Department of Procurement Services - City of Chicago

June 6, 2017

Clarification No. 1

To

REQUEST FOR PROPOSAL ("RFP")

For

Part A: Online Auction Hosting Services; And/Or Part B: Additional Liquidation Services And Solutions

Specification No. 263253

For which Proposals are scheduled to be received no later than 4:00 PM., Central Time on June 12, 2017 (pursuant to the Request for Proposal advertised May 5, 2017) in the Department of Procurement Services, Bid & Bond Room (Room 103 of City Hall).

The following clarifications are made in reference to the RFP document. All other provisions and requirements as originally set forth remain in full force and are binding.

Respondent must acknowledge receipt of this Clarification No. 1 in its Proposal AND should complete and return the attached Acknowledgment by email to:
raymond.adams2@cityofchicago.org
Attn: Ray Adams, Sr. Procurement Specialist

This document contains:

I. **Answers to 16 Questions Submitted for Clarification of the RFP; and**
II. **Clarification Receipt Acknowledgment.**

The information contained in this Clarification No. 1 is incorporated by reference into the original Request For Proposal (RFP) issued on May 5, 2017.

SECTION I: Answers to 16 questions submitted for clarification of the RFP

Question 1: How much time is acceptable for custom software implementation?

Answer: The City anticipates approximately 6-9 weeks including testing, adjustments and final acceptance by the City, but this timeframe may vary depending upon unknown circumstances which may arise. The City may require the vendor to help identify work-arounds during the implantation and testing period.

Question 2: Regarding volume discounts (Exhibit 3): Is the volume discount annual or calculated over the course of the contract?

Answer: It will be calculated over the course of the contract.

Question 3: Are the Assist Agencies considered a part of this contract and are they expected to use the online platform?

Answer: No, they are only to provide assistance as it relates to locating qualified/certified Minority and Women Business Enterprises (M/WBE), should the Respondent as the prime Contractor seek credit for using City of Chicago or Cook County certified M/WBE firms as subcontractors. This is not a requirement of this contract. (Refer to Section 4.2.8. and Exhibit 4 in the RFP.)

Question 4: To what extent does "Bidder" mean person, business & Contractor?

Answer: "Bidder" as related to the Scope of Services, refers to any entity that is using the software to place bid(s) on items up for auction. (Refer to Section 2 Scope of Services in the RFP.)

Question 5: Is this an open market to the general public (i.e. Public Facing)?

Answer: Yes.

Question 6: Of the estimated $2-3 mil in items that are expected to be auctioned and/or liquidated, is there a breakdown by category of the number of items based on historical data?

Answer: This data sort is not readily available; however past auctions (5 years +) can be viewed on the City's website at: http://www.publicsurplus.com/sms/chicago,il/list/past?orgid=20549

Question 7: Can the Part A & B option be done in conjunction with another bidder?

Answer: Yes, you may partner with another company (i.e., Joint Venture) or, utilize a subcontractor(s).

Question 8: What electronic devices can be used to make payments (i.e. laptops, cell phones, tablets)?

Answer: Auction bidders should be availed with the ability to make payments via all the mobile devices referred to in this question (including smartphones and android phones).

Question 9: How long will it take to award the contract?

Answer: The City anticipates awarding the contract within 90-120 days after completion of the evaluation/selection process, but this is contingent on successful negotiation of final contract terms and cost within this time frame.

Question 10: Will the software demonstration (Phase III) be virtual or in person?

Answer: In person, as part of the Oral Presentations. (Refer to Section 6. Selection Process in the RFP.)

Question 11: What is the current sales commission charged to the City and what are the volume discount structure and commission percentages?

Answer: Please use the following link to view the current contract. This information can be found in the Compensation Exhibit: http://ecm.cityofchicago.org/eSMARTContracts/service/dpsweb/ViewDPSWeb.zul

Question 12: If an applicant is interested in applying for Part A and for Part A & B combined, will it need to submit separate proposals for Part A and for Part A & B Combined?

Answer: Yes, separate proposals should be submitted. (Refer to Section 4.2 Required Content of the Proposal in the RFP.)

Question 13: Does the service have to be offered to the public via an online platform? If so, can it be offered via hyperlink to the City of Chicago site?

Answer: Yes, it must be an online platform. It can be offered via hyperlink to the City of Chicago site, but it should also be available outside the hyperlink.

Question 14: Regarding the Contractor's Commission referenced in Exhibit 3, would the City reconsider the proceeds of each transaction being deposited in an account designated and owned by the City? Instead, would it consider a solution where funds were collected by the auction company, and remitted to the City, less commissions?

Answer: The City does not intend to enter into a concession type agreement whereby funds are collected by the Contractor and remitted to the City less commission. Instead, the City intends to enter into a formal contract with the selected Contractor which follows the compensation structure in Exhibit 3, Cost Proposal/Compensation Schedule in the RFP. Per City ordinance, vendors are not permitted to collect proceeds that are then deposited into a non-City account.

Question 15: Exhibit 3 states that no buyer's premium shall be assessed for any auction performed pursuant to the agreement. Would the City be willing to reconsider its stance on the buyer's premium?

Answer: The City has the flexibility to allow for a Buyer's Premium. (Refer to Exhibit 3 Cost Proposal/Compensation Schedule in the RFP.)

Question 16: Would the City be willing to forego the RFP process and instead utilize a 3rd party cooperative agreement like the National Joint Powers Alliance?

Answer: No, the City will continue with the RFP process.

June 6, 2017

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Consisting of Sections I – II including this Acknowledgment.

III. CLARIFICATION RECEIPT ACKNOWLEDGMENT

I hereby acknowledge receipt of Clarification No.1 to the RFP named above and further state that I am authorized to execute this Acknowledgment on behalf of the company listed below.

_____ _____

Signature of Authorized Individual Title

_____ _____

Name of Authorized Individual (Type or Print) Company Name

_____

Business Telephone Number

Complete and Return this Acknowledgment by email to: raymond.adams2@cityofchicago.org
Attn: Ray Adams, Sr. Procurement Specialist