

LUCAS COUNTY, OHIO

BOARD OF COMMISSIONERS

NUMBER: 42

PAGE 1 of 7

TITLE: SURPLUS PROPERTY

PERSONNEL

RESOLUTION

ADMINISTRATIVE X

NO: 15-934

EFFECTIVE

TYPE:

SUPERSEDES:

DATE: November 10, 2015

POLICY X

POLICY #

PROCEDURE X

PROCEDURE #

SURPLUS PROPERTY

A. PURPOSE

The purpose of the Surplus Property Policy and Procedure is to provide a clear and concise guideline for the disbursement/disposal of all Lucas County personal property that is surplus, obsolete or unfit for County service. It is the intent of the County to maximize the use of all equipment and furniture. The surplus disbursement/disposal procedures which follow will ensure that County property has provided a value beyond its worth, and that its disbursement/disposal will be conducted in an equitable, efficient and cost effective manner.

B. POLICY

The policy shall apply to all County-owned personal property that is surplus, obsolete or unfit for County service, including lost or abandoned personal property and forfeiture program assets, federal and State grant personal property when authorized by the grantor, and private personal property entrusted to County officials for disposition unless otherwise accepted.

It is the County's policy to receive the maximum amount of value from a piece of equipment or furniture. When it has been determined that no further value is to be realized by the County through utilization of a particular piece of equipment or furniture, said item shall be declared surplus, obsolete or unfit. Once declared as such, items will be disposed of as set forth in the following procedures.

C. DEFINITIONS

Personal Property: Movable items, including equipment, vehicles, machinery, furniture, fixtures, tools or other movable, physical goods are considered personal property.

Real Property: Real estate, including land, easements, buildings and related permanent, immovable assets affixed to land are considered real property. Real property can only be disposed by auction, sealed bids, or transferred to another public entity in accordance with State Law.

Surplus Personal Property: Personal property owned by the County and is no longer useful, including, but not limited to personal property which is obsolete, unusable, or for which any continuing or future need for such property does not justify the associated cost of its maintenance and/or storage.

Worthless/Unfit Property: *Surplus personal property* that has been identified by the department designees and confirmed and declared by the designee manger/supervisor to be unusable and of little or no salvage or other economic value.

D. EMPLOYEES IN CHARGE OF SURPLUS PROPERTY

- 1) Elected officials, department heads, and staff responsible for County-owned personal property shall continually monitor the use of fixed assets, minor equipment, supplies, and material to ensure that personal property, when no longer needed or not utilized as trade-in on new acquisition, are declared surplus.
- 2) Each Department Director shall assign a Surplus Liaison responsible for assessment, coordination and disposition of surplus within their department.
- 3) Each designee should have a manager/supervisor to review/approve such declarations.
- 4) Each Department Director shall keep a list of the Surplus Liaison, their manager/supervisor, and the names of anyone who can act in the place of the Surplus Liaison if they are out of the office.

E. PROCEDURES FOR DECLARING PROPERTY AS SURPLUS

When it is determined by the user department that an item has served its original purpose and no longer provides value to the department, the item shall be slated for determination of its eligibility for the surplus disbursement/disposal program.

When making a determination as to whether property shall be declared as surplus, the following factors should be considered:

- (1) The condition of the property;
- (2) The fair market value of the property;
- (3) The remaining useful life of the property;
- (4) The cost of repairing, maintaining and/or storing the property; and
- (5) Need of property due to staff reduction/transfer or mission change.

Property to be declared as surplus shall be inspected for the presence of toxic or contaminated material that would require special handling or disposal instructions. Examples of toxic or contaminated items include, but are not limited to, refrigerants, transformers, solvents, oils and paints and asbestos (ceiling tiles, roofing, etc.).

If an item is found to be surplus, the Surplus Liaison shall notify their manager/supervisor to obtain their approval. The following information shall be supplied: Location of item(s), photographs, dimensions, and if the item is in working/ non-working condition, which will help determine next steps.

Once manager/supervisor approval is given, the Surplus Liaison shall contact the Support Services Manager in the County Purchasing department to have the item(s) declared surplus by the Board of County Commissioners and work on how to dispose of the item.

F. ONCE PROPERTY IS DECLARED SURPLUS

(1) The Surplus Liaison, in conjunction with their manager/supervisor and the Support Services Manager shall determine the most appropriate method for the disposal of property that has been designated as surplus.

(2) Whenever possible, identifying stickers, labels, etc., should be removed from the property, provided that removing these items does not damage the property.

(3) Computers and any other type of electronic information storing devices should be erased of all files and other information before such property is declared as surplus property.

G. DISPOSAL OF SURPLUS PROPERTY

Methods for disposing of surplus property include: Reuse; Auction; Recycle/Salvage; and Refuse (destroyed/discarded).

Reuse Option

The County encourages maximum reuse of materials whenever possible. Departments are encouraged to investigate whether someone else in their department or agency has a use for an item, for County usage not personal usage, before declaring it surplus.

If the decision has been made that an item will be surplus, the using department is encouraged to advertise, through e-mail, the availability of an item for County use. The item may be transferred to another department at the discretion of the head of the former user's department

With the exception of vehicles, the Support Services Manager does not need to be notified about surplus property being reused/moved to another department in the County. If a vehicle is being transferred, the Support Services Manager shall be contacted. A separate process must be completed for vehicles.

Auction Option

One way to ensure receiving fair market price is to sell surplus property at a public auction conducted by the County's contract auctioneer.

Disposal of applicable County-owned surplus personal property, including lost or abandoned personal property with an estimated Fair Market Value (FMV) of **\$50.00** or more, shall be accomplished through public auction as the preferred method of sale whenever practical. Public auctions shall be accomplished using GovDeals (procedures to follow).

If the Elected Official/Department head wants an item with a fair market value of under \$50.00 to be put up for auction, they shall work with the Support Services Manager.

Recycle or Salvage Options

If the administrative resources used to sell surplus property exceed the anticipated revenue, Departments should consider recycling as a disposal option.

Surplus containing metal may be disposed of with a scrap metal recycler.

Computers and computer related devices may be disposed of through the County E-Waste program. The Surplus Liaison must contact the Support Services Manager for approval to dispose of surplus items through the E-Waste Program. Upon approval or department request, Purchasing will provide contact information for an electronic recycler(s). In all cases, whether sold or recycled, hard drives, memories, and operating systems must be erased from all computers and servers and destroyed (to be a certified E-Waste operator this is a required service). In addition to computers and servers, erasing includes but is not limited to, facsimile machines, scanners, copiers, and mobile hand held devices. In addition, the serial number of all surplus computers, whether sold or recycled, must be recorded and tracked. Departments may contact Lucas County Information Services Department for additional information regarding erasing and tracking.

Surplus Mobile Hand Held Devices, including cell phones, shall be disposed of through the County E-Waste program or recycling with the County cell phone provider. Upon request, Purchasing will provide contact information for an electronic recycler(s). All data and phone numbers, in each Mobile Hand Held Device, must be erased prior to recycling. County Mobile Hand Held Devices, including cell phones, shall not be sold to the public auction.

Refuse Option

Only *surplus personal property* classified as *worthless property* shall be destroyed or discarded. If the administrative resources needed to sell surplus exceed the anticipated revenue amount, and recycling is not an option, surplus items may be disposed of as refuse as a last resort alternative. The Surplus Liaison must contact the Support Services Manager for approval to dispose of surplus items through refuse.

H. GovDeals

- (1) The County shall use GovDeals.com to dispose of surplus Personal Property for auction.
- (2) A GovDeals account shall be created and maintained by the Purchasing Department in the name of Lucas County.
- (3) If a department decides to put a surplus item up for auction, the Surplus Liaison must enter the asset on GovDeals. *Please ensure that the item description is accurate. If an incorrect description is supplied, a refund must be given to the bidder and the item must be re-auctioned.* After the asset has been entered in GovDeals, the asset page must be printed and sent to the Support Services Manager with the signature of the Surplus Liaison and the manager/supervisor showing that it has been approved as surplus and to be disposed of by auction.

This communication must also include the fund/department/account number of where the bid proceeds will be deposited to and where the GovDeal Processing fees (\$2.50 or 7.5% of the final bid whatever is greater) will be paid to (please make sure that there is appropriation in this account to cover the costs). The Support Services Manager will not activate the auction if this information is not provided.
- (4) Once approval has been given, the Surplus Liaison shall be responsible for uploading the surplus items onto the GovDeals website.
- (5) The Support Services Manager shall receive the invoice from GovDeals for any auctions and then charge those fees to the proper accounts on the department's behalf. If there are not enough funds to cover these costs, the Support Services Manager will contact the department and allow three (3) days to work with OMB to transfer the appropriate funds to cover the charges.
- (6) Items to be included in the Auction description:

Finality of Sale

All sales are final.

Condition of Item

Items are offered "AS IS" with no warranty.

Shipping Procedures

Lucas County does not ship. The buyer is responsible for picking up all purchased merchandise from the department.

Payment Procedures

Only electronic payments (credit card or electronic check) shall be accepted as payment. Payment is due within five (5) business days of notice of award. Buyer must bring proof of payment at time of pick-up (at time of payment they should receive an email confirmation of their payment). Electronic checks may take 3-4 days to clear, but all payments will require a four (4) day "holding period" to ensure there are sufficient funds for payment clearance.

Item Pick-up

All items must be picked-up by buyer within ten (10) business days after the four (4) day “holding period” has passed. Buyer must arrange and pay for all pickup costs, including, packing, removal and transportation. All property not picked up within ten (10) business days after the four (4) day “holding period” reverts to Lucas County, with no financial compensation made to buyer.

Lucas County will not release property to buyer until payment has been received in full.

Pre-Sale Inspection

Whenever feasible, Lucas County personnel will permit potential buyers to arrange for pre-sale inspection.

Award

Lucas County reserves the right to reject any bid which in its opinion does not represent a fair price and further to reject any bidder which is considered unable to meet the terms of sale.

I. Item Pick Up

When the Buyer comes to pick up the assets won, a Bill of Sale must be signed (Support Services Manager will email each department a Bill of Sale along with the GovDeals Seller’s Certificate).

Each Buyer must produce a photo ID to pick up items. Departments shall make a copy of this photo ID and attach it to the Bill of Sale for County records (Buyer may request a copy of both for their records).

If a Third Party is removing the asset for the Buyer, the Buyer must submit or email an Authorization of Release Form (available in the GovDeals system) to the department prior to scheduling a removal date. Exceptions must not be allowed under any circumstances.

The Buyer is required to provide a phone number and email address of the third party shipper who will be removing the property. Departments must contact the third party and verify the information on the Seller’s Certificate. Since the third party shipper is acting as a Buyer’s Agent for asset removal, they are required to sign the Bill of Sale and provide their photo ID for County records before they take possession of the asset.

J. DEPOSIT OF SALE PROCEEDS

Proceeds from the sale of County-owned property and equipment shall be deposited to the County General Fund or other fund designated by the owning Department (per Step 3 under Section G).

The Treasurer’s office and Support Services will be notified daily by the County’s Processing Service (Forte) of any funds that come to the County from GovDeals Auctions. The Support Services Manager will contact the Treasurer’s Office to notify where the funds are to be deposited (per Step 3 under Section G).

K. NOTIFICATION TO SUPPORT SERVICES OF ITEM NOT BEING PICKED UP

Surplus Liaison must contact Support Services Manager to notify if an item has not been picked up by twenty (20) business days after the item has sold.

L. SURPLUS PROPERTY DISPOSITION DOCUMENTATION

Items that were purchased with \$5,000 or more (i.e., capitalized asset) and/or items purchased using State or Federal grants are to be inventoried on an annual basis. Thus, if an item falls in this category, please notify the Auditor's office of the disposal (no matter which category of disposal used). The Auditor's office will notify departments of the proper documentation that must be provided.

M. DOCUMENTATION

Actions taken to dispose of surplus property must be fully documented to indicate why, who, what, when, where and how the transaction was conducted. This documentation, along with the Bill of Sale and photocopy ID of Buyer should be kept on file for five (5) years.

N. SURPLUS PROPERTY MAY NOT BE DONATED TO CHARITABLE ORGANIZATIONS

Donation of County surplus to charitable organizations is precluded. Charitable Organizations should be directed to participate in public auctions and purchase surplus through any of the public auction opportunities available to the public.

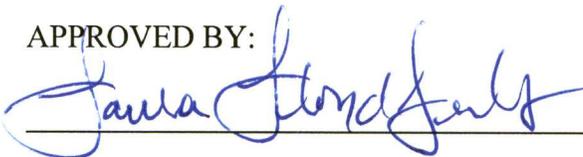
O. DONATIONS OF SURPLUS PROPERTY TO OTHER JURISDICTIONS

If a department desires to donate surplus property to a governmental office/agency/department outside of the Lucas County Government, they will need to get Administration approval.

P. CONFLICTS OF INTEREST

County employees shall be permitted to participate as buyers in competitive sales of surplus property as any other member of the public. Consistent with ethical conduct, County employees shall not take advantage to gain personal benefit from such transactions. County employees can only have access to the surplus items through payment with an auction as a private citizen, access to items to be discarded is not allowed.

APPROVED BY:



DATE:

11-17-15