



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 510

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

S510-ABG-9 [v.3]

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Amends Title [YES]
First Edition

CHANGES TITLE

Date April 26, 2017

Senator Meredith

1 moves to amend the bill on page 1, line 1, through page 3, line 17, by rewriting the lines to
2 read:

3 "A BILL TO BE ENTITLED

4 AN ACT TO DIRECT THE STATE SURPLUS PROPERTY AGENCY TO ESTABLISH A
5 PILOT PROGRAM AND ENTER INTO A REQUEST FOR PROPOSAL TO CONDUCT
6 AUCTIONS FOR SURPLUS EQUIPMENT FOR THE DEPARTMENT OF
7 TRANSPORTATION AND OTHER STATE AGENCIES.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.(a)** Pilot Program to Reduce Inventory of State Surplus Property. –
10 No later than July 1, 2017, the State Surplus Agency shall establish a pilot program for
11 disposing of state surplus property, including motor vehicles and equipment, by public auction
12 in accordance with Section 1 of this act. In implementing this pilot program, the State Surplus
13 Agency shall prepare a request for proposals pursuant to Section 1.(b) and Section 1.(d), for
14 three (3) public auctions during this pilot program. The pilot program shall terminate on July 1,
15 2019.

16 **SECTION 1.(b)** By October 1, 2017, the State Surplus Property Agency shall issue
17 a request for proposal (RFP) for the sale of surplus titled and nontitled equipment, not owned
18 by the Department of Transportation, at public auction. The equipment auctions shall be held
19 on the campus of the community college closest in proximity to the majority of the items for
20 sale at a given auction. The Agency shall allocate staff to provide information about the
21 equipment being offered at auction and shall provide full equipment condition to the auction
22 company at no cost. The Agency shall provide reasonable access to the equipment at the
23 location the equipment is being stored prior to the auction. The RFP shall require that proposals
24 conform to the following:

- 25 (1) Must offer the equipment via live simulcast with live, interactive bidding in
26 real time and provide a minimum of seven days pre-bidding prior to the live
27 simulcast.
- 28 (2) Must accept cash or credit payments. The auction company may charge
29 credit card and platform fees of up to three percent (3%) of the highest and
30 final bid.
- 31 (3) Must remit the net proceeds from the auction to the State within 14 business
32 days after the auction is completed. The auction company may offset up to



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1 one-quarter of one percent (0.25%) of the gross sale for advertisement cost
2 reimbursement.

3 (4) Must post a cash bond or equivalent guarantee in the amount of two hundred
4 fifty thousand dollars (\$250,000), made payable to the State of North
5 Carolina.

6 (5) Must have a minimum coverage of two million dollars (\$2,000,000) in
7 commercial general liability insurance.

8 (6) Must agree to charge no commission to the State. The auction company may
9 charge a buyer premium, not to exceed ten percent (10%) to the final and
10 highest bid.

11 (7) Must be a licensed auction company with a current and valid North Carolina
12 Auctioneer license issued pursuant to Chapter 85B of the General Statutes.
13 Preference shall be given to an auction company based in this State.

14 (8) Must have ability to conduct auctions on the various campuses of
15 community colleges in this State.

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

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

30 (1) Must accept payment by any commercially reasonable manner. The auction
31 company may charge credit card and platform fees of up to three percent
32 (3%) of the highest and final bid.

33 (2) Must provide at least three different times for public inspection of equipment
34 offered for each auction.

35 (3) Must remit the net proceeds from the auction to the Department of
36 Transportation within 14 business days after the auction is completed. The
37 auction company may offset up to one-quarter of one percent (0.25%) of the
38 gross sale for advertisement cost reimbursement.

39 (4) Must post a cash bond or equivalent guarantee in the amount of two hundred
40 fifty thousand dollars (\$250,000), made payable to the State of North
41 Carolina.

42 (5) Must have a minimum coverage of two million dollars (\$2,000,000) in
43 commercial general liability insurance.

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

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

14 **SECTION 2** No later than October 1, 2019, the State Surplus Agency shall report
15 to the Joint Legislative Transportation Oversight Committee on the public auction of state
16 surplus property pursuant to the pilot program established pursuant to Section 1 of this act. At a
17 minimum, this report shall include information on the following:

- 18 (1) The quantity and type of properties offered as part of each request for
19 proposal.
20 (2) The details of each request for proposal and award of contract pursuant to
21 each request for proposal.
22 (3) The results of the state surplus property public auctions, including
23 information details of each public auction, the identity of the purchaser, and
24 the average ratio of sale price to estimated state surplus property value.
25 (4) Other information the State Surplus Agency deems necessary.

26 **SECTION 3.** This act is effective when it becomes law."

SIGNED _____

Kathy Hoag
Amendment Sponsor

SIGNED _____

[Signature]
Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____

