

**CITY OF BEAUMONT
POLICIES AND PROCEDURES MANUAL**

Policy Number: 7.10

Subject: Disposal of Surplus Property

Effective Date: 1-10-2011

Approved by: Kyle Hayes/1-10-11
City Manager/Date

Laura Clark/1-10-11
Chief Financial Officer/Date

I. PURPOSE:

The purpose of this policy is to assure control and accountability for the disposal of surplus City assets. It is also to provide procedures for management and employees to follow in the disposal of surplus City assets.

II. DEFINITIONS:

Obsolete - refers to goods, materials, or equipment that are out of date and no longer useful.

Surplus - refers to goods, materials or equipment that has no known use to the operations of any City department within the next 12 to 24 month period and has been on hand for at least 12 months.

Damaged - refers to goods, materials, or equipment that have sustained physical damage to the extent they are no longer functional.

Deteriorated - refers to goods, materials or equipment that are worn out from use, weather exposure and age.

Scrap - refers to material or parts that have no value except for their basic material content.

Inventory - refers to an itemized listing of amounts of goods, materials or equipment indicated as on hand at a particular time.

Confiscated Goods - Are those personal property items that are seized by any police officer in the City of Beaumont during official police activities.

III. RESPONSIBILITIES

A. Each department shall notify the Purchasing Division of all designated surplus, damaged, or obsolete property. This information should be provided to the Purchasing Technician by e-mail no later than one week prior to scheduled delivery of property to City storage facility. Refer to IV, Section F.

B. The Purchasing Division shall maintain a current listing of all property designated as surplus by each department. This listing shall be made available to all departments to ensure that City departments have first choice of surplus property and equipment prior to sale or disposal. Requests to retain surplus Fleet items must be directed to the Fleet Management Division.

- C. Surplus property may be disposed of by one of the following methods:
 - 1. Public onsite auction
 - 2. Public online auction
 - 3. Surplus sale with prices reflecting market value
 - 4. Landfill or scrap yard
- D. Surplus property shall be disposed of on a periodic basis when the amount justifies a sale as determined by the Chief Financial Officer.
- E. The City Manager shall have the authority to order the sale of surplus property other than by the methods stated.

IV. DISPOSAL PROCEDURES

- A. Sale of Surplus Property Over \$1,000 in Value
 - 1. Property valued over \$1,000 may be sold by methods stated in Section III, Item C or through formal bidding procedures.
 - 2. If using the auction or surplus sale option, there shall be a legal notice published in a local newspaper once a week for two (2) consecutive weeks prior to the auction or surplus sale. The first publication is to be at least fourteen (14) days prior to the auction or surplus starting date.
 - 3. If using the formal bidding procedures, the Purchasing Division shall prepare the necessary specifications and publish a Notice to Bidders in the local newspaper once a week for two (2) consecutive weeks prior to the sale. The first publication to be at least fourteen (14) days prior to the time set to publically open and read the bids.
 - 4. The award shall be made to the highest and best bidder.
 - 5. The City shall have the right to reject all bids when it is in the best interest of the City.
- B. Sale of Surplus Property Under \$1,000 in Value
 - 1. Upon request, the City Manager may authorize the sale of surplus property under \$1,000.
 - 2. The Chief Financial Officer with the assistance of the Purchasing Manager shall price the property.
 - 3. In certain instances, the pricing and sale of surplus property may be handled by the department director with prior approval by the City Manager.
- C. Sale of Scrap Metal
 - 1. The Purchasing Division is responsible for contacting scrap metal vendors for container placement.

2. When the container is filled, the department shall notify vendor for pickup.
3. Department/Division should request a signed receipt for materials picked up at site. A copy of the receipt should be forwarded to Purchasing.
4. The dealer shall weigh the metal and value it at the present day metal price. The dealer shall present the check to the Central Cashier's office within thirty (30) calendar days. A copy of the receipt shall be forwarded to the Purchasing Division.

D. Sale of Used Library Materials

1. Library materials withdrawn from use shall be made available for public purchase at designated areas in the Library.
2. The price for these items shall be set by the Library Administrator.
3. All monies received from the sale of surplus library materials shall be deposited with Central Cashier's office.

E. Sale of Police Confiscated Goods

1. Seized property which is not held as evidence or has not been ordered destroyed or returned to the owner may be offered for sale through the methods identified in Section III, Item C.

F. Disposal of Surplus City Inventory

1. It shall be the responsibility of each Department Director who has physical control and management of a supply or materials inventory to identify, tag and secure for disposal all items deemed surplus or obsolete by definition. The Purchasing Division shall be responsible for the sale and disposal of surplus and obsolete inventory.
2. Department Director will notify the Purchasing Technician of all items that are surplus or obsolete through an e-mail. This e-mail will list the items, quantity and current location of the surplus inventory requested to be transferred to the City storage facility
3. Upon receipt of the e-mail, the Purchasing Technician will coordinate the time and date for delivery of surplus materials to the City storage facility.
4. It is the responsibility of the department/division to deliver the surplus or obsolete items to the City storage facility on the day provided by the Purchasing Technician.
5. No City surplus items may be placed in the City storage facility without prior approval from Purchasing.
6. Purchasing Department will be responsible for providing a list of items to the City Manager for approval prior to utilizing the methods identified in Section III, Item C.

7. After approval from the City Manager, items on the list will be disposed of according to the method presented.
8. If a surplus item has been placed on an auction or surplus sale two (2) times and has not sold, that item shall be scheduled for disposal at the landfill or scrap yard.
9. Surplus items that do not have any value will be disposed of through the landfill or scrap yard after prior approval from the City Manager.
10. After approval from the City Manager, computer related items will be disposed of according to current laws and governmental guidelines.