OBJECTIVE
Establish a viable business model for the operation of a surplus store, with an emphasis on sustainability, within the Division of Facilities Management at UW Eau Claire. The details of this model were developed after gathering information from a variety of resources: an on-site visit of UW-Stout’s Surplus Store (including a discussion on their deconstruction sale for their student center), looking at UW-Madison’s SWAP program, and conducting internet searches of other successfully run surplus stores that emphasize their sustainability successes. The surplus store operations would be implemented with an emphasis on collaboration with: custodial services, purchasing, all of UW-Eau Claire’s sustainability initiatives, local public school systems, Madison’s SWAP program, and other UW campuses.

With the imminent demolition of the basement of Campus School, the surplus sales and storage operation as it stands is in need of a new home. This home needs to consist of a usable and accessible storage and sales area somewhere on campus. We believe that through important changes in surplus sales procedures and the current changes to the Central Stores operation Facilities Management’s warehouse area can offer the appropriate space and staffing to ensure the efficient handling of UWEC surplus sales. We propose to operate UWEC surplus with an emphasis on Marketing, Sustainability, and Throughput.

SUMMARY OF IMPLEMENTATION
1. Pickup and delivery of surplus items to Surplus warehouse area.
   Currently a department needs to contact custodial services, thru a work order, to have surplus property delivered to the storage/sales area. The work order is charged directly to the department that originated the work order. We would like to implement a process where the department still contacts custodial services to arrange the move, however all cost for pickup and delivery will be paid out of surplus stores revenue. We believe that this system will encourage the use of the surplus system, rather than discourage because of added expenses. This system will only be possible with the restructuring of the reimbursement of sales to departments.

2. Restructuring of sales reimbursement
   Currently any sales revenue of surplus property is received and placed in the surplus holding account. Expenses are calculated (approximately 10% of sales) and the remainder of the sales revenue is returned to the appropriate division level account. We believe that in order to ramp up the production of sales and maintain product throughput we will need to invest more revenue dollars into marketing, labor (.50 FTE, LTE, and students) and infrastructure. Because of this increase, we believe that the sales and handling of surplus items with a current market value of less than $1000.00 will not generate any reimbursement to the appropriate division level and as a matter of policy, no reimbursement will be made to the supplying department. Any single surplus item of current market value over $1,000.00 will generate a 25% rebate to the department unless otherwise negotiated with the supplying department. Large ticket items (Vehicles, trucksters, etc.) will continue to be handled by the purchasing department. The surplus department will have sole authority to establish pricing for all items sold at surplus stores.

3. Marketing
   Currently the surplus sales team uses several methods of marketing to inform potential customers. An announcement is placed in the local paper, Information is posted on the surplus website, and a few customers are informed by email broadcast. We believe that if we treat surplus sales more like other retail businesses we can increase sales and move more product. We would like to utilize internet sales more frequently. EBay, Wisconsin Surplus, and SWAP would all be influential. Utilizing our in house web developer, we would be committed to developing the surplus website with more active content and consistent updates. We will be committed to getting the word out to the non-profit community thru broadcast emails and open houses. We intend on sending a clear message that all donations and sales keep equipment out of landfills.
4. Sustainability

The Chancellor has taken a strong stand on sustainability and has been quoted as saying “A commitment to sustainability must pervade everything we do”. We believe that the proper management of surplus property is directly related to sustainability. We must ensure that we do all we can to encourage the reuse of equipment through efficient sales. We believe we can take the good work currently performed and take it further. If equipment is priced appropriately, it should find a good home and keep it out of the landfill. When we do have items that do not sell or are not donated, we will ensure that they are delivered to the proper recycling facilities. We also intend on documenting relevant data on reuse and recycling amounts for use in reporting and grant writing.

5. Storage and sales space

Because of the planned demolition of the Campus School building in the spring of 2012, the current location of surplus sales and storage can no longer remain in the basement of Campus School. The Central Stores warehouse is in the process of designating space available to surplus sales and storage. We have been working with Custodial services to find them another space for the items in their cage in the warehouse. We are also working on the reduction of inventory in the warehouse. This will give us enough space to house surplus in the warehouse. This will be a benefit over the current space as we have a full loading dock and the equipment (forklift and electric pallet jack) to service it. We also have adequate parking to accommodate the public sales.

SPECIAL SALES

With the closing and demolition of two buildings in the near future and the likelihood that we will need to deal with a single large group of surplus to be sold within a tight time frame, consideration needs to be given to developing procedure beneficial to all parties involved. Through consultation with the affected parties, it has been determined that a large on or two day public sale in the affected building, along with separate marketing of specialty items (kitchen equipment as an example) is the best plan. The division of revenue will be based on a simple formula. We will take gross revenue; subtract all related expenses (department labor, surplus labor, advertising expenses, etc.). Then we will take the net revenue and split it between the supplying department and surplus stores (generally 25% to the department, 75% to Surplus Sales). The percentage of the split will be agreed upon by both parties prior to the sales and documented by contract. All expenses will have backing documentation. Attached is a sample of the form used to document the agreement.

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