



AGENDA REPORT

Meeting Date: August 30, 2016
Item Number: D-10
To: Honorable Mayor & City Council
From: Craig Crowder, Fleet Manager
Subject: AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND
CHP ENTERPRISES DBA KEN PORTER AUCTIONS FOR
AUCTION SERVICES

Attachment:

1. Ken Porter Auction Agreement
2. El Segundo Contract
3. El Segundo Extension Letter
4. Authorization of Extension Letter

RECOMMENDATION

Staff recommends that the City Council move to approve an agreement with Ken Porter Auctions for the salvage of surplus equipment and supplies that are no longer necessary for the Public Works Department operations. This is a one (1) year agreement that has an option to extend for four (4) additional one (1) year terms pursuant to Section 2, (b) with a potential revenue to the City greater than \$50,000.00 per year.

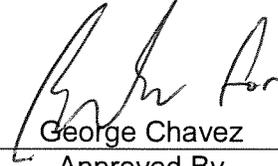
DISCUSSION

Through the normal course of departmental operations, vehicles and equipment reach the end of their life cycles and are removed from service and replaced with new vehicles and equipment. The City has a need to dispose of the surplus vehicles and equipment and the most common way to do this is through auction services.

The City has a history of dealing with auction service providers and has identified Ken Porter Auctions as a vendor that is reputable, familiar with the City operation and has been extremely responsive to the needs of the City in the past. The vendor is equipped to pick up a variety of equipment and store it until the auction date which benefits the City's operations by removing surplus inventory to an off-site location.

FISCAL IMPACT

There is no out of pocket fiscal impact to the City for these services. The Vendor returns 100% of the sale price to the City and additionally charges a Buyer's Premium of 10.5% returning .5% of this Buyer's Premium to the CITY as identified in the agreement (Attachment 1). The Vendor has provided an authorization letter (Attachment 4) extending the same terms and conditions as the contract with the City of El Segundo (Attachment 2).



George Chavez

Approved By

Attachment 1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND CHP
ENTERPRISES DBA KEN PORTER AUCTIONS FOR AUCTION
SERVICES

NAME OF CONTRACTOR: CHP Enterprises DBA Ken Porter Auctions

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Ray Claridge, President

CONTRACTOR'S ADDRESS: 21140 S. Avalon Blvd. Carson, CA 92703
Attention: Ray Claridge, President

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Craig Crowder, Fleet Manager

COMMENCEMENT DATE: Upon Receipt of Written Notice to Proceed

TERMINATION DATE: June 30, 2017, unless extended pursuant to Section 2
of the Agreement

CONSIDERATION: Not to exceed the amount set forth in CITY approved
purchase orders at the rates and commissions set
forth in Exhibit B; total consideration due CITY
determined by volume of vehicles, equipment,
furniture and other miscellaneous items auctioned by
CONTRACTOR

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND CHP
ENTERPRISES DBA KEN PORTER AUCTIONS FOR AUCTION
SERVICES

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and CHP Enterprises DBA Ken Porter Auctions (hereinafter called "CONTRACTOR").

RECITALS

A. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.

B. CONTRACTOR represents that it is qualified and able to perform the Scope of Work.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONTRACTOR's Scope of Work. CONTRACTOR shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. CITY shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CONTRACTOR must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section 2. Time of Performance.

CONTRACTOR shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY. CONTRACTOR shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

The City Manager or his designee may extend the time of performance in writing for four additional one-year terms or such other term not to exceed four years from the date of termination pursuant to the same terms and conditions of this Agreement.

Section 3. Compensation.

(a) Compensation

CITY agrees to compensate CONTRACTOR for the services and/or goods provides under this Agreement, and CONTRACTOR agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly described in Exhibit B, attached hereto and incorporated herein.

(b) Expenses

CONTRACTOR shall be entitled to reimbursement only for those expenses expressly set forth in Exhibit B. Any expenses incurred by CONTRACTOR which are not expressly authorized by this Agreement will not be reimbursed by CITY.

(c) Additional Services. CITY may from time to time require CONTRACTOR to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by CITY in writing and agreed upon by both parties in writing.

Section 4. Method of Payment. Unless otherwise provided for herein, CONTRACTOR shall submit to CITY a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONTRACTOR said Consideration in accordance with the schedule of payment set forth in Exhibit B, attached hereto and incorporated herein.

Section 5. Independent Contractor. CONTRACTOR is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's employees, except as herein set forth. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONTRACTOR without the prior written approval of CITY. Any attempt by CONTRACTOR to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CONTRACTOR's Responsible Principal set forth above shall be principally responsible for CONTRACTOR's obligations under this Agreement and shall serve as principal liaison between CITY and CONTRACTOR. Designation of another Responsible Principal by CONTRACTOR shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CONTRACTOR represents that it has, or shall secure at its own expense, all personnel required to perform CONTRACTOR's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. Permits and Licenses. CONTRACTOR shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CONTRACTOR. CONTRACTOR affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner

with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONTRACTOR.

Section 11. Insurance.

(a) CONTRACTOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of One Million Dollars (\$1,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONTRACTOR.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONTRACTOR in performing the Scope of Work required by this Agreement.

(3) A policy or policies of Umbrella Liability Insurance, with minimum limits of One Million Dollars (\$1,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONTRACTOR.

(4) Workers' compensation insurance as required by the State of California.

(b) CONTRACTOR shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(d) CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONTRACTOR's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONTRACTOR shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CONTRACTOR shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general and auto liability insurance shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(f) The insurance provided by CONTRACTOR shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

Section 12. Indemnification. CONTRACTOR agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONTRACTOR or any person employed by CONTRACTOR in the performance of this Agreement.

Section 13. Loss or Damage to CITY Property

CONTRACTOR shall be responsible for any damage to vehicles, equipment, furniture and miscellaneous items, or other losses or liabilities caused by CONTRACTOR's personnel (or subcontractors) during the transportation and storage of CITY property while in CONTRACTOR's possession. CONTRACTOR shall reimburse CITY the fair market value of any CITY property damaged, lost or stolen while in the possession of CONTRACTOR.

If requested by CITY, CONTRACTOR shall restore damaged CITY property to the condition such items were in when picked up by CONTRACTOR.

Section 14. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONTRACTOR. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONTRACTOR, CONTRACTOR shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONTRACTOR be entitled to receive more than the amount that would be paid to CONTRACTOR for the full performance of the services required by this Agreement. CONTRACTOR shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 15. CITY's Responsibility.

(a) CITY shall provide CONTRACTOR with all pertinent data, documents, and other requested information as is available for the proper performance of CONTRACTOR's Scope of Work.

(b) CITY shall palletize and shrink wrap all items and attach an inventory list, and CITY shall load items onto CONTRACTOR's trailer.

Section 16. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONTRACTOR and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 17. Records and Inspections. CONTRACTOR shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of 5 years. CITY shall have access, without charge, during normal business hours to such records, and the right to examine and audit the same and to make copies and transcripts therefrom, and to inspect all program data, documents, proceedings and activities.

Section 18. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 19. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 20. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONTRACTOR, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONTRACTOR.

Section 21. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 22. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 23. CITY Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONTRACTOR.

Section 24. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the _____ day of _____ 20____, at Beverly Hills, California.

CITY OF BEVERLY HILLS, a municipal corporation

JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

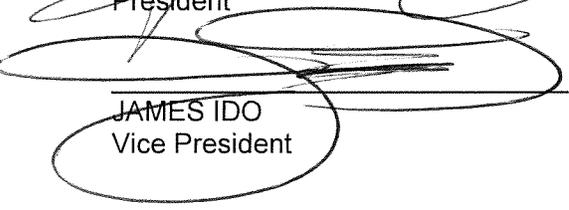
ATTEST:

_____(Seal)
BYRON POPE
City Clerk

CONTRACTOR: CHP ENTERPRISES DBA KEN
PORTER AUCTIONS

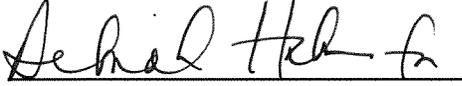


RAY CLARIDGE
President



JAMES IDO
Vice President

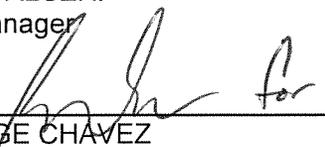
APPROVED AS TO FORM



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

MAHDI ALUZRI
City Manager



GEORGE CHAVEZ
Assistant City Manager/ Director of Public
Works



SHARON L'HEUREUX DRESSEL
Interim Risk Manager

EXHIBIT A

SCOPE OF WORK

CONTRACTOR shall conduct sales of materials that CITY, at its sole discretion, selects to sell through CONTRACTOR. CITY may elect to set a minimum acceptable bid price for each item it intends to sell at auction. No item shall be sold at a price below the minimum level set by CITY.

CONTRACTOR shall pick up vehicles, equipment, furniture and miscellaneous items from CITY locations within seven (7) days after being notified of the pick up.

CONTRACTOR shall be responsible for transporting all vehicles, equipment, furniture and miscellaneous items to their facility without additional cost to CITY over and above transportation costs specified under Exhibit B.

CONTRACTOR shall be responsible for any damage to vehicles, equipment, furniture and miscellaneous items or accident liabilities caused by their personnel during the transporting of CITY items while they are in CONTRACTOR's possession.

CONTRACTOR shall furnish insurance against the loss, damage or destruction of all CITY property in the possession of CONTRACTOR.

CONTRACTOR shall restore damaged property to the condition such items were in when picked up by CONTRACTOR.

CONTRACTOR shall comply with all applicable legal requirements in conducting auction sales.

CONTRACTOR shall insure vehicles, equipment, furniture and miscellaneous items be offered at auction no later than sixty (60) calendar days after they have been picked up from CITY.

CONTRACTOR shall not load trailer on CITY's behalf. CONTRACTOR asks that all items loaded by palletized and shrink-wrapped with included inventory list.

CONTRACTOR shall conduct auctions on the 1st and 3rd Saturdays of each month.

Upon CITY request, CONTRACTOR may provide a drive cycle service, which is a test for emissions and fuel compensation.

EXHIBIT B

SCHEDULE OF PAYMENT AND RATES AND CHARGES

ITEM	COMMISSION
Motor Vehicles	0%
Equipment, Miscellaneous Supplies and Materials	0%
Jewelry	0%
Buyer's Premium	10.5%
Buyer's Premium Returned to CITY	0.5%

CONTRACTOR shall receive no commission for items auctioned on behalf of CITY. CONTRACTOR's compensation shall be a portion of the Buyer's Premium, which is based on the sale price of each auctioned item. CONTRACTOR shall return 0.5% of the sale price to CITY. This amount shall be referred to as Buyer's Premium Returned to CITY. CONTRACTOR's total compensation shall be 10% of the auctioned item's sale price. CITY shall receive 100% of the proceeds of the sold item plus the 0.5% Buyer's Premium Returned to CITY for a total amount of 100.5% of the auctioned item's sale price.

SERVICE	RATE
Drive Cycle (only if required and approved by CITY)	\$35 per vehicle tested

CONTRACTOR shall apply no additional fees or charges to CITY unless specifically agreed to in writing prior to any auction.

CONTRACTOR shall provide CITY with a detailed summary along with settlement check within twenty (20) days of each auction. CONTRACTOR shall make such permanent records available on its website, which shall be accessible to CITY at all times.

EXHIBIT C

CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below :

NAMED INSURED

COMPANIES AFFORDING COVERAGE

ADDRESS

- A.
- B.
- C.

COMPANY (A.B.C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	LIMITS P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CONTRACTOR'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKER'S COMPENSATION					

It is hereby understood and agreed that the City of Beverly Hills, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the City of Beverly Hills and the named insured is covered under the policy: Contractor agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of contractor's officers, employees, agents or others employed by Contractor while engaged by Contractor in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the City of Beverly Hills.

In the event of cancellation or material change in the above coverage, the company will give 30 days written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE : _____ BY : _____

 Authorized Insurance Representative
 TITLE : _____
 AGENCY : _____ Address : _____

Attachment 2

Bid No. 05-15

**CITY OF EL SEGUNDO
BID NO. 05-15**

A FIDAVIT OF NON-COLLUSION

The undersigned, as bidder declares that this proposal is made without collusion with any other person, firm or corporation and that the only person or parties interested as principals are named herein. Having carefully examined the Notice Inviting Bids, the Specifications and the Terms and Conditions, we do hereby propose and agree, in the event of acceptance hereof to enter into the required agreement with the City of El Segundo.

Dated this 24th day of **October** 2005. I
certify (or declare) under penalty of perjury
that the foregoing is true and correct.

Name of Company: **Ken Porter Auctions**

Signature: 

Title: **President**

Monday, October 24, 2005

J. Richard Hogate

Risk Manager/Purchasing Agent

City of El Segundo

350 Main Street, Room 5

El Segundo, CA 90245-3813

Dear Mr. Hogate:

C.H.P. Enterprises, Inc. d.b.a. Ken Porter Auctions is pleased to submit the enclosed Proposal to provide Auctioneering Services for the City of El Segundo for your consideration.

C.H.P. Enterprises is a wholly owned corporation of Ray Claridge. Mr. Claridge has several automobile affiliated companies. These companies include Cinema Vehicles Services, which owns over 1,000 vehicles for film and television rental and Golden West Trailers, which handles automobile towing vehicles. In addition, Mr. Claridge is a shareholder and former managing partner of Spectrum Auctions, which has specialized in collectable cars for nearly 30 years. As a result, Ken Porter Auctions has at its disposal a large, varied fleet of towing equipment and personnel that gives us unequalled company owned transport and auctioneering capabilities.

We are proud of our management team, which boasts of over 50 years of auction experience and over 100 years of marketing and management experience. We feel our overall expertise is unequaled in Southern California. And we do it competitively.

KPA has expanded its efforts to increase vehicle and equipment sales to the general public. We have increased our advertising budget annually since June 2001. This expansion, along with our upgraded Internet site and our doubling of our on site settlement personnel, allows us to reach and efficiently deal with these increased sales. These sales increase your opportunity for maximum returns.

The KPA team can be working for you by moving quickly and responsibly to meet your needs. And we do it from a sound financial base. The result is satisfied customers and safe, comfortable transactions. The City of El Segundo can enjoy these benefits and more by selecting Ken Porter Auctions to handle their Auctioneering Services.

Sincerely,

Dale C Van Wagner

Marketing Manager

Cell: (818) 201-6573

CITY OF EL SEGUNDO
CITY CLERK'S OFFICE
350 MAIN STREET
ROOM 5
EL SEGUNDO, CALIFORNIA 90245-3813

NOTICE OF INVITING BIDS

NOTICE IS HEREBY GIVEN THAT THE Risk Manager/Purchasing Agent of the City of El Segundo will receive sealed bids for:

Professional auction services on an as needed basis by each participating agency and as described by City of El Segundo Bid Specification No. 05-15 "Auction Services."

EACH BID MUST BE SUBMITTED IN THE ENCLOSED RETURN ENVELOPE OR SIMILARLY MARKED ENVELOPE IN TRIPLICATE AND ON THE FORMS AVAILABLE IN THE OFFICE OF THE RISK MANAGER/PURCHASING AGENT. IF AN ENVELOPE OTHER THAN THE ONE PROVIDED IS USED TO RETURN THE BID, IT MUST BE IDENTIFIED AS BID NO. 05-15 ON THE ENVELOPE. FAILURE TO IDENTIFY THE BID ON THE ENVELOPE MAY RESULT IN DISQUALIFICATION OF THE BID.

Each Bid must be submitted in triplicate to the office of the City Clerk at 350 Main Street, El Segundo, CA 90245-3813. **Bids will be received until 11:00 AM on Tuesday the 25th day of October, 2005**, and will be opened at that time in the office of the City Clerk, City of El Segundo and, thereafter, will be submitted to the Risk Manager/Purchasing Agent/City Council or Governing Board of each participating agency for award of a contract or rejection of the responses as the Risk Manager/Purchasing Agent/City Council/ or Governing Board of each participating agency may deem wise in its discretion.

BIDS RECEIVED AT 11:00 a.m. OR AFTER 11:00 a.m. WILL BE CONSIDERED LATE. It is the policy of the City of El Segundo to reject any bid which is received late. Such bid may be returned unopened.

If you have any questions regarding this bid, please call J. Richard Hogate, Risk Manager/Purchasing Agent, at (310) 524-2339.

DATED: THIS 10TH DAY OF OCTOBER 2005.

CITY OF EL SEGUNDO

**J. RICHARD HOGATE
RISK MANAGER/PURCHASING AGENT**

BID INSTRUCTIONS AND CONDITIONS

1. **Reservations:** The City reserves the right to reject any and all bids received, to take all bids under advisement for not to exceed ninety (90) days after date of opening thereof, to waive any informality on any bid and to be the sole judge of the relative merits of material mentioned in the respective bids received.
2. **Bid Form:** The proposal must be made on the forms provided for that purpose, enclosed in a sealed envelope and marked Bid No. "**AS APPROPRIATE**" and Bid Opening Date "**AS APPROPRIATE**" and addressed to City Clerk's Office Attn. Risk Manager/Purchasing Agent, 350.Main Street Room 5, El Segundo, California 90245-3813. No telegraphic fax or telephonic proposal will be considered.

Blank spaces in the proposal must be properly filled in, using ink, indelible pencil, or typewriter, and the phraseology of the proposal must not be changed. Any unauthorized conditions, limitations or proviso attached to a proposal will be liable to render it informal and may cause its rejection. Alteration by erasure or interlineation must be explained or noted in the proposal over the signature of the bidder. Bidders are invited to be present at the opening of the proposals. Proposals shall be subject to acceptance by the City for a period of ninety (90) days.

Three (3) of the completed bid forms shall be submitted to the City on the date and time specified in the Notice Inviting Bids.

3. **The Contract:** The bidder to whom the award is made will be issued a Purchase Order by the City or enter into a written contract with the City of El Segundo. In case of default by the vendor, the City reserves the right to procure the services from other sources and to hold the vendor responsible for any damages incurred by the City thereby.
4. **Payments:** Progress payments and/or complete payment on the contract price will be made in approximately thirty (30) days from date of completion and acceptance of the work performed by demands on the City Treasurers office of the City of El Segundo approved as required by Municipal Code and General Law Provisions.
5. **Performance Bond:** None unless specified by the attached specifications.
6. **Taxes:** Municipalities are EXEMPT from Federal Excise and Transportation taxes. Prices quoted are to EXCLUDE Federal Taxes. Exemption certificates will be furnished on request. Unless otherwise indicated, prices quoted will be considered to INCLUDE SALES or USE TAX which is payable by the City.
7. **Errors and Omissions:** The vendor shall not be allowed to take advantage of any errors and/or omissions in these specifications or in the vendor's specifications submitted with his proposal. Full instructions will always be given when such errors or omission are discovered.

8. **Default:**

- a. If the vendor fails in any manner fully to perform and carry out each and all of the terms, covenants, and conditions of the contract, he shall be in default and notice in writing shall be given him of such default by the Risk Manager/Purchasing Agent of the City. If the vendor fails to cure such default within such time as may be required by such notice, the City, acting by and through the Risk Manager/Purchasing Agent, may at its option terminate and cancel the contract, and at the expense of the vendor and his or its surety, complete the contract or cause the same to be completed. The performance bond and the money payable thereon shall be forfeited thereby and to remain the property of the City of El Segundo.
- b. In the event of such termination, all monies due the vendor under the terms of the contract shall be retained by the City, but such retention shall not release the vendor or his surety from liability for his default. In such event, however, the vendor and his surety will be credited with the amount of money so retained toward any amount by which the cost of completion of the contract, as above provided, exceeds the original contract price.
- c. Such termination shall not affect or terminate any of the rights of the City as against the vendor or his surety then existing, or which may thereafter accrue because of such default and the foregoing provision shall be in addition to all other rights and remedies available to the City under the law.
- d. The waiver or a breach of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.

9. **Infringement on patent rights, copyrights or trademarks:** The contractor must save, keep, hold harmless and fully indemnify the City of El Segundo and its officers and employees, and agents from all damages, or claims for damages, costs or expenses, in law or equity that at any time arises or be set up for any infringement of patent rights, copyrights or trademark on any person or persons in consequence of the use by the City of El Segundo, or by any of its officers, employees, or agents, of articles to be supplied under this proposal, and of which the contractor is not the patentee or assignee or has not the lawful right to sell same.

10. **Safety Requirements:** The equipment you would supply to the City of El Segundo must comply with all requirements and standards as specified by the Occupational Safety and Health Act. All guards and protectors as well as appropriate markings will be in place before delivery. Items not meeting any OSHA specifications will be refused. Suppliers may be required at his expense to provide training to City employees in the operation of this item, and its maintenance at the convenience of the City.

11. **Business License:** The successful vendor shall possess or obtain a City of El Segundo Business License within five (5) business days after receipt of the Notice of Acceptance of his bid.
12. The vendor will not be held liable for failure or delay in fulfillment if hindered or prevented by fire, strikes, or Acts of God.
13. **Permits:** All permits fees and licenses necessary for the completion of the work shall be paid for by the Contractor and subcontractors.
14. **BIDS ARE TO BE SUBMITTED TO THE CITY OF EL SEGUNDO IN TRIPLICATE. (ONE ORIGINAL AND TWO COPIES).**
15. The preceding Instructions and Conditions and the attached are applicable to this Bid and the BIDDER ACKNOWLEDGES ACCEPTANCE THEREOF OF BY SIGNING AND FILING SAID BID.

**CITY OF EL SEGUNDO COOPERATIVE BID
SPECIFICATION NO. 05-15
“AUCTION SERVICES”**

1.0 **GENERAL**

1.1 The City of El Segundo is acting as lead agency on behalf of other agencies soliciting bids for auction services to be used for the disposal of surplus property. Each agency participating shall be responsible for their own debts and for determining the extent if any, of their participation in the program. The Los Angeles Metro Public Purchasing Agents' Cooperative (LAMPPAC) membership consists of (38) City's, (2) County Agencies, (4) School Districts, and (2) Special Districts from Los Angeles and Orange Counties. Please visit www.lamppac.org for more information.

1.2 **Length & Award of Contract**

The contract will be for five (5) years as follows: a three (3) year base contract with two (2) additional one year optional periods. Bidders are advised that the participation of an agency in the program is in most cases subject to the review and approval of the agency's governing board or council.

1.3 **Evaluation of Bids**

All bids received will be evaluated upon the best combination of commission rates, services offered, facilities, references and abilities to meet the requirements of the specifications. Agencies reserve the right to tour a bidder's facilities and to speak with officials of each company submitting a bid as part of the bid evaluation process.

1.4 **Agency Rights**

Each agency reserves the right to split the order and award the disposal of vehicles separately if such action is considered to be in the best interest of the agency. Each agency further reserves the right to establish reserve for any item placed up for auction with the Contractor. Prospective bidders are advised that no agency by virtue of its participation in the program is guaranteeing a certain number of vehicles, goods or materials will be placed up for auction with the Contractor during the life of the contract.

1.5 **Contract Termination**

A contract may be terminated, with or without cause by any participating agency upon the submittal of thirty (30) days written notice to the Contractor. The Contractor shall have the right to terminate the contract upon the submittal of ninety (90) days written notice to the agency based upon agency failure to perform in accordance with the terms and conditions of the purchase contract or agreement.

1.6 Licenses & Permits

The Contractor will be required to have and maintain during the life of the contract all necessary licenses and permits required to provide the specified services. Prospective bidders desiring specific information regarding a particular participating agency's license and permit requirements are urged to contact the agency directly.

1.7 Proof of Insurance

The Contractor shall be required to provide proof of insurance as required by each participating agency. The Contractor shall be required to obtain and maintain at all times during the term of the contract Commercial General Liability and Automobile Insurance protecting the Contractor for not less than \$1,000,000 combined single limit. Bidders are advised that some agencies may have insurance requirements greater than those previously stated. Accordingly, bidders should review Exhibit A for Individual Agency Requirements or contact agency directly for specific information.

1.8 Agency Indemnification

The Contractor shall defend, indemnify and hold harmless all of the participating agencies, their component units, and their officers, elected officials, employees, and volunteers from and against any and all claims and liabilities arising from or related to Contractor's work or other things done, caused to be done, permitted or suffered by Contractor in connection with performance or efforts to perform, under this contract, and from all costs, attorney's fees, and liabilities incurred in the defense of any claim or action or proceeding brought thereon. Contractor shall further defend, indemnify and hold harmless the participating agencies from and against any and all claims and liabilities arising from or related to any breach or default by the Contractor in the performance of any obligation to be performed under this contract, or arising from any act or omission or negligence of Contractor, or any officer, agent or employee of Contractor regardless of whether or not there exists any negligence, either active or passive, on the part of the participating agencies from all costs, attorney's fees, and liabilities incurred in the defense of any claim or action or proceeding brought thereon.

In the event any action or proceeding is brought against any of the agencies by reason of any claim or liability, Contractor shall defend the same at Contractor's expense by council reasonably satisfactory to the agencies. Contractor as a material part of the condition to the participating agencies, under this contract, hereby assumes all risk of damage to property or injury to persons, from any cause other than the agencies sole negligence and Contractor hereby waives all claims in respect thereof against the participating agencies, including active or passive. The Contractor shall give prompt notice to the participating agencies in case of casualty or accidents in connection with the work performed under this contract.

1.9 Withdrawal of Bids

A bid may be withdrawn upon written request to the Risk Manager/Purchasing Agent for the City of El Segundo anytime prior to the opening of bids. No bid may be withdrawn for a period of 90 days after the date and time established for the opening of bids.

1.10 Submittal of Bids

All bids must be submitted to the City Clerk for the City of El Segundo in the manner prescribed by the date and time stated in the Notice Inviting Bids. Bids submitted after the date and time established for the opening of bids will be returned unopened to the sender. The City of El Segundo will not accept any bid submitted by Fax.

1.11 Inquiries

Any question regarding these bid specifications should be directed to Mr. J. Richard Hogate, Risk Manager/Purchasing Agent, City of El Segundo at 310/830-7600 extension 1231. Questions regarding the status of award of bid by a particular agency should be directed to the agency.

1.12 Contract Extension To Other Agencies

The prices, terms and conditions of this specification may be extended to other governmental agencies, at the mutual agreement of both the agency and the contractor. All requirements of specifications, purchase orders, invoices, and payments with other agencies would be direct with the successful bidder. The City of El Segundo does not warrant any additional use of the contract by such agencies.

The City of El Segundo shall be notified immediately by the Contractor of the extension of the bid to any agency not originally included in this RPF solicitation.

2.0 REQUIRED SERVICES

- 2.1 The Contractor shall provide off-site auction services, open to the public, for the sale of vehicles, equipment, miscellaneous supplies and materials provided periodically by the participating agencies. All items will be sold "as is."
- 2.2 It shall be the sole responsibility of the successful bidder to sell and/or properly dispose of all computer related items in compliance with all local, state and federal laws regulating the disposal of such items.
- 2.3 The Contractor shall be required to transport all vehicles, equipment, miscellaneous supplies and materials to the auction site no later than five business days after a request for pick up has been made. All transportation charges including providing pallets,

material handling equipment, shrink-wrapping materials and labor shall be the responsibility of the contractor. Bidders are advised that it may be necessary to make pick ups from multiple sites within some jurisdictions.

- 2.4 The Contractor shall have responsibility for the marketing, advertising, and conducting the auction. The Contractor shall also be responsible for collecting all monies paid for items sold and shall give to each participating agency with payment a report indicating the items sold, the amount paid, the commission retained by the Contractor and the amount due the agency. Said payment and report shall be given to the agencies no later than five (5) business days after the conclusion of the sale. The agencies reserve the right to audit the sales and the Contractors books and records.
- 2.5 The Contractor will be required to pay each agency for items sold by check sent by certified mail within (10) working days after the date of sale. Checks shall be sent to the Risk Manager/Purchasing Agent or designated agency representative at the address referenced in the purchase contract or agreement with each agency.
- 2.6 The Contractor shall have responsibility for preparing necessary documentation to effectuate the transfer of ownership required by the Department of Motor Vehicles for all vehicles sold.
- 2.7 Contractor shall accept legal liability for all vehicles, equipment, miscellaneous supplies and materials beginning with pick up through sale.
- 2.8 Contractor will be required to have sufficient space to hold over items not sold at the sale held immediately after pick up and shall place said items for sale at a second auction to be held at a later date. Items not sold at the second auction will be returned to the agency unless otherwise instructed by the agency.
- 2.9 Bidders shall indicate their commission rate as a percentage of the total dollar amount sold for vehicles and then for equipment, miscellaneous supplies and materials. Said percentages are to be clearly stated on the bid summary page included as part of this specification.
- 2.10 Any and all fees which will be charged are to be listed on the bid summary page. Services provided by the Contractor but for which a fee is not indicated on the bid summary page shall be presumed to be given by the Contractor at no cost to the participating agencies.
- 2.11 The fees and percentages offered by the Contractor shall be fixed during the life of the contract. Each participating agency will retain the right to extend the contract for additional periods of time if such negotiated extension is considered to be in the best interest of the participating agency.

- 2.12 Bidders shall as part of their response provide at least five (5) references from clients served during the last twenty-four (24) months. At least three of the references given are to be public agencies.
- 2.13 Bidders as part of their response shall provide copies of brochures and advertisements used to market or promote their last three public auctions.
- 2.14 Bidders as part of their response must provide a listing of sold vehicles from recent auctions including model, year, condition and sales price.

3.0 **MISCELLANEOUS TERMS AND CONDITIONS**

- 3.1 The Contractor will be required to comply with applicable Federal, State, County and local rules and regulations.
- 3.2 Participating agencies shall not be charged storage fees for items stored through two sales at least.
- 3.3 Employees of the Contractor shall not be considered to be employees of any of the agencies participating in this bid solicitation.
- 3.4 The Contractor shall not sell, assign, subcontract or transfer the contract nor any of the rights and privileges granted thereby without the prior written approval of the participating agency(s).
- 3.5 The Contractor shall be responsible for tagging, inventorying and loading of items to be sold by the various agencies at their locations during normal business hours.

**CITY OF EL SEGUNDO COOPERATIVE BID
BID SPECIFICATION NO. 05-15
"AUCTION SERVICES"**

City of El Segundo
City Clerk's Office
Room 5
350 Main Street
El Segundo, California 90245-38 13

Gentlemen:

In accordance with City of El Segundo Bid Specification No. 05-15 for auction services, we are pleased to provide the participating cities with auction services as described for a three (3) year base contract with two (2) additional one year optional periods, at the rates indicated below.

- A. Commission percentage rate for the sale of surplus motor vehicles shall be **0%**.
- B. Commission percentage rate for the sale of surplus equipment, miscellaneous supplies and materials shall be **0%**.
- C. Commission percentage rate for the sale of jewelry shall be **0%**.
- D. Amount of buyers premium to be charged shall be **10.5%** and the amount of buyers premium returned to the public agency shall be **.5%**.
- E. Schedule of Miscellaneous Fees (List Service and Corresponding Fees). Miscellaneous fees not listed below will not be accepted at a later date.

<u>Item</u>	<u>Fee</u>
None	N/A


Bidders Initials

F. Company representative to be assigned to service this contract (s).

Name: **Dale Van Wagner** Title: **Marketing Director**

Phone: (818) 201-6573 Address: 12580 Saticoy Street, North Hollywood, CA 91605

ALL BIDS ARE TO BE SUBMITTED IN TRIPLICATE

Name of Company: **Ken Porter Auctions**

Date: **October 24, 2005**

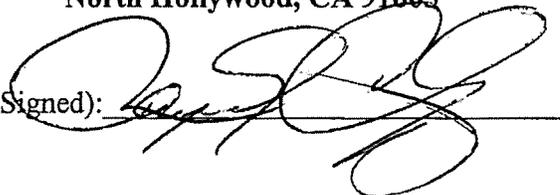
Address: **12580 Saticoy Street**

Telephone: **(818) 255-0616**

North Hollywood, CA 91605

Fax: **(818) 255-0618**

By (Signed):



Title: **President**

APPENDIX A

REFERENCES

Please provide in the space below the names of five clients served during the past twenty-four (24) months. Three of the five clients served must be public agencies.

1. Company/Agency: **County of Ventura**

Address: **800 S. Victoria Avenue, Ventura, CA, 93009**

Phone: **(805) 654-3752**

Contact Person: **Leslie Percy**

2. Company/Agency: **City of Long Beach**

Address: **2600 Temple Avenue, Long Beach, CA, 90802**

Phone: **(562) 570-5404**

Contact Person: **Timothy Duggan**

3. Company/Agency: **City of Upland**

Address: **1370 N. Benson Avenue, Upland, CA, 91785**

Phone: **(909) 931-4253**

Contact Person: **Frank Domijan**

4. Company/Agency: **Durham School Services**

Address: **9011 Mountain Ridge Drive, Suite 200, Austin, Texas, 78759**

Phone: **(512) 343-6292**

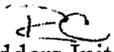
Contact Person: **Tom Mc Bride**

5. Company/Agency: **Walt Disney Studios**

Address: **500 S. Buena Vista Street, Burbank, CA, 91521**

Phone: **(818) 560-1285**

Contact Person: **Rick White**


Bidders Initials

APPENDIX B**GENERAL INFORMATION**

Bidders are asked to answer the following questions as part of their bid response. Please do not leave any question unanswered. Answers to these questions will be considered as part of the evaluation process. Use additional sheets if necessary.

<u>Question</u>	<u>Response</u>
1. Number of times auction is held per month:	1
2. Where is your local auction site?	22800 S. Normandie Ave. Torrance, CA 90502
3. What is the average attendance?	400 - 500
4. How many parking spaces do you provide for the general public? Paved or unpaved?	150 plus Both
5. What are your hours of operation?	8:00 am to 5:00 pm Monday to Friday
6. How much storage capacity do you have?	420,000 square feet
7. Do you send out descriptive photo brochures? If so, please provide a copy in your bid.	Yes See Exhibit B
8. How many names are on your current mailing list?	8,800 plus


Bidders Initials

BID for Auction Services .#05-15 .Specifications.doc

- | | | |
|-----|--|---|
| 9. | What paper of general circulation do you advertise in? | Los Angeles Times, Long Beach Press Telegram, Orange County Register, Ventura County Star. |
| 10. | Do you have pre-auction inspections for bidders? | Yes |
| 11. | Transportation contracted or subcontracted? | Contracted |
| 12. | Does the provider of transportation carry their own insurance? | Yes |
| 13. | Name & location of transportation services? | Cinema Vehicles Services
12580 S. Saticoy Street
North Hollywood, CA 91605 |
| 14. | Contractor/Subcontractor licensed and bonded? | Yes |
| 15. | Full service, turn key auction? | Yes |
| 16. | Licensed/Bonded Dealer? | Yes |
| 17. | Professional Appraisal Services Available? | Yes |
| 18. | Average number of vehicles sold per auction? | 200 plus |
| 19. | What was the total number of lots for each of your last three auctions? | 235 + 284 + 335 = 854 |
| 20. | Number of years in business? | 43 plus years |
| 21. | Will you allow Cities currently under contract to you to enter into this new contract? | Yes |


Bidders Initials

22. Does your site have restroom facilities? **Yes**
23. What is your policy regarding allowing a buyer to renege on a purchase? **We do NOT let buyers renege. If they refuse to pay, they lose their deposit.**


Bidders Initials

**CITY OF EL SEGUNDO
BID NO. 05-15**

AFFIDAVIT OF NON-COLLUSION

The undersigned, as bidder declares that this proposal is made without collusion with any other person, firm or corporation and that the only person or parties interested as principals are named herein. Having carefully examined the Notice Inviting Bids, the Specifications and the Terms and Conditions, we do hereby propose and agree, in the event of acceptance hereof to enter into the required agreement with the City of El Segundo.

Dated this 24th day of **October** 2005. I
certify (or declare) under penalty of perjury
that the foregoing is true and correct.

Name of Company: **Ken Porter Auctions**

Signature:

A handwritten signature in black ink, appearing to be "Ken Porter", written over a horizontal line.

Title: **President**

Attachment 3



City of El Segundo

March 3, 2015

Ken Porter Auctions
VIA EMAIL: gene@kenporterauctions.com
Attention: Gene Govoreau
21140 S. Avalon Blvd.
Carson, CA 90745

Subject: Acceptance of open-ended contract extension

Dear Gene:

The City is acknowledging receipt of contract extension offer made by yourself and Ken Porter Auctions in a letter dated February 5, 2015. Based upon the offer the City would like to accept the February 2015 offer letter on an open-ended basis, with a 30 cancellation clause for both City of El Segundo and Ken Porter Auctions with Agreement No. 4822.

This agreement is piggybackable by other governmental agencies or non-profits groups with certified 501(c) status.

If you have any questions please give me a call at (310) 524-2339.

Thank you,

J. Richard Hogate
Purchasing Agent
City of El Segundo
350 Main Street
El Segundo, CA 90245-3813



Services Agreement – Garage Liability

CONTRACTOR: KEN PORTER AUCTIONS

DATE MAILED: JANUARY 28, 2015

Below you will find a checklist relating to insurance and other requirements that are required for doing business with the City of El Segundo. Only those items checked off are MANDATORY, however if your standard policies exceed the minimum requirements please include. Commercial general liability insurance must meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth below will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name the City, its officials, employees, and volunteers as "additional insured's" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by the City will be excess thereto. Such insurance must be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to the City. Please find additional Terms and Conditions on the reverse side of this Services Agreement. This is not a purchase order or an authorization to begin work.

- Comprehensive General Liability, including coverage for premises, products and completed operations, independent contractors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
- Auto Liability, including owned, non-owned and hired vehicles with at least:
 - \$1,000,000 per occurrence.
 - \$100,000 - 300,000 per occurrence.
 - As required by State Statutes. A copy of your current policy must be submitted naming yourself and or your company.
- Workers' Compensation Insurance: as required by State Statutes including Waiver of Subrogation. (Not needed if Self-employed with no employees and CONTRACTOR signs statement to this effect.)
- Garage Liability: including owned, non-owned and hired vehicles with at least \$1,000,000 per occurrence.
- Business License: The CONTRACTOR shall agree to have a current City of El Segundo license on file at City Hall or purchase said license (at no cost to the City).

PLEASE NOTE: ALL APPLICABLE INFORMATION LISTED ABOVE MUST BE OBTAINED AND ON FILE, PRIOR TO THE ISSUANCE OF A CITY PURCHASE ORDER BEING SENT TO YOU (VIA FAX OR HARD COPY) BY THE PURCHASING AGENT, THUS AUTHORIZING COMMENCEMENT OF WORK FOR THE CITY.

Submitted by (complete all blanks): COLOR COPY REQUIRED BACK TO THE CITY

APPROVED AS TO FORM: [Signature] CITY ATTORNEY	Company Name KEN PORTER AUCTIONS	By (Print name & title) JAMETEO VICE PRESIDENT
	Company Street Address: 2140 S AVA LON BLVD	Vendor's Authorized Signature required [Signature]
City, State, Zip: Carson, CA 90745	Date signed 1/29/2015	ATTEST: [Signature] City Clerk City of El Segundo
Phone: (310) 353-7140	FAX: (310) 353-5740	
Vendor's Email address: GENE@KENPORTERAUCTIONS.COM	Vendor's Web site: KENPORTERAUCTIONS.COM	

Mail Original agreement and Insurance to: City of El Segundo – City Clerk 350 Main Street, Room 5, El Segundo, CA 90245-3813

Original/Department Contact: J. RICHARD HOGATE Date mailed: JANUARY 28, 2015
 Department Head Approver: [Signature] Date Approved: 1/29/15
 Risk Manager Approver: [Signature] Date Approved: 1/29/15

cc. Business License: City Clerk, Purchasing Agent, Requesting Dept. name: FINANCE
 (1) Services Agreement-Garage Liability doc
 City Manager, Greg Carpenter

1.GENERALLY. The materials, supplies, or services (collectively, "Purchase") covered by this services agreement and purchase order ("order") must be furnished by Seller subject to all the terms and conditions contained in this order which Seller, in accepting this order, agrees to be bound by and comply with in all particulars. No other terms or conditions are binding upon the parties unless subsequently agreed to in writing. Written acceptance or shipment of all or any portion of the Purchase covered by this order constitutes unqualified acceptance of all terms and conditions in this order. The terms of any proposal referred to in this order are included and made a part of the order only to the extent it specified the Purchase ordered, the price, and the delivery, and then only to the extent that such terms are consistent with the terms and conditions of this order.

2.INSPECTION. The Purchase furnished must be exactly as specified in this order, free from all defects in Seller's performance, design, workmanship, and materials, and, except as otherwise provided, is subject to inspection and test by City at all times and places. If, before final acceptance, any Purchase is found to be incomplete, or not as specified, City may reject it, require Seller to correct it without charge, or require delivery of such Purchase at a reduction in price that is equitable under the circumstances. If seller is unable or refuses to correct such items within a time deemed reasonable by City, City may terminate the order in whole or in part. Seller bears all risks as to rejected Purchases and, in addition to any costs for which Seller may become liable to City under other provisions of this order, must reimburse City for all transportation costs, other related costs incurred, or payments to Seller in accordance with the terms of this order for unaccepted Purchases. Notwithstanding City's acceptance of any Purchase, Seller is liable for latent defects, fraud, or such gross mistakes as constitute fraud.

3.CHANGES. City may make changes within the general scope of this order in drawings and specifications for specially manufactured supplies, place of delivery, method of shipment or packing of the order by giving notice to Seller and subsequently confirming such changes in writing. If such changes affect the cost of or the time required for performance of this order, an equitable adjustment in the price or delivery or both must be made. No change by Seller is allowed without City's written approval. Any claim by Seller for an adjustment under this section must be made in writing within thirty (30) days from the date of receipt by Seller of notification of such change unless City waives this condition in writing. Nothing in this section excuses Seller from proceeding with performance of the order as changed.

4. TERMINATION. City may terminate this order at any time, either verbally or in writing, with or without cause. Should termination occur, City will pay Seller as full performance until such termination the unit or pro rata order price for the performed and accepted portion of the Purchase. City may provide written notice of termination for Seller's default if Seller refuses or fails to comply with this order. If Seller does not cure such failure within a reasonable time period, or fails to perform the Purchase within the time specified (or allowed by extension), Seller will be liable to City for any excess costs incurred by City.

5.TIME EXTENSION. City may extend the time for completion if, in City's sole determination, Seller was delayed because of causes beyond Seller's control and without Seller's fault or negligence. In the event delay was caused by City, Seller's sole remedy is limited to recovering money actually and necessarily expended by Seller because of the delay; there is no right to recover anticipated profit.

6.REMEDIES CUMULATIVE. City's rights and remedies under this order are not exclusive and are in addition to any rights and remedies provided by law.

7.TITLE. Title to materials and supplies purchased under this order pass directly from Seller to City upon City's written acceptance following an actual inspection and City's opportunity to reject.

8.PAYMENT. City will pay Seller after receiving acceptable invoices for materials and supplies delivered and accepted or services rendered and accepted. City will not pay cartage, shipping, packaging or boxing expenses unless specified in this order. Drafts will not be honored.

9.INDEMNIFICATION. Seller agrees to indemnify and hold City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising out of the Purchase or the order, or their performance. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Purchase or order, or their performance, Seller will defend City (at City's request and with counsel satisfactory to City) and indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "City" includes City's officers, elected officials, and employees. It is expressly understood and agreed that the foregoing provisions will survive termination of this order. The requirements as to the types and limits of insurance coverage to be maintained by Seller, and any approval of such insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Seller pursuant to this order, including, without limitation, to the provisions concerning indemnification.

10.WARRANTY. Seller agrees that the Purchase is covered by the most favorable commercial warranties the Seller gives to any customer for the same or substantially similar supplies or services, or such other more favorable warranties as is specified in this order. Warranties will be effective notwithstanding any inspection or acceptance of the Purchase by City.

11.ASSIGNMENT. City may assign this order. Except as to any payment due under this order, Seller may not assign or subcontract the order without City's written approval. Should City give consent, it will not relieve Seller from any obligations under this order and any transferee or subcontractor will be considered Seller's agent.

12.INSURANCE. Seller must provide the insurance indicated on the face sheet of this Services Agreement.

13.PERMITS. Seller must procure all necessary permits and licenses, and abide by all federal, state, and local laws, for performing this order.

14.INDEPENDENT CONTRACTOR. City and Seller agree that Seller will act as an independent contractor and will have control of all work and the manner in which it is performed. Seller will be free to contract for similar service to be performed for other employers while under contract with City. Seller is not an agent or employee of City and is not entitled to participate in any pension plan, insurance, bonus or similar benefits City provides for its employees. Any provision in this order that may appear to give City the right to direct Seller as to the details of doing the work or to exercise a measure of control over the work means that Seller will follow the direction of the City as to end results of the work only.

15.WAIVER. City's review or acceptance of, or payment for, work product prepared by Seller under this order will not be construed to operate as a waiver of any rights City may have under this Agreement or of any cause of action arising from Seller's performance. A waiver by City of any breach of any term, covenant, or condition contained in this order will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this order, whether of the same or different character.

16.INTERPRETATION. This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.



2/5/15

J. Richard Hogate
c/o Contract Extension
City of El Segundo
350 Main Street, Room 5
El Segundo, CA 90245-3813

Dear Mr. Hogate:
C.H.P. Enterprises, Inc. d.b.a. Ken Porter Auctions is pleased to offer an open-ended contract extension to the current contract (RFP Bid 15-05), at the current fees and rates. Contract may be cancelled at any time by the City of El Segundo or Ken Porter Auctions by providing a 30day Cancellation notice.

If you have any questions, please contact me at (310) 353-7140.

Thanks again for all the business your city has sent to Ken Porter Auctions over the past several years.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Gene Govoreau', is written over a light blue horizontal line.

Gene Govoreau
General Manager

Attachment 4

Ken Porter
AUCTIONS
EST. 1962



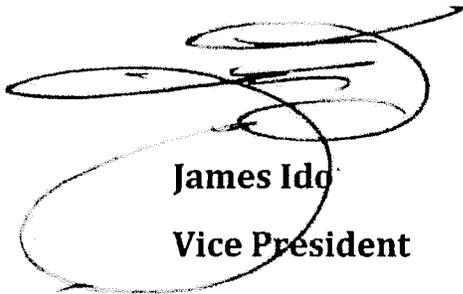
June, 16 2016

Craig Crowder
Fleet Manager
City of Beverly Hills

Mr. Crowder

Ken Porter Auctions would like to extend our current contract by piggy backing with the extension of El Segundo bid #05-15.

Sincerely



James Idd
Vice President