

COMMONWEALTH OF VIRGINIA

STANDARD CONTRACT

Contract Number: VTS-2264-2025

This contract entered into this 27th day of August 2024 by Matthews Auctioneers hereinafter called the "Contractor" and Commonwealth of Virginia, Virginia Polytechnic Institute and State University called "Virginia Tech."

WITNESSETH that the Contractor and Virginia Tech, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide Online Auction Services for disposition of University Surplus Property to Virginia Tech as set forth in the Contract Documents.

PERIOD OF CONTRACT: From September 1, 2024 through August 31, 2029. With options for three (3) two (2) year renewals.

COMPENSATION AND METHOD OF PAYMENT: The Contractor shall be paid by Virginia Tech in accordance with the Contract Documents.

CONTRACT DOCUMENTS: The Contract Documents shall consist of this signed contract, Request for Proposal (RFP) number 71412413 dated March 15, 2024, together with Addendum Number 1 To RFP dated April 2, 2024, the proposal submitted by the Contractor dated April 15, 2024 and the negotiation summary, all of which Contract Documents are incorporated herein.

ELECTRONIC TRANSACTIONS: If this paragraph is initialed by both parties, to the fullest extent permitted by Code of Virginia, Title 59.1, Chapter 42.1, the parties do hereby expressly authorize and consent to the use of electronic signatures as an additional method of signing and/or initialing this contract and agree electronic signatures (for example, the delivery of a PDF copy of the signature of either party via facsimile or electronic mail or signing electronically by utilizing an electronic signature service) are the same as manual executed handwritten signatures for the purposes of validity, enforceability and

admissibility.
SL RN

(Initials)

In WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

Signed by:
Contractor
By: Stephen LaRaviere
FDE8C4C33BB3426...
(Signature)
Stephen LaRaviere president

Name and Title

DocuSigned by:
Virginia Tech
By: Reed Nagel
5EF51DA320D049B...
Reed Nagel
Director of Procurement



Request for Proposal 71412413

For

Online Auction Services for Disposition of University Surplus Property

March 15, 2024

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

RFP # 71412413, Online Auction Services for Disposition of University Surplus Property

INCLUDE THIS PAGE WITH YOUR PROPOSAL, SIGNATURE AT SUBMISSION IS REQUIRED

DUE DATE: Proposals will be received until April 15, 2024 at 3:00 PM. Failure to submit proposals to the correct location by the designated date and hour will result in disqualification.

INQUIRIES: All inquiries for information regarding this solicitation should be directed to Angela Caldwell, Phone: (540) 231-1269 e-mail: acaldwell@vt.edu. All inquiries will be answered in the form of an addendum. Inquiries must be submitted by 2:00 PM on March 29, 2024. Inquiries must be submitted to the procurement officer identified in this solicitation.

PROPOSAL SUBMISSION:

***Please note, proposal submission procedures have changed effective March 2023.**

Proposals may NOT be hand delivered to the Procurement Office.

Proposals should be submitted electronically through Virginia Tech's procurement portal. This portal allows you access to view business opportunities and submit bids and proposals to Virginia Tech digitally and securely.

Proposals must be submitted electronically at:

<https://bids.scquest.com/apps/Router/PublicEvent?CustomerOrg=VATech>

Vendors will need to register through this procurement portal, hosted by Jaggaer. **It is encouraged for all vendors to register prior to the proposal submission deadline to avoid late submissions.** Registration is easy and free. If you have any challenges with the registration process, please contact Jaggaer Support at 1-800-233-1121 or procurement@vt.edu.

Click on the opportunity and log in to your vendor account to begin preparing your submission. Upon completion, you will receive a submission receipt email confirmation. Virginia Tech will not confirm receipt of proposals. It is the responsibility of the offeror to make sure their proposal is delivered on time.

Hard copy or email proposals will not be accepted. Late proposals will not be accepted, nor will additional time be granted to any individual Vendor.

Attachments must be smaller than 50MB in order to be received by the University.

In compliance with this Request For Proposal and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the goods or services in accordance with the attached signed proposal and as mutually agreed upon by subsequent negotiation.

AUTHORIZED SIGNATURE: _____ Date: _____

[INCLUDE THIS PAGE]

I. PURPOSE:

This Request for Proposal (RFP) seeks to solicit proposals to establish a contract through competitive negotiations by Virginia Polytechnic Institute and State University (Virginia Tech), an agency of the Commonwealth of Virginia.

Up until 2020, Virginia Tech held in person auctions at its warehouse in Blacksburg. With COVID restrictions the university converted to a solely online auction format, holding up to ten auctions per year online. Our original contract with Matthews Auctioneers is expiring in the summer of 2024 and we are resoliciting for an online auction platform and service provider to partner with the university. Sales from the online auctions per year since FY20 are as follows:

FY23: \$ 1,048,658.48

FY22: \$ 872,919.28

FY21: \$ 743,772.00

FY20: \$ 524,456.00

II. SMALL, WOMAN-OWNED AND MINORITY (SWAM) BUSINESS PARTICIPATION:

The mission of the Virginia Tech supplier opportunity program is to foster inclusion in the university supply chain and accelerate economic growth in our local communities through the engagement and empowerment of high quality and cost competitive small, minority-owned, women-owned, and local suppliers. Virginia Tech encourages prime suppliers, contractors, and service providers to facilitate the participation of small businesses, and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other inclusive and innovative relationships.

For more information, please visit: <https://www.sbsd.virginia.gov/>

III. CONTRACT PERIOD:

The term of this contract is for five year(s), or as negotiated. There will be an option for three (3) two (2) year renewals, or as negotiated.

IV. EVA BUSINESS-TO-GOVERNMENT ELECTRONIC PROCUREMENT SYSTEM:

The eVA Internet electronic procurement solution streamlines and automates government purchasing activities within the Commonwealth of Virginia. Virginia Tech, and other state agencies and institutions, have been directed by the Governor to maximize the use of this system in the procurement of goods and services. *We are, therefore, requesting that your firm register as a vendor within the eVA system.*

There are transaction fees involved with the use of eVA. These fees must be considered in the provision of quotes, bids and price proposals offered to Virginia Tech. Failure to register within the eVA system may result in the quote, bid or proposal from your firm being rejected and the award made to another vendor who is registered in the eVA system.

Registration in the eVA system is accomplished on-line. Your firm must provide the necessary information. Please visit the eVA website portal at <http://www.eva.virginia.gov/pages/eva-registration-buyer-vendor.htm> and **register both with eVA and Ariba**. *This process needs to be completed before Virginia Tech can issue your firm a Purchase Order or contract.* If your firm conducts business from multiple geographic locations, please register these locations in your initial registration.

For registration and technical assistance, reference the eVA website at: <https://eva.virginia.gov/>, or call 866-289-7367 or 804-371-2525.

V. CONTRACT PARTICIPATION:



It is the intent of this solicitation and resulting contract to allow for cooperative procurement. Accordingly, any public body, public or private health or educational institutions, or Virginia Tech's affiliated corporations and/or partnerships may access any resulting contract if authorized by the contractor.

Participation in this cooperative procurement is strictly voluntary. If authorized by the Contractor, the resultant contract may be extended to the entities indicated above to purchase at contract prices in accordance with contract terms. The Contractor shall notify Virginia Tech in writing of any such entities accessing the contract, if requested. No modification of this contract or execution of a separate contract is required to participate. The Contractor will provide semi-annual usage reports for all entities accessing the Contract, as requested. Participating entities shall place their own orders directly with the Contractor and shall fully and independently administer their use of the contract to include contractual disputes, invoicing and payments without direct administration from Virginia Tech. Virginia Tech shall not be held liable for any costs or damages incurred by any other participating entity as a result of any authorization by the Contractor to extend the contract. It is understood and agreed that Virginia Tech is not responsible for the acts or omissions of any entity, and will not be considered in default of the contract no matter the circumstances.

Use of this contract does not preclude any participating entity from using other contracts or competitive processes as the need may be.

VI. STATEMENT OF NEEDS/SCOPE OF WORK:

- A. The University is seeking a single, experienced online auction service to execute online/internet surplus property auctions for and at no cost to the University.
- B. The University will prepare and sequentially number all lots of items that will be offered for sale and will provide quality pictures of the merchandise and corresponding descriptions to upload to the online platform. The University is willing to upload this information to the online auction platform or provide the raw data for preparation of the online auction in the system by the awarded firm.
- C. Offeror must provide a secure, state of the art online bidding system that has a unique URL in which prospective bidders can register, be pre-approved, place multiple bids and receive electronic communications quickly and efficiently. The online bidding system must also provide seamless functionality to conduct all aspects of online sales, including the adding and removal of lots.
- D. Offeror will be responsible for collection of all winning bids. Offeror must be able to accept and process credit card transactions or other methods of electronic fund transfers with no additional transaction and/or processing fees charged to the university or the bidders. The online platform used must adhere to all industry standards and PCI compliance.

Vendor represents and warrants that for the life of the contract and/or while Vendor has possession of University customer cardholder data, the software and services used for processing transactions shall be compliant with standards established by the Payment Card Industry (PCI) Security Standards Council (www.pcisecuritystandards.org). In the case of a third-party application, the application will be listed as PA-DSS compliant at the time of implementation by the University. Vendor acknowledges and agrees that it is responsible for the security of all University customer cardholder data in its possession. Vendor agrees to indemnify and hold University, its officers, employees, and agents, harmless for, from, and against any and all claims, causes of action, suits, judgments, assessments, costs (including reasonable attorneys' fees), and expenses arising out of or relating to any loss of University customer credit card or identity information managed, retained, or maintained by Vendor, including but not limited to fraudulent or unapproved use of such credit card or identity information. Vendor shall, upon written request, furnish proof of compliance with the Payment Card Industry Data Security Standard (PCI DSS) within 10 business days of the request. Vendor agrees that, notwithstanding anything to the contrary in the Agreement or the Addendum, the University may terminate the Agreement immediately without penalty upon notice to the Vendor in the event Vendor fails to maintain compliance with the PCI DSS or fails to maintain the confidentiality or integrity of any cardholder data.

Contractor agrees that if its service provider, "" becomes non-PCI compliant or a Qualified Security Assessor (QSA), or acquiring bank notifies Hi-bid/Auction Flex it is not PCI-compliant, contractor will notify the University within 15 days of this change in status.

Contractor agrees that if its service Provider "Hi-bid/Auction Flex" becomes aware of an unauthorized release or breach of the cardholder data environment, Contractor will notify the university within twenty-four (24) hours. If the discovery of a breach were to occur on a weekend, Virginia Tech has a help-line (540-231-4357) that is available 24 hours a day, 7 days a week for reporting.

- E. Offeror must be prepared to provide to the University a full remittance check representing reconciled net proceeds within fifteen (15) business days. Payment should include a copy of the final auction results and documentation showing that all collected sales tax has been paid in accordance with the Department of Taxation. Only one remittance check per auction will be permitted.
- F. Offeror shall submit copies of all sales receipts no later than 3:00 PM Friday following the auction.
- G. Offeror shall place all gross sales proceeds in an FDIC insured bank located within the Commonwealth of Virginia and such funds must be placed in an account used exclusively for the purpose of retaining the proceeds of the auction until full reconciliation and payment is remitted to the University by the Offeror. Sales funds shall not be co-mingled with Offeror's private funds under any circumstances.
- H. Auction will be advertised for pick up only. Pick Up of merchandise will be coordinated and overseen by the University Surplus Staff. Pickup begins the Saturday following the auction. Receipt's from auction company need to be sent to Surplus no later than 3:00pm the Friday following the auction. Offeror can offer assistance with the coordination of the pickup of merchandise by remitting all paid invoices within seven (7) business days to the university and channeling any communication regarding pick up of merchandise to the Virginia Tech Surplus Property Department.
- I. The University will cooperate with any shipping or freight service offered and managed through Offeror's services direct to the buyers as long as the arranged shipper or freight

company takes full responsibility for pickup and packaging of the items with no additional services needed or provided by the University Surplus Department. The University's Gross and Net proceeds shall not be affected by any offering of shipping or freight services by the Offeror to the buyers.

- J. Offeror will be required to advertise the University's Auction just as the offeror advertises their other auctions. The selected Offeror is responsible for all their advertising costs. The University will also advertise the auction through its website and normal communication channels and will be responsible for its advertising costs. Offeror's marketing and advertising costs may not be deducted from gross or net sales proceeds.
- K. All reports shall provide management and sale reports and make them electronically available in Microsoft Excel.
- L. In the event of non-payment by a buyer, said buyer shall be subject to suspension from all future auctions conducted by the offeror for Virginia Tech.

VII. PROPOSAL PREPARATION AND SUBMISSION:

A. Specific Requirements

Proposals should be as thorough and detailed as possible so that Virginia Tech may properly evaluate your capabilities to provide the required goods or services. Offerors are required to submit the following information/items as a complete proposal:

- 1. Provide your company's background, history and volume of online auction experience.
- 2. Provide company's online bidding system.
 - A. Include a detailed description of your online auction system including screenshots or providing a link to view a demo of the product.
- 3. Implementation Plan:
 - A. Describe how you will register bidders and track results of multiple auction bidding events that end simultaneously or separately.
 - B. Describe how you will provide online security and identify protection.
 - C. Describe your normal terms and conditions of sale to buyers.
 - D. Describe how you will remedy and discourage delinquent buyers.
 - E. Describe the size and demographics of your buyers list and why you feel it would benefit the University if you were the selected Offeror.
 - F. Describe how you will recruit and register new buyers for online auctions of University Surplus property.
 - G. Describe how you will ensure accurate information on sales receipts.
 - H. Describe how you will generate highest available sales prices for items.

- I. Describe how you will collect payment and ensure against fraudulent transactions on the part of the bidders.
4. Quality Control Plan:
 - A. Provide details on your procedures to monitor the quality of services.
 - B. Describe details on methods used to monitor, identify and correct deficiencies in the quality of service provided and impact on the auction services being provided.
 - C. Describe how you will ensure a secure and reliable online presence during an auction, and what contingencies you have in place should a major technical problem disrupts an auction.
 - D. Describe how you will ensure that you will not have server failures occur in the course of the online auction. Include contingencies and redundancies in your technology plan.
 5. Default by High Bidders:
 - A. Describe your company's policies and procedures in the case of defaults by the highest successful bidder after close of sale.
 - B. Describe techniques that your company employs to discourage highest successful bidders from defaulting on commitment to buy an item after close of sale.
 6. Reports and Project Control:
 - A. Describe your firm's abilities to provide the following reports:
 1. Annual Sales Report – shall be provided to Virginia Tech following the end of each fiscal year (June 30).
 2. Marketing Reports – an advertising breakdown showing publication circulation or other means to support the auction as a publicly provided auction.
 3. Auction Reports – a complete computerized listing of the initial sales results within one (1) hour from the close of each sale.
 4. Final Auction Reports – a complete computerized listing of all complete sales reports within twenty-four (24) hours of the close of each sale.
 5. Reconciled Auction Reports – a complete and reconciled auction report submitted no later than seven (7) business days from the close of each sale. This report should report the following:
 - a. Number of lots sold
 - b. List of selling prices by lot number and lot description
 - c. Total Sales
 - d. Bidder List
 - e. Bidder Total
 - f. Any technical or other problems that may have been interfered with conduct of the auction
 - g. Other information that may be requested

6. Quarterly bank account statements – showing the complete and reconciled disbursement of the account used to collect auction sale proceeds.
7. Submission of Commission Rate Proposal (See Attachment D – Submission Template)
8. Participation of Small, Women-owned and Minority-owned Business (SWAM) Business:

If your business cannot be classified as SWaM, describe your plan for utilizing SWaM subcontractors if awarded a contract. Describe your ability to provide reporting on SWaM subcontracting spend when requested. If your firm or any business that you plan to subcontract with can be classified as SWaM, but has not been certified by the Virginia Department of Small Business and Supplier Diversity (SBSD), it is expected that the certification process will be initiated no later than the time of the award. If your firm is currently certified, you agree to maintain your certification for the life of the contract. For assistance with SWaM certification, visit the SBSB website at <http://www.sbsd.virginia.gov/>
9. The return of the Submission Instruction page and addenda, if any, signed and filled out as required.

B. General Requirements

1. RFP Response: In order to be considered for selection, Offerors shall submit a complete response to this RFP to include;

- A. **One (1) electronic document** in WORD format or searchable PDF of the entire proposal as one document, INCLUDING ALL ATTACHMENTS must be uploaded through the Virginia Tech online submission portal. Refer to page 2 for instructions.

Any proprietary information should be clearly marked in accordance with 2.d. below.

- B. Should the proposal contain **proprietary information**, provide **one (1) redacted electronic copy** of the proposal and attachments **with proprietary portions removed or blacked out**. This redacted copy should follow the same upload procedures as described on Page 1 of this RFP. This redacted copy should be clearly marked “*Redacted Copy*” within the name of the document. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable. Virginia Tech shall not be responsible for the Contractor’s failure to exclude proprietary information from this redacted copy.

No other distribution of the proposals shall be made by the Offeror.

2. Proposal Preparation:

- a. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in Virginia Tech requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by Virginia Tech at its discretion. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

- b. Proposals should be prepared simply and economically providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
 - c. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, subletter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and subletter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
 - d. Ownership of all data, material and documentation originated and prepared for Virginia Tech pursuant to the RFP shall belong exclusively to Virginia Tech and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act. However, to prevent disclosure the Offeror must invoke the protections of Section 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other materials is submitted. The written request must specifically identify the data or other materials to be protected and state the reasons why protection is necessary. –The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and may result in rejection of the proposal.
2. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to Virginia Tech.—This will provide an opportunity for the Offeror to clarify or elaborate on the proposal but will in no way change the original proposal. Virginia Tech will schedule the time and location of these presentations. Oral presentations are an option of Virginia Tech and may not be conducted. Therefore, proposals should be complete.

VIII. SELECTION CRITERIA AND AWARD:

A. Selection Criteria

Proposals will be evaluated by Virginia Tech using the following:

<u>Criteria</u>	<u>Maximum Point Value</u>
1. Quality of products/services offered and suitability for the intended purposes	30
2. Qualifications and experiences of Offeror in providing	20

the goods/services

3. Specific plans or methodology to be used to provide the Services	20
4. Cost (or Price)	20
5. Participation of Small, Women-Owned and Minority (SWAM) Business	10
Total	100

B. Award

Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposal, including price, if so stated in the Request for Proposal. Negotiations shall then be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, Virginia Tech shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. Virginia Tech may cancel this Request for Proposal or reject proposals at any time prior to an award. Should Virginia Tech determine in writing and in its sole discretion that only one offeror has made the best proposal, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of this solicitation and the Contractor's proposal as negotiated.

Virginia Tech reserves the right to award multiple contracts as a result of this solicitation.

IX. INVOICES:

Invoices for goods or services provided under any contract resulting from this solicitation shall be submitted by email to vtinvoices@vt.edu or by mail to:

Virginia Polytechnic Institute and State University (Virginia Tech)
 Accounts Payable
 North End Center, Suite 3300
 300 Turner Street NW
 Blacksburg, Virginia 24061

X. METHOD OF PAYMENT:

Virginia Tech will authorize payment to the contractor as negotiated in any resulting contract from the aforementioned Request for Proposal.

Payment can be expedited through the use of the Wells One AP Control Payment System. Virginia Tech strongly encourages participation in this program. For more information on this program please refer to Virginia Tech's Procurement website: <http://www.procurement.vt.edu/vendor/wellsone.html> or contact the procurement officer identified in the RFP.

XI. ADDENDUM:

Any **ADDENDUM** issued for this solicitation may be accessed at <http://www.apps.vpfin.vt.edu/html.docs/bids.php>. Since a paper copy of the addendum will not be mailed to you, we encourage you to check the web site regularly.

XII. COMMUNICATIONS:

Communications regarding this solicitation shall be formal from the date of issue, until either a Contractor has been selected or the Procurement Department rejects all proposals. Formal communications will be directed to the procurement officer listed on this solicitation. Informal communications, including but not limited to request for information, comments or speculations regarding this solicitation to any University employee other than a Procurement Department representative may result in the offending Offeror's proposal being rejected.

XIII. CONTROLLING VERSION OF SOLICITATION:

The posted version of the solicitation and any addenda issued by Virginia Tech Procurement Services is the mandatory controlling version of the document. Any modification of/or additions to the solicitation by the Offeror shall not modify the official version of the solicitation issued by Virginia Tech Procurement Services. Such modifications or additions to the solicitation by the Offeror may be cause for rejection of the proposal; however, Virginia Tech reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

XIV. TERMS AND CONDITIONS:

This solicitation and any resulting contract/purchase order shall be governed by the attached terms and conditions, see Attachment A.

XV. CONTRACT ADMINISTRATION:

- A. Ron Barrett, Assistant Director for Surplus Property at Virginia Tech or their designee, shall be identified as the Contract Administrator and shall use all powers under the contract to enforce its faithful performance.
- B. The Contract Administrator, or their designee, shall determine the amount, quantity, acceptability, fitness of all aspects of the services and shall decide all other questions in connection with the services. The Contract Administrator, or their designee, shall not have authority to approve changes in the services which alter the concept or which call for an extension of time for this contract. Any modifications made must be authorized by the Virginia Tech Procurement Department through a written amendment to the contract.

XVI. ATTACHMENTS:

Attachment A - Terms and Conditions
Attachment B - Commission Rate Proposal

ATTACHMENT A
TERMS AND CONDITIONS

RFP GENERAL TERMS AND CONDITIONS

See:

https://www.procurement.vt.edu/content/dam/procurement_vt_edu/docs/terms/GTC_RFP_02182022.pdf

ADDITIONAL TERMS AND CONDITIONS

1. **ADDITIONAL GOODS AND SERVICES:** The University may acquire other goods or services that the supplier provides other than those specifically solicited. The University reserves the right, subject to mutual agreement, for the Contractor to provide additional goods and/or services under the same pricing, terms and conditions and to make modifications or enhancements to the existing goods and services. Such additional goods and services may include other products, components, accessories, subsystems, or related services newly introduced during the term of the Agreement.
2. **AUDIT:** The Contractor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. Virginia Tech, its authorized agents, and/or the State auditors shall have full access and the right to examine any of said materials during said period.
3. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that Virginia Tech shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
4. **CANCELLATION OF CONTRACT:** Virginia Tech reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
5. **CONTRACT DOCUMENTS:** The contract entered into by the parties shall consist of the Request for Proposal including all modifications thereof, the proposal submitted by the Contractor, the written results of negotiations, the Commonwealth Standard Contract Form, all of which shall be referred to collectively as the Contract Documents.
6. **IDENTIFICATION OF PROPOSAL:** Virginia Tech will only be accepting electronic submission of proposals. All submissions must be submitted to [the Virginia Tech online submission portal](#). Upon completion you will be directed to your Submission Receipt. Virginia Tech will not confirm receipt of proposals. It is the responsibility of the offeror to make sure their proposal is delivered on time. **Attachments must be smaller than 50MB in order to be received by the University.** Proposals may **NOT** be hand delivered to the Procurement Office.
7. **NOTICES:** Any notices to be given by either party to the other pursuant to any contract resulting from this solicitation shall be in writing via email.
8. **SEVERAL LIABILITY:** Virginia Tech will be severally liable to the extent of its purchases made against any contract resulting from this solicitation. Applicable entities described herein will be severally liable to the extent of their purchases made against any contract resulting from this solicitation.

- 9. CLOUD OR WEB HOSTED SOFTWARE SOLUTIONS:** For agreements involving Cloud-based Web-hosted software/applications refer to link for additional terms and conditions: http://www.ita.vt.edu/purchasing/VT_Cloud_Data_Protection_Addendum_final03102017.pdf
- 10. ADVERTISING:** In the event a contract is awarded for supplies, equipment, or services resulting from this solicitation, no indication of such sales or services to Virginia Tech will be used in product literature or advertising. The contractor shall not state in any of the advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services.
- 11. CRIMINAL CONVICTION CHECKS:** All criminal conviction checks must be concluded before the Contractor's employees gaining access to the Virginia Tech Campus. Employees who have separated employment from Contractor shall undergo another background check before re-gaining access to the Virginia Tech campus. Contractor shall ensure subcontractors conduct similar background checks. All criminal conviction checks will normally include a review of the individual's records to include Social Security Number Search, Credit Report (if related to potential job duties), Criminal Records Search (any misdemeanor convictions and/or felony convictions are reported) in all states in which the employee has lived or worked over the past seven years, and the National Sex Offender Registry. In addition, the Global Watch list (maintained by the Office of Foreign Assets Control of The US Department of Treasury) should be reviewed. Virginia Tech reserves the right to audit a contractor's background check process at any time. All employees must self-disclose any criminal conviction(s) occurring while assigned to the Virginia Tech campus. Such disclosure shall be made to Contractor, which in turn shall notify the designated Virginia Tech contract administrator within 5 days. If, any time during the term of the contract, Virginia Tech discovers an employee has a conviction which raises concerns about university buildings, property, systems, or security, the contractor shall remove that employee's access to the Virginia Tech campus, unless Virginia Tech consents to such access in writing. Failure to comply with the terms of this provision may result in the termination of the contract.
- a. The University has an awarded contract with a service provider for criminal conviction screening and background checks. The University prefers this vendor be utilized by the Contractor to comply with the contractual obligations and University Policy 4060.
 - b. If Contractor chooses to utilize a different firm than the university's preferred provider, the Contractor's selected service provider shall be pre-approved by the Virginia Tech Police department as an acceptable service provider for criminal conviction and background checks to ensure that firm's service levels meet the requirements of University Policy 4060.
 - c. If a Contractor chooses to utilize a different firm than the university's preferred provider, a five-day hold will be required before placement of employees deemed by the Contractor to meet all of the requirements of the University including a clean background check. Contractor shall provide the University with the name, date of birth and the last four digits of the social security number of all individual(s) to be placed in a temporary position under this contract. The University reserves the right to conduct its own background check process during this hold period.
- 12. INSURANCE:** By signing and submitting a Proposal/Bid under this solicitation, the offeror/bidder certifies that if awarded the contract, it will have the following insurance coverages at the time the work commences. Additionally, it will maintain these during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission. During the period of the contract, Virginia Tech reserves the right to require the contractor to furnish certificates of insurance for the coverage required.
- INSURANCE COVERAGES AND LIMITS REQUIRED:**
- A. Worker's Compensation - Statutory requirements and benefits.
 - B. Employers Liability - \$100,000.00
 - C. General Liability - \$2,000,000.00 combined single limit. Virginia Tech and the Commonwealth of Virginia shall be named as an additional insured with respect to goods/services being procured. This coverage is to include Premises/Operations Liability, Products and Completed Operations Coverage,

Independent Contractor's Liability, Owner's and Contractor's Protective Liability and Personal Injury Liability.

D. Automobile Liability - \$500,000.00

E. Builders Risk – For all renovation and new construction projects under \$100,000 Virginia Tech will provide All Risk – Builders Risk Insurance. For all renovation contracts, and new construction from \$100,000 up to \$500,000 the contractor will be required to provide All Risk – Builders Risk Insurance in the amount of the contract and name Virginia Tech as additional insured. All insurance verifications of insurance will be through a valid insurance certificate.

F. The contractor agrees to be responsible for, indemnify, defend and hold harmless Virginia Tech, its officers, agents and employees from the payment of all sums of money by reason of any claim against them arising out of any and all occurrences resulting in bodily or mental injury or property damage that may happen to occur in connection with and during the performance of the contract, including but not limited to claims under the Worker's Compensation Act. The contractor agrees that it will, at all times, after the completion of the work, be responsible for, indemnify, defend and hold harmless Virginia Tech, its officers, agents and employees from all liabilities resulting from bodily or mental injury or property damage directly or indirectly arising out of the performance or nonperformance of the contract.

13. LICENSE TO USE VIRGINIA TECH LICENSED INDICIA: By signing and submitting this Proposal/Bid, the offeror/bidder agrees that if it is awarded a purchase order/contract as a result of this solicitation, it will follow the procedures outlined by Virginia Tech's Licensing and Trademarks Administration to become a licensed vendor authorized to use Virginia Tech licensed trademarks indicia identified in the solicitation and to follow all procedures for submitting artwork for product for approval prior to producing any product with Virginia Tech indicia. As a licensed vendor, the offeror/bidder will be required to pay the university's standard royalty rate for similarly licensed vendors. *More information on the licensing process and application can be found at: <http://clc.com/Licensing-Info.aspx>.*

14. SIDEWALK POLICY: Driving on sidewalks is allowed when there is no other way to get a needed vehicle to a designated place or building on campus. The vehicle operator shall be made aware that extreme caution shall be used to operate the vehicle in a way that will not be a hazard or hindrance to pedestrians using the walk. The contractor shall be responsible for any damage to turf and anything that is located adjacent to the walk. Parking an unattended vehicle on a sidewalk is strictly prohibited by State Law. The contractor is allowed to park a vehicle on a sidewalk if there is no other way to perform necessary work. The procedure to obtain a permit to operate a vehicle on sidewalks is the same as for the turf as outlined in Turf Policy. Any vehicle parked illegally on sidewalks shall be subject to ticketing, fines and towing if necessary.

15. SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of Virginia Tech. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish Virginia Tech the names, qualifications and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by his subcontractor(s) and shall assure compliance with all requirements of the contract.

16. TURF POLICY: Parking or driving on campus turf or sidewalk is strictly prohibited, except as specifically directed or otherwise allowed by the Physical Plant Grounds Department. In this case, a turf permit must be obtained from Virginia Tech Parking Services and displayed by the vehicle. Turf parking is not allowed under the canopy of any tree on campus. Any vehicle parked illegally on turf or sidewalks shall be subject to ticketing and fines.



VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
PROCUREMENT DEPARTMENT

ADDENDUM NO. 1

DATE: April 2, 2024
TO: All Offerors
FROM: Angela Caldwell, Contracting Officer
TOTAL PAGE(S): 2 pages (not including attachments)
SOLICITATION TITLE: Online Auction Services for Disposition of University Surplus Property
SOLICITATION NUMBER: 71412413

I. CLARIFICATIONS AND ADDITIONAL INFORMATION

NONE

II. REQUESTS FOR INFORMATION

1. Could you share any feedback on the services provided by Matthews Auctioneers, particularly what aspects were most valued by Virginia Tech?

Virginia Tech Response: Displaying our list & pictures on their platform. Collection of money and dealing with defaults & non-payments. Timely invoicing is of paramount importance.

2. Thank you for including the last 4 years of volume sold. Can you provide more details on the types of surplus property typically auctioned? Are there special considerations for certain types of surplus property?

Virginia Tech Response: Please look at "[past auctions](#)" on the Matthews site to get a feel for what we typically have listed. There are on occasions some items that will have a reserve or will be set for approval. Auctioneer service will be informed of these in the advance. We may ask for some items to start at a higher dollar amount as well.

3. What is Virginia Tech's preferred schedule for conducting these auctions?

Virginia Tech Response: 10 auctions a year. They are held on the second Thursday of each month for the exception of Nov. & Jan. On occasions, we may wish to hold an off-site auction at on of the VT locations throughout the state.

4. Beyond the stated requirements, how does Virginia Tech envision the vendor's role in promoting the auctions?

Virginia Tech Response: Please use your company's website. AuctionZip has been utilized previously, and similar platforms of considerable reach shall be sought and considered. Email blasts have also been successful.

5. Can you provide specifics on the vendor's expected role in coordinating item pickup and shipping?

Virginia Tech Response: Auctioneer gets us the receipts via email Friday morning after the sale. Load out days and times are listed on the site. We do not participate in prepping or shipping in any way. Buyer has to arrange shipping if they need it.

6. Page 4, Section VI.B – Would the University be interested in the Awarded Vendor taking pictures and creating descriptions for surplus auction items?

Virginia Tech Response: We currently take the pictures now but if vendor put that in as part of their proposal, we would look into it.

7. Page 5, Section VI.G – Would using a national bank that has local branches in Virginia meet the requirement of “an FDIC insured bank located within the Commonwealth of Virginia?”

Virginia Tech Response: Yes, as long as the bank is located within the Commonwealth of Virginia.

8. Page 6, Section VII.3.E – Can Virginia Tech please expand on what type of information they are wanting for “demographics of buyers list?”

Virginia Tech Response: How big is your list. Do you have a large email list, lot of followers, number of views per auction, etc.

9. How many auctions per year does the University wish to sell in?

Virginia Tech Response: 10 per year with the ability to have off-site auctions if the need arose.

10. Can the University provide an estimate of the type of items to be auctioned under this contract?

- a. What percentage of items are projected to be vehicles/equipment vs. other surplus items (computers, furniture, etc.)?

Virginia Tech Response: Unable to provide this information since we don't manufacture anything. Please reference “past auctions” on the Matthews site to get a feel for what we have done in the past.



April 15, 2023

To Whome it May Concern,

As we reflect on the journey we've embarked on since 2004, Matthews Auctioneers takes immense pride in our evolution into a comprehensive auction firm, conducting over 100+ online auctions annually across diverse categories. Our collaboration with Spectrum Net Designs has been pivotal in developing a state-of-the-art bidding system that caters intuitively to both bidders and sellers. This system, featuring the innovative "affiliates" program, empowers sellers with unparalleled control, demonstrating our capability to manage auctions of any scale and location with ease.

Our efforts to attract new bidders through extensive social media outreach and organic traffic have been notably successful, particularly in engaging new communities for the Virginia Tech Surplus auctions. This initiative, among others, underscores our adaptability and commitment to reaching wide audiences. Our extensive buyer's list, coupled with a significant email marketing base of over 13,600 subscribers, continues to grow, reflecting the trust and interest of a diverse bidder community from approximately 48 states.

It has been an honor to host the Virginia Tech surplus auctions since 2020, a partnership we deeply value and hope to continue nurturing well into the future. These auctions have consistently attracted significant attention, with an average of 615 registered bidders per auction, and a remarkable increase to over 700 bidders per event in the most recent fiscal year. This growth not only demonstrates the appeal of these auctions but also our collective success in fostering a dynamic auction environment.

Our commitment to excellence extends beyond the auction floor. We offer comprehensive reporting capabilities to ensure our clients have immediate access to the information they need, with the flexibility to tailor reports to specific requirements. Our communication efforts, including sharing key visuals before and after each auction, are designed to keep our partners fully informed and engaged at every stage.

In closing, we wish to express our sincerest gratitude for the opportunity to work with Virginia Tech on the surplus auctions. The trust placed in us motivates our continuous pursuit of innovation and service excellence. We look forward to the possibility of extending our partnership, striving together towards future successes.

Regards,

Stephen LaRaviere

Presidnet



MATTHEWS
AUCTIONEERS
C O N S I D E R I T S O L D

Company Overview

Matthews Auctioneers, established in 2004 and based in Galax, VA, is a full-service auction firm that has proudly evolved under the ownership and operation of the LaRaviere family. From our humble beginnings to conducting over 100 auctions in 2023 and being on track to exceed 150 auctions in 2024, we have consistently expanded our reach and expertise. With facilities in both Galax and Dublin, VA, our firm is deeply rooted in the community and committed to providing top-notch auction services across various categories, including real estate, farm equipment, university, and government surplus.

The origins of Matthews Auctioneers are as unique as the services we offer. Founded by Matthew LaRaviere after relocating from Florida to Virginia in 2004, the company was initially known as LaRaviere Auctioneers. However, as our name proved challenging for some to pronounce, many began referring to us simply as "Matthews." Embracing this new identity, we officially adopted the name Matthews Auctioneers, a nod to the community that welcomed us and helped shape our identity.

Matthew LaRaviere started this company alongside his wife and six children, instilling a strong family ethos that remains at the core of our operations today. As the business expanded, Stephen, Matthew's oldest son, took on a pivotal role and now serves as the president of operations for the auction division. Under his leadership, we have not only increased our auction volume but have also enhanced our technological capabilities and customer service.

Our bidding system, crafted and maintained by Spectrum Net Designs, stands as a testament to our commitment to innovation. Featuring a user-friendly interface for both bidders and sellers, our system includes the "affiliates" program, allowing sellers significant autonomy in managing their auctions. This system is continuously updated to ensure it meets the evolving needs of our clients, making the auction process as seamless and effective as possible.

At Matthews Auctioneers, we pride ourselves on being a family-run business that holds true to its roots while pushing the boundaries of the auction industry. Our extensive experience and deep community ties enable us to offer a dynamic auction environment that is both inclusive and expansive, catering to a diverse clientele across approximately 48 states.



MATTHEWS
AUCTIONEERS
CONSIDER IT SOLD

Bidding Platform Overview

Our bidding system, crafted and maintained by Spectrum Net Designs, represents the pinnacle of online auction technology, meticulously designed for auctioneers. We've dedicated significant effort to making our system not only user-friendly for both bidders and sellers but also adaptable to the varied needs of our clients. We continuously update the system with new features to enhance the user experience while simplifying the bidding process.

One of the key innovations in our platform is the introduction of the "affiliates" feature. This option grants sellers the flexibility to manage their auctions with a degree of autonomy previously unattainable. It provides access to a comprehensive suite of tools, including the ability to generate reports, manage invoices, edit lot descriptions, and upload lots and photos in bulk.

Recognizing that each seller has unique needs, this feature is fully customizable. We offer personalized training to ensure sellers are well-equipped to use the system to its fullest potential, depending on their comfort level and technical proficiency. This training ensures that sellers can manage their auctions successfully and autonomously, with our oversight guaranteeing accuracy and optimizing the experience for both sellers and bidders. Through this tailored approach, we ensure that our platform serves as a versatile and supportive environment for all our users.

Scan the code below to see the buyer side of our site. We will be happy to setup a demo to show the backend capabilities at any time.





Registration of Bidders

The process for bidders to register on our site is easy and secure. We require basic information like name, email, phone, & address. In addition to that information, they need to have a valid credit/debit card. Those payment fields are provided by our payment processor which means that sensitive information is not stored on our site providing another level of security. Our system runs a \$1 verification charge on the card to make sure it is valid. We also use credit cards as the first step in verifying a bidder's identity. Our fraud filters are pretty strict with our payment processor as a way to prevent fraudulent bidders.

Online Security

To safeguard our customers, we utilize various security features, with a particular focus on protecting credit card information. For this reason, we do not store credit card numbers on our site, adding an additional layer of security. The most significant threat we encounter is the potential for purchases to be made with stolen credit cards. To combat this, we've set our fraud detection filters to a high sensitivity with our payment processor. Moreover, we reserve the right to verify an individual's identity by requiring a valid ID that matches the credit card on file. Furthermore, for certain categories of items and invoices exceeding a specific amount, we plan to require wire transfers of funds. We also advise requiring a valid ID at the time of item pickup. This procedure will enable us to accurately track the destination of items if a payment method is later identified as fraudulent.

Normal Terms and Conditions

Due to the diverse nature of our auctions, serving various types of clients, the specific terms of each auction are subject to change. This is why it's mandatory for bidders to agree to the auction's terms before placing bids. We collaborate closely with each client to develop straightforward and clear terms that are favorable for both our clients and bidders. Additionally, our website requires users to accept the general terms of service upon creating an account. These general terms can be reviewed at matthewsauctioneers.com/terms.



Delinquent Bidders

Deterring delinquent bidders in online auctions before the auction concludes is a significant challenge. This is one of the reasons we require the registration of a valid debit or credit card. Our experience suggests that individuals who join the site without any intention of paying are unlikely to register a valid card. Should we encounter a delinquent bidder after the auction, we take measures beyond merely banning them from our site; we also blacklist their IP address with our payment processor to prevent future incidents.

Bidder Database

Our buyer's list is not only extensive, covering local bidders and those from approximately 48 states, but it also demonstrates the breadth and depth of our reach, with a continuous influx of new participants. Since launching, we've seen a significant number of bidders join specifically for our Virginia Tech surplus auctions, showcasing our platform's appeal to a wide array of interests and markets. This specialized interest underscores the effectiveness of our outreach and the strategic value of our auctions. With over 13,600 subscribers on our email marketing list and a substantial social media following, we are committed to enhancing our bidder database, ensuring a vibrant and dynamic auction environment that caters to diverse preferences and needs.

Recruitment of New Bidders

Our strategy for attracting new bidders to our auctions capitalizes on our extensive social media presence and organic website traffic. We have a substantial following across various social media platforms, which plays a crucial role in our outreach efforts. In addition to our regular methods, a specific instance that highlights our effective bidder recruitment strategy involved the Virginia Tech seafood research facility auction. For this unique auction, located several hours away from the usual sites, we leveraged our social media channels to quickly generate interest in a new geographical area. This targeted approach enabled us to attract hundreds of new bidders, specifically for this auction, demonstrating our platform's ability to adapt and successfully penetrate new markets on short notice. Through strategic social media use and continuous engagement, we ensure a dynamic and inclusive auction experience, drawing both new and existing participants.



Quality Control

We diligently oversee the services we provide internally to ensure they meet the high standards we value. Additionally, we engage in regular discussions with our clients to confirm that our offerings align with their requirements. Following each auction, we conduct a review with our clients to celebrate what went well and, more crucially, to identify areas for improvement or aspects that need to be handled differently in the future. This process of continuous evaluation and dialogue ensures that we not only maintain our quality of service but also adapt and evolve to better serve our clients' needs.

Redundancy plans in case of Emergency

Preventing a website crash can be challenging, but our system is robustly hosted on Switch Data Centers with backups on Amazon S3 servers, enhancing reliability. Should an issue arise, our auctions can be paused and later reopened from a past point in time, ensuring continuity. Additionally, we address potential crashes in our terms of service, and we are confident in our ability to communicate effectively with our users during any critical incidents.

Handling Chargebacks and Payment Policy:

Matthews Auctioneers is dedicated to minimizing the risk of chargebacks through stringent security measures and robust payment policies. While we primarily require buyers to pick up their items in person, we recognize the need for flexibility. Therefore, if a buyer wishes to have an item shipped, they must submit a valid photo ID and complete payment via wire transfer. This policy ensures that we can verify the buyer's identity and secure the transaction before shipping any items.

Additionally, wire transfers are mandatory for all transactions over \$1500 involving new bidders, as well as for all titled items, regardless of the bidder's history. These measures are designed to protect both Matthews Auctioneers and Virginia Tech by ensuring that funds are securely received prior to the transfer of high-value or titled items.

Through these carefully considered policies, we aim to maintain a secure and trustworthy auction environment, minimizing chargebacks and ensuring a smooth transaction process for all parties involved.



Reports

Our system is designed to provide comprehensive reporting capabilities to meet your auction needs. If you find yourself in need of a report that is not currently available, it's highly probable we can create it for you. Through our affiliate system, the convenience of waiting for reports is eliminated; you can access them anytime after the auction closes via your secure portal, ensuring critical information is at your fingertips exactly when you need it.

To enhance our commitment to transparency and communication, we also share a specific photo that visually represents key information about the auction. This photo is posted below for your reference. It is distributed right before the first item closes and immediately after the auction concludes, ensuring you remain well-informed about every crucial aspect of your auction. Our objective is to keep you fully updated, providing a seamless and informed auction experience from start to finish.





Commission Rate Proposal

Matthews Auctioneers proposes a commission rate of 10% for conducting online auctions for Virginia Tech. This rate is carefully calculated to cover the increasing costs associated with website hosting, insurance, and marketing, among other essential services. These overhead expenses are crucial for maintaining the high standard of auction services that we provide.

In addition to the overhead costs, we are also facing rising credit card processing fees. As these fees continue to increase, they significantly impact the cost of facilitating secure and efficient transactions. This trend underscores the necessity of our proposed commission rate to ensure that we can continue to offer robust protections against financial risks, including those associated with chargebacks. Despite our strong track record of successfully contesting the majority of such cases, chargebacks still represent a significant risk by tying up capital.

We believe this commission rate reflects a fair market value, considering the comprehensive services we provide and the proactive measures we take to safeguard transactions and enhance the auction experience for all parties involved.



Attachment B

Commission Rate Proposal

Commission Rate should cover all overhead, fringes, and profit. The university prefers this to be a turnkey service agreement with a single payment of net proceeds back to the University.

Complete lines as applicable to your proposal:

Gross Sales From To: % of Gross Sales Commission

\$ 1	\$ 200,000	10	%
\$ 200,001	\$ 1,000,000	6	%
\$	\$		%
\$	\$		%
\$	\$		%
\$	\$		%

Additional Comments to Virginia Tech in order to fully understand your firm’s commission proposal:

Matthews Auctioneers proposes a commission rate of 10% for conducting online auctions for Virginia Tech. This rate is carefully calculated to cover the increasing costs associated with website hosting, insurance, and marketing, among other essential services. These overhead expenses are crucial for maintaining the high standard of auction services that we provide.

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We believe this commission rate reflects a fair market value, considering the comprehensive services we provide and the proactive measures we take to safeguard transactions and enhance the auction experience for all parties involved.



Summary

We at Matthews Auctioneers are pleased to submit our proposal for providing online auction services to Virginia Tech. Established in 2004 and based in Galax, VA, our firm has grown to conduct over 100 online auctions annually across diverse categories including real estate, farm equipment, university, and government surplus. With plans to exceed 150 auctions in 2024, we are continuously refining our services to meet the dynamic needs of our clients.

Company Overview:

Our full-service auction firm offers Seller-managed online auctions, which provide sellers significant control over their auctions. This is supported by our comprehensive marketing, payment collection, and innovative Online Auction software developed in collaboration with Spectrum Net Designs.

Bidding Platform Overview:

Our state-of-the-art bidding system includes features such as the "affiliates" program, which allows sellers autonomy over their auctions. We ensure that our platform is not only user-friendly for both bidders and sellers but also customizable to accommodate various client needs.

Security Measures and Registration:

To protect our customers, we employ stringent security measures including not storing credit card information on our site and using high-sensitivity fraud detection filters. For transactions over \$1,500 or involving titled items, we require wire transfers, especially for new bidders, to minimize the risk of chargebacks and ensure financial security.

Auction Terms and Conditions:

Our auctions require bidders to agree to terms before placing bids, which are developed in close collaboration with each client to ensure clarity and fairness.

Chargeback Management and Payment Policy:

We are dedicated to minimizing chargebacks through rigorous security protocols. If shipping is requested, buyers must provide a valid photo ID and complete payment via wire transfer.

Reporting and Communications:

Our system provides comprehensive reporting capabilities to ensure transparency and keep all parties well-informed throughout the auction process.

See next Page



Summary Cont:

Commission Rate Proposal:

We propose a commission rate of 10% to cover increasing costs such as website hosting, insurance, and marketing, as well as to offset rising credit card processing fees. This rate reflects our commitment to providing high-quality, secure, and efficient auction services.

We appreciate the opportunity to continue our valued partnership with Virginia Tech and are committed to enhancing our services to meet and exceed your expectations. Thank you for considering our proposal. We look forward to the possibility of extending our services and contributing to the success of Virginia Tech's surplus asset management.

Attachment B

Commission Rate Proposal

Commission Rate should cover all overhead, fringes, and profit. The university prefers this to be a turnkey service agreement with a single payment of net proceeds back to the University.

Complete lines as applicable to your proposal:

Gross Sales % of Gross Sales Commission
From To:

\$ 1	\$ 200,000	10	%
\$ 200,001	\$ 1,000,000	6	%
\$	\$		%
\$	\$		%
\$	\$		%
\$	\$		%

Additional Comments to Virginia Tech in order to fully understand your firm's commission proposal:

Matthews Auctioneers proposes a commission rate of 10% for conducting online auctions for Virginia Tech. This rate is carefully calculated to cover the increasing costs associated with website hosting, insurance, and marketing, among other essential services. These overhead expenses are crucial for maintaining the high standard of auction services that we provide.

In addition to the overhead costs, we are also facing rising credit card processing fees. As these fees continue to increase, they significantly impact the cost of facilitating secure and efficient transactions. This trend underscores the necessity of our proposed commission rate to ensure that we can continue to offer robust protections against financial risks, including those associated with chargebacks. Despite our strong track record of successfully contesting the majority of such cases, chargebacks still represent a significant risk by tying up capital.

We believe this commission rate reflects a fair market value, considering the comprehensive services we provide and the proactive measures we take to safeguard transactions and enhance the auction experience for all parties involved.

Negotiation Questions for Matthews Auctioneers

1. Virginia Tech Question: As part of Virginia Tech standard procedures, all awarded contracts will be publicly posted on an online contracts portal. Is there any information included that would be used to identify or harm a person's identity, finances or personal information? If so, please provide a redacted copy of your proposal.

Matthews Auctioneers Response: No

2. Virginia Tech Question: Are there any additional forms or documents that you will require to be incorporated into the contract documents? If so, please submit.

Matthews Auctioneers Response: No

3. Virginia Tech Question: Does Matthews Auctioneers agree to provide monthly invoices with payment due fifteen (15) days after receipt of invoice or goods/services, whichever is later?

Matthews Auctioneers Response: Yes

4. Virginia Tech Question: Do you agree that you will be performing services as an Independent Contractor, Company, Corporation or other business entity and are not an employee of Virginia Tech or any other Commonwealth Entity?

Matthews Auctioneers Response: Yes

5. Virginia Tech Question: Do you further agree that Virginia Tech will not withhold any income taxes from its payments to contractors nor will it provide any employment benefits to the contractor or contractor's employees?

Matthews Auctioneers Response: Yes

6. Virginia Tech Question: End of Contract Service Transition Expectations: If or when a transition of service to another provider is required (end of contract life or otherwise), the university would require the incumbent firm to cooperative fully in a successful transition of services. Explain any requirements your firm might have in preparing for such a transition of services. Additionally, please indicate your willingness to establish a transition plan alongside the new provider of service which may include but not be limited to sharing important data and/or existing service information via a cooperative knowledge transfer process.

Matthews Auctioneers Response: We will cooperate fully.

7. Virginia Tech Question: Do you agree that the initial contract period shall be five years?

Matthews Auctioneers Response: Yes

8. Virginia Tech Question: Upon completion of the initial contract period, does Matthews Auctioneers agree that the contract may be renewed by Virginia Tech upon written agreement of both parties for three (3) two (2) year renewals, under the terms of the current contact?

Matthews Auctioneers Response: Yes

9. Virginia Tech Question: If awarded a contract, do you agree to limit price increases to no more than the increase in the Consumer Price Index, CPI-W, All Items category for the latest twelve (12) months for which statistics are available at the time of renewal or 3 percent, whichever is less?

Matthews Auctioneers Response: Yes

10. Virginia Tech Question: If awarded a contract, are you willing to hold prices firm for the first year?

Matthews Auctioneers Response: Yes

11. Virginia Tech Question: Will Matthews Auctioneers agree to participate in the Wells One AP Control Payment System?

Matthews Auctioneers Response: We always pay the university in full within 14 days of the auction by check. We can also offer wire transfers if that is preferred.

12. Virginia Tech Question: Please describe your quickest turn-around time if emergency services are needed.

Matthews Auctioneers Response: We always have someone on call that can be reached by phone or email

13. Virginia Tech Question: Please provide your best schedule of prices for all services offered.

Matthews Auctioneers Response: We charge a flat rate as outlined on our proposal.

14. Virginia Tech Question: How soon after contract award can you begin providing services?

Matthews Auctioneers Response: Immediately

15. Virginia Tech Question: Are you registered with and willing to participate in the eVA internet procurement solution described in the terms and conditions of the RFP?

Matthews Auctioneers Response: Yes we are registered

16. Virginia Tech Question: Do you acknowledge, agree and understand that Virginia Tech cannot guarantee a minimum amount of business if a contract is awarded to your company?

Matthews Auctioneers Response: yes

17. Virginia Tech Question: Are the prices for all goods/services listed in your proposal inclusive of all applicable eVA system transaction fees?

Matthews Auctioneers Response: Yes

18. Virginia Tech Question: Are you willing to rescind your Standard Terms and Conditions of Sale?

Matthews Auctioneers Response: Yes. We have worked with the university to craft Terms that work for them

19. Virginia Tech Question: Does the vendor acknowledge, agree, and understand that the terms and conditions of the RFP # 71412413 shall govern the contract if a contract is awarded to your company?

Matthews Auctioneers Response: Yes

20. Virginia Tech Question: Do you agree to maintain certification of SWaM vendor with the Virginia Department of Small Business and Supplier Diversity throughout the term of this contract?

Matthews Auctioneers Response: Yes

21. Virginia Tech Question: Do you agree that this contract is contingent upon full compliance with ITSO and PCI standards? Additionally, if compliance is not achieved the contract will be terminated.

Matthews Auctioneers Response: Yes