

REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Tracking Number: 14.

Date of Request: December 21, 2007

Date Request Received: December 21, 2007

Board Meeting Date Requested: January 7, 2008

Board Meeting Date Assigned: January 7, 2008

Short Title: Introduction Of Govdeals As A Means For The County To Begin Disposing Of Surplus Via The Internet

- Request Status:**
- Request is proceeding to Board of Commissioners
 - More information is needed – see attached
 - Request on hold – no further information needed
 - Other:

Background: Currently over 50 North Carolina counties use GovDeals to assist with the disposal of their surplus via the Internet. GovDeals clients report that they receive 20 to 60 percent more for assets sold through GovDeals than they ever received at public auction. Although GovDeals sells only government surplus, any registered and authenticated buyer may bid (including other local governments).

(Administrative Use Only)

The GovDeals agreement is non-exclusive, which means the county determines when they want to use this vehicle for surplus, but may still employ other means of disposal. The service provides a framework within which a government can list assets for sale, including descriptions, photos and other details. Two major benefits: 1) the buyer has all the responsibility for picking up and transporting the item once purchased; and 2) counties can place surplus items on the site as they become available, which reduces the accumulation of surplus.

CONTRACT TYPE

- Renewal
- For Service(s)
- Intergovernmental – County as Grantee
 - Federal Grantor
 - State Grantor
 - Grantor
- County as Grantor
 - County Funds
 - Other Funds:
- Revision
- For Equipment

GovDeals has more than 950 government entities selling in 32 states and large and small governments share the same fees, program and benefits. The GovDeals fee is 7.5 percent of the selling price on items sold within 30 days net payment terms. There are no listing, marketing, or other miscellaneous fees and there are no fees for training staff or ongoing support.

PURCHASING Budgeted Item: Yes No
Date Rec'd: Reviewed and Approved
 Comments on Reverse

Date Sent: December 21, 2007 Signed:

Pender County staff desires to implement a pilot program and develop internal procedures for the use of GovDeals to sell our government surplus.

ATTORNEY Reviewed and Approved
Date Rec'd: Legal Problem(s)
 Comments on Reverse

Date Sent: Signed:

Specific Action Requested: Approve the use of GovDeals as a means for Pender County to dispose of surplus property and equipment.

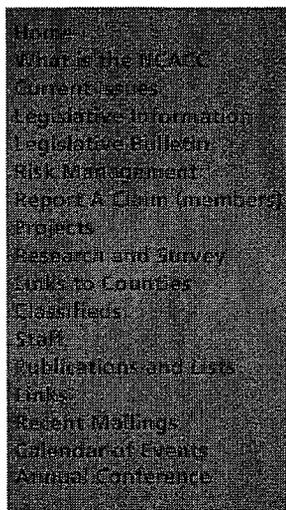
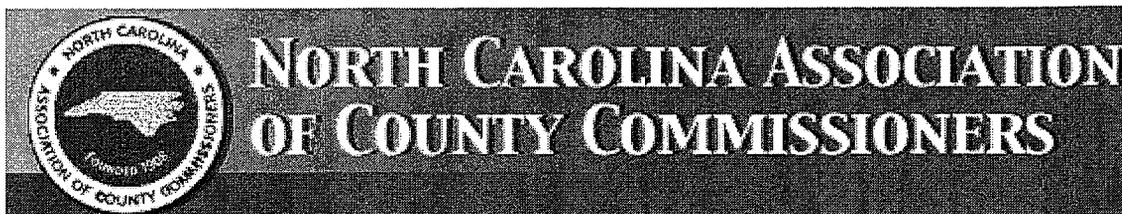
FINANCE Sufficient Funds Available
Date Rec'd: Not Available
 Budget Amendment Necessary
 Budgeted Amendment is Attached
 Comments on Reverse

Date Sent: Signed:

Requested by: Lori Brill
Department: Administration
Title: County Manager
Contact Phone:
Contact Fax:

CLERK Signature(s) Required:
 Board Chairman/County Manager
 Other:

Date Rec'd Approved by Board: Yes No
At meeting on

**NCACC**

P.O. Box 1488

Raleigh, NC 27602-1488

Tel: (919) 715-2893

Fax: (919) 733-1065

E-mail: ncacc@ncacc.org**GovDeals****Why use GovDeals instead of holding a local public auction?**

GovDeals clients report that they receive 20 percent to 60 percent more for assets sold through GovDeals than they ever received at a live public auction. GovDeals sells only government surplus, but any registered and authenticated buyer may bid (including numerous governments in search of equipment for their own operations).

What are some of the advantages of using GovDeals?

- The GovDeals agreement is non-exclusive and therefore GovDeals is used completely at the seller's choice. GovDeals, local auctions and sealed bid sales can all co-exist but most governments adopt the GovDeals solution exclusively once exposed to all its features, benefits and results.
- Every auction completed during the past 12 months may be accessed on the GovDeals site at "Closed Items," allowing any GovDeals.com visitor to research all auction results.
- The GovDeals system provides a detailed audit trail that is available for a client in the event there is ever a question about the sale of an asset.
- Bidder user identification information is confidential. Bidders cannot interact, thus making bidder collusion extremely difficult to accomplish. This is certainly not the case in a live auction.

**How do I go about listing surplus on GovDeals?**

GovDeals provides a framework within which a government client can list assets for sale, including descriptions, photographs and other details necessary to communicate the particulars of the asset to potential buyers. No additional software is needed – all transactions and information are exchanged on a secure Web site.

Who else is using GovDeals?

GovDeals has more than 950 government entities selling in 32 states. Large and small governments share the same fees, program and benefits. Click [here](#) to read testimonials from North Carolina county government employees.

What is the commission/fee schedule?

The GovDeals fee is 7.5 percent of the selling price on items sold with 30 days' net payment terms. There are no listing, marketing or other miscellaneous fees. There are no upfront charges for training and no costs for ongoing support from GovDeals' client services staff and toll-free help desk.

Who do I contact for more information?

Contact NCACC Director of Member Services Ed Wooters at (919) 715-0705 or ed.wooters@ncacc.org; or Terry Bazzoan, a licensed auctioneer and appraiser and with more than 20 years experience in strategic marketing and auction marketing, at (865) 406-3783 or tbazzoan@govdeals.com.

GovDeals information archive**Selling surplus is a snap on GovDeals (October 2007)**

GovDeals pioneered online auction services focused solely on governments six years

ago and recently celebrated its 1,400th client nationwide. In North Carolina, GovDeals is used by 219 different governments and agencies, including 53 different counties, numerous cities, utility districts, school systems, law enforcement and other governmental agencies.

GovDeals opens N.C. offices in Wake, Mecklenburg (February 2007)

GovDeals.com, an NCACC-endorsed strategic partner providing online auction services, announced Jan. 29 the opening of a sales office in Charlotte and a client services field office in Raleigh.

Easy sell (November 2006)

From garage doors to desks to 'dozers, GovDeals makes unloading surplus property a snap

What a deal! (November 2005)

N.C. counties selling surplus, generating revenue via GovDeals Internet auction site

GovDeals offers counties chance to expand customer base for surplus equipment (December 2004)

Several counties are taking advantage of the NCACC's strategic partnership with GovDeals, an Internet auctioneer of government surplus items that gives members an opportunity to purchase and sell equipment utilizing the global reach of the Internet.



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Selling surplus is a snap on GovDeals

By Terry Bazzoon
GovDeals.com

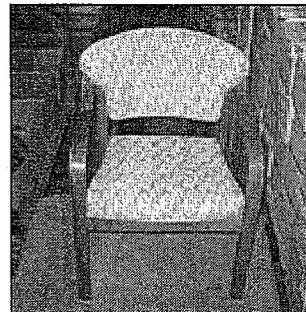
Online auctions have changed the way local governments handle surplus vehicles, equipment and other assets. In the past, governments would accumulate property and equipment such as retired vehicles, computers, heavy equipment, seized and confiscated property and other assets and then conduct an auction on some regular basis or perhaps sell via sealed bid. These methods were necessary primarily due to the fact that local auctioneers did not want to hold an auction until enough items were accumulated to make it worth their while to conduct a sale.

Unfortunately that delay in selling property has a negative effect on the value of items due to depreciation, weathering, pilferage and vandalism and also requires significant storage space to accumulate assets. Local auctions also, by their nature, do not usually attract top values for assets due to the fact they typically attract "local bidders."

The problem with this model of managing assets is that it is not designed with the needs of the local government in mind. An ideal scenario would be to use an asset until it reaches the end of its useful life and then immediately sell it for the highest possible price at the lowest cost to the government. Ideally the asset would also be sold in place without moving it or storing it, and the transaction would be dependent upon the buyer paying quickly with certified funds and picking the asset up at their expense.

Online auctions allow this very process to occur. GovDeals pioneered online auction services focused solely on governments six years ago and recently celebrated its 1,400th client nationwide. In North Carolina, GovDeals is used by 219 different governments and agencies, including 53 different counties, numerous cities, utility districts, school systems, law enforcement and other governmental agencies. GovDeals is endorsed by the N.C. Association of County Commissioners and the N.C. League of Municipalities.

The way GovDeals works is quite simple – GovDeals provides a framework where a government client can list assets for sale, including descriptions, photographs and other details necessary to communicate the particulars



One lot of 15 beige Kimball guest chairs sold for \$80. Four other lots of the chairs sold for \$55, \$55, \$48 and \$47, respectively.

NCACC gets online with GovDeals

The NCACC has auctioned off its first items using GovDeals.com.

The Association sold nine lots of unused office furniture in auctions that closed Oct. 4. All told, the NCACC sold 55 side chairs, 13 metal book cases and two metal file cabinets for \$485, minus GovDeals' 7.5 percent commission.

According to NCACC Comptroller Scott Kauffman, the items had been collecting dust in storage for three to four years. After the Association no longer had use for the items, the vendor had offered to buy them back, but at a minimal price.

"We're paying a couple hundred dollars a month to store it and it would cost us a couple hundred to have someone come haul it off to the dump," Kauffman said.

of the asset to potential bidders/buyers. Items can be sold as soon as they become available, eliminating storage issues and the cumulative depreciation of assets. Items such as Crown Victorias sell in as little as five to seven days while assets such as heavy equipment will typically sell in 14 days. More specialized assets might require a 30-day auction to allow targeted marketing time to attract bidders.

GovDeals provides a large database of pre-screened and qualified bidders and support in the form of marketing, advertising, public relations, training and ongoing technical support. All support functions are provided at no charge. Sellers pay one simple fee of 7.5 percent to sell on GovDeals as opposed to 10 percent (or more) in seller's commissions and/or a 10 percent buyer's premium in a typical local auction.

Decisions about how long to list an asset, if and when to use a reserve bid strategy and other auction details can be made in conference with GovDeals employees, which include professionals with backgrounds as varied as former government employees, purchasing professionals, sales and marketing professionals, technology professionals and even a licensed auctioneer and appraiser.

About the author: Terry Bazzoon is a licensed auctioneer and appraiser and has more than 20 years experience in strategic marketing and auction marketing. He can be reached at (865) 406-3783 or at tbazzoon@govdeals.com.

"I can sell it on GovDeals, and even if I only get \$50 for it, someone just paid us \$50 for our trash."

Getting set up to sell on the site is a breeze. GovDeals representative Scott Starcher provided on-site setup assistance and training, and tips on selling items – such as that it is better to sell in bulk.

Kauffman said the Association will soon have more items – cubicle walls, storage cabinets, and possibly computer equipment – up for auction.

"It's all driven by us – whatever we want to put up there," he said.



NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS

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NCACC

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What county officials are saying about GovDeals

"Since we signed a contract with GovDeals in 2004, Buncombe County has realized a steady increase in revenue from the sale of surplus property. In fiscal year '06 we made 43 percent more profit than the last yearly auction we conducted. We are very pleased with the results and encourage other government agencies to test the system to see if it meets their needs as well as it does ours."

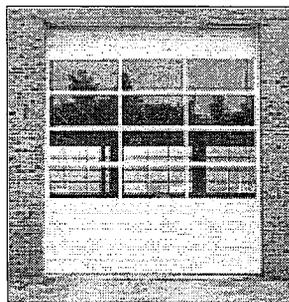
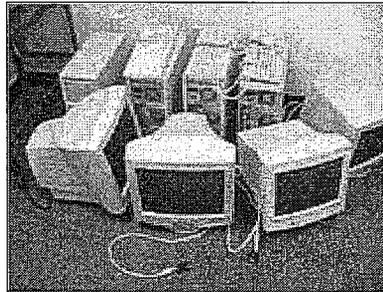
- **Joy Dalton,**
 Buncombe County

"The GovDeals program has been a most rewarding experience for Alexander County. We are a small county, and GovDeals gives us the ability to reach a much larger audience, and as a result, we realize more profit for our county. We average around 30 percent to 40 percent return on our obsolescent inventories. The conventional annual auction we previously conducted resulted in asset depreciation, and storage needs were a continual problem. The GovDeals process allows the county to sell property as soon as it is declared surplus. It is a great process for Alexander County."

- **Craig Mayberry,**
 Alexander County

"We have been a GovDeals client for three years. We now dispose of all personal surplus property using the GovDeals system. We have experienced increased revenue, eliminated storage space needs, and have expedited the disposal of surplus property. We have good local bidder participation as well as bidders from other states. GovDeals offers excellent customer support. I highly recommend this system."

- **Debbie Anderson,**
 Catawba County



"The county had recently acquired a piece of property that was previously a car dealership. The property came with two buildings that had 10, 40-year-old garage doors. The first phase of renovation was to renovate a body shop building into a new and modern 9-1-1 center. The architect's initial cost estimate determined it would cost \$10,000 to remove the 10 garage doors. Having seen the power of GovDeals, I fought to leave the doors in place, take pictures and place them on GovDeals. There were 12 bids with the winning bidder from Myrtle Beach, S.C., paying \$216. The

true savings to our taxpayers was the \$10,000 in removal costs we avoided by selling on GovDeals in addition to the modest profit of \$216. GovDeals allows me the flexibility to be a true steward of our taxpayer's hard-earned money."

- **Dwayne Childress,**
 Davidson County

"Duplin County has been using GovDeals since March 2006, and in that time frame, has sold more than \$90,000 worth of surplus equipment and assets. The results are better than we would have been able to achieve had we conducted a conventional public auction. One of the most surprising results was for a 1983 Caterpillar 963 Loader that was inoperable and was sitting in the weeds. We posted it on GovDeals and 91 bids later sold it for \$11,010. Had we sold it at a local auction we might have gotten \$1,500 for it."

- **Teresa Lanier,**
Duplin County

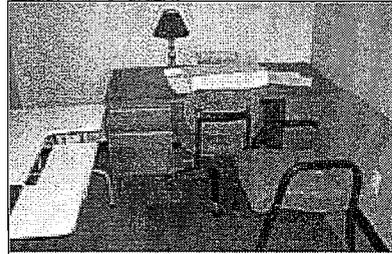
"Lincoln County began using GovDeals in May 2004. Since then we have sold more than 390 items with revenues of \$177,467. Using GovDeals enables us to dispose of our surplus property all year long as it becomes available, reducing our needs for storage. The items are linked to our Web site and are available to a much larger audience than previously attended our auctions. We are now able to sell items quicker at a higher price and lower cost to the county."

- **Leon Harmon,**
Lincoln County

"When I first came to Dare County we had a public auction that took two weeks and countless hours of manpower to put together with minimal success. I learned about GovDeals, researched it and obtained permission to use their services. That was the turning point of our surplus nightmare. Eighteen months later we have no surplus to speak of, and items don't pile up in a warehouse for months and months. Dare County is very pleased to be a member of the GovDeals family. To date, Dare County has made more money using GovDeals than we ever did by public auction."

- **Richard J. Reber,**
Dare County

"Pitt County has utilized GovDeals since March 2005 and has enjoyed the relationship. Our online sales have topped \$99,000 of vehicles, equipment and furniture. We have eliminated labor costs involved with semi-annual auctions and also significantly reduced costs of preparation of vehicles for sale. Vehicles are no longer sitting idle while waiting for auctions. Pitt County recommends the use of online auctions for expedient disposal of surplus assets."



- **Chris McDaniel,**
Pitt County

"Our first sale of surplus equipment on GovDeals.com went so fast and so smoothly, we were all very pleasantly surprised. I honestly don't believe that anyone locally thought the items would sell at all, much less so fast! Getting the account set up and dealing with GovDeals has been a pleasure as well. Their supportive staff assisted us with every step, including the necessary training and helpful advice from past lessons learned."

- **Douglas P. Logan,**
Granville County

"Using GovDeals allows us to reach a large number of potential buyers and costs less than the traditional live auction. We have been pleased with our returns. Vehicles and equipment have in most cases sold for what we considered above their average values. Using the online auction eliminates taking up storage space, and it is always sunny online."

- **Frances S. Wright, CLGPO,**
Edgecombe County

"Utilizing GovDeals has been great for Onslow County. We no longer have to collect and store our surplus in our warehouse facility until we can hold a public auction, which could take months. It's as easy as taking a picture, posting it on the site, and within two weeks your surplus is gone. I'll never forget the time we sold a dozer on the site; the county expected to sell it for approximately \$5,000 and it sold on GovDeals for \$26,000! And the staff is always helpful and pleasant to work with."

- **Laura Jones,**
Onslow County

"GovDeals has proved to be the answer for moving surplus property. It attracts more bidders, increases the value, decreases handling and eliminates storage. Inventory moves quicker than other means of surplus sales. With instruction from GovDeals staff I was able to acquire the computer skills necessary to effectively run the program."

- **Rebecca Morrow,**
Person County

"Greene County has had great success with GovDeals. Being a small county, it takes time to build up a 'stock' of items that many auctioneers would consider handling. This way, we can sell items at our convenience or as they become surplus."

- **Lisa Johnson,**
Greene County



"To date we have sold 11 items totaling \$89,113 on GovDeals including a 1989 Case 621CXT Front Loader for \$35,150. These 11 items were surplus property from our solid waste facility and garnered 537 bids! This was our first experience with GovDeals. We are very pleased with the results and are in the process of listing surplus sheriff's patrol vehicles with GovDeals."

- **Thomas L. Hollowell,**

Lenoir County

"Although Gates County has not gone live with GovDeals, we are excited about using the Web site to surplus our equipment. Tim Russell, our new county manager, chose this site after talking with other counties in North Carolina and found this was the best way to maximize return of our surplus equipment."

- **Virginia C. Moore,**
Gates County

County uses Internet to sell off surplus property

By Scott Nicholson

nicholson@wataugademocrat.com

Watauga County is turning to the Internet to get revenue from its unwanted property.

The county has been using GovDeals to serve as an "online auction house" for its surplus property and has generally been seeing higher returns on the goods that are sold. Costs and the amount of staff time spent in handling the surplus, unwanted items have also decreased.

What is Your Credit Score?

TransUnion	Experian	Equifax
351	364	382

[Click Here to find out!](#)

privacy-motors.com

The county commissioners approved the use of GovDeals.com in May, and since then the county has used the auction site for a couple of rounds of sales. County finance director Doris Isaacs said the county administration and her office has been pleased with the results and it promises to get even better as more local governments and shoppers discover the site.

Traditionally, local governments gather lists of surplus property from various departments and then hold occasional public auctions to get rid of the stuff. The county has sold vehicles, hazardous-materials equipment, furniture, grounds-keeping machinery, and other items through GovDeals, and Isaacs said one of the advantages is that the customer base is much wider than the county and that helps in selling more obscure items. It also cuts down on the need for storage space and limits the amount of staff time spent handling the property. Isaacs said sometimes an item would have to be moved three times before it was sold, and GovDeals buyers usually must make their own shipping or delivery arrangements.

"We're really in the initial stages," Isaacs said. "On average, the items we've sold through GovDeals have sold for more money than we would get at public auction."

After each department makes its list of unwanted, outdated, or used-up items, the list is sent to the finance office for compilation. All departments get to see the list of items in case they need anything for their own use, and then the list goes to the county commissioners to be declared "surplus" as required by law.

One of the initial concerns was that local taxpayers, who in many cases had purchased the items new through their property taxes, would be cut out of the loop and not have a fair chance to buy the surplus property.

However, Isaacs said there had been no complaints, as anyone with Internet access can bid on the property, and the list of surplus items appears on the county's Web site.

Isaacs said some people lamented the loss of the live auctions, which were a combined social outing and bargain hunt for many. Isaacs said usually between 50 and 60 people would attend the live auctions, which were held once or twice a year. But the local private demand for items like computers, copiers, and specialized equipment was limited, so the move to the world of Internet selling made good fiscal sense.

GovDeals works in much the same way as the popular online marketplace eBay, with GovDeals taking a 7.5 percent commission on each sale. GovDeals started six years ago to focus solely on government surplus and now has built to 1,400 clients nationwide, including 219 different governments and public agencies in North Carolina.

It's endorsed by the North Carolina Association of County Commissioners and the N.C. League of Municipalities.

Blowing Rock has joined GovDeals but has yet to hold an auction there, while the town of Boone currently doesn't generate enough surplus property to make the online market an attractive alternative. Isaacs said New River Behavioral Health Care had asked the county about GovDeals and may also begin using it to sell surplus property.

The participating agencies send descriptions, photographs and information about the items to GovDeals and the seller is able to set many of the terms, such as method of delivery and the length of time that bids will be taken. A minimum bid is also established.

Isaacs said a few comparisons show the county benefiting from the use of online sales. For example, chairs that normally fetched \$2 or \$3 apiece are selling for \$10 to \$20 online. GovDeals has a process to ensure bidders and buyers are legitimate, and Isaacs said Watauga's surplus items are bid on by people all over the eastern United States, with one bid placed from Illinois.

The county determines the minimum bid based on a projected fair-market value and then establishes the increments for upset bids. The county put three lawn mowers on the site with a \$50 starting price and the bid as of Monday was \$201, with three days left on the auction. The two riding mowers and a push mower have elicited 36 bids and, under the terms of the sale, the buyer must pay within five business days of the auction's end and remove the property within 10 days.

During a public auction last year, the county sold a 1996 Ford F-150 for \$700 and a 1993 Ford F-150 for \$125. This year, the county received much higher online prices for two similar trucks, with a 1994 F-150 bringing \$1,536 and a 1993 Ford F-150 bringing \$1,271. So far this year, the county has generated \$9,150 in GovDeals auction revenues.

Some counties have become much more aggressive in their use of GovDeals. Buncombe County has sold \$540,670 worth of surplus goods this year, while Wayne County has generated \$534,926. Fifteen counties have raised more than \$100,000 this year through the site.

GovDeals.com has dozens of searchable categories, and shoppers can browse without registering. Bidding requires a simple registration but is open to the public. A link to county items listed on GovDeals can be found at www.wataugacounty.org.