

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

FILED SENATE
Mar 29, 2017
S.B. 510
PRINCIPAL CLERK

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SENATE BILL DRS35226-MQ-87 (03/16)

Short Title: Surplus Equipment Auctions. (Public)

Sponsors: Senators Meredith and Tucker (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO DIRECT THE STATE SURPLUS PROPERTY AGENCY TO ENTER INTO A
3 REQUEST FOR PROPOSAL TO CONDUCT AUCTIONS FOR SURPLUS EQUIPMENT
4 FOR THE DEPARTMENT OF TRANSPORTATION AND OTHER STATE AGENCIES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 143-64.03 reads as rewritten:

7 "§ 143-64.03. Powers and duties of the State agency for surplus property.

8 (a) The State Surplus Property Agency is authorized and directed to:

- 9 (1) Sell all State owned supplies, materials, and equipment that are surplus,
10 obsolete, or unused and sell all seized vehicles and other conveyances that
11 the State Surplus Property Agency is authorized to sell;
12 (2) Warehouse such property; and
13 (3) Distribute such property to tax-supported or nonprofit tax-exempt
14 organizations.

15 (b) The State Surplus Property Agency is authorized and empowered to act as a
16 clearinghouse of information for agencies and private nonprofit tax-exempt organizations, to
17 locate property available for acquisition from State agencies, to ascertain the terms and
18 conditions under which the property may be obtained, to receive requests from agencies and
19 private nonprofit tax-exempt organizations, and transmit all available information about the
20 property, and to aid and assist the agencies and private nonprofit tax-exempt organizations in
21 transactions for the acquisition of State surplus property.

22 (c) The State agency for surplus property, in the administration of Part 1 of this Article,
23 shall cooperate to the fullest extent consistent with the provisions of Part 1 of this Article, with
24 the departments or agencies of the State.

25 (d) The State agency for surplus property may sell or otherwise dispose of surplus
26 property, including motor vehicles, vehicles and equipment through ~~an~~ a public auction or
27 electronic auction service."

28 SECTION 2.(a) By October 1, 2017, the State Surplus Property Agency shall issue
29 a request for proposal (RFP) for the sale of surplus titled and nontitled equipment, not owned
30 by the Department of Transportation, at public auction. The equipment auctions shall be held
31 on the campus of the community college closest in proximity to the majority of the items for
32 sale at a given auction. The Agency shall allocate staff to provide information about the
33 equipment being offered at auction and shall provide full equipment condition to the auction
34 company at no cost. The Agency shall provide reasonable access to the equipment at the
35 location the equipment is being stored prior to the auction. The RFP shall require that proposals
36 conform to the following:



- 1 (1) Must offer the equipment via live simulcast with live, interactive bidding in
2 real time and provide a minimum of seven days pre-bidding prior to the live
3 simulcast.
- 4 (2) Must accept cash or credit payments. The auction company may charge
5 credit card and platform fees of up to three percent (3%) of the highest and
6 final bid.
- 7 (3) Must remit the net proceeds from the auction to the State within 14 business
8 days after the auction is completed. The auction company may offset up to
9 one-quarter of one percent (0.25%) of the gross sale for advertisement cost
10 reimbursement.
- 11 (4) Must post a cash bond or equivalent guarantee in the amount of two hundred
12 fifty thousand dollars (\$250,000), made payable to the State of North
13 Carolina.
- 14 (5) Must have a minimum coverage of two million dollars (\$2,000,000) in
15 commercial general liability insurance.
- 16 (6) Must agree to charge no commission to the State. The auction company may
17 charge a buyer premium, not to exceed ten percent (10%) to the final and
18 highest bid.
- 19 (7) Must be a licensed auction company with a current and valid North Carolina
20 Auctioneer license issued pursuant to Chapter 85B of the General Statutes.
21 Preference shall be given to an auction company based in this State.
- 22 (8) Must have ability to conduct auctions on the various campuses of
23 community colleges in this State.

24 **SECTION 2.(b)** By March 1, 2018, the State Surplus Property Agency shall
25 review the proposals submitted and shall enter into a contract with the lowest responsible
26 bidder who provides evidence satisfactory to the Agency that it meets the requirements of this
27 section.

28 **SECTION 3.(a)** By October 1, 2017, the State Surplus Property Agency shall issue
29 a request for proposal (RFP) for the sale of surplus titled and nontitled equipment owned by the
30 Department of Transportation at public auction. The Department shall group the various
31 divisions into three regions for the purposes of holding auctions. The Department of
32 Transportation shall be responsible for the movement and cost of transporting equipment to the
33 auction site. The auction company shall be responsible for any equipment that leaves the care,
34 custody, and control of the auctioneer. The Department of Transportation shall provide the
35 equipment maintenance file and the preventative maintenance schedule for each item of
36 equipment being auctioned. Notwithstanding G.S. 143-64.05(b), receipts generated from the
37 sale of surplus equipment pursuant to this section shall be remitted to the Department of
38 Transportation. The RFP shall require that proposals conform to the following:

- 39 (1) Must accept payment by any commercially reasonable manner. The auction
40 company may charge credit card and platform fees of up to three percent
41 (3%) of the highest and final bid.
- 42 (2) Must provide at least three different times for public inspection of equipment
43 offered for each auction.
- 44 (3) Must remit the net proceeds from the auction to the Department of
45 Transportation within 14 business days after the auction is completed. The
46 auction company may offset up to one-quarter of one percent (0.25%) of the
47 gross sale for advertisement cost reimbursement.
- 48 (4) Must post a cash bond or equivalent guarantee in the amount of two hundred
49 fifty thousand dollars (\$250,000), made payable to the State of North
50 Carolina.

- 1 (5) Must have a minimum coverage of two million dollars (\$2,000,000) in
2 commercial general liability insurance.
- 3 (6) Must agree to charge no commission to the State. The auction company may
4 charge a buyer premium, not to exceed ten percent (10%) to the final and
5 highest bid.
- 6 (7) Must be a licensed auction company with a current and valid North Carolina
7 Auctioneer license issued pursuant to Chapter 85B of the General Statutes.
8 Preference shall be given to an auction company based in this State.
- 9 (8) Must require that successful bidders provide and complete proper transfer
10 documents for titled equipment.
- 11 (9) Must be capable of conducting auctions in regions specified by the
12 Department of Transportation.

13 **SECTION 3.(b)** By March 1, 2018, the State Surplus Property Agency shall
14 review the proposals submitted and shall enter into a contract with the lowest responsible
15 bidder who provides evidence satisfactory to the Agency that it meets the requirements of this
16 section.

17 **SECTION 4.** This act is effective when it becomes law.