

COUNTY OF SHASTA		Number
ADMINISTRATIVE MANUAL		5-201
SECTION:	Purchasing	Disposition of Surplus Property
INITIAL ISSUE DATE:	June 28, 2011	
LATEST REVISION DATE:	March 19, 2013	
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PURPOSE

To establish a procedure for the County for disposing of surplus property.

POLICY

Subject to certain exceptions explained below, it is the policy of the Board of Supervisors that personal property of the County that is not required for the County's use (i.e., "surplus property") will be sold or leased at public auction to the highest bidder. Purchasing is in charge of arranging for the auctioning of surplus property.

Notwithstanding this policy, Purchasing may dispose of any surplus vehicle (including an automobile, truck, heavy equipment, or boat) which it estimates has a value of \$10,000 or less, and other personal property which it estimates has a value of \$6,000 or less, either by auction or by direct sale, lease, or trade, or by discarding valueless items. However, the Board of Supervisors must specifically approve the disposal of articles of furniture manufactured before 1940, as well as the disposal of other surplus property items exceeding the amounts noted above.

When purchasing personal property for which formal bidding is not required, the purchasing agent must endeavor to secure a trade-in allowance for any surplus property which is being replaced which has a scrap value of less than \$10,000 (Government Code, section 25503; Shasta County Code, section 3.40.010).

By a four-fifths vote, the Board of Supervisors may donate surplus property to certain public entities. Notice must be published in the newspaper at least one week before the donation takes place (Government Code, section 25365). County property (even if surplus property) may not be donated to individuals or businesses (even non-profit, charitable organizations). However, surplus property may be loaned or leased at nominal cost to persons or entities not listed in section 25365 of the Government Code when to do so would be in the public interest; those loan agreements or leases, approved as to form by County Counsel, may be executed by the County Executive Officer (CEO).

With the approval of the Sheriff, K-9 officers (canine/s), who will be retired from service, may be offered for sale to their handler, or the handler's family if the handler is deceased at the time of canine's retirement, for the nominal sum of \$1.00. The person taking ownership of the retired canine shall enter into a "Canine Retirement Agreement" with the County for the purpose of relinquishing the County of further title, ownership, and liability. The Canine Retirement Agreement is to be approved as to form by County Counsel, approved by Risk Management, and approved by the County Executive Officer (or

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his/her designee) in his or her capacity as purchasing agent and will comply with Administrative Policy [6-101](#).

This Chapter does not apply to the Sheriff's disposition of unclaimed or found property pursuant to Civil Code sections 2080-2080.10 or the disposition of property obtained through judicially ordered asset forfeitures.

All computer equipment must be surplussed through the Information Technology Department.

Procedures for the disposition of capital assets.

A department head who wishes to dispose of a *capital asset* that is obsolete or no longer needed should send a memo or e-mail to all other department heads advising of its availability. If another department wants that capital asset, the originating department must:

- Fill out and sign a capital asset transaction form;
- Arrange delivery of the item to the receiving department (the Purchasing Division maintains a list of movers on contract with the County);
- Have the receiving department head sign the form upon receipt of the item; and
- Forward the original signed capital asset transaction form to the Auditor-Controller.

A copy of the capital asset transaction form must be retained on file by the originating and receiving departments.

If no other department is interested in taking possession of the capital asset, the originating department should fill out a capital asset transaction form indicating that the asset will be auctioned, and forward the form to the Purchasing Division. The originating department should remove all metal County ID tags and affix the tags to the capital asset transaction form. If the Purchasing Division determines that the capital asset is valueless, it may authorize the destruction of the item, allow the item to be dismantled for parts, or authorize the disposal of the item in any other manner deemed appropriate.

The manner of disposition must be indicated on the capital asset transaction form. The transaction form must be signed by the department head (or the authorized designee) of the transferring department. If the item is auctioned, the transaction form will be signed by the designated employee of the auction company. If the Purchasing Division determines the item is valueless, the designated employee of the Purchasing Division will sign the form after the department head and forward it to the Auditor-Controller for further processing.

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If the capital asset is sold, the Purchasing Agent will deposit the proceeds with the County Treasurer. A copy of the sales receipt must accompany the deposit. Unless directed by the Board of Supervisors, the proceeds will be credited to the budget of the originating department.

On the original (white copy) of the capital asset transaction form, the Purchasing Division will note the date of sale, reference the deposit permit number, and instruct the Auditor-Controller's office to remove the item from the County inventory.

If a department head finds that a capital asset has been lost or destroyed (except when destroyed with the authorization of the Purchasing Division), the department head must seek relief of accountability from the Board of Supervisors for that capital asset.

After the Board of Supervisors has taken action to relieve a department head of accountability, the department must complete a capital asset transaction form indicating that the item should be deleted from the County's inventory. A copy of the Board's action (a minute order or a copy of the summary of action) should be attached to the transaction form when it is forwarded to the Auditor-Controller's office.

Procedures for the disposition of other personal property.

Like capital assets, non-capital assets may be disposed of by transfer to another department. The department should send a memo or e-mail message to other departments advising of the availability of the item.

If no other County department is interested in the item, the department should advise the Purchasing Division of its need to dispose of the item. The item will be posted on the County intranet system's "electronic surplus center" so that departments may see a list of what surplus property is available and make arrangements to transfer possession of the item. If no other department takes possession of the item within a reasonable period of time, the Purchasing Division will sell the item by direct sale or arrange to have it auctioned.

All items of personal property which had any significant value at the time of acquisition, even if that value was below \$5,000 (the current capital asset limit), must be accounted for by the department head who has possession of them. Each department should keep its own inventory of personal property items, other than routine supplies or capital assets (the Auditor-Controller maintains the inventory of capital assets). The department's inventory should describe each item and if the item is no longer in the department's possession, the disposal date and method of disposal. All records of transactions involving

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an item that has been transferred, sold, discarded, or otherwise disposed of should be kept on file for five years after disposition.

Only the Board of Supervisors or the Purchasing Agent (the County Executive Officer or Purchasing Staff) have the authority to determine that an item of personal property (other than routine supplies) has no value and should be disposed of. Department heads should contact Purchasing before throwing away any capital asset or any other item which originally had significant value.

Limits on purchases by persons affiliated with the County or the sale.

The following County employees, officials, and officers may not bid on or purchase items at any sale or auction of County surplus property:

- Members of the Board of Supervisors;
- County Executive Officer and staff;
- The Purchasing Agent, including Purchasing Staff;
- Anyone associated with the preparation or set-up of the auction or sale;
- Anyone working at the auction or sale; and
- Any County employee, officer, or official who has used, operated, or maintained the piece of equipment which is for sale.

Computer-related equipment may not be purchased by any employee of the Information Technology Department. Further, any employee of another department who acts as information technology staff for that department, or who helped decide which computer equipment to surplus, may not purchase any computer equipment at a County auction or sale.

RESPONSIBLE DEPARTMENTS

Support Services -- Purchasing

REFERENCES

- BOS Policy Resolution No. 2013-01--3/19/13 (Amended)
- Administrative Update--03/12/13
- Administrative Update--07/13/12
- BOS Policy Resolution No. 2011-06--6/28/11 (Removed from Policy 6-101; effective 7/1/11)