



# Monterey One Water

## Surplus/Disposal of Property (excluding Land)

### (Section 06.14)

#### **A. Purpose**

The purpose of this policy is to establish procedures and internal controls over the disposal or transfer between departments of surplus property (excluding land) and of scrap or recyclable material. Surplus properties are defined as Agency owned items that are obsolete, fully depreciated, scheduled for replacement, or are no longer necessary for Agency purposes. Scrap or recyclable material is defined as any type of metal or copper, or metal valves piping and related component units that are determined to have a residual value only as scrap or recyclable material.

#### **B. Policy**

It is the Agency's policy that either the General Manager (GM), Assistant General Manager (AGM), Chief Financial Officer (CFO) or their approved designee(s) can authorize the disposal or transfer between departments of surplus property (excluding land) and of scrap or recyclable material. These staff shall work with the Procurement Specialist to account for the transfer, disposal, sale, donation or recycling of these items.

#### **C. Approved Methods for Disposal or Transfer of Surplus Items**

Surplus items shall be disposed using any of the following methods:

1. Transferred to another department
2. Held temporarily in storage
3. Sale with public notification, including the use of public auction companies
4. Donation to another governmental or charitable organization
5. Trade-in for a similar good
6. Disposal of non-scrap or recyclable items with nominal value at Monterey Regional Waste Management District
7. Disposal of Scrap or Recyclable Items at Regional Treatment Plant (RTP)

All recommendations for disposition require a completion of a *Surplus Property Form* with photos of the items authorized to be disposed or transferred (see Exhibit A). The GM, AGM or CFO or their approved designees shall complete the form with an accompanying photo and send it to the Procurement Specialist for recording in the Agency's financial records. The GM, AGM and CFO are responsible for providing the Procurement Specialist with approved designees for the disposal or transfer of Agency surplus assets.

#### Transfer to Another Department

For a proposed transfer of surplus property, the procurement specialist will circulate the notice throughout the Agency to see if other departments are interested in obtaining the surplus property for their department's use. If more than one department responds to the notice, the property should be re-assigned on a "first-come, first-served" basis.



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#### Held Temporarily in Storage

The Maintenance Manager will serve as the primary custodian for temporary storage of surplus items awaiting to be disposed or transferred and shall maintain inventory records of these items using the information provided on the *Surplus Property Forms*.

#### Sale with Public Notification, Including Use of Public Auction Companies

Items published for sale shall be either advertised on the Agency's website or an online auction website. For sales advertised on the City website, bid opening or auction dates shall be scheduled no earlier than two weeks following the initial advertisement. When an outside auction company is used, the Procurement Specialist will coordinate and administer the auction process by working with the auction company and staff to perform the following duties:

- A. Obtain an inventory from the Maintenance Manager of the items to be sold
- B. Determine the scope of auction services needed and solicit quotes for auction firms
- C. Coordinate with staff the pickup of the surplus items by the selected auction company
- D. Advertise the sale of surplus items by the auction company on the Agency's website
- E. Obtain appropriate documentation from the auction company of items sold and verify the receipt of sale proceeds from the auction company
- F. Prepare an summary of results from the auction for the CFO, AGM and GM

#### Disposal of Items With Nominal Value at Monterey Regional Waste Management District

Items with little to no value (as determined by the GM, AGM, CFO or their approved designee) may be approved for disposition at the Monterey Regional Waste Management District

#### Disposal of Scrap or Recyclable Items at Regional Treatment Plant (RTP)

The Agency retains a contract for the disposal and purchase of scrap or recyclable material. The related recycling receptacle is located at the Regional Treatment Plant. Items meeting the Agency's definition of scrap or recyclable material shall be placed in the recycling bin. The Maintenance Manager or designee is responsible for ensuring that the recycling bin materials are collected at least monthly, with supporting information and revenues forwarded to the Procurement Specialist.

The Maintenance Manager and/or Procurement Specialist will periodically review the agreement with the recycling provider to ensure the Agency receives the best value for recyclable and scrap materials and may solicit bids for services as deemed necessary.

#### **D. Prohibition of Employees Taking Possession of Agency Surplus Property**

The removal or designation of surplus property for the purpose of taking personal possession or ownership is strictly prohibited. Agency employees and their families and relatives are prohibited from purchasing or acquiring surplus property, except from a third party auction company approved by the Agency through a competitive bid process performed by the auction company.