

OFFICE OF THE MAYOR CITY OF CHICAGO

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## \$10 MILLION IN REVENUE EARNED FROM ONLINE AUCTIONS SINCE 2011

Revenue Generated from Surplus Item Auctions Doubled as Compared to Previous Three Years

As part of a strategic effort to maximize taxpayer savings and use City resources wisely, Mayor Rahm Emanuel and the Department of Procurement Services (DPS) announced today that DPS has collected more than \$10 million since he took office in 2011 by selling City surplus materials through an online auction system, more than twice the amount collected during the previous three-year period. The online auctions allow the City to sell unneeded surplus items that would otherwise be disposed of, including wood pallets, scrap metal, old vehicles and decommissioned equipment, on a 24/7 basis.

"The online auction process has proved to be a win-win in terms of eliminating waste and generating revenue," said Mayor Emanuel. "I have challenged our City Departments to engage in creative problem solving to address our most pressing issues; this program is a fiscally responsible way to generate revenue without impacting taxpayers."

Through increased coordination and outreach among City departments, DPS more than doubled the amount it collected over the past three years as compared to the prior three year period, generating \$4.5 million during 2008-2010 and \$10.3 million during 2011-2013. DPS continues to work closely Fleet & Facilities Management, the Department of Aviation and other City departments to identify new revenue sources through this successful program.

In addition to revenue generation, the surplus auctions contribute to the City's commitment to sustainability. The items that are being purchased are being repurposed, instead of taking up space in landfills. The City has also realized \$369,000 in savings for hauling and dumping fees that it would have incurred for the disposal of surplus items.

Stand-out auctions this year included 500 tons of scrap metal, several decommissioned police patrol boats and industrial snow melting equipment. Lower-ticket items included DVD players, vacuum cleaners and VHS tapes. Most auction items sold online are stored at the City's salvage yard, though some equipment is sold from City facilities where it was utilized. DPS also works with City Sister Agencies such as the Chicago Park District and, more recently, the Chicago Public Schools, to identify items that are no longer of use to the City. Those interested in purchasing surplus items can visit the City's website at <u>www.cityofchicago.org/procurement</u> or can call DPS at 312.744.4900.

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