

# **Tahoe City Public Utility District Financial Policy**

## **Disposal of Surplus Property Policy Number: 2060**

### **I. PURPOSE**

This Policy is established to provide guidelines for the prudent and transparent disposal of surplus inventory, materials, equipment and vehicles purchased by the District. This policy does not apply to real property.

### **II. POLICY OVERVIEW**

The establishment of this Policy will assure that inventory, materials, equipment and vehicles purchased by the District that are no longer of use by the District are efficiently disposed of in a fair and transparent process. This policy sets forth guidelines for the disposal of surplus property to ensure internal checks and balances, and to ensure the receipt of any revenues from the disposal of this surplus.

It is a goal of the District to recycle or reuse as much as possible. In order to help achieve this goal it is in the interest of the District to have a disposal policy that allows for sale, trade-in or reuse. The first effort to dispose of surplus property shall be in a manner which is most likely to generate the greatest return to the District.

### **III. DEFINITIONS**

As used in this policy, the following terms shall have the meanings specified below:

- a. Board – The lawfully elected or appointed governing body of the TCPUD.
- b. Disposal – Sell, discard, destroy, donate, recycle or otherwise remove from District ownership.
- c. District - The Tahoe City Public Utility District (District or TCPUD).
- d. Policy – This “Disposal of Surplus Property Policy.”
- e. Real Property – Land, and generally whatever is erected or growing upon or affixed to land.
- f. Surplus property – personal property that has little or no remaining useful life for the District, and includes, inventory, materials, office equipment, tools and vehicles.
- g. Constituent - Residents, property owners, ratepayers, business owners, and voters within the District's boundaries.

### **IV. PROCESS**

No Board member may bid on, purchase or otherwise receive surplus property from the District. No person who makes, participates in the making of, or influences the decision to dispose of surplus property may bid on, purchase or otherwise receive surplus property. This includes District staff, consultants, advisory committee members and all other individuals who make, participate in the making of, or influence the decision regarding the disposal of surplus property.

Items of inventory, materials, equipment, tools and vehicles considered by staff to be no longer necessary and therefore considered surplus, shall be listed on an appropriate form and presented to the General Manager.

## **Authority**

### **1. Estimated Value less than \$1,000:**

For items with an individual estimated value of less than \$1,000 per item, the General Manager is authorized to dispose of the surplus at his or her discretion, in general conformance with one of the general disposal methods below.

### **2. Estimated Value more than \$1,000:**

For items with an estimated value in excess of \$1,000 per item, the General Manager shall direct that a Board action declaring the items as surplus be placed on an agenda for Board review and approval. The General Manager shall recommend a disposal method to the Board of Directors for review and approval, in general conformance with one of the methods below. In the event that the Board approved method of disposal is not successful (no bids received, bids not responsive/sufficient), the General Manager shall:

- For items with a Board declared value of \$1,000 to \$5,000 per item the General Manager may dispose of such items at his or her discretion and report the sale proceeds to the Board.
- For items with a Board declared value greater than \$5,000, the General Manager shall report to the Board the item still under surplus consideration and shall get Board authorization on the next proposed surplus method and declared value.

## **General Disposal Methods**

The first effort to dispose of surplus property shall be in a manner which is most likely to generate the greatest return to the District. Staff will determine which method is best. Such methods of disposal include, but are not limited to the following:

- Trade-In – Surplus property may be offered as a trade-in for credit toward the acquisition of new property. All trade-in offers will be submitted to for the review and approval of the General Manager.
- Return to Manufacturer – Surplus property may, when possible, be returned to the manufacturer for buy-back or credit toward the purchase of new property.
- Sale – The District may offer surplus property for sale. All surplus property is for sale “as-is” and “where-is” with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility, or usability of the property offered for sale. If an item is to be sold, the District shall advertise at least five days before the sale in the appropriate location, which may include newspapers, websites, journals, auctions, social media or internet based advertising/auctions sites such as eBay or GovDeals. Appropriate methods of sale are as follows:
  - Sealed Bids – Sealed bids may be solicited for the sale of surplus property and sale of the property shall be made to the highest responsive bidder. The District reserves the right to accept or reject any bid found non-responsive or not in the best interest of the District.
  - Public Auction – The District may contract with a professional auctioneer or use an online auction service, sale shall be made to the highest bidder.
  - Negotiated Sale – Surplus property may be sold directly to a purchaser if the District is unable to sell through one of the methods above, or if it is determined that only one known buyer is available or interested in acquiring the property.

- Sale for Scrap – Surplus property with minimal fair market value may be sold as scrap.
- Donation – If the District is unable to sell surplus property through one of the methods above, or if the cost of locating a buyer exceeds the estimated sale price of the surplus property, the property may be donated to a non-profit or charitable organization.
- Recycling or Disposal – If it is determined that the surplus property is of no value, obsolete, damaged, unusable or cannot be sold through one of the methods above, the District property may be recycled, destroyed, or disposed of in an appropriate manner for the item.

**Proceeds**

All sales of surplus property shall be paid to the District by certified check, money order or in a manner agreeable to the General Manager. The General Manager or their designee shall be authorized to sign bills of sale and any other documents evidencing the transfer of title to such surplus property by and on behalf of the District.