

STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NO. 7-15-70-32-01

On-Line Auction Services
New Mexico NASPO ValuePoint Master Agreement No. 40-000-14-00059AA
GovDeals, Inc. (Contractor)

This Participating Addendum Number 7-15-70-32-01 is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and GovDeals, Inc. (hereafter referred to as "Contractor") under the lead State of New Mexico NASPO ValuePoint Master Price Agreement Number 40-000-14-00059AA.

1. Scope

- A. This Participating Addendum provides an on-line auction system under the New Mexico NASPO ValuePoint Master Agreement. The New Mexico NASPO ValuePoint Master Price Agreement Number 40-000-14-00059AA is hereby incorporated by reference. See Statement of Work for detailed information on service provided. (**Attachment A**)
- B. This Participating Addendum is available for use by California state departments/agencies and political subdivisions/local governments. For the purposes of this agreement, a political subdivision/local government is defined as any city, county, city and county, district, or other local governmental body or corporation empowered to expend public funds.
- C. Each political subdivision/local government is to make its own determination whether this Participating Addendum and the New Mexico NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

2. Term

- A. The term of this Participating Addendum shall begin upon signature approval by the State and will end August 19, 2018, or upon termination by the State, whichever occurs first.
- B. Lead State amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.

3. Terms and Conditions/Incorporation of Documents

Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.

- A. IT Goods/Services General Provisions – Information Technology (GSPD-401IT), effective 9/5/2014. The twelve (12) page document can be viewed at: http://www.documents.dgs.ca.gov/pd/poliproc/GSPD401IT14_0905.pdf. Exception: Article 11 of the General Provisions – Information Technology, is superseded by Section 4 (Order of Precedence) below.

4. Order of Precedence

In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

- A. California Participating Addendum Number 7-15-70-32-01
- B. New Mexico NASPO ValuePoint Master Agreement Number 40-000-14-00059AA
- C. New Mexico's Solicitation (RFP) 40-000-14-00059 including all Addendums
- D. Contractor's response to the New Mexico's Solicitation

5. Available Services

The following service offerings from the New Mexico NASPO ValuePoint Master Price Agreement Number 40-000-14-00059AA are allowed under this Participating Addendum:

- A. Tier One – Use of website only
- B. Tier Two – Use of website and accounting

6. Fee Schedule (Attachment B)

- A. The Fee schedule includes:
 - 1) Tier 1 Pricing Options
 - 2) Tier 2 Pricing Options
- B. Contractor shall submit a written notice of price increases/decreases to the Fee Schedule for the State's approval.
- C. State-approved Fee Schedule will be posted on the State's Cal eProcure website.

7. Ordering Agency Responsibilities

- A. State department and political subdivision/local government use of this Participating Addendum is optional.
- B. State departments and political subdivision/local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum.

8. Shipping and Delivery

- A. Delivery shall occur within 30 days after receipt of order, or as negotiated between ordering agency and contractor and included in the purchase order, or as otherwise stipulated in the NASPO ValuePoint Master Agreement.
- B. See Statement of Work, item #10 (**Attachment A**).

9. Invoicing and Payment

- A. Payment terms for this Participating Addendum are net forty-five (45) days. Payment will be made in accordance with IT Goods/Services General Provisions Paragraph 30 (Required Payment Date).
- B. Invoices shall be sent to the address identified in the Ordering Agency's purchase order in accordance with General Provisions Paragraph #29 (Invoices). The State Participating Addendum Number and Ordering Agency Purchase Order Number shall appear on each invoice for all purchases placed under this Participating Addendum.
- C. Contractor will accept the State of California credit card (CAL-Card) for payment of invoices.

10. Usage Reporting

- A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as **Attachment C**. The report is due even when there is no activity.
- B. The report shall be an Excel spreadsheet transmitted electronically to the DGS mailbox at PDWSCA@dgs.ca.gov.
- C. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five business days of the date of written notification from the State.
- D. Tax must not be included in the report, even if it is on the purchase order.
- E. Reports are due for each quarter as follows:

| Reporting Period | Due Date |
|------------------|----------|
| JUL 1 to SEP 30 | OCT 31 |
| OCT 1 to DEC 31 | JAN 31 |
| JAN 1 to MAR 31 | APR 30 |
| APR 1 to JUN 30 | JUL 31 |

- F. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this contract.
- G. Amendments for term extensions may be approved only if all due reports have been submitted to the State.

11. Administrative Fee

- A. Contractor shall submit a check, payable to the State of California, remitted to the Cooperative Agreement Unit for the calculated amount equal to one percent (0.01) of the sales for the quarterly period.

- B. Contractor must include the Participating Addendum Number on the check. Those checks submitted to the State without the Participating Addendum Number will be returned to Contractor for additional identifying information.
- C. If the Administrative fee check is \$1.00 over the amount of the Administrative fee due, the check will be returned and a new check will be submitted with the correct amount.
- D. Administrative fee checks shall be submitted to:

State of California
Department of General Services, Procurement Division
Attention: Cooperative Agreement Program
707 3rd Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605

- E. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.
- F. The administrative fee shall not be invoiced or charged to the ordering agency.
- G. Payment of the administrative fee is due irrespective of payment status on orders or service contracts from a purchasing entity.
- H. Administrative fee checks are due for each quarter as follows:

| Reporting Period | Due Date |
|------------------|----------|
| JUL 1 to SEP 30 | OCT 31 |
| OCT 1 to DEC 31 | JAN 31 |
| JAN 1 to MAR 31 | APR 30 |
| APR 1 to JUN 30 | JUL 31 |

- I. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this contract.

12. Contract Management

- A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor: GovDeals, Inc.
Name: Rebecca Murphy
Phone: (980) 254-8908
Fax: (334) 387-0519
E-Mail: rmurphy@govdeals.com
Address: 100 Capitol Commerce Blvd., Suite 110
Montgomery, AL 36117

B. Should the Contractor Contract Manager information change, the Contractor will provide written notice with the updated information to the State Contract Administrator no later than ten business days after the change.

C. The State Contract Administrator for this Participating Addendum shall be as follows:

Name: Lori Tomita
Phone: (916) 375-4580
Fax: (916) 375-4663
E-Mail: lori.tomita@dgs.ca.gov
Address: State of California
Department of General Services
Procurement Division
707 Third Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605

D. Should the State Contract Administrator information change, the State will provide written notice with the updated information to the Contractor Contract Manager no later than ten business days after the change.

13. Termination of Agreement

The State may terminate this Participating Addendum at any time upon 30 days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible and intangible, as may facilitate the orderly, nondisrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

14. Amendment

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

15. Agreement

A. This Participating Addendum and the Master Price Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Price Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Price Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Price Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.

- B. By signing below Contractor agrees to offer the same services as on the New Mexico NASPO ValuePoint Master Agreement Number 40-000-14-00059AA, at prices equal to or lower than the prices on that contract.
- C. IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA

Department of General Services

Agency Name



Signature of Authorized Signer

for Jim Butler, Deputy Director

Printed Name and Title of Authorized Signer

August 24, 2016

Date Signed

707 Third Street
West Sacramento, CA 95605

Address

CONTRACTOR

GovDeals, Inc.

Contractor Name



Signature of Authorized Signer

Roger Gravley, President

Printed Name and Title of Authorized Signer

August 17, 2016

Date Signed

100 Capitol Commerce Blvd., Suite 110
Montgomery, AL 36117

Address

Attachment A (Statement of Work)

Contractor agrees to provide all services and equipment to perform Tier One requirements in accordance with Contractor's proposal and the solicitation.

Contractor agrees to provide all services and equipment to perform Tier Two requirements in accordance with Contractor's proposal and the solicitation.

To this end, the Statement of Work includes but is not limited to the following:

1. All hardware, software and servers needed to operate the online auction service will be provided by the Contractor. The Contractor must give the Lead State and Participating Entity full access to their assigned online auction account and the Lead State or other Participating Entity must be allowed to load their auction items via a common Internet browser. In the alternative, the Contractor must be able to create the listing in a timely fashion (especially for Tier Three, but Participating Entities in other Tiers may wish to leverage this service as well.) The system shall be available to the Lead State or other Participating Entity 24 hours a day, 7 days a week. Items the Lead State or other Participating Entity wishes to sell can be loaded at any time that best suits the schedule of the Lead State or other Participating Entity.
2. The Contractor will provide and absorb all cost of a secure hosting facility to operate the online auction system and allow the Lead State or other Participating Entity full access to the account. The Lead State or other Participating Entity will not be required to install any additional computer hardware or software at their location. The only requirements will be that the Lead State or other Participating Entity have an Internet connection via a common web browser and a digital camera. The auction service shall not interact with any Lead State or other Participating Entity computer hardware, software or data base systems other than accessing its account through a common web browser.
3. All maintenance and upgrades to the hardware and software that the Contractor provides over the term of the contract shall be made at no cost to the Lead State or other Participating Entity.
4. The Contractor will supply all operating software and applications needed for the auction site to function.
5. All connectivity to the Internet shall be accessible through industry standard Internet connections, web browsers and email. The system must allow access from Windows based systems.
6. Contractor shall provide all support, including email and telephone support needed to operate the auction site. Live, 24/7 support via online chat, email or toll-free phone.
7. Contractor shall provide all security systems, anti-virus and firewalls capable of preventing the hacking of any auction information from the auction servers, capable of preventing the assimilation or distribution of viruses and other

programs and capable of preventing any bidder from learning the identity of any other bidder.

8. Contractor shall provide contingency plans to backup information and recover information. The Contractor shall have a disaster recovery plan that covers internet failure, electricity failure or systems failures.
9. The system shall allow the Lead State or other Participating Entity to post their own Terms and Conditions for each asset offered for sale and also provide a quick link to the Lead State or other Participating Entity Terms and Conditions. The systems must also provide a section for posting special instructions such as when payment should be made, etc.
10. The Contractor's system should allow the Lead State or other Participating Entity to charge freight costs if the bidder is unable to pick up the winning bid items.
11. The Contractor's systems must be capable of withdrawing and cancelling an auction without penalty. The Contractor shall notify bidders if an auction has been withdrawn and cancelled.
12. Licensure and Insurance
Contractor must be properly licensed and insured. Contractors shall provide proof of required licensing, as applicable, in Lead State or other Participating Entity, including all applicable licensure and bonding for the proposed services at the time of contracting.
13. Contractor shall provide start-up support to ensure initial agency data is uploaded properly for proper use and management of auctions including but not limited to user access rights and restrictions (including authorization workflows), and buyer and buyer-groups rights and restrictions (if applicable).
14. Contractor shall provide an online training environment to facilitate training new users through hands-on tutorials.
15. Contractor shall provide the level of support as indicated in their proposal.
16. Contractor shall provide verifiable receipts for buyer upon payment (buyer's certificate).
17. Contractor shall provide company policy and/or system restriction on buyer's use of bidding agents.
18. Contractor shall provide fraud detection/prevention in accordance with their proposal.
19. Contractor shall provide security services and support (physical and system) specific to the Auction System in accordance with their proposal, including privacy protection available to buyers and sellers. (Physical security pertains to any servers, staff and facilities that support the Contractor's operations.)
20. Contractor shall provide any software upgrade capability including new version releases at no additional cost to the Lead State or any Participating Entity.
21. Contractor shall provide a system uptime percentage of % as stated in their proposal as well as providing a schedule of expected downtime maintenance.
22. Contractor shall provide a method of system monitoring to ensure optimal performance.
23. Contractor shall offer system backup and a plan to support auctions if the system is unavailable in accordance with the proposal.

Attachment B (Fee Schedule)

COMMISSION ON SALES – to remain fixed for the term of this Agreement and all Amendments to this Agreement.

TIER 1 PRICING OPTIONS

- Option A1: The Client pays a 7.5% fee (subject to a minimum per asset/lot fee of \$5.00) which will be reduced according to the Tiered Fee Reduction Schedule. 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 (subject to a minimum per asset/lot fee of \$5.00) 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 below. 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 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.

TIER 2 PRICING OPTIONS

- Option B1: The Client pays a 7.5% fee (subject to a minimum per asset/lot fee of \$5.00) which will be reduced according to the tiered fee reduction schedule below. The winning bidder pays a 5% buyer's premium.
- Option B2: The Client pays a 5% fee (subject to a minimum per asset/lot fee of \$5.00) and the winning bidder pays a 7.5% buyer's premium.
- Option B3: The Client pays a 2.5% fee (subject to a minimum per asset/lot fee of \$5.00) and the winning bidder pays a 10% buyer's premium.
- Option B4: The Client pays 0% fee and the winning bidder pays a 12.5% buyer's premium.

TIER 1 and TIER 2 AUCTION GROSS:

| | |
|-------------------|------|
| Under \$5000 | 7.5% |
| \$5000-\$20,000 | 7.5% |
| \$20,000-\$50,000 | 7.5% |
| Above \$50,000 | 7.5% |

COMMISSION for vehicles up to \$3,000 7.5%

COMMISSION for vehicles over \$3,000 7.5%

OTHER COSTS TO SELLING ENTITIES: \$0.00

BUYER'S PREMIUM 5.0%

FEE REDUCTION SCHEDULE (available only if Client chooses to pay the full 7.5% fee):

Where an asset sells for up to \$100,000, GovDeals fee is 7.5% of the winning bid, but no less than \$5.00.

Where an asset sells for between \$100,000 and \$500,000, GovDeals fee is 7.5% of the winning bid up to \$100,000, plus 5.5% of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000.

Where an asset sells for between \$500,000 and \$1,000,000, GovDeals fee is 7.5% of the winning bid up to \$100,000, plus 5.5% of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000, and 3.5% of the winning bid amount in excess of \$500,000 up to \$1,000,000.

Where an asset sells for between \$500,000 and \$1,000,000, GovDeals fee is 7.5% of the winning bid up to \$100,000, plus 5.5% of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000, and 3.5% of the winning bid amount in excess of \$500,000 up to \$1,000,000, and 2.5% of the bid amount in excess of \$1,000,000.

