer upon receipt of payment. The Buyer may then contact the

responsible party listed for that item and arrange for a mutually convenient pick up time. The Buyer must bring the "Notice of Award" with the "Paid Receipt" and personal identification such as a Drivers License or DMV ID to the pick up location. The person releasing the item will require the Buyer to show all three documents. **The Buyer must present these forms of identification at the scheduled pick up or the auction item(s) will not be released.**

2. If you are picking up an item for someone else, you will need to bring the receipt, (photo copies are acceptable), plus a note from the designated "winning bidder" specifically naming you as their authorized representative, along with your own ID.

**Bid Deposits.** *Village of Orland Park* may require bid deposits in order to ensure fairness and equity to all buyers as a way to decrease default bidding. The deposit will be reversed if no default occurs or the bidder does not win the auction. Public Surplus will collect and retain the deposit if there is a default by the winning bidder.

**Buyers Premium:** A Buyers Premium will be added to the final sale price with a \$1 minimum charge per auction to collect payment. The premium will be visible during the bidding process and will be included in payment to Public Surplus

**State/Local Sales and/or Use Tax.** *Village of Orland Park* may collect sales tax, unless the buyer has provided a valid tax-exempt certificate to *Village of Orland Park* prior to payment. If applicable, the sales tax will be visible during the bidding process and will be included in your payment to Public Surplus.

**Removal.** Buyer must remove auction item(s) from said agency's premises within **10 business** days of close of auction. If the Buyer, after making payment for an item, fails to remove the item within the specified time, the agency reserves the right (1) to retain any and all payments; and (2) to dispose of the item as deemed desirable by the agency. 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 Notice of Award. The Buyer will make all arrangements and perform all work necessary, including packing, loading and transportation of the property. Under no circumstances will *Village of Orland Park* assume responsibility for packing, loading or shipping. Property may be removed between the hours of **8am** and **5pm**, **Monday** through **Friday**, excluding legal holidays. For additional information, please contact **Auction Contact, (123) 456-7890, [agency.contact@emailserver.com](mailto:agency.contact@emailserver.com)** .

**Vehicle Titles.** *Village of Orland Park* 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. *Village of Orland Park* 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 Buyer fails in the performance of their obligations, *Village of Orland Park* may exercise such rights and may pursue such remedies as are provided by law.

**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.

## Auction Payment and Pick Up Procedure

Congratulations on your winning bid! The *Village of Orland Park* appreciates your participation in our auction. Listed below are the instructions for payment and pick up.

Public Surplus collects **ALL** payments for *Village of Orland Park*. If you choose to pay with a credit card, please follow the instructions below. The credit card limit per transaction is \$4,000.00. For payments larger than this amount, follow the instructions listed under Wire Transfers.

### Sales Tax

Applicable sales tax will be added to the amount due unless the buyer has provided a valid tax-exempt certificate to *Village of Orland Park* prior to payment.

### Partial Payments

There will be **NO** partial payments of an auction allowed. All auctions must be paid in full per payment process used per auction. For Example: You **WILL NOT** be able to pay partially for an auction by Credit Card and pay the remainder by another payment method such as a wire transfer.

### Credit Cards:

Login to the Public Surplus site. Click on "**My Stuff**" and then click on "**Past Bids**". Click on the description of the auction and then click on "**Pay Online**" link located on the right hand side of the screen. Follow the steps to complete the transaction. A receipt will be emailed to you once the payment has cleared.

### Wire Transfers:

For payments over \$4,000.00 a Wire Transfer is required. **NO CASH, CHECKS, OR MONEY ORDERS WILL BE ACCEPTED!** If you need to do a wire transfer please email support at [buyersupport@publicsurplus.com](mailto:buyersupport@publicsurplus.com) asking for wire instructions or request the instructions via live chat. These instructions will be emailed to you. Please follow them exactly to allow for prompt payment. **Wire transfer can take up to 2 business days to be received and posted on the website, please do not go pickup your item until you have contacted the agency to ensure the wire transfer has been received.**

### Pick Up Procedures

1. Public Surplus will notify you upon receipt of payment. You may then contact the responsible party listed for that item and arrange for a mutually convenient pick up time. Be sure to bring the "Notice of Award" with the "Paid Receipt" and personal identification such as a Drivers License or DMV ID to the pick up location. The person releasing the item will require you to show all three documents. **You will need to bring these forms of id with you or the auction item(s) will not be released to you.**
2. If you are picking up an item for someone else, you will need all of the items listed in #1 (photo copies are acceptable) plus a note from the designated "winning bidder" specifically naming you as their authorized representative, along with your own ID.

## **Village of Orland Park Standard Disclaimers**

### **Standard Disclaimer for *Village of Orland Park*:**

Viewing of Auction items by appointment only.

Public Surplus handles all payments for *Village of Orland Park*.

Acceptable forms of payment are: Wire Transfer or Credit Card.

**NO CASH, CHECKS, OR MONEY ORDERS WILL BE ACCEPTED!**

Payment for an awarded item must be received within 5 business days of close of auction.

All sales are final. Public Surplus will notify buyer of receipt of payment via email. Buyer must remove auction item(s) from said agency's premises within 10 business days of close of auction. The payment receipt must be presented at the time of pick up or the said agency will not release the item to you.

*Village of Orland Park* may charge a sales tax of **5.5%**. The tax rate will be calculated at the time of bidding on an item(s). When sales tax is included, the buyer shall add and include the sales tax amount when making payment.

**Buyers Premium:** A Buyers Premium of **10%** will be added to the final sale price with a \$1 minimum charge per auction for payment collections. This premium will be visible during the bidding process and added to the total bid.

**Bid Deposits:** *Village of Orland Park* may require bid deposits to ensure fairness and equity to all buyers as a way to decrease default bidding.

Pick-up hours by appointment only. Successful bidder will be responsible for removal of item.