

The Surplus And Auction Scene

There appears to be some utterly astounding auction bargains in electronic equipment and related tech gear these days. Caused by the aerospace cutbacks, industry downsizing, offshore competition, the community colleges eliminating their electronics programs, and more use of computer simulation and emulation.

I've seen nearly two million dollars worth of brand new precision optics sell for \$138.45. And some highly outdated comm gear arrive in \$4800 worth of like-new ATA shipping cases. And have watched a high school student buy some concertina wire from an air force base, literally drive across the street, and immediately resell at twelve times cost.

There are some uniquely interesting possibilities here. Perhaps to build yourself up a dream lab, to find the gear you need to properly develop products, or as a potentially profitable venture in its own light. Let's start with...

Some Venues

So, just where do you go to pick up surplus and auction bargains? Here are some of the possibilities...

Community colleges – A few years back, I bought the entire electronics department of a nearby community college for \$1643. And ended up making more by recycling used test gear than I did in ten years of teaching for them.

Most colleges and universities do have regular auctions. Outstanding bargains can sometimes be found.

I've found [Auction Advisory](#) to be the best directory for regional auctions. You reach them by clicking on my [AUCTION](#) button at [www.tinaja.com](#) Another obvious ploy is to write, email, or web visit each school and ask when and where their auctions are going to be held.

You'll have the best luck picking the remote outlying community colleges. Try to hit them during a department closeout. And especially if the weather is bad, the auction is midweek, and you're the only insider bidding. I've found larger schools or universities to be useful but not nearly as productive. Seems the stuff gets picked over by the other departments and more bargain-wise bidders.

Military surplus – Something like \$687.54 worth of US mil surplus gets sold every second. Often at prices well under one penny per dollar of costs. Sometimes much less. Mil surplus buying has gotten incredibly easier than it once was. You can conveniently do most of it online, pay by VISA, and sometimes even get the stuff delivered to you for a flat \$50. Regardless of size, distance, or weight!

Start off by clicking the [DRMS1](#) (upcoming events), and

[DRMS4](#) (item search) buttons at my [www.tinaja.com](#) You might also find [DRMS2](#) and [DRMS3](#) handy for sale prices. And you can place your actual bids using [DRMS5](#).

These opportunities may not last much longer. Admin costs are currently \$1.60 for every dollar in sales, so smaller DRMO's are being closed and other alternates (such as term and group sales) are obviously being sought. The feds are newly experimenting with private sales asset management. The leading contender seems to be [Levy-Latham](#) who now are conducting dozens of sales. Reach them by clicking on the [LEVYL](#) button at my [www.tinaja.com](#)

Business distress sales – Industrial auctions tend to attract knowledgeable buyers, so your opportunities are somewhat limited here. But sometimes the sheer bulk of what is being offered leaves "crumbs" for the non-expert. Your best ones to seek out are those with only a few pieces of test gear or other tech stuff as part of a much larger sale.

As with college auctions, I've found [Auction Advisory](#) to be a great locator guide for these.

Examples of high-tech auctions include the shows put on by [Bentley Auctioneers](#) up in Albuquerque. Where stuff from [Sandia Labs](#), [Los Alamos](#), [Intel](#), and a few others gets disposed of. Some sales dispose of dozens of trailer loads of goodies. Most of it in prime condition.

Hamfests – These are local, regional, or national amateur radio weekend get-togethers. Their prime focus is usually a tailgating flea market where bunches of electronic bargains abound. Admission for buyers is free to nominal. And, yes, non-hams are almost always welcome.

Chances are there will be six or more hamfests per year that are a reasonable drive away. Listings for upcoming hamfests appear in [Nuts & Volts](#) and the ham mags. Or try [www.arl.com/field/hamfests](#) & [www.vartel.com/hamfest.htm](#)

As a buyer, you'll find the best items before sunup and very late in the day. Early to score the real bargains before their value is spotted. And late to pick stuff up that nobody wants to haul back home. Hamfests can also be a way to dump unsellable dregs for pennies. Or otherwise clean up the low end of your inventory.

Online auctions – One word here. eBay. At [www.ebay.com](#) Or click on [EBAY](#) on my [home page](#). Watching an auction addict play "sniper" during an eBay close is a site to behold.

eBay started off with collectibles, but is now extending into technical areas. A recent check showed hundreds of oscilloscopes, power supplies, and meters being offered.

But a surprising lack of motors and industrial stuff.

eBay is more of a place for selling, rather than buying. Particularly when you can offer a collectible or classic or an antique angle. The charges are a dollar per listing and 2.5 percent of the final sale price.

There are many other online auction opportunities. See www.auctionsww.com/results/surplus.htm for links to lots of additional resources. Also check www.onsale.com

Some Guidelines

Besides being a lot of fun and letting you do interesting recycling, dabbling in surplus might end up as a useful but secondary source of income. *If* you keep your costs, time, and energy tightly under control.

A virtual website "store" seems best. Free of costly real estate, printed catalogs, paid advertising, and all but the most casual of hired help.

Combined with working out of your home and absolute minimums of the lowest possible cost rental storage. To gain traffic, such a site should have lots of genuinely useful and unique content. Besides being a gateway link to other web resources. And, of course, the big secret to web success is to *give a lot away to sell a little*.

Here's a few other insider surplus secrets that seem to be more or less working for me...

Aim for the one-ten-nine rule– Surplus only works when you stay lean and mean. Try to buy for under one cent on the dollar, and resell for over ten cents on the dollar. Then try to make a nine percent profit in the process.

Know your values– For electronic gear, the freebie "blue book" catalog from [Test Equipment Connection](#) is a must. Divide the prices by 30 to get realistic maximum bid prices. You can also make use of the sci.electronics.equipment and sci.electronics.repair newsgroups. Along with eBay.

Know your brands– There are only two types of used test equipment. Those that say *Hewlett Packard* on them and those that say *Tektronix*. Anything else is almost certainly not worth the hassle. Similarly, you must know all your in-demand brands for any surplus item of any type.

Don't get overly enamored– You might be the only person in the world that thinks some derelict piece of junk is really great. Especially if you put lots of time and effort into it years ago. Just because you like it does not mean anybody else will. Watch this trap carefully.

Stick to the stuff you really know– There might be great bargains in large generators or exotic optics or hydraulics or centrifuges or whatever, but chances are their value is a lot less than you'd guess. Besides their markets fewer and harder to find. Not to mention insiders eating you alive.

Avoid the heavies– Make sure you know the size and the weight of what you are bidding on. Heavy or bulky items can easily cost more to move than they are worth. Besides consuming inordinate amounts of time, space, and energy. If UPS doesn't want it, then neither should you.

Network some agents– It pays to find associates who are near remote surplus sources. So they could inspect, offload, and hold stuff for you. But most importantly so they can *triage* the junk. Pack-and-ship outfits also can be used.

Flush the trash– The good stuff comes and goes, but the junk *always* accumulates. Throw away the obvious losers. Or wholesale them out. Or drag them to a hamfest. Practice the *kaizan* of continuing small improvements in both the quality and quantity of your inventory.

Consider collectibles– Some older stuff sells surprisingly well. Classic *Apple* and *Next* machines, or early vacuum tube gear, ferinstance. But note that any skid full of 286 computers is worth a maximum of \$3. And then only if the skid itself is very clean and has no splinters.

Keep the campers happy– Always make certain your buyer understands *exactly* what they are getting, along with its exact condition. *Never* sell something to someone that clearly is unsuited to their needs or to their skill levels. Quietly offer inspections and exchanges.

Pay attention to the store– Getting surplus in stock is only step one. Make sure you promptly list everything good you got on your website. With full digital camera photos. Keep your virtual site clean and fresh. Above all, use VISA and a secure shopping cart to make it easy to close the sale.

Avoid wasted effort– There's not much point in spending lots of time and labor cleaning up and repairing stuff that is not going to sell anyway. When you have lots of an item, make sure at least one sort of works. And carefully clean it up further only when and as it sells.

Favor sealed bids over auctions– With a sealed bid buy, you don't have the time, energy, and ego commitment that an auction entails. Others are a lot less likely to see that you are in the process of stealing something for a song as well. And you only have to attend if you win.

Don't hit too often– If you have more than ten percent or so of your bids accepted, you are paying way too much. Surplus works because of gross market inefficiencies, people in panic mode, and arbitrage situations. *Never* compete on bidding! Always offer low and hope for the best.

Watch the details– Ship promptly. Clearly state shipping terms. Keep effective books. Watch minor expenses such as fax and gas. Load up all free boxes and shipping materials. Expect long turnaround times on certain items. Let the big winners take care of small losers. Know what you have and keep your inventory orderly.

In some circles, it might pay to avoid storing excessive quantities of overly filthy industrial gear in your dining room. But I've found an HP E-size *Draftmaster II* does makes an elegantly understated eight-language credenza. And you can hide other junk underneath it. There is the remote chance, however, that you might possibly talk Bee into parting with this particular item.

The "Never be Underbid" Ploy

I've seen several instances where always making sure you are the *lowest* bidder can end up as a winning strategy. In one recent case, an obviously Mexican-American heritage individual went to a Southwest community college auction and never bid over ten bucks per skid. Winning mountains of ancient and seemingly useless computers. By the end of the auction, he had overloaded his 18-wheeler. One that obviously was headed south of the border.

SURPLUS & AUCTION RESOURCES

Auction Advisory

Box 61104
Phoenix 85082
(602) 994-4512

Bentley Auctioneers
3801 Academy Pkwy NNE
Albuquerque NM 87109
(505) 344-1812

DMRS
74 N Washington
Battle Creek MI 49017
www.drms.com

eBay
2005 Hamilton #350
San Jose CA 95125
www.ebay.com

Levy Latham
6263 N Scottsdale #371
Scottsdale AZ 85250
(602) 367-1100

Naptech

11270 Clayton Creek Rd
Lower Lake CA 95457
(800) 336-7723

Synergetics

Box 809
Thatcher AZ 85552
(520) 428-4073

Test Equipment Conn

525 Technology Park
Lake Mary FL 32746
(800) 615-8378

TestEquity

2450 Turquoise Circle
Thousand Oaks CA 91320
(800) 228-3457

Tucker

1717 Reserve St
Garland TX 75042
(800) 527-4642

What was really cute was watching all the other bidders surreptitiously slipping him their really abject trash.

There's at least one mil surplus bidder who consistently bids outrageously low. Right at (and often *below*) the feds apparent rejection threshold. Which seems to be around fifty cents per thousand dollars acquisition cost.

But they bid on everything that does not eat. In many mil surplus auctions, around a third of the stuff either has no bidders at all. Or one lone bidder who, obviously, has paid too much. So, this firm gets mountains of stuff. And their hit rate is still around eight percent or so.

For More Help

The nearby sidebar gives you more details on several of the mentioned resources. And a few others.

Examples of the sort of stuff that does well in a surplus online virtual storefront is at www.tinaja.com/barg01.html A pair of mil surplus tutorials is at [RESBN81.PDF](#) and at [RESBN82.PDF](#). Info on finding test equipment manuals is at [RESBN80.PDF](#), while an older auction tutorial can be found back at [RESBN73.PDF](#). More test instrument specifics are also at [RESBN887.PDF](#)

Online auction links are at www.tinaja.com/beewb01.html and www.tinaja.com/dntkwb01.html Consulting on these topics can be found at www.tinaja.com/info01.html

I am on the lookout for possible agents and triage help at remote sites. Possibly in exchange for similar services done at Tucson, Huachuacha, Luke, Holloman, or Kirtland. Email me via don@tinaja.com on this.

Let's hear from you ♦

Microcomputer pioneer and guru Don Lancaster is the author of 35 books and countless articles. Don maintains a US technical helpline you'll find at (520) 428-4073, besides offering all his own books, reprints and consulting services.

Don has catalogs at www.tinaja.com/synlib01.html and at www.tinaja.com/barg01.html

Don is also the webmaster of www.tinaja.com You can also reach Don at Synergetics, Box 809, Thatcher, AZ 85552. Or you can use email via don@tinaja.com

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