

## BACK BAY UNIVERSITY

Back Bay University is a large private university with a distinguished faculty. Enrollment at Back Bay currently is 12,000 students, of whom 6,200 are enrolled in the university's five outstanding graduate schools.

Ms. Sharon Davis has been the director of Back Bay's supply department for six years. Her department consists of twenty-two employees and is responsible for the procurement of supplies, services, and equipment that total \$36 million. On one of her recent tours of the campus, Ms. Davis noticed a janitor outside the dental school loading used x-ray film, some fairly heavy small cartons, and some floor sweepings into a trash container.

Ms. Davis decided to conduct an informal survey into how the university disposed of its surplus material. In talking with the machine shop foreman, she learned he was selling the shop's scrap metal to a salvage firm. He used the proceeds for the annual shop picnic.

Administrative services disposed of surplus furniture by selling it to interested members of the Back Bay staff on an informal basis. The proceeds were donated to the woman's auxiliary at the university hospital. Surplus scientific and research equipment was either stored in a larger barn or sold to interested faculty. The proceeds were used to procure research supplies.

1. What arguments are there in favor of a formal salvage program at Back Bay University?
2. What arguments are there in opposition to such a program?
3. Assume that a salvage program is to be implemented. Which department at the university should be responsible for it? Why?
4. Develop an implementation plan for such a salvage program.