



## KENAI PENINSULA BOROUGH

Purchasing & Contracting  
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MIKE NAVARRE  
BOROUGH MAYOR

### MEMORANDUM

TO: Mike Navarre, Mayor

FROM: Valentina Sustaita, Purchasing & Contracting Director 

DATE: May 23, 2017

SUBJECT: Recap of FY 2017 Surplus Property Auction

The Purchasing and Contracting Department implemented an online auction process during FY17 using Publicsurplus.com. Three (3) online auctions were held this fiscal year (October 2016, December 2016 and April/May 2017), with total gross receipts of \$143,391.76.

This year auctions were conducted online for a fee of 10% (with a minimum fee of \$1 per item) of the gross receipts (\$14,405.78 from the total sales). Bidders through this system were located all over the US, with a majority of the sales going to local winning bidders.

A total of \$6,719.63 was spent on radio and newspaper advertising. With the auctions being online, the majority of the technical support/data entry was handled by one (1) person in the Purchasing and Contracting Department. Distribution of the items, after the sales, has been conducted using purchasing and school district employees during regular business hours. Employee hours spent on this year's action were reduced by approximately 50%, with no overtime hours used, saving approximately \$3,600 in wages.

Attached is a printout of the disbursement of auction proceeds and a detail of the auction costs.

The table below represents the comparison of the receipts and expenses for the past three years and shows that Borough gross receipts doubled by using an online service.

Year	Auction Gross Receipts	Less Auctioneer's Fee	Less Advertising Costs	Less Miscellaneous Operational Costs	Net Borough Receipts
FY 2017	\$ 143,391.76	\$ 14,405.78	\$ 6,719.63	0	\$ 122,266.35
FY 2016	\$ 70,440.00	\$ 8,805.00	\$ 809.58	\$ 1,723.61	\$ 59,101.81
FY 2015	\$ 61,155.00	\$ 5,922.94	\$ 1,692.66	\$ 421.89	\$ 53,117.51

