

**City of Lancaster
Administrative Policies and Procedures Manual**

Subject:		No.
Surplus Property Disposal Policy		08-06
		Date: February 10, 2009
Approved By:	Department:	Revised By/Date
Barbara Boswell, Finance Director	Finance	

1.0 Purpose

To establish policy for the disposal of Surplus Property.

2.0 Organizations Affected

All City departments/divisions
Lancaster Redevelopment Agency

3.0 References

LMC Chapter 3.32 (City of Lancaster Purchasing Ordinance)
Fixed Asset Transfer Deletion Form

4.0 Definitions

4.1 Surplus Property is any item of value that is owned by the City of Lancaster, but is no longer needed, unserviceable, junk, scrap or otherwise no longer suitable for its original purpose regardless of whether item was donated or purchased by the City.

4.2 Purchasing Officer is the City Manager or his designated representative

5.0 Policy

The Purchasing Officer may declare any property as surplus, after consultation with the appropriate department head. The Purchasing Officer will then notify the other Departments. If any other department has use for

the property he/she may so request from the Purchasing Officer who shall have the authority to assign the property to any department able to make the best use of the property. If, however, no department makes a request for the use of such property, then the property shall be deemed surplus and disposed of in the proper manner as described in the procedure below.

6.0 Procedure

6.1 In all cases where the estimated value of Surplus Property is less than thirty thousand dollars (\$30,000), the Purchasing Officer may arrange for or approve the sale or disposal of the Surplus Property by any of the following methods:

6.1.1 Sale of Surplus Property.

6.1.1.1 Sealed bid or public auction shall be determined by the Purchasing Officer providing, however, that the following are included in such procedures: (1) At least one notice, three days before the sale, shall be posted in three public places in the City, containing a general description of the type of property to be sold and the time and place of such bid opening; (2) The terms of all sales shall be cash or other approved method of payment; (3) The sale by sealed bid or auction shall be to the highest responsible bidder; and (4) a receipt shall be given to the purchaser.

In conducting an auction, the Purchasing Officer may contract for professional auction services. The minimum bid price shall be set to recover as much of the City's administrative costs as possible regarding the bid process and sale.

6.1.1.2 Sale in open market. For sale of Surplus Property in the open market, the Purchasing Officer shall make an investigation of the market conditions of property of the type declared surplus and determine the fair market value for all Surplus Property, plus the City's administrative costs. The Purchasing Officer may then sell the Surplus Property by advertising in the most appropriate

means which, in his/her opinion, will bring the greatest number of potential purchasers.

A notice of sale shall be posted in three (3) places, at least three (3) days before the sale, which notice shall set forth the day and time its shall begin; the number of days it is to be continued if it is to last more than one (1) day; the place where the articles may be examined; the place where the purchase price is to be paid and the property delivered; and a general description of the type of property being sold. The terms of all sales shall be cash or other approved method of payment in the amount of the full purchase price. The Purchasing Officer shall give a receipt to the purchaser of such property and keep a copy for the files.

6.1.1.3 Internet auction sale. The Purchasing Officer may determine the fair market value of Surplus Property and utilize an Internet auction service (i.e., e-Bay, Public Surplus, etc.) to sell such property. Notice of sale/auction of Surplus Property shall be posted on the City's website. In all cases, the minimum bid price or sale price shall be based on the fair market value of the items to be sold and shall be set to recover as much as possible of the City's administrative costs regarding the Internet auction and sale of Surplus Property.

6.1.2 **Trade-in Surplus Property.** Notwithstanding any provisions of this policy for the sale of Surplus Property in the open market or any auction, the Purchasing Officer may trade in Surplus Property with an amount he/she determines to be reasonable, to be allowed toward the purchase of a similar type of property. Typical situations where this might apply may be in the disposal of used motor vehicles and other machinery and equipment for which trade-ins are commonly permitted by the manufacturer/dealer.

- 6.1.3 **Unserviceable, junk or scrap property.** When any Surplus Property is deemed to be unserviceable, junk, scrap, or otherwise no longer suitable for its original purpose, the Purchasing Officer shall dispose of such Surplus Property by destruction, trade or sale of the property at the best competitive price available in the open market without regard to other provisions of this policy.
- 6.1.4 **Conveying Surplus Property to charitable, nonprofit organizations.** Notwithstanding the other provisions of this policy, at the direction of the City Manager, the Purchasing Officer may convey to a charitable nonprofit organization or a school district any Surplus Property upon receiving reasonable assurances that the property (or the proceeds) will be used for the benefit of educational, scientific, or charitable purposes, or for community matters such as recreation, education, aid to the destitute, city beautification, or any other activity in which the City may legitimately participate.
- 6.1.5 **Conveying Surplus Property to other public agencies.** Notwithstanding the other provisions of this policy, the Purchasing Officer may convey or sell without recourse to sealed bid or auction Surplus Property to other public agencies including cities, counties, school districts, special districts and joint power agencies as may be determined by the City Manager.
- 6.2 In all cases where the estimated value of Surplus Property is thirty thousand dollars (\$30,000) or more, Council Approval prior to disposal is necessary per the City of Lancaster Purchasing Ordinance.
- 6.3 In all cases where the original value of surplus was \$500 or more, a Fixed Asset Transfer Deletion Form must be completed and submitted to Finance prior to the disposal of the property.
- 6.4 City officials and City employees may only use Surplus Property in their professional capacity at the City. For any other use, surplus items can only be obtained through a formal public bidding process.

6.5 Exceptions

Exceptions to this procedure shall be authorized only by the City Manager.

Mark V. Bozigian, City Manager

Date

**City of Lancaster
Administrative Policies and Procedures Manual**

Subject:		No.
Procurement Card Violation Policy		08-05
		Date: February 10, 2009
Approved By:	Department:	Revised By/Date
Barbara Boswell, Finance Director	Finance	

1.0 Purpose

To establish policy for violations of the Procurement Card Program.

2.0 Organizations Affected

All City departments/divisions
Lancaster Redevelopment Agency

3.0 References

Procurement Card training materials
Procurement Card Manual
City of Lancaster Personnel Rules & Regulations

4.0 Definitions

- 4.1 Cardholder is an employee that has been approved for a City of Lancaster Procurement Card.
- 4.2 Approver is an employee that has agreed to be an approver for one or more employees that are part of the Procurement Card Program.
- 4.3 Procurement Card Administrator is the person designated within the Finance Department that administers the Procurement Card Program.

5.0 Policy

The Procurement Card Program is an official City program that provides a tool for employees to facilitate procurement in the course of the employee's official duties and may not be used for other than authorized official City

business. All Cardholders and Approvers have agreed to the terms and conditions as outlined in the training material and Procurement Card Program Manual. A copy of the signed agreement was given to the employee, the Approver, the Purchasing Department for the Procurement Card file and to Human Resources for the employee file.

All Procurement Card program participants (Cardholders and Approvers) are required to know and follow the policies and procedures related to the program. Misuse or violations of the program will result in disciplinary action. The Procurement Card Administrator, Finance Director and/or other City Management have the authority to investigate and to determine whether a violation has occurred and to recommend actions that may be taken as a result of such determinations. The facts and circumstances of each incident will be considered and the City will take action as deemed appropriate and as permitted by applicable law and policy.

6.0 Procedure

Should a Cardholder/Approver violate the policies and/or procedures as outlined by the Procurement Card Program Manual, the Procurement Card Administrator will initiate the violation process as described below. The violation process may start at any step according to the severity of the violation and at the discretion of City Management and the Program Administrator.

- 6.1 **1st Step.** A written warning will be issued to the Cardholder and the approver as appropriate. A copy will be placed in each employee's Procurement Card file maintained in Purchasing. In addition, a copy will be sent to each employee's Supervisor and to Human Resources.
- 6.2 **2nd Step.** A written Notice of Violation will be issued to the Card Holder and the Approver as appropriate. A copy will be placed in each employee's Procurement Card file maintained in Purchasing. In addition, a copy will be sent to each employee's Supervisor and Department Head, and placed in each employee's personnel file in Human Resources.
- 6.3 **3rd Step.** A written Notice of Violation will be issued per procedure outlined in 2nd step. Additionally, the violator's card will be suspended pending receipt of written justification for reinstatement from the Cardholder. Reinstatement must be approved by the Approver, the Cardholder's Department Head and the Finance Director. Violations will be documented in employee review process for Cardholder and Approver as appropriate.

- 6.4 **4th Step.** A written Notice of violation will be issued per procedure outlined in 2nd step. Additionally, the violator's card will be permanently revoked. Card Holder and/or Approver will be subject to disciplinary action up to and including termination and prosecution.
- 6.5 Repeated occurrences of missing receipts, missing itemized receipts, or late submittal of reconciled statements may be viewed as violations.
- 6.6 Serious violations involving gross negligence or dishonest acts will result in immediate disciplinary action, up to and including termination and/or prosecution. Employees will be required to reimburse the City for losses resulting from gross negligence or dishonest acts.
- 6.7 **Exceptions.** Exceptions to this procedure shall be authorized only by the City Manager.

Mark V. Bozigian, City Manager

Date