

R 53-11 RESOLUTION

A RESOLUTION AUTHORIZING THE VILLAGE PRESIDENT TO SIGN TWO SERVICES AGREEMENTS WITH PROPERTYROOM.COM TO ALLOW FOR THE ONLINE DISPOSAL OF SEIZED AND RECOVERED PROPERTY BY THE POLICE DEPARTMENT

WHEREAS, the Lombard Police Department is continually taking possession of property that is seized or recovered; and,

WHEREAS, the Lombard Police Department has a need to properly dispose of seized and recovered property; and,

WHEREAS, entering into Agreements with PropertyRoom.com would allow for an efficient manner of disposing of both large and small items that are seized or recovered; and,

WHEREAS, the Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve the attached Agreements,

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS as follows:

SECTION 1: That the Village President is hereby authorized to sign on behalf of the Village of Lombard the Agreements as attached hereto.

SECTION 2: That the Village Clerk be and hereby is authorized to attest said Agreements as attached hereto.

Adopted this 2nd day of December, 2010.

Ayes: Trustees Gron, Giagnorio, Wilson, Moreau, Fitzpatrick and Ware

Nays: None

Absent: None

Approved this 2nd day of December, 2010.

Resolution No. 53-11

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William J. Mueller
Village President

ATTEST:



Brigitte O'Brien
Village Clerk

APPROVAL AS TO FORM:

Thomas P. Bayer, Village Attorney

Propertyroom.com's Trial or Test Disposition Services Agreement

PORTABLE SERVICE

This Trial / TEST BASIS Services Agreement documents an arrangement between PropertyRoom.com (PRC) and The Village of Lombard, Illinois Police Department for purposes of permitting an evaluation period for testing new PRC services being made available to the Client.

Term and Termination: The term of this Service Agreement will be issued for 6 months on a TRIAL / TEST BASIS. After the first 6 month the Service Agreement will auto-renew for one year unless there is a 30 day written notice for termination without cause by either Party.

1. Method of Selling Property.

- a. **Portable Property Items.** PRC will, on Owners behalf, pick-up, store and list Property for sale by auction to the public on the Internet on one or more domain names selected by PRC. To the extent that any Property is not sold by auction, PRC may, in any commercially reasonable manner selected by PRC, dispose of Property. PRC will determine all aspects, terms and conditions of auctions of Property and dispositions of Property not purchased at auction, subject to the ultimate control of Owner. PRC will be responsible for all phases of submitting the Property for auction, including, but not limited to, determining when Property will be auctioned, setting the opening and reserve prices of Property, if any; determining the selling price, setting the length of time Property will be auctioned; creating text and graphics to describe and depict Property submitted for auction; collecting Buyer information (such as name, billing address, shipping address, and credit card information); approving Buyer credit card purchase transactions; and collecting auction proceeds for completed sales from Buyers. PRC shall use reasonable commercial efforts in auctioning and selling the Property on the Internet and disposing of Property that does not sell at auction. PRC shall sell and dispose of all Property "as is" without any liability to the Owner. PRC is solely responsible for identifying and resolving sales and use tax collection issues arising from Property sales, including the necessity of charging and collecting such taxes.

2. Allocation of Sales Proceeds.

a. Portable Property Items

- (1) **Sales Price.** The total amount paid by Buyer shall be called the "Sales Price." The Sales Price shall include the winning bid amount (the "Winning Bid") and all costs, shipping and handling charges, taxes, and insurance costs associated with the transaction and paid by Buyer.
- (2) **The Split.** For each item of Property, Owner will be credited with 50% of the first \$1,000 of the Winning Bid and 75% of the Winning Bid portion, if any, that exceeds \$1,000. From this amount, the Owner's pro rata share of transaction fees (the "Processing Costs"), if any, will be deducted.
- (3) **Processing Costs.** Credit card processing costs ("Credit Card Cost") and affiliate processing fees (the "Affiliate Fees," which include commissions and processing costs paid to third parties IF they sent the winning bidder to the website), will be borne by Owner and PRC in proportion to the percentage of the revenue credited to the parties for each underlying transaction.
- (4) **Net Proceeds.** Amounts received by the Owner will be called "Owner's Net Proceeds".

Portable Item Example. The following example illustrates allocation of proceeds from a Portable Property Item sale. Assume an item of Property sells at auction for a \$100 Winning Bid; the Buyer pays shipping and handling of \$10, insurance of \$2, and sales tax of \$6. The Buyer pays the Sales Price of \$118.00 (\$100 + \$10 + \$2 + \$6) by credit card, and the Credit Card Cost is 3% of the Sales Price or \$3.54 (0.03 x \$118) and the Affiliate Fee is 4.8% or \$4.80 (0.048 x \$100). The

Owner and PRC each share 50% of the underlying Winning Bid, therefore Credit Card Costs and Affiliate Fees are also shared equally, \$1.77 each ($\$3.54 \div 2$) for Credit Cost and \$2.40 each ($\$4.80 \div 2$) for Affiliate Fees. The Owner's Net Proceeds are \$45.83 (\$50.00 less \$4.17). Note: less than 1 out of 10 transactions include Affiliate Fees.

- (5) **Fuel Surcharge.** The Company does NOT charge pick-up fees. Instead, a fuel surcharge applies per Portable Item manifest when diesel prices rise above a specific level as shown in the Fuel Surcharge Schedule below. The Company benchmarks average diesel retail prices as published online by the Energy Information Administration of the US Department of Energy and resets its fuel surcharge quarterly based on pricing from the prior quarter. Fuel surcharges, if any, deduct from monthly Owner's Net Proceeds.

Fuel Surcharge Schedule

Retail Diesel (per gal)	Fuel Surcharge*
Less than \$2.50	\$ 0.00
\$ 2.50 to \$ 2.99	\$ 12.40
\$ 3.00 to \$ 3.49	\$ 24.80
\$ 3.50 to \$ 3.99	\$ 37.20
\$ 4.00 to \$ 4.49	\$ 49.60
\$ 4.50 to \$ 4.99	\$ 62.00
\$ 5.00 to \$ 5.49**	\$ 74.40
* Divides across locations and/or sub-accounts picked-up same day	
** Table continues upward at same rate	

3. **Payment Terms.** Once every month, PRC will pay to Owner the amount of Owner's Net Proceeds payable for completed sales during the preceding month. Sales are deemed completed when all items comprising a line item on the original manifest or other list of Property are sold. With each payment of Owner's Net Proceeds, PRC will make available to Owner a detailed report setting forth the following information for the immediately preceding month:
- The completed sales during the prior month, including the total amount of related proceeds collected, Owner and PRC share of Processing Costs, and the Owners Net Proceeds;
 - Other dispositions of Property during the month; and
 - The Property, if any, inventoried by PRC at the end of the month.



 for "Owner"

12-17-10 Date



 for Property Room

11-18-10 Date

Addendum to Property Disposition Services Agreement

PORTABLE SERVICES

This addendum is attached to and made part of the Village of Lombard, Illinois, Police Department Property Disposition Services Agreement dated _____ (the "Agreement"). In the event of a conflict between the provisions of the main body of the Agreement and this Addendum, this Addendum will govern.

The Agreement is modified as follows:

This agreement is at will and may be terminated by either party at anytime without cause.

William J. Muth
for "Owner"

12/12/10 Date

A. Bellomo
for PropertyRoom.com Inc

11/9/10 Date

PropertyRoom.com Trial Services Agreement - Gold Program

This **Trial Services Agreement** documents an arrangement between PropertyRoom.com (PRC) and The Village of Lombard, Illinois Police Department for purposes of permitting an evaluation period for testing new PRC services being made available to the Client.

Agreement Duration periods and Termination provisions: The term of this Trial Services Agreement will be for 6 months from the date of signature. This Trial Services Agreement will auto-renew as a Standard Service Agreement for one year terms thereafter, unless there is a written notice for termination issued by either party within 30 days of the applicable expiration date.

Services Covered by this Agreement: This agreement covers the Gold vehicle and other large equipment auction program being offered by PRC.

Under the Gold Program:

The Client is responsible for the following actions:

1. maintains physical control over the items being listed on the PRC web site for auction
2. cleans and prepares the item for sale
3. provides PRC with digital images of the item and a checklist describing the physical condition of the item
4. provides a contact person for PRC to notify concerning the successful bidder and selling price and to coordinate the release of the item bought to the successful bidder and to coordinate the transfer of title and registration, if needed
5. provides the instructions to PRC for the transfer of the Client's share of the auction proceeds at the conclusion of the sales process

PRC is responsible for the following actions:

1. loading the digital images and an electronic description of the item to be sold up to the PRC online auction site
2. marketing the PRC web site
3. conducting the auction using our proprietary auction technology
4. providing customer support to bidders
5. transaction payment processing of successful bids
6. providing online access to audit trails and accounting information to Client
7. coordinating contact between successful bidder and Client's designated contact person to effect hand over of purchased item
8. providing payments and account reports on each sale to Client

Gold Program Revenue Shares:

1. The Client receives 95% of the successful bid price, minus a pro rata share of any payment transaction cost assessed by the successful bidder's credit card company
2. PRC receives 5% of the successful bid price, minus a pro rate share of any payment transaction cost assessed by the successful bidder's credit card company

Gold Program Bidder's Premium:

PRC will assess and collect from each successful bidder a 15% buyer's premium. This additional charge will be on top of the successful bid price and will not be deducted from the amount paid to the Client for the sale of the Client's item.

Pro forma example of a typical Gold sale transaction:

PRC completes the sale by collecting the \$1,000.00 sales price from buyer. The underlying winning bid results in a \$50 PRC commission, leaving \$950 in Client's gross proceeds. Assuming processing costs of 3% (\$30.00), these would be borne 95% by Client, \$28.50 (0.95 x \$30) and 5% by PRC, \$1.50 (0.05 x \$30), respectively. The Client's net proceeds would equal \$921.50 (\$950.00 less \$28.50).

In a completely separate transaction, PRC would also collect a \$150.00 buyer's premium from the successful bidder.

Client Name: Village of Lombard

Address: 255 East Wilson Avenue

Lombard, IL 60148


Telephone: 630 620 5700

By: 

Title: VILLAGE PRESIDENT

Date Signed: 12/9/10

Propertyroom.com

By: 

Title: CEO

Date Signed: 11/9/10

**Addendum to Property Disposition Services Agreement
Gold Services**

This addendum is attached to and made part of the Village of Lombard, Illinois, Police Department Property Disposition Services Agreement dated _____ (the "Agreement"). In the event of a conflict between the provisions of the main body of the Agreement and this Addendum, this Addendum will govern.

The Agreement is modified as follows:

This agreement is at will and may be terminated by either party at anytime without cause.


for "Owner"

12/2/10 Date


for PropertyRoom.com Inc

11/9/10 Date