



New Legislation Effective June 5th Changes the Way Surplus Property is Sold to Public

Legislation passed by the West Virginia Legislature during the 2008 Regular Session will change the way the West Virginia State Agency for Surplus Property sells items to the general public.

Beginning June 5, the general public can purchase items from Surplus Property the day a visit is made to the Dunbar warehouse.

Prior to the change, the general public had to first submit a sealed bid on an item and then wait until the beginning of the following work week to see if the bid was successful.

House Bill 4664, which passed on March 7, made several changes to the policies and procedures for the West Virginia Purchasing Division, including Surplus Property.

Surplus Property Manager Ken Frye anticipates the new procedures will increase sales.

"We have had in years past people from out of town stop by because they heard about us and wanted to see what we had. When they learned they could not purchase an item during their visit, they would leave discouraged because it was not worth their while to place a sealed bid on an item and then have to make a



The West Virginia Legislature passed House Bill 4664 during the 2008 Regular Session, which changes the way the State Agency for Surplus Property can sell items to the general public.

second trip back if they got the winning bid," Frye said.

Though the new law gives the general public much easier access to purchase items, eligible organizations registered with Surplus Property will still receive priority.

Frye said all items that come to the warehouse will be placed on hold for five business days, which gives the registered eligible organizations priority over the

general public in purchasing such items.

"We will still maintain our requests list from our eligible organizations. If we get a shipment of computers, for example, we will first call those eligible organizations that have placed a request for computers to let them know they are available before they go out to sale to the general public," he said. "The eligible organizations will have to be more diligent and more proactive checking on our available items and letting us know their needs."

Surplus Property will not accept cash for general public sales, only

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Ability to Change Crucial to Our Success

The ability to change with the times always has and always will be the key to being successful in business, whether it is in the private or public sector.

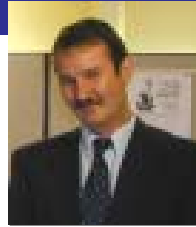
At the West Virginia State Agency for Surplus Property, changes are taking place that will keep our operation working as efficiently as possible in the coming years.

As noted in an accompanying article in this issue, the State Legislature passed a law, which allows Surplus Property to sell items to the general public similar to that of a retail business. I think the public will very much like the idea of being able to purchase items the day a visit is made to our warehouse compared to the previous way of placing a sealed bid on a particular item and having to wait a week to see which sealed bid won.

This change went into effect June 5. I anticipate that the speed in which we sell items to the public will increase steadily. The Legislature deserves credit for this law change. It is important to remember though that our eligible organizations will always have priority at Surplus Property once property arrives at our warehouse. All incoming property is first placed on hold for five

THE MANAGER'S PERSPECTIVE

working days for our eligible organizations to buy first before items become available for sale to the public.



Also highlighted in this issue is an article on our selling merchandise through the well-known, well-established Internet site eBay. We had experimented with this process on a limited basis several months ago, and due to our success, we have decided to pursue this avenue diligently as another means to make property available.

Needless to say, when I started more than 25 years ago, the thought of selling items across the country and around the world by a computer was a concept reserved for a science fiction novel. Today, it is a billion-dollar industry and Surplus Property is now taking advantage of it. By working with the locally-owned Black Knight Trading Company, our administrative costs are minimal, which maximizes our cash flow.

The change brought about by these two measures have allowed us to reduce our staff yet maintain our level of operation.

The means in which we screen federal surplus property has also changed. Our employees once traveled many miles up and down the east coast to different federal surplus property sites. We can now pinpoint in advance through Web sites and e-mails what we want and where we can get it to save us time and travel costs.

These changes have meant a reduction in staff but not efficiency. There once was a time when we had almost two dozen full-time employees at our Dunbar location. Today, we have 12 fulltime employees. Even though we are leaner, we are still getting the job done.

I think it is safe to say, as technology and business practices continue to evolve, so will we.

It is exciting to be part of the positive changes that have occurred. I look forward to keep looking for way to benefit the many partners of Surplus Property, particularly state taxpayers, one of whom is me.

Legislative changes ... Continued from Page 1

checks, money orders, MasterCard and Visa, Frye said.

It is uncertain just how much faster inventory will move at Surplus Property because of the new law but Frye said it "would be a good problem to have" if the general public was constantly flowing through the

warehouse.

"There were times when we were used to having items sit around for several weeks before they got sold at one of our public auctions," Frye said.

"I think this new law is going to change that and everyone is going to benefit from it."

Become an Eligible Organization Today!

To learn how to become an eligible organization for the West Virginia State Agency for Surplus Property program and to obtain an *Application of Eligibility*, visit www.state.wv.us/admin/purchase/surplus.

Clay County Middle School Benefits from Surplus

Clay County Middle School science teacher Rick Young can answer many questions. After all, it is a necessity of his job.

But one that escapes him is, "Why don't more organizations, like middle schools, utilize the West Virginia State Agency for Surplus Property?"

"That is a very good question," Young said. "I cannot understand why more eligible organizations and schools like us do not use Surplus Property."

By his estimates, Young said more than 50 percent of Clay County Middle School's furnishings including desks, filing cabinets, chairs, and tables were purchased through Surplus Property at prices far below retail value. It is an even higher percent when it comes to the number of computers secured at the Dunbar warehouse.



Clay County Middle School science teacher Rick Young, right, has been purchasing school items from the State Agency Surplus Property for more than a decade. Ken Miller, a mechanic at Surplus Property, assists Wilson.

"All of our classrooms have at least 15 computers from Surplus Property in them. There are 30 Surplus computers in my classroom," he said.

Young first learned about Surplus Property from his dad who took him for a visit "many, many years ago." When Young became a teacher in 1989, he figured it made sense to reacquaint himself with Surplus Property.

"I thought it would be a good relationship to start coming again. We have been good at raising money to secure funds to get the items we need from Surplus Property," Young said on a recent trip to pick up flat screen computer monitors. "With school budgets as tight as they are, I am at a loss as to why more schools do not take advantage of what is available. I have even gotten microscopes."

Young remembered the first time he had the computers purchased from Surplus Property installed and hooked up at his school.

"All those computers maxed out the power grid. The school is old and the wiring was not able to handle such an extra load. The wiring was upgraded so then I got some more computers from Surplus Property and maxed out the power grid again," Young recalled. "Fortunately, the wiring is holding pretty well now."

Young said the computers, along with the many items purchased through Surplus Property, have been a big bonus for the school, particularly the students.

"If I am in a bind, I can call Surplus Property and get what I need in a hurry. I cannot tell you how many times they helped me out when I needed something," Young said. "These guys are awesome."

The Property Connection, published quarterly by the West Virginia State Agency for Surplus Property, is distributed to all eligible customers.

Joe Manchin III
Governor, State of West Virginia

Robert W. Ferguson, Jr.
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David Tincher
Director, Purchasing Division

Ken Frye
WVSASP Manager

Diane Holley
Editor

Tony O'Leary
Writer

Chad Williamson
Writer

Surplus Property Expands to Cyber Space

Ken Mills, owner of Black Knight Trading Company, may be part of West Virginia State Agency for Surplus Property's transition to selling on the Internet, but Mills' own beginnings in Internet sales were a little less ... concrete.

Mills said the foundation for Black Knight Trading Company began in the late 1990s when his son was playing a popular Internet game and found out people were creating characters for the game and selling them for thousands on eBay, which was then still a budding Internet auction site. The plan was to create their own characters and sell them on eBay.

But Mills said first he wanted to build a good reputation on eBay,



The state Agency for Surplus Property has found a new locale to sell its wares: The Internet.

so he began buying items at the Surplus Property auction and selling them on the site.

"The business quickly ate my house, a two-car garage, and a storage building," Mills said.

Since has grown the Black Knight Trading Company, presently based in Dunbar, not far from the Surplus Property offices. Mills was already a familiar face at the regular

auctions when legislation in 1996 opened up the selling of surplus property on the Internet.

Mills said Surplus Property Manager Ken Frye was already familiar with him from the public auctions. Black Knight had previously registered with the state as a vendor in hopes of selling packing material and shipping services.

Frye approached Mills and asked that Black Knight do a test market on eBay of items for Surplus Property. Mills said Frye chose a selection of random items with multiples, so comparisons could be made between the selling prices on eBay and at a regular auction.

"Ken was very upfront and honest," Mills said. "He did not want an agreement where we would be hurt or the state would be hurt."

Results with the test market were successful. For example, a gas chromatograph that would normally sell for \$400 at a regular auction went for \$2,500 on eBay.

The test market coordinated with Mills' own work on a new software program. Designed to interface with eBay, the program was originally intended to assist in managing inventory and work through the business flow of online auction work from intake and photography to shipping and customer feedback...a one-stop eBay business center.



Black Knight Trading Company owner Ken Mills sells items on behalf of the state Agency for Surplus Property on eBay.

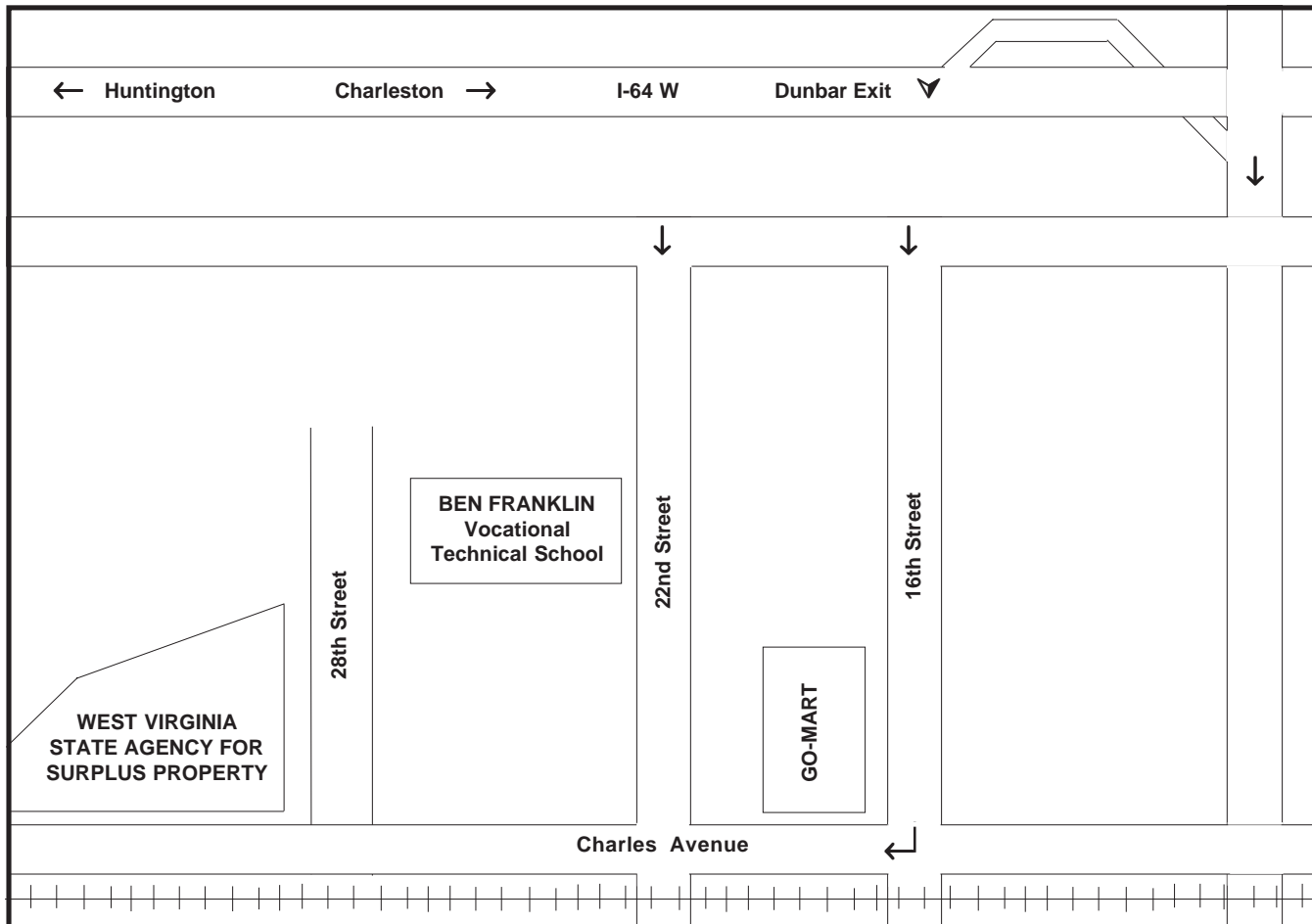
The program, a Web-based application accessible anywhere with an Internet connection, is a component of what Mills views as Black Knight's move into a consultancy business.

The move to Internet sales for Surplus Property is a step in the right direction, Mills said. While some states have not yet successfully managed to move onto the Internet, others such as Oregon, have increased revenue dramatically through eBay sales of surplus property. Mills said Oregon's Surplus Property Division operates similar to West Virginia's by being self-funded, and now it is a liquidator for 300 agencies in the state.

"The actions that West Virginia is taking right now will probably put the state on the top of the list of the states most aggressive and most efficient in the recovery of surplus property," he said.

"I think the government has a responsibility to be a good steward of my tax dollars," he said.

Surplus Property Warehouse Location



DIRECTIONS: Exit I-64 at Dunbar/Roxalana Road, turn right on Roxalana Road then turn onto WV-25 West. At 16th Street, turn left. Go to intersection with Charles Avenue— if you miss 16th Street, go to 22nd Street which is also a throughway. Turn right onto Charles Avenue, continue to 28th Street and turn right. The West Virginia State Agency for Surplus Property is on that corner inside the cyclone fence.

SHARE THE GOOD NEWS!

If you know of an organization that might be interested in our program, please clip this coupon and pass it on —

IS YOUR ORGANIZATION...

1. Local or State unit of government
 Agency created by government
OR
2.a. Educational Institution
 Public Health Agency
 Senior Citizen Group
 Child Care Center
 Library
 Museum
 Public Service Agency
AND
b. Non-Profit (IRS 501(c)(3) status required)

If either 1. or 2.a. and b. is checked, you may be eligible to participate in the Surplus Property Program.

MAIL THIS FORM FOR MORE INFORMATION

RETURN TO: West Virginia State Agency for Surplus Property
2700 Charles Avenue
Dunbar, W 25064

- Please send me an **Application for Eligibility**
Please have a representative contact me
Please visit our organization and offer a presentation

Name Title

Organization Name

Mailing Address

City WV Zip County

Telephone Number

Questions?
Suggestions?
Comments?



We want to hear from **YOU!** Are you pleased with our Program?..Call us or write to us with any questions, suggestions or comments. We would also like to hear the 'success stories' you have in utilizing surplus property!

West Virginia State Agency for Surplus Property

Hours: 8:30 am to 4:30 pm. Monday through Friday

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Terms: All organizations must present a check—no cash. Organizations may be billed if proper credentials are presented. State agencies will be billed.

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SHIPPING: All service charges are FOB Dunbar Warehouse unless expressly indicated. Out-shipping can be arranged by calling (304) 766-2626. Delivery charges will be added to the invoice.

West Virginia
State Agency for
Surplus Property

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Manager: Ken Frye
Editor: Diane Holley
Contributing Reporters:
Tony O'Leary
Chad Williamson