

<i>City of Commerce</i> Finance	Purchasing	SOP	709
Subject: Surplus Policy		Version No	1.0
		Effective Date	11/1/12

1.0 Purpose

The purpose of the Surplus Policy is to inform all departments of the appropriate methods of declaring and disposing of surplus, salvage, scrap and worthless property.

2.0 Definition

Surplus is defined as equipment, supplies, materials and scrap that is no longer used that has surpassed its lifecycle.

- Surplus equipment/commodities – Usable in its present condition but no longer useful to a particular department and/or division.
- Salvageable goods – Having value but requiring repairs to make usable. In reporting/replacing salvageable equipment, the disposal request should show the estimated cost of repairs required to make the property usable, if available.
- Scrap – Saleable for scrap value only. Having no future value as a usable commodity to other departments/units in its present condition. This includes scrap metal.
- Worthless Equipment – Broken or worn-out items having no saleable scrap value. The final determination of value will be made by the Purchasing Manager with the recommendation of the user Department head.

3.0 Authority

The Purchasing Manager is authorized to sell or dispose of surplus City property having a salvage value in the open market. The methods used to handle the surplus items are by public auction through the City website or through trade in for new goods. Surplus equipment or goods without salvage value, as determined by the Purchasing Manager may be disposed of.

4.0 Declaration of Surplus Equipment

All commodities determined to be of no further use to the department will be reported to Purchasing Division. The department will provide a full description including an asset tag number, if available.

5.0 Records

The Purchasing Staff must keep regular logs showing surplus equipment and goods disposed of, the method of disposal, and the amounts recovered from its disposal and maintain records for public inspection relative to the disposal of surplus property for a period of time in compliance with state law and the city's records retention schedule.

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6.0 Donations

Upon the advance written approval of the City Administrator, surplus personal property may be donated to governmental, public agencies, charities, or nonprofit organizations.

7.0 Salvage Value

Surplus equipment valued over \$5000.00 will require Council approval to dispose of the item.

8.0 Available Surplus Equipment

Before items are offered for sale to the public, surplus equipment will first be made available to other City Departments for redistribution. The Central Stores facility will hold these items prior to going out for public auction.

9.0 Proceeds of Sale

Proceeds from the sale of surplus property must be deposited into the appropriate City general fund.