

ADMINISTRATIVE POLICY

Date: 7/31/08
Revised: 04/18/17DISPOSAL OF SURPLUS TANGIBLE (PERSONAL) PROPERTY

- 1.0 PURPOSE: To establish policies for the disposal of surplus property.
- 2.0 POLICIES:
- 2.1 At least once each year all departments are asked to report on property that is obsolete or worn and is no longer useful to the City.
- 2.2 Except as provided for in this policy, property that is obsolete or worn and is no longer useful to the City shall be designated as surplus property by the City Council and may be disposed of in any manner as set forth in this policy.
- 2.3 Where practical, surplus property may be disassembled and the remaining useful parts may be reused for City of Blaine purposes.
- 2.4 Disposal by trade-in – Property may be disposed of through a trade-in agreement, but only for similar property, the acquisition of which the City Council has approved through a budgeted appropriation of funds. Property to be traded in is not required to be designated as surplus property by the City Council.
- 2.5 Disposal by Sale
- 2.5.1 Surplus property may be auctioned off at a public auction (conducted by either the City, or another Minnesota governmental agency, or a licensed auctioneer serving as the agent of the City), with ten (10) days prior notice in the City newspaper.
- 2.5.2 Surplus property may be sold by obtaining at least two competitive quotes, with sale to the highest bidder.
- 2.5.3 Surplus property may be sold by obtaining sealed bids, with an advertisement for bids published in the official City newspaper and any other publication that would facilitate the sale of the equipment at least ten (10) days prior to bid opening.
- 2.6 Disposal by Donation
- 2.6.1 Pursuant to Minnesota Statutes 471.85, surplus property may be transferred or donated to another public corporation for public use; or
- 2.6.2 Pursuant to Minnesota Statutes 471.3459 surplus property may be transferred or donated to a non-profit organization formed under Section 501(c)(3) of the Internal Revenue Code.

2.7 Surplus property with no remaining useful life or parts, and that has no value either for use or as scrap material may be disposed of in the same manner that City trash is disposed of, so long as the disposal conforms to all environmental laws, statutes, ordinances and regulations of the United States and any of its agencies, the State of Minnesota and any of its agencies, and the City of Blaine.

3.0 PROCEDURES:

- 3.1 Each department of the City will continuously survey all premises, facilities, and areas to determine what property is of no further use. The Department Head is responsible for monitoring their department's equipment.
- 3.2 Each department shall store the property it has determined is of no further use until the method of disposal is determined.
- 3.3 Property to be designated as surplus is to be listed and separated and evaluated for disposition by the department concerned.
- 3.4 All surplus equipment must first be considered for transfer between departments for the benefit of the City.
- 3.5 The Department Head shall determine the fair market value of the surplus equipment.
- 3.6 At least annually, all Department Heads shall provide a record of equipment to be declared as surplus property to the Finance Director on a form and in a manner prescribed by the Finance Director.
- 3.7 The Finance Director shall compile a listing of equipment recommended to be declared as surplus property and forward this list to the City Manager.
- 3.8 The City Manager will forward a list of the surplus equipment with each item's fair market value to the City Council who shall, by resolution, approve or deny the surplus equipment as eligible for sale or donation.
- 3.9 Donation Procedure
 - 3.9.1 The City has no obligation to make a donation of surplus equipment.
 - 3.9.2 Advertisement: Surplus equipment shall be posted as eligible for donation on the City's website. The City may also use other reasonable means to notify eligible organizations about the availability of surplus equipment. The City shall wait at least 30 days after advertising Surplus Equipment before approving any Donation.

- 3.9.3 Surplus Equipment Form: Eligible organizations interested in surplus equipment shall fill out a surplus equipment form and submit the form to the responsible Department Head.
 - 3.9.4 Approval of Donation: If the surplus equipment has a fair market value less than \$5,000, the City Manager shall approve the Donation to an eligible organization subject to review by the City Council. If the surplus equipment has a fair market value greater than \$5,000, the City Council must, by motion, approve the donation by a majority vote of the City Council.
 - 3.9.5 Prioritization of Donations: If more than one eligible organizations requests a donation for the same surplus equipment, the City shall consider factors it deems relevant including how the surplus equipment will be used, the benefit to the eligible organization, the impact on the City how the donation will accomplish goals of the City Council and any previous donation to the eligible organization.
 - 3.9.6 Conflict of Interest: All City employees and officials are prohibited from taking possession of any surplus equipment on behalf of an eligible organization.
 - 3.9.7 As-Is: A donation of surplus equipment is made “as-is” with no warranty, guarantee or representation of any kind, expressed or implied, as to the condition, utility or usability of the surplus equipment offered. The surplus equipment may be defective and cannot be relied upon for safety purposes.
 - 3.9.8 Title. The Finance Director shall cause any title or other ownership documents to be transferred to the eligible organization at the time of transfer. Any fees required to transfer the surplus equipment are the responsibility of the eligible organization.
 - 3.9.9 Transportation. In the surplus equipment form, the eligible organization must provide a detailed plan for transporting the surplus equipment from the City to the eligible organization. The eligible organization must pay all expenses associated with the transportation of the surplus equipment.
 - 3.9.10 Delegation. The Finance Director may delegate specific responsibilities for implementing this Policy.
 - 3.9.11 Documentation. The Finance Director shall document the donation of all surplus equipment and shall keep such records in accordance with the City’s records retention schedule.
- 3.10 In all cases, surplus property is to be disposed of as quickly as possible.
- 3.11 If bids are to be taken for the sale of surplus property, the Finance Department, along with the City Clerk’s Office, will be responsible for conducting the bid process.

4.0 ADMINISTRATIVE RESPONSIBILITY: The Director of Finance shall be responsible for implementing this policy.



Clark Arneson
City Manager

**City of Blaine
Donation and Disposal of Surplus Property
Exhibit I**

Surplus Equipment Form

Organization Name: _____

Organization Address:

Organization Website: _____

(Attach proof of status as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code.)

Organization Purpose:

Point of Contact

Name: _____

Address: _____

Email: _____

Phone: _____

City Surplus Equipment of Interest:

How will the requested Surplus Equipment benefit your organization?

How do you plan to transport the surplus property from the City to your location?

DISCLAIMER OF WARRANTIES. The City of Blaine makes no agreement, warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or use of the Surplus Equipment by the recipient or any other user.

The recipient acknowledges the Surplus Equipment may be defective and that it cannot be relied upon for safety purposes. The recipient has a duty to inspect the Surplus Equipment before it is used for any purpose.

The recipient acknowledges that the City of Blaine is not a manufacturer of the Surplus Equipment or a dealer therein; that the Surplus Equipment is being provided "as-is" and "with all faults," it being agreed and understood that all of the aforementioned risks are to be borne by the recipient or user of the Surplus Equipment.

In no event shall the City of Blaine be liable for any damages in connection with or arising out of the recipient's or any other person's or entity's use of the Surplus Equipment.

I acknowledge that the Donation of any Surplus Equipment to my organization is subject to the City of Blaine's Policy for Disposal of Surplus Tangible (Personal) Property) to a Nonprofit Organization.

I have authority to request a Donation from the City of Blaine and to bind my organization to the terms of this form.

Signature of Applicant _____

Date _____