



DATE: July 28, 2022
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration and City Purchaser ^{SK}
SUBJECT: Resolution to Approve Amendment to Term Contract 68334-A – Auction Services

Enclosed please find a resolution authorizing an amendment to Term Contract 68334 (PeopleSoft Contract ID 1000024326) for as-needed auction services with Bar None Auction. The proposed Amendment is to extend the contract duration by one year, for a total contract duration of four years starting October 1, 2019 and ending September 30, 2023, with a total anticipated revenue amount of \$2.1 million.

This contract was awarded pursuant to a solicitation for auctioning services issued by the Office of Contract Administration (OCA) in November 2018, and Bar None Auctions was selected as the lowest priced, most responsive and responsible bidder. At that time, the contract was anticipated to generate \$1.3 million in revenue to the City over a three-year period starting October 1, 2019 and ending September 30, 2022. Charter, Section 9.118 requires contracts where anticipated revenues exceed \$1 million to be approved by the Board of Supervisors; therefore, the Board of Supervisors adopted File No. 190809 Resolution No. 411-19 on September 24, 2019, authorizing this contract award. OCA initially entered into the agreement for a duration of two years, from October 1, 2019 to September 30, 2021, and subsequently amended the agreement to extend the duration by one year, to September 30, 2022, and to adjust contract pricing.

This auction services contract provides the City with the ability to dispose of obsolete assets through auction sales, allowing the City to recover value for those assets. The contract includes costs for certain services, such as transportation costs for the asset. The cost to the City for any auction is deducted from the actual sale value of that asset, ultimately resulting in revenue to the City. The contract is primarily used for the sale of obsolete City vehicles, including transit vehicles such as MTA buses.

OCA conducted a usage analysis to determine the estimated anticipated revenue for the proposed four-year contract duration. The total revenue from this contract through May 2022 is approximately \$1.2 million, with an average monthly revenue of approximately \$60,000. OCA is seeking to extend Contract 1000024326 with Bar None Auction for one year, and estimates the total revenue to be generated from this contract through September 2023 to be approximately \$2.1 million.

This contract is critical for satisfying City departments' needs for disposal of marketable assets. Approval of this resolution will allow City departments to continue disposing of these assets in a streamlined and cost-efficient manner.

If you have any questions or require additional information, please contact Shawn Peeters on my team at 415-554-7030.

Enclosures:

1. Term Contract 68334-A/Contract 1000024326 with Bar None Auction
2. Term Contract 68334-A/Contract 1000024326 – Contract Modification 1
3. Term Contract 68334-A/Contract 1000024326 – Draft Contract Modification 2
4. Draft BOS Resolution
5. SFEC Form 126(f)4 - Contract 1000024326