



DATE: October 10, 2023
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration and City Purchaser^{SK}
SUBJECT: **Resolution for retroactive approval of amendment to Contract 1000024326 – Auction Services for all City Departments, with Bar None Auction**

The Office of Contract Administration (OCA) respectfully requests retroactive approval of an amendment to Contract 1000024326 (Term Contract 68334-A) for as-needed auction services with Bar None Auction. The amendment extends the contract duration by one year, for a total contract duration of five years starting October 1, 2019 and ending September 30, 2024, with a total anticipated revenue amount of \$2.9 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(a) 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. OCA subsequently amended the agreement twice, once to extend the duration by one year, to September 30, 2022 and to adjust contract pricing, and again to extend the duration by one year, to September 30, 2023, with an adjusted total anticipated revenue amount of \$2.1 million. The original agreement allowed for a total duration of five years.

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 intended to put in place a replacement contract for auction services, via Administrative Code Chapter 21.16 authority, prior to expiration of the current contract with Bar None Auction. Due to resource and capacity issues, OCA was unable to timely enter into a new agreement for these services, and Contract 1000024326 expired before OCA could obtain approval from the Board of Supervisors pursuant to Charter Section 9.118(a) to exercise the final option to extend the contract to the total allowable duration of five years.

The City cannot pause auction services until a new contract is in place. As such, OCA has moved forward with Modification 3 to Contract 1000024326, extending the duration by one year, to September 30, 2024. OCA estimates the total revenue to be generated from this contract through September 2024 to be approximately \$2.9 million, which is based on the total revenue from this contract through August 2023 of approximately \$2.1 million, with an average monthly revenue of approximately \$60,000.

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 Wil Alderman on my team at 628-652-1647.

City and County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sailaja Kurella, Director
Office of Contract Administration/Purchasing

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 – Contract Modification 2
4. Term Contract 68334-A/Contract 1000024326 – Contract Modification 3
5. Resolution for Modification 3 to TC 68334-A/Contract 1000024326
6. SFEC Form 126(f)4 - Contract 1000024326