

# GOING ONCE, GOING TWICE: SELLING FLEET ASSETS ONLINE

JOHN MCCORKHILL  
CFM/CAFM/CEM

AMERICAN PUBLIC WORKS  
CONGRESS

SEPTEMBER 10, 2007

SAN ANTONIO, TEXAS





# TOPICS TO BE DISCUSSED TODAY

- REASONS FOR MAXIMIZING AUCTION INCOME
- POPULAR DISPOSAL METHODS USED
- INTERNET AUCTION SITES AVAILABLE
- COSTS ASSOCIATED WITH ONLINE AUCTIONS
- FORMS AND LANGUAGE USED



# WHY MAXIMIZE AUCTION INCOME?

- TO RE-INVEST IN NEW FLEET ASSETS
- COVER SHORTAGE IN ALLOTTED APPROPRIATION
- IMPROVES CUSTOMER MORALE
- POLITICALLY CORRECT THING TO DO

# CITY OF LYNCHBURG AUCTION REVENUE

- 🔨 \$ 87,200
- 🔨 \$157,222
- 🔨 \$129,723
- 🔨 \$131,796
- 🔨 \$184,365
- 🔨 \$103,711
- 🔨 \$184,545
- 🔨 \$276,318

216% INCREASE



# POPULAR DISPOSAL METHODS

- ON-SITE (ABSOLUTE) AUCTION
- OFF-SITE AUCTION
- TRADE-IN/SALE AS PART OF PUBLIC BID
- EMPLOYEE SALES
- SEALED BID
- INTERNET SALES



# ON-SITE AUCTION

## PRO

- EASY TO ADMINISTER
- AUCTIONEER DOES THE WORK
- KEEPS LOCAL YOCALS HAPPY

## CON

- LOW RETURNS
- AUCTIONEER RUSHES
- INCUR A SALES FEE – 6% - 10%
- PAY OVERTIME IF ON SATURDAY

# OFF-SITE AUCTION

## PRO

- CATERS TO LARGER CROWD
- EASY FORM OF DISPOSAL
- SPECIALIZES IN YOUR TYPE OF VEHICLE
- CAN RUN IN CONJUNCTION WITH ONLINE BIDDERS
- AUCTION COMPANY HANDLES ALL MONEY ISSUES

## CON

- GREATER # OF VEHICLES MAY = LESS REVENUE
- MUST PAY A COMMISSION
- YOUR VEHICLES NOT CENTER OF ATTENTION

# TRADE AS PART OF BID REQUEST

- SPECIALIZED EQUIPMENT SELLS BETTER IN EXPANDED MARKET
- BIDDERS MAY HAVE A BUYER IN PLACE
- SUGGESTED LANGUAGE

“City of Lynchburg reserves the right to dispose of asset as a trade against the cost of a new machine or as an outright sale whichever is most advantageous to City”

# SEALED BID SALE

## PRO

- EXPANDED MARKET FOR SALE
- GENERALLY INCREASED INCOME
- SALE WITH NO OVERTIME
- MAKES LOCAL YOCALS HAPPY
- NO AUCTIONEER COMMISSION
- PACE OF SALE UNDER YOUR CONTROL

## CON

- MUCH MORE ADMIN TIME TO MANAGE SALE
- EQUIPMENT MAY SIT ON LOT AFTER SALE AWAITING PICK-UP
- MAY BE LIMITED METHODS FOR PAYMENT
- YOU'RE THE BAD GUY IF THINGS GO WRONG



## SALES TO EMPLOYEES

- LIMITED KNOWLEDGE OF THIS FORM OF SALE
- LYNCHBURG SELLS COMPUTERS TO EMPLOYEES BUT NOT VEHICLES
- POPULAR WITH CORPORATE FLEETS

# INTERNET SALES

## PublicSurplus.com

- Darryl Williams (800) 591-5546 Ext 150
- 8% commission
- No credit cards accepted - 4% fee to collect proceeds

## GovAssets4Sale.com

- Terry Hulse (727) 539-9845
- 8% commission but negotiable
- No credit cards accepted – No fee to collect money

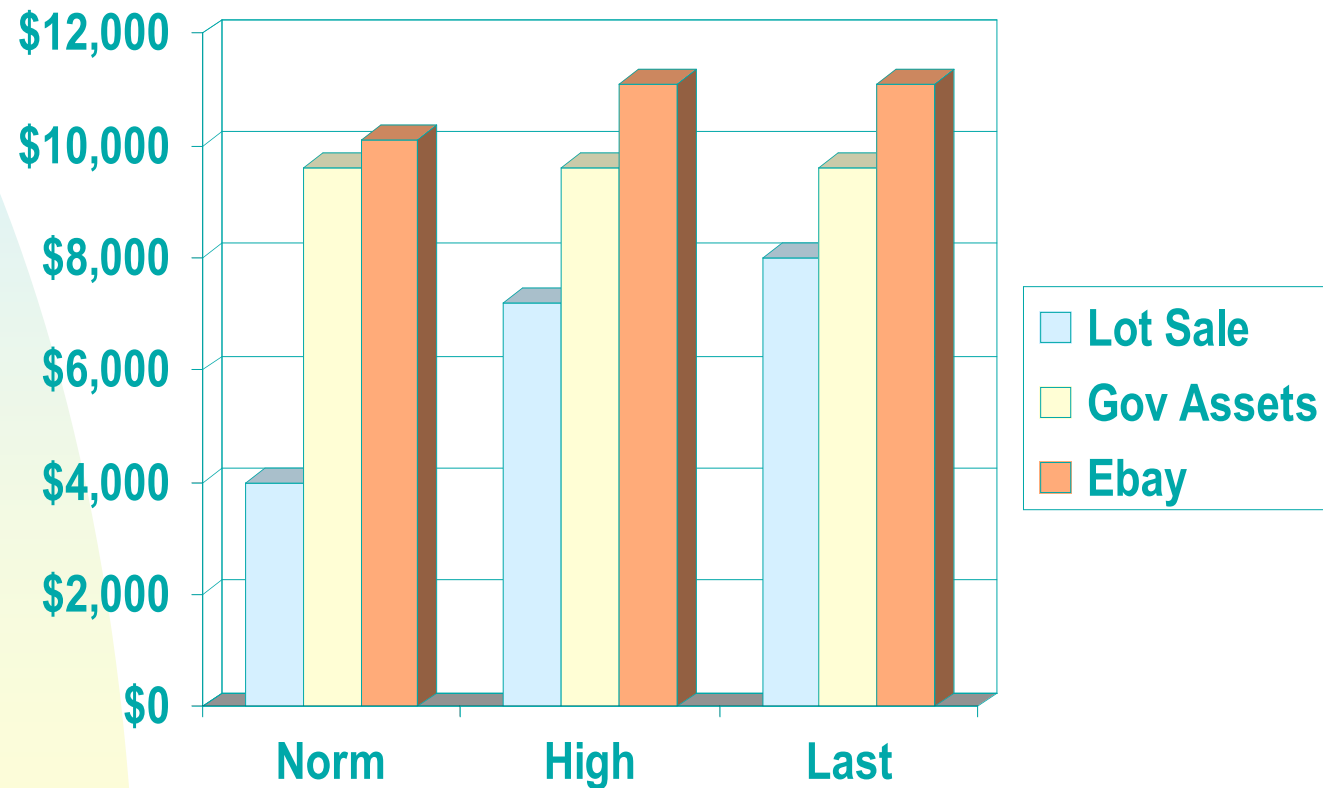
## GovDeals.com

- Steve Kranzusch (800) 613-0156
- 7 ½% commission; but charged to buyer

## eBay

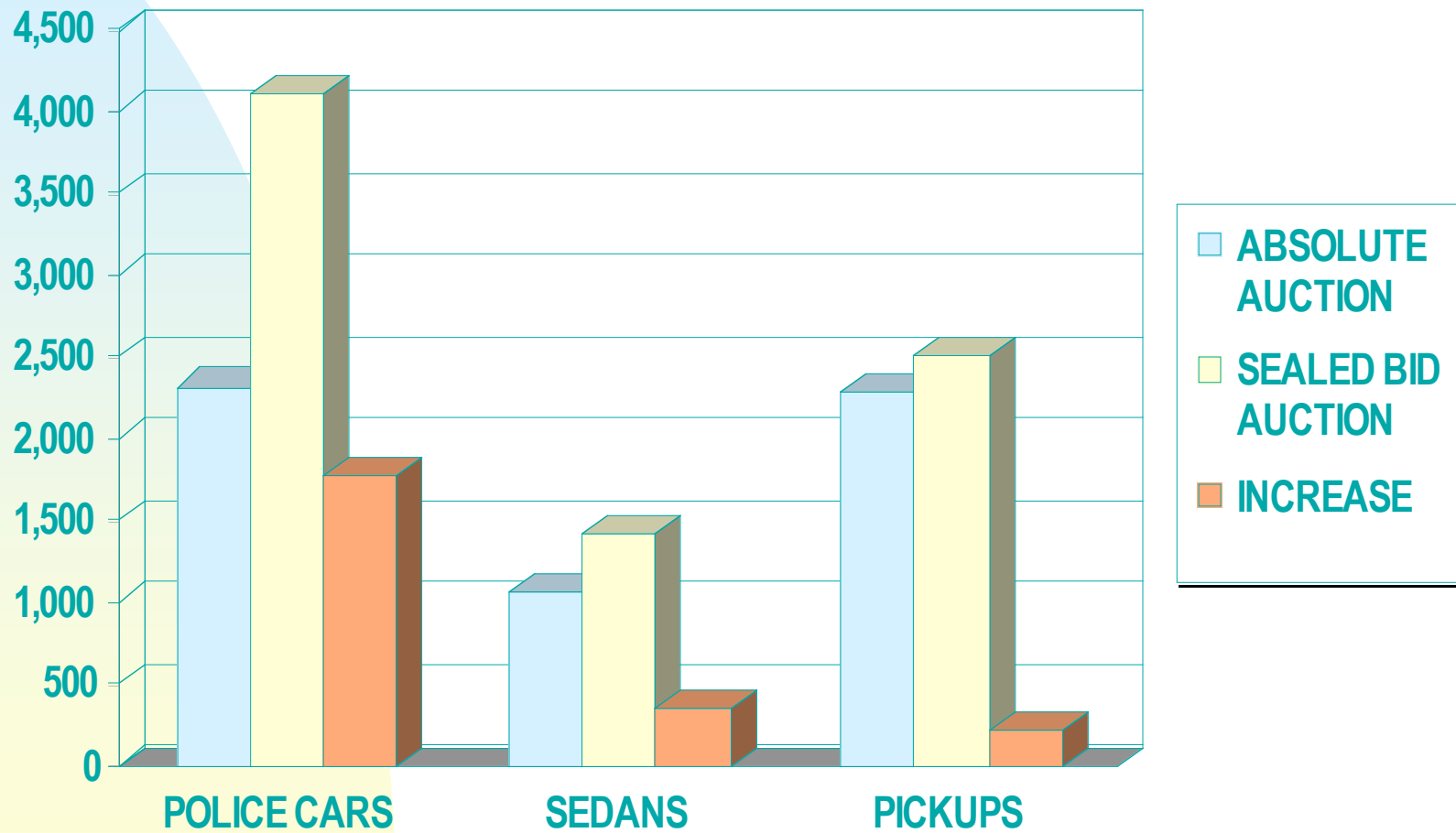
- State of Oregon (503) 378-2207 Ext 307
- Establish your own account

# Results For Dump Truck Sales





# RESULTS: ABSOLUTE AUCTION VS SEALED BID AUCTION



# HANDOUTS

- LISTING INFORMATION FORM
- SEALED BID FORM
- SUGGESTED NEWSPAPER AD
- AUCTION DISCLAIMER
- GENERAL TERMS AND CONDITIONS
- REQUEST TO PURCHASE NEW VEHICLE FORM
- REPLACEMENT GUIDELINES
- VEHICLE REPLACEMENT SCORECARD



# QUESTIONS?



