



Surplus Property Disposal Policy

Purpose

The purpose of this policy is to establish an efficient and effective method for disposal of [entity] surplus personal property. This policy directs the timely, efficient, cost-effective, transparent and safe disposition of surplus property in a manner consistent with the best interest of [entity].

Policy

Surplus personal property with commercial value will be disposed of in a cost effective and efficient manner that achieves the highest net resale proceeds for [entity]. This policy does not address the surplus of real property.

Surplus property with little or no commercial value or higher disposal and sales costs than estimated net proceeds may be transferred, donated, or eventually disposed of through salvage contracts or other cost effective and efficient means. Items that are broken, unusable or have no commercial, salvage, or donation value may be classified as “waste” and disposed of as such.

Definitions

1. Purchasing Agent – Unless otherwise provided by the [governing body], the budget officer serves as the purchasing agent.
2. Eligible Purchaser – Any public entity, nonprofit organization, private organization or the general public eligible to purchase surplus products unless otherwise noted in this policy.
3. Estimated Surplus Value – The estimated amount of money an interested party will be willing to pay the [entity] for the property. This can be determined via an estimate, an official appraisal, an offer from another entity, Kelly Blue Book value, or other sources available to the responsible department.
4. Surplus – Any [entity] personal property and/or asset that is no longer needed now or in the foreseeable future or that is no longer of value or use to the [entity]. This includes items purchased by [entity].

Prohibited Benefit. The [governing body], [entity] employees, and governing body and entity employee relatives, as defined in UCA 52-3-1, shall be prohibited from acquiring or purchasing assets of the [entity] declared surplus by the Purchasing Agent and disposed of pursuant to this Policy. Violations by parties listed above that are restricted from purchasing surplus City property can result in disciplinary action up to and including termination.

Exception: An employee, governing body member relative, or entity employee relative may purchase a surplus asset if the purchaser did not participate in the surplus process, the conflict of

interest was declared to the [governing body], and the item was sold via Utah Division of Purchasing and General Services, eBay, or live auction.

Procedure

The [entity] department responsible for property it wishes to have declared surplus shall complete the surplus request form including a complete description of the item, location, condition, estimated fair market value and photos. The employee requesting that the item be declared surplus and his/her supervisor/manger must sign the completed form before sending it to the Purchasing Officer. Once the form is submitted to the Purchasing Agent, the requesting department will coordinate the notification to other [entity] departments via email. Internal [entity] departments will be given the first priority in using the surplus items. If the item is no longer of use to the [entity] the item may be relinquished in the following methods:

- Sell or transfer to another governmental agency, for items with a value in excess of \$50,000. If the asset is transferred to another agency the purchasing agent should document how the transfer provides benefit to the entity or the citizens it serves.
- Auction items on [entity's] surplus auction web age (for individual items valued less than \$100; less than \$250 for a group of like items).
- Auction the item on eBay or via live auction. The originating department will be responsible for all costs associated with this option, and must allocate sufficient resources from a departmental budget line-item for this purpose. The Purchasing Agent will coordinate the auction if eBay is used.
- Sell the item through a sealed-bid process.
- Trade the item in for new replacement equipment.
- Surplus via Utah Division of Purchasing and General Services
- Dispose as scrap metal – see below.
- Properly discard the item if the item is broken, unusable, and/or hazardous. Documentation and pictures must be provided for an item to be discarded.

Discarding the item(s) being surplus is the last option to be used unless the item is broken, unusable or has no commercial, salvage or donation value and/or the department and the Purchasing Agent have exhausted all other options for disposal.

Once an item has been declared surplus and the means by which it will be disposed of have been determined, the Department and/or Purchasing Agent must complete a surplus confirmation form. The individual responsible for discarding, scrapping or transferring the item shall sign and attest under penalty of perjury to the manner of disposition and forward the form to the [governing body/entity manager] for signature.

If the item is sold or transferred, the receiving individual or party must sign a liability waiver. If the Department is responsible for the pick up or transfer of the item, it must obtain the signature of the individual or party receiving the item on the form and forward the form to the Purchasing Agent to maintain documentation of the sale.

If the item is sold the proceeds will be deposited into the fund that accounts for the asset within 3 days of the transaction. Checks for surplus items are to be made payable to [entity].

Vehicles

For vehicles being surplus, the requesting department shall attach to the surplus request form a printout from Kelly Blue Book with the estimated value of the vehicle. If the item is being surplus on eBay, the Purchasing Agent will set the starting bid price at half of Kelly Blue Book value unless the department indicates otherwise. [Entity] logos and other markings identifying vehicles as [entity] property shall be removed prior to sale.