NOTICE OF CONTRACT EXTENSION

TO: KHAN ENTERPRISES D/B/A COLONIAL AUCTION SERVICES
13200 OLD MARLBORO PIKE
UPPER MARLBORO, MD 20772

DATE ISSUED: MARCH 19, 2014

CONTRACT NO: 107-11

CONTRACT TITLE: AUCTION SERVICES

THIS IS A NOTICE OF CONTRACT EXTENSION AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

THIS IS YOUR NOTICE THAT THE ABOVE-REFERENCED CONTRACT IS EXTENDED ON A MONTH-TO-MONTH BASIS AT THE SAME PRICE, TERMS AND CONDITIONS UNTIL A NEW CONTRACT IS AWARDED.

The contract documents consist of the terms, conditions, and specifications of Invitation to Bid No. 107-11 and the bid of the Contractor, incorporated herein by reference.

CONTRACT PRICING:

1) PRICING FIRM FOR CONTRACT TERM.

2) CATEGORY A (AUTOMOTIVE): 2.5% OF GROSS SALE PRICE

3) CATEGORY B (MISCELLANEOUS): 15% OF GROSS SALE PRICE

ATTACHMENT:

SPECIFICATIONS EXCERPT COG RIDER CLAUSE

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: AHMED KHAN
VENDOR PAYMENT TERMS: NET 30 DAYS
EMAIL ADDRESS: colonialauto_auction1@verizon.net

VENDOR TEL. NO.: 301-627-7575
VENDOR FAX. NO.: 301-627-0659

COUNTY CONTACT: BRUCE FORTUNE
COUNTY EMAIL: bfortune@arlingtonva.us

COUNTY TEL. NO.: 703-228-7862

CONTRACT AUTHORIZATION

DATE

DISTRIBUTION

BID FOLDER: 1

Ivette Gonzalez, CTP
Procurement Officer
ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
INVITATION TO BID NO. 107-11

BID FORM PAGE 1 OF 3

SUBMIT TWO SIGNED BID FORMS (ONE FORM SHALL CONTAIN AN ORIGINAL LONGHAND SIGNATURE; THE OTHER MAY BE A PHOTOCOPY OF THE SIGNED ORIGINAL)

BIDS WILL BE OPENED AT 3:00 P.M., MAY 3, 2011

FOR PROVIDING AUCTION SERVICES PER THE TERMS, CONDITIONS AND SPECIFICATIONS OF THIS SOLICITATION:

THE UNDERSIGNED UNDERSTANDS AND ACKNOWLEDGES THE FOLLOWING:


AN ELECTRONIC COPY OF THE SOLICITATION DOCUMENTS PROVIDED AT THE COUNTY’S WEBSITE (HTTP://WWW.ARLINGTONVA.US/PURCHASING) IS SUBJECT TO AN IMPORTANT DISCLAIMER WHICH MUST BE ACKNOWLEDGED ONLINE BEFORE THE DOCUMENTS CAN BE DOWNLOADED.

EACH BIDDER IS RESPONSIBLE FOR DETERMINING THE ACCURACY AND COMPLETENESS OF ALL SOLICITATION DOCUMENTS THEY RECEIVE, INCLUDING DOCUMENTS OBTAINED FROM THE COUNTY BY EITHER OF THE METHODS DESCRIBED ABOVE, AND DOCUMENTS OBTAINED FROM ALL OTHER SOURCES.

PROVIDING AUCTION SERVICES AT THE COMMISSION IDENTIFIED BELOW:

CATEGORY A ITEMS: 2.5% FROM GROSS SALE PRICE
CATEGORY B ITEMS: 15% FROM GROSS SALE PRICE

IDENTIFY THE NEWSPAPER (WITH CIRCULATION IN ARLINGTON COUNTY) TO BE USED IN ADVERTISING AUCTION SALES:

THE WASHINGTON POST; THE BALTIMORE SUN

BIDDERS SHALL INCLUDE THE FOLLOWING WITH THEIR BIDS:

1. ALL SUBMISSION REQUIREMENTS UNDER ITEM NO. 28 (BEST VALUE BID SUBMISSION REQUIREMENTS).
2. A "SAMPLE" MONTHLY REPORT LISTING OF ITEMS SOLD. (REFER TO SECTION 3.1, LETTER F, UNDER SCOPE OF SERVICES).

CERTIFICATION OF NON-COLLUSION: The undersigned certifies that this bid is not the result of, or affected by, any act of collusion with another person (under Virginia Code Section 59.1-68.6 et seq.), engaged in the same
BID FORM PAGE 2 OF 3

line of business or commerce; or any act of fraud punishable under Article 1.1 of the Virginia Governmental Frauds Act (Va. Code §18.2-498.1 et seq.).

THIS BID FORM MUST BE FULLY AND ACCURATELY COMPLETED AND SIGNED BELOW BY A PERSON AUTHORIZED TO LEGALLY BIND THE BIDDER, OR THE BID WILL BE REJECTED:

AUTHORIZED SIGNATURE

PRINT NAME AND TITLE  

AHMED KHAN, PRESIDENT

INDICATE THE NAME AND CONTACT INFORMATION OF THE PERSON WHO CAN RESPOND AUTHORITATIVELY TO ANY QUESTIONS REGARDING THIS BID (I.E. PROJECT MANAGER):

NAME (PRINTED): MARY EHRlich  

TEL. NO.: 301-627-7575

E-MAIL ADDRESS: NWIECH@COLONIALAUCTION.COM

<table>
<thead>
<tr>
<th>SUBMITTED BY: (LEGAL NAME OF FIRM)</th>
<th>Khan Enterprises 1/4 a Colonial Auction</th>
</tr>
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<tbody>
<tr>
<td>ADDRESS:</td>
<td>13200 Old Marlboro Pike</td>
</tr>
<tr>
<td>CITY/STATE/ZIP:</td>
<td>Upper Marlboro MD 20772</td>
</tr>
<tr>
<td>TELEPHONE NO:</td>
<td>301-627-7575</td>
</tr>
<tr>
<td>FAX NO:</td>
<td>301-627-0659</td>
</tr>
<tr>
<td>TAX ID NUMBER (EIN/SSN):</td>
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THIS FIRM IS A:  

V CORporATION,  

GENERAL PARTNERSHIP,  

LIMITED PARTNERSHIP,  

UNINCORPORATED ASSOCIATION,  

LIMITED LIABILITY COMPANY,  

SOLE PROPRIETORSHIP

IS FIRM AUTHORIZED TO TRANSACT BUSINESS IN THE COMMONWEALTH OF VA?  

V Yes

BIDDER STATUS:  

MINORITY OWNED:  

WOMAN OWNED:  

NEITHER:
SPECIFICATIONS EXCERPT

FOR THE PROVISION OF AUCTION SERVICES FOR UP TO A FIVE (5) YEAR PERIOD.

1. SCOPE OF WORK:

1.1 The Contractor shall pick up surplus property items from various County locations, hold and secure the property at the Contractor's facility, conduct a public auction of the property, and provide proceeds to Arlington County. The Contractor shall not refuse to pick up any items if such items are specified in the "Report of Surplus or Obsolete Property Form" - Exhibit A.

1.2 Surplus property is classified into the following two categories:

Category A. Automotive - includes but is not limited to, cars, trucks, buses, motorcycles, and construction equipment. Majority of the items will be in operable condition, no junk equipment. Automotive parts and accessories are also included in this category.

Category B. Surplus Equipment - includes but is not limited to, computers, copiers, office furniture, sinks, mixers, dishwashers, tables, lathes, saws, bicycles, gym equipment, televisions and other miscellaneous items.

2. PERIOD OF CONTRACT:

2.1 The Contract shall be effective for a one-year period from the date of award, subject to the contract terms and conditions.

2.2 Upon written agreement of both parties at least thirty (30) days prior to the expiration of the Contract, this Contract may be extended for successive one year periods under the same terms and conditions as the original Contract up to a maximum of four (4) additional one-year periods.

3. RESPONSIBILITIES:

3.1 THE CONTRACTOR SHALL:

a. Upon notification by the County inspect and remove to the sale location: Category A items (Automotive) within seven (7) work days; and Category B items (Surplus Equipment) within two (2) weeks after notification. The contractor shall give advance notice, either by email or by phone, if they are unable to remove items within the two (weeks) notice.

b. The quantity of Category B items scheduled for removal will be from pickup truck load to full truck load. The person picking up the items shall certify the pick-up by signing in the bottom section of "Report of Surplus or Obsolete Property" form (sample attached).
Items shall, except in specialized cases, be listed for sale within forty-five (45) days after pickup has been made. The County shall be notified, in advance, of items being exempt from next scheduled sale.

c. Be responsible for any damage to County property when in Contractor's possession and restore any damaged property to the condition such items were in, when picked up by the Contractor. For items damaged beyond repair the Contractor shall pay to the County a sum equivalent to no less than the average of the two previous sales of like items sold by the County within the past year. Upon receipt of such payment the County shall transfer title to the Contractor.

d. Prepare and place advertisements announcing the auction sale in at least one newspaper with circulation in Arlington County. Place advertisements in any other newspapers with distribution throughout the Washington Metropolitan area, plus other newspapers, periodicals, and flyers as deemed appropriate. The cost of all advertisements shall be born by the Contractor.

e. For vehicles identified by the Arlington County Police Department as abandoned, provide the Police Department with information about the date and place of the sale. This information must be provided at least twenty (20) days in advance of such sale.

f. Provide Arlington County with a monthly report listing each item sold. The report shall identify the date sold, bidder's number, and amount of sale. Submit a sample of the report with your bid.

g. Collect revenue for each item, including vehicles, sold including Sales Tax, if applicable. Submit all revenue, except Sales Tax (if any) and commission, to the County Purchasing Agent no later than ten (10) working days after the Public Auction Sale. The check shall be made payable to the Treasurer of Arlington County.

h. Pay the collected Sales Tax to the Commonwealth of Virginia and Use Tax Division, Department of Taxation.

i. Before the contract effective date, submit to the County Purchasing Agent, in writing, the list of names of individuals authorized to pickup surplus property. Update the list and provide revised copy to the Purchasing Agent whenever a new person is authorized.
3.2 ARLINGTON COUNTY WILL:

a. Notify the Contractor when item(s) are available for pickup.

b. Provide keys as necessary, to the Contractor, at time of pickup.

c. For automotive items, provide titles and mileage forms, as necessary, no later than one (1) day before sale date.

4. INDEMNIFICATION:

4.1 The Contractor shall not misrepresent the condition of any County property to a prospective buyer, and shall clearly state in all advertisements and notices of sale that items will be sold "as is", "where is", without warranty, expressed or implied, and excluding any warranty of merchantability. Further, the Contractor covenants to save, defend, hold harmless, and indemnify the County, and all of its officers, departments, agencies, agents, and employees (collectively the "County") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, resulting from, arising out of, or in any way connected with the sale of the surplus items.

4.2 The Contractor agrees to maintain crime insurance to cover losses of property due to burglary, robbery and/or larceny. Refer to Insurance requirements provision within the solicitation.

5. WITHDRAWAL OF INDIVIDUAL ITEMS:

Arlington County reserves the right to withdraw any item from the sale list prior to actual auction. Arlington County reserves the right to specify a minimum acceptable bid for any item.

6. FREQUENCY OF AUCTION SALES PER YEAR:

6.1 Category "A" - Public auction sales shall be held monthly.

6.2 Category "B" - Public auction sales shall be held monthly or every two months, depending on amount of surplus designated for sale.

7. AUCTION AUDITS:

7.1 The Contractor shall maintain adequate records in such a manner that they may be audited in progress and upon completion of the auction. A simple ledger sheet showing disbursement by line-item is preferred.
7.2 Arlington County will audit all receipts for pick up against auctioneer catalogue.
EXHIBIT A

REPORT OF SURPLUS OR OBSOLETE PROPERTY

Complete form in duplicate. Send one copy to Purchasing for disposal instructions. Retain second copy for your files. Use one form for each item.

THE FOLLOWING COUNTY PROPERTY IS SURPLUS TO THE NEEDS OF:

AGENCY NAME: _______________________________________________________

ITEM: _____________________________________________________________ QUANTITY: ______

DESCRIBE: (Capacity, Size, Features): ___________________________________________

MFR/MODEL: _______ AGE: _______ YRS ORIG. COST: $________


REMARKS: ___________________________________________________________________

ITEM IS LOCATED AT: ___________________________________________________________________

CONTACT PERSON: ___________________________ TELEPHONE NO.: ______

AUTHORIZED BY HEAD OF AGENCY (SIGNATURE): ______________________________

DATE AUTHORIZED: ________________________________

PURCHASING OFFICE DISPOSITION INSTRUCTIONS

TO: __________________________________ DATE: _____________

FROM: __________________________________

SURPLUS ITEMS ABOVE WILL BE DISPOSED OF BY:

TRANSFER: _____ SALE: _____ AUCTION: _____ TRASH: _____ OTHER: ______

COMMENTS: __________________________________________________________________

RECEIPT FOR SURPLUS PROPERTY

ABOVE PROPERTY RECEIVED BY: ____________________ DATE: _____________

DEPARTMENT/DIVISION/SECTION: __________________________________________

Revised 3/24/11
BID FORM PAGE 3 OF 3

Solicitation # 107-11

Metropolitan Washington Council of Governments Rider Clause

USE OF CONTRACT(S) BY MEMBERS COMPRISING THE METROPOLITAN WASHINGTON COUNCIL OF
GOVERNMENTS PURCHASING OFFICERS' COMMITTEE.

A. If authorized by the bidder(s), resultant contract(s) will be extended to any or
all of the listed members as designated by the bidder to purchase at contract
prices in accordance with contract terms.

B. Any member utilizing such contract(s) will place its own order(s) directly with
the successful contractor. There shall be no obligation on the part of any
participating member to utilize the contract(s).

C. A negative reply will not adversely affect consideration of your bid/proposal.

D. It is the awarded vendor's responsibility to notify the members shown below of
the availability of the Contract(s).

E. Each participating jurisdiction has the option of executing a separate contract
with the awardee. Contracts entered into with a participating jurisdiction may
contain general terms and conditions unique to that jurisdiction including, by
way of illustration and not limitation, clauses covering minority participation,
non-discrimination, indemnification, naming the jurisdiction as an additional
insured under any required Comprehensive General Liability policies, and venue.
If, when preparing such a contract, the general terms and conditions of a
jurisdiction are unacceptable to the awardee, the awardee may withdraw its
extension of the award to that jurisdiction.

F. The issuing jurisdiction shall not be held liable for any costs or damages
incurred by another jurisdiction as a result of any award extended to that
jurisdiction by the awardee.

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VENDOR NAME: Colonial Auction Services