



ADMINISTRATIVE REGULATION

Office of the City Administrator

Number: 207

Sections: 1-6

Effective Date: 8/2/99

SUBJECT: Surplus Disposal and/or Transfer

1. **Purpose:** To provide and establish proper procedure and guidelines for the transfer, disposition of city owned surplus and/or obsolete equipment and scrap material
2. **Definition of Surplus Property**
 - 2.1 Usable material, equipment or parts which are in excess of normal maintenance, repair and operating requirements of a department.
 - 2.2 Obsolete material and equipment which are:
 - 2.2.1 Scrap metal, paper, rags, rubber, wood and oil waste.
 - 2.2.2 Property recovered, found and unclaimed by the City Police Department.
3. **Application:**
 - 3.1 Originating Departments
 - 3.1.1 Responsible for preparation of the Equipment Report/Fixed Assets Disposal Form (attached)
 - 3.1.2 Responsible for relocating of surplus in an area designated by Central Services.
4. **General**
 - 4.1 No city employee shall be permitted to purchase any city surplus, other than through the Surf City Store.
 - 4.2 Prior to the disposition of any equipment, which might reasonably be subject to product liability claims through its subsequent use, the Central Services Manager shall obtain a written disclaimer holding the city harmless against any such claims. When possible, used city products will be sold as memorabilia with appropriate labeling through the Surf City Store.
 - 4.3 Any known defect, not readily apparent through visual inspection, shall be identified in writing and made known to any subsequent buyer.
 - 4.4 All surplus is to be presented for sale by the Surf City Store prior to any other disposition unless it is in the best interest of the City to sell through another method.
 - 4.5 The proceeds of sale shall be credited to the general fund except items originating from enterprise funds which will be credited to the appropriate enterprise fund.

- 4.6 The Central Services Manager shall maintain documentation of the disposal of all surplus and/or obsolete equipment and scrap material for 3 years. Documentation shall include date and method of disposition, sale price and name and address of buyer.

5. **Procedure:**

- 5.1 Each department/division has responsibility to review on a quarterly basis material, supplies, equipment and parts to determine which items should be transferred to surplus property and to submit in written form as requested by Central Services and signed by department head. A list of all equipment which is no longer used, and has become obsolete or worn out or is being replaced by the acquisition of new equipment must be forwarded to Central Services.

5.2 **Transfer to another department**

- 5.2-1 Departments wishing to transfer surplus to/or from another department must complete the Equipment Report form and submit it to Central Services for approval.

5.2-2 Central Services will e-mail all departments of the type of surplus that has become available. On the e-mail memo (attached) the items will be described along with their transfer value. Departments will need to respond within 2 weeks from the date of the e-mail if they are interested. The items will be on a first come, first serve basis.

- 5.2-3 Upon approval, arrangements will be made to physically move the property. If no other department has need for the property, the property will be declared surplus. Only property, which is in workable, satisfactory condition, will be approved for transfer to another department.

- 5.2-4 All other property shall be declared surplus for disposal.

6. **Methods of Disposal:**

- 6.1-1 **Trade In:** Upon determination of the Director of Administrative Services, items declared surplus, may be exchanged as trade-in on the acquisition of new equipment.

- 6.1-2 **Return to Manufacturer:** All obsolete items when possible, may be returned to the vendor for buy or credit.

- 6.1-3 **Sale:** All city surplus is offered on "as is" and "where is" basis. The city makes no warranty, guarantee, express, implied or otherwise, as described in the uniform commercial code.

- 6.2 The various sale methods are as follows:

- 6.2-1 **Surf City Store:** All surplus shall be presented for evaluation prior to disposition by any other means.

- 6.2-2 **Public Auctions**: Public auctions shall be held deemed necessary by the Central Services Manager. Notice of public auction shall be given at least five days before the actual auction.
- 6.2-3 **Sealed Bids**: Bids can be taken on city surplus similar to the way the Request for Quotation method is used in buying except this will be for sale of surplus.
- 6.2-4 **Garage Sale**: This is an annual event which is done on Saturday and/or Sunday. Items will be marked with predetermined price before the sale, and sold "as is."
- 6.2-5 **Selling Scrap**: Items deemed to be better suited for sale as scrap can be marketed to dealers under contractual agreements or negotiated.
- 6.2-6 **Gift/Donation**: With the approval by the City Administrator, such items which have become unsuitable for city use can be donated to a charitable cause.
- 6.2-7 **Disposal of Junk**: When the cost of locating a buyer or taker exceeds the projected revenue of the item, it may be destroyed or disposed of in a manner least costly to the city, but not taken by any employee.

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