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# Step by step guidelines for sale of vehicles

# by competitive bidding

# (Bids in sealed envelopes)

*IMPORTANT: Before the decision is taken to sell any vehicle, ensure that an options analysis has been completed for the vehicle, considering the ‘pros and cons’ of each option, and any implications on programme activities. Options considered should include repair/donation/sale/scrap etc.*

If sale is the agreed method of disposal, please follow the steps below:

Before the sale

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| Steps to take | Lead person responsible  (to be assigned by Branch) | * Tick box when checked/   completed |
| 1. If applicable, ensure that approval has been sought from the donor to dispose of the vehicle(s) |  |  |
| 1. Seek approval from BRC HQ Logistics for the sale of the vehicle(s). |  |  |
| 1. Seek approval from the Board of the Branch for the sale of the vehicle(s), and ensure compliance with any applicable Branch disposal procedure/policy and authorisation process. |  |  |
| 1. Check that the vehicles are registered in the name of the Branch, and if not, the implications that this may have on the sale of the vehicle(s) |  |  |
| 1. Check whether insurance policies, MOT (Certificate of road worthiness), and road tax policies have all been closed (in accordance with local laws and regulations), or if it is possible to transfer any of these as part of the sale |  |  |
| 1. The tax implications of sale must be researched thoroughly. Check if any taxes need to be paid by the seller on sale of the vehicle, even if tax was not paid when the vehicle was bought/imported. |  |  |
| 1. Check whether there are any government restrictions that prohibit the sale of imported vehicles, or require import duties to be paid prior to sale. This is particularly important where the Branch is exempt or partially exempt from import/customs duties. If import duties are to be paid, it must be made clear to the buyer that they are liable to pay these costs. |  |  |
| 1. Remove any branding from the vehicle (logos, stickers) |  |  |
| 1. Identify any additional equipment in each vehicle, such as jacks, toolkits, tow ropes, spare parts and decide whether to include in the sale of the vehicle(s) or transfer to other vehicles in use. |  |  |

# Invitation to bid (newspaper advertisement) and Bid form (to be completed by potential buyers)

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| Steps to take | Lead person responsible  (to be assigned by Branch) | * Tick box when checked/   completed |
| 1. An advertisement should be placed in the local media to announce the Invitation to bid *(see template attached)*. Indicate in the advertisement the quantity, type, make and model, and the condition of the vehicle(s).   When stating the condition, give a ‘worst case’ description. Indicate if used, damaged (include details of any known faults), for scrap/spare parts and details of last service etc. Photos of the vehicles should be included in the advertisement. These details should also be included in the “Bid Form”. |  |  |
| 1. To ensure competitive bidding and a transparent process, interested parties must send/deliver their sealed bids to the Branch Office, by the cut off time and date indicated in the “Invitation to Bid” advertisement and “Bid Form” (e.g. 11am, 27th July 2018). Sealed envelopes should be marked with the “Invitation to Bid” reference number and the name of the individual/company submitting the bid. |  |  |
| 1. Record the bids received on a register list. |  |  |
| 1. The “Bid Form” *(see attached template)* must be completed by all interested buyers, and signed and stamped. “Bid Forms” submitted by email will not be accepted. Only bids using the “Bid Form” template provided should be accepted. |  |  |
| 1. Those interested can collect the “Bid Form” (*see attached template*) from the Branch Office or have it sent by email (provide contact name and email address). Set a deadline of approximately one week for the form to be returned (from the date the advert is closed), depending on how quickly the vehicle(s) need to be sold. |  |  |
| 1. Prospective buyers may submit bids for one or more “Lot” depending how many vehicles are for sale. |  |  |
| 1. Red Cross staff members and volunteers are permitted to bid for the vehicle(s). However, any staff bidding for the vehicles will be automatically excluded from the decision panel, and all panel members must sign a ‘Declaration of Impartiality’. To ensure an open and transparent bid process, all interested staff members and volunteers must follow the same procedure (with bids submitted in sealed envelopes) as other interested parties. |  |  |
| 1. Potential buyers should be encouraged to inspect the vehicle(s) before they submit a bid. Details of where and when they can inspect the vehicle will be given in the advertisement for the sale (viewings should be arranged with the Branch focal point). |  |  |
| 1. Bidders must submit a copy of a recognised form of ID along with their bid offer. |  |  |
| 1. Offers should be made in the currency for which the Branch has a bank account, and as stipulated in the “Bid form”. |  |  |
| 1. Acceptable means of payment will be listed in the “Invitation to Bid” (e.g. cash, cheque, bank transfer). Bank details should only be given in the invoice after the contract of sale has been signed *(see attached template)* to avoid any pre-payments being made before a decision has been reached. |  |  |

# Bid Opening

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| Steps to take | Lead person responsible  (to be assigned by Branch) | * Tick box when checked/   completed |
| 1. The bid opening should take place at the agreed time and place, as per the “Invitation to Bid”. |  |  |
| 1. The bid opening should be attended by at least 3 members of branch staff/board members, including representatives from logistics and finance where possible and either the Branch Director or a board member. |  |  |
| 1. All potential buyers may attend the bid opening along with the 3 representatives from the Branch. |  |  |
| 1. After opening the bid envelopes, offers are announced to those present and recorded. The bidder with the best offer will be notified after the bid opening, preferably in writing (email is sufficient). In some instances, the award may not be straightforward, in which case the panel should have a separate, private meeting to discuss the options before awarding a winner – see points 5, 6 and 7 below. |  |  |
| 1. If only one bid is received, it is at the discretion of the Branch to accept it or not. If the bid is not acceptable, no bids are received or no acceptable bids are received, then the sale can be re-advertised. The Branch should determine before opening the bids, what an acceptable price would be. It is not recommended to set/advertise a reserve price as this may sway bidders to stick close to this amount, and therefore restrict the amount gained from the sale. |  |  |
| 1. If two or more identical bids are received at the highest price, all bidders submitting the same price should be re-contacted in writing to give a best and final offer. N.B: this may be a sign of collusion, and if this is suspected, the sale should be cancelled and rearranged. |  |  |
| 1. Bids that are not deemed to be completed in full, may be rejected by the Branch decision panel. |  |  |

# After the Bid Opening

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| Steps to take | Lead person responsible | * Tick box when checked/   completed |
| 1. A contract of sale *(see attached template)* is signed and dated by both parties (Red Cross Branch and buyer). Copies must be kept by both parties (by the Branch for audit purposes). |  |  |
| 1. Payment and collection of vehicle(s) should be made by the successful bidder within one week of being notified or signature of the contract of sale, whichever is later (this will be mentioned in the “Bid form”). If the payment is not made within one week, then the offer will be awarded to the second highest bidder, as long as their bid is of an acceptable price. Payment should be made against an invoice issued by the Branch. |  |  |
| 1. All vehicle registration/import documents must be transferred to the new owner. |  |  |
| 1. The fixed asset register must be updated after the sale with a copy of the ‘contract of sale’ attached. |  |  |
| 1. Proceeds from the sale should be reflected in the monthly accounts as income, and incorporated into the same programme if appropriate, or as directed by the donor. |  |  |
| 1. The Branch must retain all copies of bids for audit purposes, for a minimum of 7 years. |  |  |

***Please note:*** *the following guidelines are subject to local laws and regulations, and therefore should be adapted accordingly where appropriate. Any divergence from the above due to local context should be checked with BRC UKO Logistics team in advance.*

**ANNEX 1:** Invitation to Bid (Newspaper Advert) Template

**ANNEX 2:** Bid Form Template

**ANNEX 3:** Contract of Sale Template