Board of Supervisors Memorandum

May 21, 2013

Auction Services Contract Awards

Background

Invitation for Bid (IFB) No. 71372 was issued on November 26, 2012 for Auction Services for the disposition of:

- Group I Heavy Equipment and Vehicles
- Group II County Vehicles and Light Trucks
- Group III Miscellaneous Equipment and Supplies
- Group IV Regional Wastewater Reclamation Department Wastewater Equipment and Systems

Historically, the County has used several different auction services providers and has, most recently, been using Sierra Auction for various County needs. Sierra's services were procured via a cooperative contract issued by Maricopa County.

As the County's surplus requirements are expected to grow, in part due to the decommissioning of RWRD facilities related to the Regional Optimization Master Plan (ROMP), it was prudent to compete this opportunity. Procurement worked closely with RWRD and Fleet Management to develop a solicitation to meet the needs of each department. In addition, staff worked with and accepted input from Sierra Auction to comprehensively and accurately develop a solicitation.

The IFB was inadvertently cancelled on February 20, 2013 at the request of Fleet Services due to what appeared to be unresolved concerns that the published specifications and supplier responses would not satisfy requirements or would not optimize County revenues. Subsequent review of these concerns by Fleet Services, RWRD and Procurement determined that the IFB specifications and respondents to the IFB would, in fact, meet the County's requirements. Further, a new solicitation would not significantly alter the results, which are deemed advantageous and acceptable, and a new solicitation would be disadvantageous and unfair to respondents as their initial bids were public record.

In an effort to correct the inadvertent cancellation of the IFB, Section 11.12.060.A.1.b. (Limited Competition) of the Procurement Code was utilized, which provides that [...a limited competitive process (may occur) if a situation exists which makes compliance with normal purchasing procedures impracticable or contrary to the public interest. The competition obtained shall be that appropriate under the particular circumstances.]

Report

IFB No. 71372 produced the following results:

		Commission Rates (%)	
Company	**Group**	**Option 1: Award of All Groups**	**Option 2: Award of Individual Groups**
Leader Automotive Group	I	(0.01)	(0.01)
	II	(0.01)	(0.01)
	III	5.8, 4.8	No Bid
	IV	5.8, 3.8, 2.8	No Bid
Rod Robertson Enterprises	I	0	0
	II	0	0
	III	0	0
	IV	0	0
Sierra Auction Management	I	4.0	4.0
	II	4.0	4.4
	III	6.9	25.0
	IV	4.0	6.9
The Public Group	I	10.0	10.0
	II	10.0	10.0
	III	10.0	10.0
	IV	10.0	10.0

Option I rates were requested to determine if a respondent could provide the best overall commission rates, and Option II would determine the best rates by Group. As can be seen from the above table, Leader Automotive Group provided the best commission rates for Groups I and II at -.01 percent, and Rod Robertson Enterprises provided the best commission rates for Groups III and IV at zero percent.

Sierra Auction bid commission rates equal to or greater than 4 percent above Leader Automotive Group and Rod Robertson Enterprises.

Subsequent to the recommendation of award, Sierra Auction requested that both recommended contractors be disqualified based upon both the intent of the requirement and technicality. The basis for their request was:

- Capability of selling surplus
- Contractors facilities
- Size of marketing database
- Better Business Bureau Rating of "A" or greater

Staff researched each of these concerns and determined that both of the recommended contractors were capable of performing the services required. As a further step, the Procurement Director attended a preview of auctions held by Leader on April 12, 2013 and Sierra on April 19, 2013, and reviewed the capabilities of Rod Robertson Enterprises. Rod Robertson Enterprises is currently providing seized vehicle auction services to the Pima County Sheriff and demonstrated they are competent and responsive in satisfying those requirements. There was no discernible difference between the contractors, and all appear well positioned to provide the required services.

Sierra Auction subsequently advised that the solicitation should have been conducted as a Request for Proposal which would have been scored based more on qualitative criteria rather than simply cost. They further expressed that their protest rights had been removed with the use of the Limited Competition provision in the Procurement Code to correct the inadvertent cancellation of the IFB. However, Sierra could have filed a pre-bid protest prior to bid opening, but they had no basis to do so because they had been significantly involved in the development of the IFB.

The IFB did make provisions for a secondary service provider in the event the primary service provider could not immediately provide the services necessary. Sierra Auction Management has been recommended as the secondary provider for Groups III and IV.

Recommendation

It is recommended the Board of Supervisors award five-year contracts for auction services as follows:

Group		Administering Department	Primary Service Provider	Secondary Service Provider
I	Heavy Equipment and Vehicles	Fleet Services	Leader Automotive Group	Rod Robertson Enterprises
II	County Vehicles and Light Trucks	Fleet Services	Leader Automotive Group	Rod Robertson Enterprises
III	Miscellaneous Equipment and Supplies	Procurement	Rod Robertson Enterprises	Sierra Auction Management, Inc.
IV	RWRD Wastewater Equipment/Systems	Regional Wastewater Reclamation	Rod Robertson Enterprises	Sierra Auction Management, Inc.

Respectfully submitted,

C.H. Huckleberry
County Administrator

CHH/mjk – May 7, 2013

c: George Widugiris, Director, Procurement