



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: January 17, 2007

**RE: Power Division Surplus Equipment
1/23/07 Board of Directors Meeting**

At your last meeting the Board authorized that the following Power Division assets be declared surplus and sold on a sealed-bid basis: 1984 GMC ¾ ton van; 1999 Dodge Ram 4x4 pickup; 1999 Jeep Cherokee 4x4 SUV; and, 1986 720A Champion grader.

Agency surplus equipment has historically been sold on a sealed-bid basis in conformance with Policy #435, "Disposal of Surplus Equipment/Property." However, staff is recommending using the internet to sell the items and predicting that doing so would result in a greater return to the Agency.

If the Board were to so authorize, the surplus equipment would be posted on Ebay, a user-friendly internet system that allows a registered user of the system to place ongoing bids on an item they are interested in purchasing. Bidders can see the last highest bid made and post a higher bid, if they choose, until the seller specifies the bidding will end (staff is recommending a two-week bidding period). With bidders being able to see previous bids, the selling price will usually be higher than if bidders were only able to bid once without any idea what others thought the item was worth ("sealed bid"). Once the bidding is complete, buyers can pay by typical means: check, cash, credit or debit card.

Prospective buyers can access the items on Ebay two ways: either go directly to Ebay and search for the Agency's ad; or, go to www.southfeather.com where they will find a link to the Ebay items. South Feather's website will include photos of the surplus equipment, as well as contact information if they would like to inspect the items on site. The Ebay ad will also include photos and a link back to South Feather's website for the additional information. Even though Ebay is available worldwide, an ad will also be placed in the local newspaper to ensure that the local public is aware the equipment is for sale.

There is no cost to prospective buyers to register as an Ebay user. All costs are handled by the seller, who agrees to pay a flat rate plus a small percentage of the final price. For Power Division's equipment items, the Agency's fee to Ebay would be \$28 plus 1½% of the final sale price.

Because of the size of the items to be sold, the Ebay sale would include the requirement that the buyer

retrieve the item(s) purchased at South Feather's headquarters within one week from the date of sale.

We think this is a worthwhile experiment, and if it is successful it would be followed with a proposed revision to Policy #435 to facilitate future sales of surplus assets in this manner. Therefore, the requested action is:

"I move approval for the Finance Division Manager to conduct an internet sale to dispose of Power Division's surplus 1984 GMC Van, 1999 Dodge Ram Pickup, 1999 Jeep Cherokee, and 1986 Champion Grader."