

SALT LAKE COUNTY
COUNTYWIDE POLICY
ON
SURPLUS PROPERTY DISPOSITION/TRANSFER/INTERNAL SALE

Purpose -

To establish a policy regarding the disposition, transfer, and sale of county-owned surplus personal property; to ensure that sales are conducted in an open, competitive environment; and to minimize disposition costs.

Reference

This policy shall apply to all dispositions, transfers, and internal sales of county personal property. This policy is applicable regardless of original purchase price, current fair market value (actual or estimated), accounting classification, or method of acquisition.

Salt Lake County Ordinance 3.36 & Utah State Code governs all personal property disposition transactions.

All dispositions, transfers, and internal sales shall comply with the "Uniform Fiscal Procedures Act," generally accepted accounting principles as required by the "State Uniform Accounting Manual for Counties," and Countywide Policies 2000-2130: GRAMA Records Management.

This policy shall not apply to vehicles. See Policy #1350 – Vehicles.

1.0 Definitions

- 1.1 Purchasing Agent- The Director of the Division of Contracts & Procurement, who is responsible for the disposition of surplus County personal property.
- 1.2 County Agency- Any department, division, or elected office, or other subdivision of county government.
- 1.3 Property- Any tangible supplies, materials, or equipment to which Salt Lake County has acquired title by means of purchase, donation, grant, exchange, or any other lawful means of acquisition; but not including goods obtained by county agencies other than the Division of Contracts and Procurement and distributed to individuals within the community pursuant to a county-run client assistance program
- 1.4 Personal Property- All property that is not considered real property. All county personal property shall be subject to these provisions, regardless of the means of acquisition.
- 1.5 Real Property- Land, and buildings or structures, permanently affixed thereto.
- 1.6 Surplus Property- Personal property that is no longer needed by a county agency for the performance of its duties.
- 1.7 Scrap- Personal property for which there is no residual value beyond the value of its material content.

- 1.8 Property Transfer- A two-part transaction involving (1) the physical movement of personal property from one county agency to another and (2) the accounting functions which transfer accountability for the property from the one county agency to the other.
- 1.9 PM2- The form that is used to record the disposition, transfer, and internal sale of personal property on the fixed asset records of Salt Lake County.
- 1.10 Surplus Sale- A method of disposing of surplus personal property which is not needed by any county agency such disposition is generally to the public-at-large, and may take the form of a sealed bid sale, a public auction, a public sale, or a negotiated sale.
- 1.11 Surplus Property Manager - The purchasing agent's responsibility to dispose of surplus personal property may be delegated to a "surplus property manager" in the Division of Contracts and Procurement or a surplus property contractor that the county contracts with to administer the county's program for disposition of surplus property, under the direction of the purchasing agent.

2.0 Accountability

- 2.1 The purchasing agent is, by county ordinance, responsible for the disposition of surplus county property, unless otherwise specified by ordinance.
- 2.2 The surplus property manager manages the day-to-day operations of the surplus program under the supervision of the purchasing agent.

3.0 General Conditions

- 3.1 Any transfer of personal property from one agency to another requires that a PM-2 form be correctly completed and signed by an authorized employee of both the transferring and receiving agencies.
- 3.2 The transferring agency has the responsibility to see that the form is initiated, fully completed, properly signed, and that a copy is provided to the transferring agency, the receiving agency, and to the Mayor's Financial Administration.
- 3.3 Proceeds from the sale or disposition of personal property will be recorded as revenue of the transferring fund if completed fixed asset information is recorded on the PM-2 form.
- 3.4 The PM-2 Form serves as both the initiating document and as the receipt, and shall be used to document all surplus property transactions.

4.0 Condition of Property

- 4.1 All surplus, obsolete, or unusable personal property, regardless of its physical condition, shall be disposed of in accordance with these provisions, except that items which are obviously scrap may be disposed of at the Salt Lake County Landfill, or be sold to a scrap metal dealer for its residual salvage value.
 - 4.1.1 In order for any item to be disposed of as scrap, two employees from the responsible county agency, or the purchasing agent or designee must unanimously agree that it meets the definition prior to disposal.

- 4.2 Hazardous materials such as insecticides, solvents, medical wastes, paints, combustibles, and any other toxic or hazardous items shall not be disposed of through the surplus program. County agencies shall contact the health department for guidance in disposing of these items properly.
- 4.3 Prior to surplus information technology equipment, county agencies shall delete all information from all storage devices. Information shall be deleted in such a manner as to not be retrievable by data recovery technologies.
- 4.4 All firearms shall be disposed of in accordance with Utah Administrative Code R33-11-2.

5.0 Conveyance of Surplus Personal Property for Consideration Other Than Monetary

- 5.1 Personal property that has no further use by any county agency may be conveyed to a non-county entity if there is fair and adequate consideration given by the non-county organization.
 - 5.1.1 Such consideration must be defined by contract and processed per County Policy #1200.
 - 5.1.2 Consideration can be defined as a service provided to the county and its citizens, reasonably equivalent to the fair market value of the property.
- 5.2 Non-profit organizations, associations or other governmental entities are allowed to request the equipment after other county agencies have had an opportunity to receive the property and before the assets are put up for sale or auction to the general public.
- 5.3 All personal property conveyed shall be approved by the county mayor. Unless otherwise agreed by the mayor, a contract should be prepared to describe the property to be conveyed and the services to be performed in consideration thereof.
- 5.4 Any fees incurred by the county in establishing the value of the personal property as well as other fees involved in the transfer shall be the responsibility of the receiving non-county organization.
- 5.5 The surplus value of the equipment being conveyed may be transferred from the county's general fund account to refund internal service and enterprise funds for equipment from their agencies.

6.0 Disposition/Transfer/Internal Sale of Surplus Property by County Agencies

- 6.1 Any property consigned to the surplus program is available for transfer to county agencies on a first-come, first-serve basis. Property not transferred to other county agencies shall be otherwise disposed of in a manner consistent with county ordinance and property management techniques.
- 6.2 County agencies shall notify the Mayor's Financial Administration when personal property is acquired with grant funds and must ensure that personal property acquired with grant funds is disposed of in accordance with grant requirements.

- 6.3 Personal property consigned to surplus generally shall not be held longer than 60 days. If property is determined to be not saleable, it may be cannibalized, scrapped, or discarded if determined to be of no value by the purchasing agent or designee.

7.0 Conduct of Sales

- 7.1 All sales will be conducted under the delegated authority of the purchasing agent. Sales will be conducted in an open manner consistent with county ordinances, good business practices, and generally accepted accounting principles.
- 7.2 The mayor, in accordance with county ordinances, shall approve all sales of surplus property.
- 7.3 The surplus property manager will provide the Mayor's Financial Administration with a final, approved list of items scrapped or otherwise discarded. This list will include fixed asset property number, description, serial number if applicable, sales price, and disposition date.
- 7.4 All sales will be considered final, with no guarantees or warranties of any kind as to the actual condition or function of the equipment sold. All surplus property shall be sold "As-Is, Where Is". It shall be the responsibility of the buyer to provide all services necessary to de-install, package, remove, and transport the equipment, at buyers' expense.
- 7.5 All property purchased at a surplus sale will be promptly paid for by cash or by check, in compliance with the requirements of Management of Public Funds Policy #1062, and Acceptance of Checks Policy #1301.
- 7.6 No property will be released to any buyer at any surplus property sale, regardless of the type of sale, until the county has received the agreed-upon consideration, in the form of cash or check, or other consideration as defined by County Ordinance 3.36.020.

7.7 Negotiated sales

- 7.7.1 The county will give due consideration to any offer to purchase surplus property made by a potential buyer. Such an offer may be tendered at any time other than in response to a sealed bid solicitation, or an auction.
 - 7.7.2 Such offers, however, will normally be for equipment of a relatively specialized nature, which the general public would not ordinarily purchase.
 - 7.7.3 The mayor must approve such purchases in advance, and the offer must represent a full and fair market value for the equipment.
 - 7.7.4 The decision as to which items may be sold by negotiated sale is the sole province of the county purchasing agent, in accordance with county ordinance, subject to the approval of the mayor.
- 7.8 In any instance where county property is to be disposed of by trading it in on the purchase of new equipment, the trade-in will be treated as any other transfer of property, and a PM-2 form will be initiated, signed, and the original copy forwarded to the Mayor's Financial administration.

7.9 Payback policy on sales proceeds

7.9.1 In accordance with County Ordinance 3.36 "Property Disposal", sales proceeds will generally be deposited to the general fund, or other funds as required by State statutes or other governing regulations.

7.9.2 The proceeds from the sale of any surplus property, which was originally purchased by a county agency having an independent revenue base, or an account separate from the general fund, shall be deposited to that agency's account, and not the general fund (3.36.070). Mayor's Financial Administration upon receipt of bid, auction or other sales lists will distribute, via journal voucher, the proceeds of the sale.

7.10 Participation of county employees in property sales

7.10.1 County employees shall be permitted to participate in the purchase of county surplus personal property, only in the same manner as the public-at-large, except that no county employee shall be given any consideration or privilege in any such sale that might be construed as giving him an advantage in obtaining any surplus property.

7.10.2 Employees of the Division of Contracts & Procurement shall be prohibited from participation in sealed bid sales, and shall be permitted to participate in public sales only after the public-at-large shall have been extended sufficient opportunity to have first choice of the property.

8.0 Exceptions to Policy

8.1 There shall be no exceptions to this policy, except as may be granted by the county mayor in accordance with applicable county ordinances.

APPROVED AND ADOPTED this 3 day of June, 2014.

SALT LAKE COUNTY COUNCIL

By: _____
Michael Jensen, Chairman

ATTEST:

Sherrie Swensen
Salt Lake County Clerk

APPROVED AS TO FORM:

Deputy District Attorney Date