

## KENAI PENINSULA BOROUGH

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# MIKE NAVARRE BOROUGH MAYOR 

## MEMORANDUM

TO: Mike Navarre, Mayor
FROM: Valentina Sustaita, Purchasing \& Contracting Director fors
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.


| ONLINE AUCTION SUMMARY (FY2017) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TOTAL GROSS RECEIPTS |  |  |  |  | \$ | 143,391.76 |
| PUBLIC SURPLUS FEE |  |  |  |  | 5 | (14,405.78) |
| NET TO BOROUGH FROM AUCTIONEER |  |  |  |  | \$ | 128,985.98 |
| ADVERTISING COSTS (radiosinewspapers) |  |  |  |  | \$ | 6,719.63 |
|  | Auction Gross Receipts | \% of Total Gross | Less <br> Advertising Costs | Less Public Surplus Fee (10\%), or min. $\$ 1$ per item | Net Total Due to Account | Revenue Account |
| Anchor Point Fire \& EMS | \$ 2,845.75 | 1.98\% | (133.36) | \$ (285.58) | \$ 2,426.81 | 209.39301 |
| Bear Creek Fire SA | 2,192.00 | 1.53\% | (102.72) | (219.20) | \$ 1,870.08 | 207.39301 |
| North Pen Rec. | 683.03 | 0.48\% | \$ (32.01) | (83.34) | \$ 567.68 | 225.39301 |
| Central Emergency Services | \$ 7,019.28 | 4.90\% | \$ (328.94) | \$ (701.93) | \$ 5,988.41 | 211.39301 |
| South Peninsula Hospital | 55.00 | 0.04\% | \$ (2.58) | (8.68) | $\$ \quad 43.74$ | 601.39301 |
| Central Peninsula Hospital | \$ 2,185.70 | 1.52\% | (102.43) | \$ (232.35) | \$ 1,850.92 | 600.39301 |
| KPB School District | \$ 20,832.98 | 14.53\% | \$ (976.28) | \$ (2,105.28) | \$ 17,751.42 | 241.22210 |
| KPB General Fund | \$ 107,578.02 | 75.02\% | \$ (5,041.32) | \$ (10,769.42) | \$ 91,767.28 | 100.39301 |
| Purchasing \& Contracting |  | 100.00\% | \$ (6,719.63) |  | \$ (6,719.63) | 100.11227.43310 |
| TOTAL | \$ 143,391.76 |  |  | \$ (14,405.78) | \$ 122,266.35 |  |

