



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
October 2, 2013**

TO: Mayor and City Council
FROM: Michael Chandler, Senior Management Analyst
SUBJECT: Disposition of Surplus Supplies and Equipment Policy
DATE: September 26, 2013

RECOMMENDATION:

Adopt a resolution establishing the City’s Disposition of Surplus Supplies and Equipment Policy.

BACKGROUND:

Title 3, Chapter 3.32, Section 020 of the City’s Municipal Code establishes the authority of the City’s Purchasing Officer. This authority includes the disposition of surplus supplies and equipment, which is specifically addressed in Chapter 3.32.020 F:

“Administer the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all surplus supplies and equipment which have become unsuitable for City use.”

City practice in lieu of formal procedures has included discretion at the Department level for the disposition of supplies and equipment that has outlived its useful life and/or is in need of upgrade or replacement. On certain occasions, the City has utilized auctioneers to sell City supplies and equipment (such as vehicles and public works equipment) that are in need of replacement, but still retain appreciable resale value.

The City’s Purchasing Officer (Assistant City Manager) and Finance Manager recommend adopting a formal policy to govern disposition of surplus supplies and equipment. The proposed policy will establish specific procedures and levels of authority, at associated dollar values, to prescribe how the City will manage disposition of surplus supplies and equipment. These procedures will include the following:

- 1) Determinations regarding the usefulness of supplies or equipment
- 2) Notification to Finance Manager of surplus supplies and equipment with original per unit value of \$5,000 or more
- 3) Authority of Department Directors to sell to public or auction off surplus supplies and equipment valued at up to \$25,000 per unit
- 4) Authority of City Council for sales of surplus supplies and equipment valued at greater than \$25,000 per unit, or direct sales to other than a public agency

- 5) Provisions for sales to other public agencies
- 6) Provisions for donation to Community Service Organizations

A copy of the new policy is included as Exhibit A.

FISCAL IMPACT:

No impact other than procedural.

ACTION:

Motion to adopt a resolution establishing the City's Disposition of Surplus Supplies and Equipment Policy.

Attachments:

Resolution

Disposition of Surplus Supplies & Equipment Policy

APPROVED BY:



City Manager

RESOLUTION NO. -13

**ESTABLISHING THE CITY'S DISPOSITION OF SURPLUS
SUPPLIES AND EQUIPMENT POLICY**

WHEREAS, the City's Municipal Code under Title 3, Chapter 3.32, Section 020 F, delegates the authority of administering the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all surplus supplies and equipment which have become unsuitable for City use to the City's Purchasing Officer; and

WHEREAS, City staff, including the Purchasing Officer and Finance Manager, recommend establishing a formal policy regarding the disposition of surplus supplies and equipment; and

WHEREAS, the recommended Disposition of Surplus Supplies and Equipment Policy ("Policy"), included as Exhibit A, establishes clear procedures for disposition of such supplies and equipment, at various associated dollar values and levels of authority; and

WHEREAS, said Policy also offers procedures for sales to other public agencies and donation to community service organizations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez adopts the Disposition of Surplus Supplies and Equipment Policy as set forth in Exhibit A, attached hereto.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at an Adjourned Regular Meeting of said Council held on the 2nd day of October, 2013, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

EXHIBIT A

CITY OF MARTINEZ DISPOSITION OF SURPLUS SUPPLIES AND EQUIPMENT POLICY

PURPOSE

To establish City policy, procedures, guidelines and conditions for the disposition of surplus supplies and equipment.

POLICY

City-owned supplies and equipment which cannot be used by any department of the City, and which have an appreciable value, shall be sold or disposed of in accordance with the provisions of this policy. City employees are prohibited from participating in the purchase or sale of City property.

PROCEDURES

A. Determinations Regarding Usefulness of Supplies or Equipment

Department Directors have the authority to determine when supplies and equipment are no longer used, have become obsolete or worn out, or are not needed. Surplus supplies and equipment determined by the Department Director to have no appreciable value may be discarded as junk.

B. Notification of Finance Manager

Department Directors shall submit to the Finance Manager, at such times and in such forms as he/she shall prescribe, reports showing all supplies and equipment with an original per unit cost of \$5,000 or more that are no longer used or which have become obsolete or worn out.

C. Disposition of Surplus Supplies/Equipment – Value of up to \$25,000

Department Directors shall have authority to sell to the public, after advertising for one day in the official newspaper of the City, all supplies and equipment valued at \$25,000 or less per unit that cannot be used by any department or have become unsuitable for City use, or to exchange or trade in the same for new supplies and equipment. Additionally, Department Directors shall have authority to place with a duly licensed public auctioneer or reputable on-line auctioneer, for disposal and sale on behalf of the City, all surplus supplies and equipment valued at not more than \$25,000 per unit. Proceeds from such public auction sales shall be deposited into the City fund that was originally used to purchase the supplies or equipment.

D. Disposition of Surplus Supplies/Equipment – Value of greater than \$25,000 or Direct Sale

Sales of surplus supplies and equipment with an estimated value of greater than \$25,000 per unit, or a direct sale of any value to other than a public agency, shall be done only upon City Council approval. The City Council shall also determine the manner of disposition.

E. Disposition of Surplus Supplies/Equipment – Sale to other Public Agencies

Department Directors may offer for sale surplus supplies and equipment with an estimated per unit value of less than \$10,000 to other public agencies without the use of a duly licensed public auctioneer or reputable on-line auctioneer.

F. Donation of Surplus Supplies/Equipment to Community Service Organizations

The City Manager shall have the authority to transfer, donate, or dedicate surplus supplies or equipment with an estimated per unit value of \$1,000 or less to community service or public benefit organizations for a public benefit use. Similarly, the City Council shall have authority to transfer, donate, or dedicate surplus supplies or equipment with an estimated per unit value of greater than \$1,000 to community service or public benefit organizations.