



ADMINISTRATIVE POLICY

Number: III-8

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Jurisdiction: City Council

SURPLUS PROPERTY

I. PURPOSE

To provide a uniform procedure for the declaration and disposal of surplus property including automobiles, office equipment, and construction materials owned by the City of Capitola which are no longer needed or used by the City.

II. POLICY

No department shall dispose of surplus property without prior notification to the City Manager and approval and authorization from the City Council on items which have an original purchase price of \$1,000 or greater. Items with an original purchase price of less than \$1,000 may be disposed of at the discretion of the Department Head.

Department Heads will coordinate surplus sales with the City Manager or his/her designee at any time with notice and approval as mentioned above.

An outside vendor, selected using the City Purchasing Administrative Procedure, will be used to dispose of all surplus property. All proceeds from the sale of surplus property will be submitted to the Finance Department with a complete list of disposed items and deposited in the Equipment Acquisition & Replacement Fund or other fund that may be deemed appropriate by the Director of Finance.

III. DEFINITIONS

As used in this Chapter, the following words have the meanings given below:

“Property” means tangible property, with the exception of real property owned by the City, including equipment and materials, which is no longer needed by the City. Examples include office furniture, computers, specialized equipment, motor vehicles and items that are obsolete or overstocked.

“Surplus” when applied to property means property, that is serviceable and valuable for uses other than scrap or salvage but which is deemed to be either unfit or uneconomical for City use.

“Salvage” or “Scrap” means materials of scrap metal, wood, paper or other materials, which are neither used nor useful for the purpose for which they were originally designed or used.

IV. PROCEDURE

- A. Determination that Property is Surplus: Whenever a Department Head or employee designated by a Department Head of the City of Capitola determines that any property under their jurisdiction is surplus and that there is no present or prospective reasonable use to which his/her department may put said property, he/she shall prepare a report to the City Manager. The report shall contain a description of the property, its condition, the quality of such items available, shall state the location where it may be viewed and recommended disposition of the property.
- B. Reallocation when Feasible: The City Manager or his/her designee shall evaluate the report or the surplus property for possible current or future use within the City. If the City Manager or designee finds no reasonable use for the property, then he/she will notify the department head who shall inform all of the other Department Heads that the property is available. Each Department Head shall notify the Department Head who has the surplus property if he/she can use the property in his/her department.
- C. Disposal Recommendation: If there is no known reasonable use of the property for City purposes reported to the surplusing Department Head within two weeks from the time the Department Heads were notified of the surplus property, then Department Head in charge of the surplus property shall prepare a staff report to the City Council of their intent to dispose of the property in a manner authorized by this policy for declaration of surplus and authorize disposal. The staff report shall contain the disposal recommendations, and list all property to be disposed. At the discretion of the City Manager, the surplus property list may be coordinated among all departments at one time during the fiscal year.
- D. Manner of Sale: Surplus property with an original purchase price of \$1,000 or greater shall be sold at public auction or by sealed bid except in those cases where the City Manager determines that such property is needed for public use by another public agency or is valuable for trading in. In those cases, the property may be sold or transferred (donated) to the public agency or traded in at an amount determined by the Department Head to be equal to what would be obtained through a sealed bid or public auction sale. In the event of public auction or sealed bid sale, all sales shall be in cash.

All proceeds received from the sale shall be delivered to the Finance Director for deposit in the Equipment Acquisition and Replacement Fund or other fund as may be determined by the Finance Director.

- E. Sale as Scrap or Salvage, Donation or Destruction: The authorization for sale of surplus property pursuant to Section IV. D above shall not preclude disposal of surplus property as scrap or salvage or donated when such property has an original purchase value of less than \$1,000. Items of surplus property may be sold as scrap or salvage or

donated when the property cannot be sold through the preceding procedures. Property, which cannot be sold as scrap or salvage or donated, shall be destroyed or disposed of upon approval of the City Manager.

- F. Immediate Disposal: Compliance shall not be required in the case of property which might result in the injury to the health or safety of the public. The City Manager shall dispose of such property in whatever manner he/she deems appropriate in his/her discretion and notify the City Council at the next regularly scheduled meeting.

This policy is approved and authorized by:



Richard Hill
City Manager

RH/lgm