



LEGISLATIVE COVER MEMO

Introduction: December 16, 2024

Agenda Item: **Resolution 2024-80**

AUTHORIZING THE SALE OF SURPLUS CITY PROPERTY BY
INTERNET AUCTION

Submitted by: Jonathan Westendorf, City Manager

Scope/Description: The Ohio Revised Code empowers the City to sell surplus personal property no longer needed by the City via internet auction. This Resolution authorizes the City to sell the City's surplus personal property via internet auction during calendar year 2025, and provides for the required notice to the public of the City's intention to use online auctioneer services for this purpose.

Budget Impact: None.

Exhibits: None.

Recommendation: Approval

CITY OF FRANKLIN, OHIO
RESOLUTION 2024-80

AUTHORIZING THE SALE OF SURPLUS CITY PROPERTY BY INTERNET AUCTION

WHEREAS, each year City of Franklin Department and Division Heads are directed to determine whether personal property owned by the City is unneeded, obsolete, or unfit for municipal purposes (collectively, "Surplus Property") and, where such Surplus Property is identified, take necessary steps to dispose of such property in accordance with applicable law; and

WHEREAS, Ohio Revised Code 721.15 authorizes the City to dispose of Surplus Property through the use of an internet auction service; and

WHEREAS, the City will benefit from receiving income derived from the sale of Surplus Property; and

WHEREAS, City staff have determined that selling Surplus Property via internet auction is the most cost-effective and efficient means of disposing of said property, and have identified Liquidity Services Operations LLC ("LSO"), which operates the internet auction website "GovDeals.com" ("GovDeals"), as a legitimate internet auction service provider with which the City may contract to dispose of its Surplus Property. Liquidity Services Operations LLC has a registered agent address at Corporation Service Company, 3366 Riverside Drive, Suite 103, Upper Arlington, Ohio 43221; and

WHEREAS, the public is hereby given notice that the general terms and conditions established in this Resolution will be utilized when conducting the internet auction process via GovDeals.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Franklin, Ohio, a majority of the members of Council present concurring, that:

Section 1. Council hereby expresses its intent to dispose of Surplus Property (as that term is defined in this Resolution) during the 2025 fiscal year via internet auction.

Section 2. Council hereby authorizes the City Manager to contract with LSO (d/b/a GovDeals) to conduct internet auctions of Surplus Property on behalf of the City.

Section 3: The City will conduct internet auctions pursuant to R.C. 721.15(D). The City's Surplus Property may be viewed on GovDeals.com or in person at the City Offices at 1 Benjamin Franklin Way, Franklin, Ohio 45005 during times outlined in the Terms and Conditions to be set for each item to be sold throughout this fiscal year (which Terms and Conditions shall be available for public view on GovDeals.com).

Section 4: All Surplus Property to be auctioned shall be inventoried, listed by Department, given an appropriate identification number, and contain pertinent information identifying the item(s) for sale (e.g. year, make, model, mileage or use). Each Department and Division Head shall be responsible for determining when personal property under its control and supervision is no longer needed for public use, or is obsolete or unfit for the use for which it was acquired, and shall submit such Surplus Property to the City Manager and Assistant to the City Manager, along with a suggested minimum bid price, to be sold via internet auction pursuant to this Resolution.

Section 5: Council hereby designates the Assistant City Manager as its representative and official point of contact for all internet auctions of Surplus Property. The Assistant City Manager (or City Manager, in the Assistant City Manager's absence) shall be responsible for the following:

- A. Establish a minimum price for each item of Surplus Property to be auctioned;

- B. Establish, with approval of the Law Director, "Online Sales Terms and Conditions" for online sales in accordance with this Resolution (the "Terms and Conditions") which shall be available for public view at the City Municipal Building during normal business hours;
- C. Ensure that Surplus Property is sold by internet auction in accordance with this Resolution and the Terms and Conditions;
- D. Ensure that the City receives all monies due and owing to the City as a result of the sale of Surplus Property; and
- E. Complete any training offered by LSO regarding Financial Settlement Services related to the use of GovDeals.

Section 6: Internet auctions of Surplus Property will be conducted in the following manner under the following general terms and conditions:

- A. All Surplus Property will be offered for sale subject to the City's Terms and Conditions (which shall include the terms and conditions set forth in this Section 6);
- B. All Surplus Property is offered for sale "AS IS, WHERE IS, AND WITHOUT WARRANTY." The City of Franklin, Ohio makes no warranty, guaranty or representations of any kind, either express or implied, as to the merchantability or fitness for any purpose of the property offered for sale. The "buyer" of any City property is not entitled to any payment for loss of profit or any other money damages – special, direct, indirect or consequential – against the City that in any way relates to the purchase and/or use of the property;
- C. All Surplus Property will be available for sale to the public on the GovDeals.com website for a minimum of ten (10) days, including Saturdays, Sundays and legal holidays as required in Section 721.15(D) of the Ohio Revised Code;
- D. If any Surplus Property offered for sale by internet auction is not sold within ten (10) days after being posted on the GovDeals.com website, the City may withdraw said property from the internet auction at any time;
- E. City property shall not be transferred to a successful bidder until such time as guaranteed payment has been received in full;
- F. The City Council of the City of Franklin, Ohio reserves the right to reject any bids and to withdraw from the sale of any items listed on GovDeals.com.

Section 7: GovDeals shall collect all auction proceeds by means of PayPal, credit card, wire transfer or other similar means. GovDeals will charge each buyer a "Buyer's Premium" of an established percent, which will be retained by the auction service provider. The City shall pay zero percent of the GovDeals fee and the winning bidder shall pay all of the "Buyers Premium" to account for the GovDeals fee. In addition, the internet auction service provider shall be entitled to a fee per each item sold.

Section 8: LSO d/b/a GovDeals will remit the auction proceeds, minus its fees and the "Buyer's Premium," to the City on an agreed upon basis.

Section 9: The City's Clerk of Council is hereby directed to publish public notice of Council's intent to sell Surplus Property in accordance with R.C. 721.15(D). A notice setting forth this Resolution shall also be conspicuously posted and maintained on the City's website throughout calendar year 2025.

Section 10. This Resolution shall become effective immediately upon its passage.

ADOPTED: December 16, 2024

ATTEST: _____
Khristi Dunn, Clerk of Council

APPROVED: _____
Brent Centers, Mayor

CERTIFICATE

I, the undersigned Clerk of Council for the Franklin City Council, do hereby certify that the foregoing is a true and correct copy of a resolution passed by that body on December 16, 2024.

Khristi Dunn, Clerk of Council