

**VILLAGE OF SOUTH LEBANON, OHIO  
RESOLUTION NO. 2018-7**

**A RESOLUTION EXPRESSING THE COUNCIL'S INTENT TO SELL UNNEEDED,  
OBSOLETE OR UNFIT PERSONAL PROPERTY BY INTERNET AUCTION AND  
REQUIRING PUBLICATION OF THE SAME; AND AUTHORIZING THE MAYOR  
AND FISCAL OFFICER TO EXECUTE ON BEHALF OF THE VILLAGE A  
CONTRACT WITH GOVDEALS, INC. FOR THE CALENDAR YEAR 2018**

**WHEREAS**, the Village is empowered to sell tangible items of personal property belonging to the Village that is no longer needed for any municipal purposes, in accordance with sections 721.01 – 721.26, inclusive, of the Revised Code; and,

**WHEREAS**, section 721.15 (D) of the Revised Code specifically empowers the Council to sell, regardless of the property's value, personal property, including [but not limited to] motor vehicles acquired for the use of municipal officers and departments, and road machinery, equipment, tools or supplies, which is not needed for public use, or is obsolete or unfit for the use for which it was acquired, by internet auction upon the adoption, *during each calendar year*, of a resolution expressing the Council's intent to sell such property by internet auction; and,

**WHEREAS**, the Council desires to enter into a contract for calendar year 2018 with Govdeals, Inc. for conducting the internet auction for the disposition of unneeded, obsolete or unfit personal property that includes the general terms and conditions of sale; and,

**WHEREAS**, the Council requires the contract specifically provide: (i) that the internet auction shall satisfy the statutory minimum of ten (10) days (including Saturdays, Sundays and legal holidays) for bidding on the property, and (ii) that the Council reserves the right to set a minimum price to be accepted for specific items and any other terms and conditions for a particular sale, such as requirements for pick-up or delivery, method of payment, and sales tax, if it so elects and notifies Govdeals, Inc. of the same which shall be provided on the internet at the time of the auction, and, (iii) that no proceeds from the internet sales shall be paid in cash, rather all proceeds shall be delivered to the Fiscal Officer by cashier or bank certified check, or electronic transfer to the Village's general fund with verification of receipt delivered to the Fiscal Officer; and,

**WHEREAS**, the Fiscal Officer shall cause notice of the Council's intent to sell unneeded, obsolete or unfit municipal personal property by internet auction, to be published, twice, in a newspaper of general circulation in the Village, including a summary of the information contained within this Resolution, and the second publication shall be published not less than ten (10) or more than twenty (20) days after the initial publication; and,

**WHEREAS**, upon the effective date of this Resolution, the Fiscal Officer shall cause notice of this Resolution and the website address for Govdeals, Inc. to be posted continually throughout the calendar year in a conspicuous place in the offices of the Village, as well as continuously throughout the calendar year on the Village's website; and,

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the Village of South Lebanon, at least a majority of all members elected thereto concurring:

**Section 1.** That the Council approves the Contract with Govdeals, Inc., a copy of which is attached hereto and made a part hereof.

**Section 2.** Upon completion of the required publication and approval as to form by the Village Solicitor, and no sooner than the effective date of this Resolution, that the Mayor and Fiscal Officer shall execute the said Contract and the Village Administrator shall process the Contract to Govdeals, Inc. without further delay.

**Section 3.** That the Council is acting in its administrative capacity in adopting this Resolution.

**Section 4.** That the recitals contained within the Whereas Clauses set forth above are incorporated by reference herein.

**Section 5.** That it is found and determined that all formal actions of the Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of Council in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.



Adopted this 1<sup>st</sup> day of March, 2018.

Attest: Nicole Armstrong  
Nicole Armstrong, Fiscal Officer/Clerk

James D. Smith  
James D. Smith, Mayor

First Reading - 2/1/2018

Effective Date - / / 2018

Second Reading - 2/15/2018

Third Reading - 3/1/18

Vote - 6 Yeas

\_\_\_\_ Nays

Prepared by and approved as to form:

PAUL R. REVELSON  
VILLAGE SOLICITOR  
SOUTH LEBANON, OHIO

By: [Signature]

Date: 3/1/18

#### CERTIFICATE OF POSTING

I, Nicole Armstrong, Fiscal Officer of the Village of South Lebanon, Ohio do hereby certify I posted a true and accurate copy of this ordinance or resolution, summary of ordinance or resolution, or statement, order, proclamation, notice or report, at five public places within the Village as authorized by Section 731.25 of the Ohio Revised Code and Ordinance 98-08 of Village of South Lebanon, Ohio.

3/2/18  
Date

Nicole Armstrong  
Nicole Armstrong  
Fiscal Officer  
Village of South Lebanon,  
Ohio

# GovDeals

## Online Auction Memo of Understanding

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This Online Auction Memo of Understanding (MOU) is between GovDeals, Inc. ("GovDeals"), a Delaware corporation having its principal place of business at 100 Capitol Commerce Boulevard - Suite 110 - Montgomery, Alabama, 36117 and the Village of South Lebanon ("Client"), having its principal place of business 99 North High Street – South Lebanon, Ohio 45065.

**1.0 Description of Services:** GovDeals provides a means for Client to post assets for sale and for potential buyers to bid on these assets via an online auction system. Although GovDeals provides system access for Client to list assets, GovDeals is not a party to the actual sale and has no control over the listed information or the ability of the buyer and Client to complete the transaction.

**2.0 GovDeals' Responsibilities:** In addition to maintaining and operating an online auction system, GovDeals will provide Client with the following services for the period agreed to in 5.0 below:

**2.1** Access to a GovDeals online "Client Asset Server" (CAS), which will allow Client to load assets to the online auction system, maintain information about assets and view and run reports. The CAS will provide Client with the following capabilities:

- Accept descriptive information concerning an asset including unlimited photos
- Allow different auction phases based upon dates and times
- Allow Client to set minimum starting prices, bid increments and reserves

**2.2** Training and support services to assist Client in implementing the GovDeals online auction system, which will include:

- Familiarization with the nature and operation of CAS
- Guidance in the posting of assets and provide ongoing support
- Procedures for taking and posting pictures of assets
- Based on mutual agreement between GovDeals and Client, training and support services will be provided on-site or via telephone or Internet

**2.3** Help Desk support available via telephone or email during normal business hours, except announced holidays.

**2.4** Provide marketing of assets posted to the online auction site and promote use of the site to potential buyers.

- Work with Client to identify items that may benefit from marketing attention.
- Provide documented proof of all marketing efforts made on behalf of Client.
- Assist in determining values and starting prices for unique and high dollar assets.

**3.0 Fees:** Please elect a Flexible Pricing Option (FPO) from Exhibit A and enter selection below signature block on MOU page two (2).

**4.0 Payment:**

**4.1** If Client elects to collect auction proceeds, GovDeals will invoice Client for fees on the first business day of the month following the month assets are sold. Client agrees to remit payment to GovDeals within thirty (30) calendar days from receipt of invoice, unless an applicable prompt payment act or similar legislation specifies a different time period.



- 4.2 Client shall promptly, but no more than fifteen (15) business days after the auction end date, notify GovDeals of any transaction that was not completed. The fees for said transaction shall be credited to Client during the next invoice period.
- 4.3 If Client elects GovDeals to collect auction proceeds electronically via PayPal, credit card or wire transfer please review and complete **Exhibit B**.
- 5.0 **Term of MOU:** This MOU shall commence on the date it is signed by the second party and will continue for a period of twelve months unless otherwise terminated upon sixty days written notice by either party. This MOU shall automatically extend for additional one-year periods, unless either party notifies the other in writing of its intent not to renew at least sixty days prior to the anniversary date.
- 6.0 **Terms and Conditions:** Please find **Exhibit C** attached as an example of suggested Client Terms and Conditions. At any time during the term of this MOU, Client may modify the Terms and Conditions. Any substitutions or modification must be submitted to GovDeals in writing before posting assets to the GovDeals auction site.
- 7.0 **Governance:** This MOU will be governed, interpreted, construed and enforced in accordance with the laws of the State of Ohio.
- 8.0 **Non-Exclusive Engagement:** This MOU is not exclusive. Client may utilize other approaches, including traditional auctioneer services or sealed bids. However, it is understood and agreed that Client will not utilize other disposal approaches for an asset at the same time the asset is listed on the GovDeals online auction site or sell by some other means to a prior bidder any item currently or previously listed on the GovDeals site for the purpose of avoiding payment of the GovDeals fee. Client agrees to not manipulate or interfere with the bidding process on the GovDeals site.

This online auction memo of understanding is agreed to by:

GovDeals, Inc

Client: Village of South Lebanon

Signature: \_\_\_\_\_

Signature: James D. Smith

Print Name: Roger Gravley

Print Name: James D Smith

Title: President

Title: Mayor

Date: \_\_\_\_\_

Date: 3-1-19

**Memo of Understanding Contact:**

Attention: Sales Support  
100 Capitol Commerce Blvd, Ste 110  
Montgomery, AL 36117  
Telephone Number: 866.377.1494  
Fax Number: 334.387.0519  
Email: [salesupport@govdeals.com](mailto:salesupport@govdeals.com)

**Flexible Pricing Options (FPO)**

Select one from options described in GovDeals Memo of Understanding- Exhibit A:

Client Collects Proceeds

- ☐ Option A1 (7.5% Seller- 0% Buyer)  
☒ Option A2 (0% Seller- 7.5% Buyer)

Client elects FSS (GovDeals collects Proceeds)

- ☐ Option B1 (7.5% Seller- 5% Buyer)  
☐ Option B2 (5% Seller- 7.5% Buyer)  
☐ Option B3 (2.5% Seller- 10% Buyer)  
☐ Option B4 (0% Seller- 12.5% Buyer)



## EXHIBIT A - Online Auction Memo of Understanding

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### Flexible Pricing Options (FPO)

**The Client has the option to choose from the following alternative plans:**

#### **A - Client Collects Proceeds**

**Option A1:** The Client pays a 7.5% fee, but not less than \$5.00, which will be reduced according to the Tiered Fee Reduction Schedule described below. 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, but not less than \$5.00, and is given the capability to easily pass the entire fee on to the winning bidder as an Administrative Fee based on the Tiered Fee Reduction Schedule described below. The amount invoiced to the winning bidder will include the gross sale amount of the item, the administrative fee, and any special fees and sales tax. GovDeals will invoice the client each month for fees on items sold in the previous month. This invoice will equal the Administrative fees collected, therefore, making the client's effective fee zero percent (0%). The client is allowed thirty (30) calendar days from date of invoice receipt to remit payment.

**B - Client Elects GovDeals Financial Settlement Services (FSS) allowing GovDeals to Collect Proceeds. Only one option below can be used and once this option is chosen, it cannot be changed for twelve (12) months.**

**Option B1:** The Client pays a 7.5% fee, but not less than \$5.00, and the winning bidder pays a 5% Buyers Premium.\*

**Option B2:** The Client pays a 5% fee, but not less than \$5.00, and the winning bidder pays a 7.5% Buyers Premium.

**Option B3:** The Client pays a 2.5% fee, but not less than \$5.00, and the winning bidder pays a 10% Buyers Premium.

**Option B4:** The Client pays 0% and the winning bidder pays a 12.50% Buyers Premium.

\*If the Client chooses to pay the full 7.5% fee, they will have access to the **Tiered Fee Reduction Schedule**.

#### **Tiered Fee Reduction Schedule**

GovDeals' **Tiered Fee Reduction Schedule** below explains how the base auction fee of 7.5% is reduced for assets that sell in excess of \$100,000 on [www.govdeals.com](http://www.govdeals.com).

1. **When an asset sells for up to \$100,000 in a winning bid, the GovDeals fee is seven and one-half percent (7.5%) of the winning bid, but not less than \$5.00.**
2. Where an asset sells for more than \$100,000, and up to \$500,000 the GovDeals fee is seven and one-half percent (7.5%) of the winning bid up to \$100,000, plus five and one-half percent (5.5%) of the winning bid for auction proceeds in excess of \$100,000 up to \$500,000.
3. Where an asset sells for greater than \$500,000, and up to \$1,000,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the bid amount in excess of \$500,000 up to \$1,000,000.
4. Where an asset sells for greater than \$1,000,000 the GovDeals fee is seven and one-half percent (7.5%) of the first \$100,000 of the winning bid, plus a fee of five and one-half percent (5.5%) of the next \$400,000 of the winning bid, plus a fee of three and one-half percent (3.5%) of the next \$500,000 of the winning bid, plus a fee of two and one-half percent (2.5%) of the bid amount in excess of \$1,000,000.



## **EXHIBIT B - Online Auction Memo of Understanding**

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### **Financial Settlement Services (FSS)**

It is understood the Client elects GovDeals to collect all proceeds due the Client from the winning bidder and remit the proceeds to the Client less the GovDeals fee. Optionally, the Client may elect to not have GovDeals withhold the fee by electing the appropriate section on the following page of this exhibit.

GovDeals will charge the winning bidder a "Buyer's Premium", therefore, the Client is not allowed to charge the winning bidder an additional "Buyer's Premium".

GovDeals will collect all proceeds from the winning bidder, including the "Buyer's Premium" through PayPal, credit card or wire transfer. This is the only means of payment by the bidder.

The Client will not release an asset to the winning bidder until the Client has received verification from GovDeals that payment has been received from the winning bidder. Prior to an item being released to the winning bidder, the Client will ensure the winning bidder or his/her agent has signed a "Bill of Sale" containing the following notation: "Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises there is no refund of monies previously paid". The Bill of Sale must be printed from the Client Asset Server (CAS). Any other "Bill of Sale" used by the Client must be submitted to GovDeals for approval.

No proceeds will be remitted to the Client for any asset sold without verification of payment from GovDeals and verification from the Client the item has been picked up by the winning bidder. Approved payment from the winning bidder through PayPal, credit card or wire transfer will be noted in CAS. It is the Client's responsibility to notify GovDeals when an item has been picked up, which is accomplished by the Client accessing CAS and selecting the "Picked Up" option from the "Paid, not picked up" report.

GovDeals will remit all proceeds collected, less the "Buyer's Premium" and the GovDeals fee to the Client on a weekly basis for all assets marked in CAS as 'Picked Up'. However, if you choose to be invoiced for the GovDeals' fee, GovDeals will remit all proceeds collected, less the "Buyer's Premium" only. All proceeds will be remitted electronically by Automatic Clearing House (ACH) unless elected on the following page of this exhibit to receive a paper check. Whether proceeds are remitted electronically via ACH or via paper check, a detailed backup will be submitted to the Client to support the amount remitted.

Under no circumstance will the Client collect any proceeds directly from the winning bidder and if requested to do so, the Client should refer the winning bidder directly to GovDeals for payment instructions.

GovDeals will absorb all costs of Charge Backs by PayPal or a credit card company where an item is released to the winning bidder after the Client receives proper payment notification from GovDeals, GovDeals receives proper pickup notification from the Client and the Client obtained and retained a signed "Bill of Sale" from the winning bidder.

GovDeals will refund proceeds collected to the winning bidder in those rare occasions where the winning bidder pays for an asset but never picks it up and subsequently convinces PayPal or the credit card company to withdraw the amount from GovDeals' bank account. It is the Client's responsibility to request a credit on the asset paid for but not picked up as soon as the allowable pick up time passes. By taking the credit, it insures GovDeals will not charge the Client a fee and will allow the Client to resell the asset. If the asset is mistakenly placed in 'picked up' status by the Client and GovDeals has remitted payment, the Client agrees to refund this amount back to GovDeals.

A GovDeals' Client Services Representative or a GovDeals Help Desk Representative will train the Client on how to effectively use the Financial Settlement Services feature and provide ongoing support as needed. There are no additional costs to the Client for training and support.

GovDeals is covered by a Crime Insurance Policy with a limit of \$5,000,000, which will protect the Client against any loss of funds.

## Financial Settlement Services (FSS) Election and Information

### **Please complete payment instructions below:**

If client elects FSS, this section must be completed when submitting the signed MOU back to GovDeals.

Accounting Contact: \_\_\_\_\_  
(Person to receive checks and invoices) Name and Title

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

### **(Please choose only one option for payment)**

If payment will be made by ACH, please provide the following information:

Name of Bank	
County of Bank	
Name of Client: (Name on bank account)	
Bank Routing Number	
Bank Account Number	
Checking/Savings	

### **OR:**

If payment will be made by paper check, please provide the following information:

Make check payable to:

Village of South Lebanon  
Client's Legal Name

Mail check to:

99 N High St., PO Box 40  
Street Address / P.O. Box Number  
South Lebanon, OH 45065  
City, State and Zip Code



## Village of South Lebanon

South Lebanon, Ohio

### Online Sales - Terms and Conditions

**All bidders and other participants of this service agree they have read and fully understand these terms and agree to be bound thereby.**

**Guaranty Waiver.** All assets are offered for sale “AS IS, WHERE IS.” Village of South Lebanon (Seller) makes no warranty, guaranty or representation of any kind, expressed or implied, as to the merchantability or fitness for any purpose of the property offered for sale. The Buyer is not entitled to any payment for loss of profit or any other money damages – special, direct, indirect or consequential.

**Description Warranty.** Seller warrants to the Buyer the property offered for sale will conform to its description. Any claim for misdescription must be made prior to removal of the property. If Seller confirms the property does not conform to the description, Seller will keep the property and refund any money paid. The liability of the Seller shall not exceed the actual purchase price of the property. Please note upon removal of the property, **all sales are final.**

**Personal and property risk.** Persons attending during exhibition, sale or removal of goods assume all risks of damage of or loss to person and property and specifically release the seller and GovDeals from liability therefore.

**Inspection.** Most assets offered for sale are used and may contain defects not immediately detectable. Bidders may inspect the property prior to bidding. Bidders must adhere to the inspection dates and times indicated in the asset description. See special instructions on each asset page for inspection details.

**Consideration of Bid.** Seller reserves the right to reject any and all bids and to withdraw from sale any of the assets listed.

**Buyer's Certificate.** Successful bidders will receive a Buyer's Certificate by email from GovDeals.

**Buyers Premium.** If a Buyers Premium is shown on the auction page bidder box, then that amount (expressed as a percentage of the final selling price) will be added to the final selling price of all items in addition to any taxes imposed.

**Payment.** Payment in full is due not later than **5 business days** from the time and date of the Buyers Certificate. Payment must be made electronically through the GovDeals Website.

Acceptable forms of payment are:

- PayPal
- Wire Transfer
- Visa



- MasterCard
- American Express
- Discover

PayPal and Credit Card purchases are limited to below \$5,000.00. If the winning bid plus applicable taxes, if any indicated, and the buyer's premium, equals more than \$4,999.99, PayPal and Credit Cards may not be used. If Wire Transfer is chosen, a Wire Transfer Transaction Summary page will provide payment and account information. The Wire Transfer must be completed within 5 days.

**\*The next section (payment) is used if the client collects the proceeds and may be modified to reflect exact forms of payment accepted by the client. The Buyers Premium and Payment section (above) is used only when GovDeals collects proceeds.**

**\*Payment.** Payment in full is due not later than **5 business days** from the time and date of the Buyer's Certificate. Acceptable forms of payment are:

- U. S. Currency
- Certified Cashiers Check
- Money Order
- Company Check (with Bank Letter guaranteeing funds – **mandatory**)

Checks shall be made payable to: **Village of South Lebanon**. Payments shall be made at the location listed in the Buyer's Certificate.

**Removal.** All assets must be removed within **ten (10) business days** from the time and date of issuance of the Buyer's Certificate. Purchases will be released only upon receipt of payment as specified. Successful bidders are responsible for loading and removal of any and all property awarded to them from the place where the property is located as indicated on the website and in the Buyer's Certificate. The Buyer will make all arrangements and perform all work necessary, including packing, loading and transportation of the property. Under no circumstances will **Seller** assume responsibility for packing, loading or shipping. See instructions on each asset page for removal details. A daily storage fee of \$10.00 may be charged for any item not removed within the ten (10) business days allowed and stated on the Buyer's Certificate.

**Vehicle Titles.** **Seller** will issue a title or certificate upon receipt of payment. Titles may be subject to restrictions as indicated in the asset description on the website.

**Default.** Default shall include (1) failure to observe these terms and conditions; (2) failure to make good and timely payment; or (3) failure to remove all assets within the specified time. Default may result in termination of the contract and suspension from participation in all future sales until the default has been cured. If the Buyer fails in the performance of their obligations, **Seller** may exercise such rights and may pursue such remedies as are provided by law. **Seller reserves the right to reclaim and resell all items not removed by the specified removal date.**

**Acceptance of Terms and Conditions.** By submitting a bid, the bidder agrees they have read, fully understand and accept these Terms and Conditions, and agree to pay for and remove the property, by the dates and times specified. These Terms and Conditions are displayed at the top of each page of each asset listed on GovDeals. Special Instructions appearing on the asset page will override certain sections of the terms and conditions.



**State/Local Sales and/or Use Tax.** Buyers may be subject to payment of State and/or local sales and/or use tax. Buyers are responsible for contacting seller or the appropriate tax office, completing any forms and paying any taxes that may be imposed.

**Sales to Employees.** Employees of the **Seller** may bid on the property listed for auction, so long as they do NOT bid while on duty.