

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: General Services Agency

BOARD AGENDA # \*B-11

Urgent  Routine

AGENDA DATE June 3, 2008

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of the new Salvage Policy

STAFF RECOMMENDATIONS:

Approve the new Salvage Policy.

FISCAL IMPACT:

The County has an active salvage program operated by GSA Central Services. The 2007-2008 program budget is \$204,000. Acceptance of this policy is not expected to have an impact on the budgeted program costs.

BOARD ACTION AS FOLLOWS:

No. 2008-387

On motion of Supervisor Monteith, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: Grover

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk

File No.

## APPROVAL OF THE NEW SALVAGE POLICY

PAGE 2

### **DISCUSSION:**

Annually, General Services Agency (GSA) – Central Services processes approximately six 40-yard bins of scrap metal and 120 pallets of computers for sale and recycling. GSA – Central Services also processes six 40-yard bins of refuse that go to the landfill, annually. To make this process more efficient and provide guidance to County departments, GSA has written the attached Salvage Policy.

This policy is intended to:

- Promote Stanislaus County's system for management of assets that are no longer of use to the owner department or to the County as a whole;
- Provide a means of transfer of Stanislaus County-owned assets between County departments;
- Allow for transfer of useful, but unneeded, items to local non-profit organizations;
- Minimize the disposal costs of assets that have little or no re-market value;
- Ensure all areas of the County have equal opportunity to obtain surplus equipment or furniture prior to final disposal;
- Reduce space used for the storage of surplus equipment and furniture, and
- Promote recycling, reuse and repurposing of equipment.

By better utilizing existing County personal property and fixed assets, departments will be able to eliminate or postpone purchases and those items truly no longer needed by the County will be made available for use by local non-profit organizations.

### **POLICY ISSUES:**

The Board of Supervisors' approval of these policies is consistent with the County's goal of promoting efficient delivery of public services.

### **STAFFING IMPACT:**

The effort required in creating these policies included input from GSA – Fleet Services, Strategic Business Technology, County Counsel, County Department Heads, and the Auditor/Controller General Ledger Division.



Stanislaus County  
General Services Agency

|                                |              |                         |
|--------------------------------|--------------|-------------------------|
| Agency Policies and Procedures | Division:    | Central Services        |
| Section: Central Services      | Prepared by: | Donna Riley, Manager    |
| Title: SalvagePolicy           | Approved by: | Julie Mefferd, Director |
| Version: 06/03/08              | Policy #:    | GSA-CS 1                |
| Effective Date:                | Reference #: | n/a                     |

**Stanislaus County  
General Services Agency**

**Salvage Policy**

## **Introduction**

Stanislaus County is committed to the effective and efficient management of resources. To facilitate and encourage the timely disposal of surplus equipment and furniture, Stanislaus County has adopted the following surplus/salvage policy.

## **Purpose**

The purpose of this policy is:

- To promote Stanislaus County's system for management of assets that are no longer of use to the owner department or to the County as a whole;
- To provide a means of transfer of Stanislaus County-owned assets between County departments;
- To allow for transfer of useful, but unneeded, items to local non-profit organizations;
- To minimize the disposal costs of assets that have little or no re-market value;
- To ensure all areas of the County have equal opportunity to obtain surplus equipment or furniture prior to final disposal;
- To reduce space used for the storage of surplus equipment and furniture, and
- To promote recycling, reuse and repurposing of equipment.

## **Applicable County Ordinances**

### 2.24.065 Sale of personal property.

The purchasing agent is authorized to sell, trade, trade in, lease, exchange, or otherwise dispose of any personal property belonging to the county which is deemed to be surplus and not required for public use by the county and which has a value of less than one thousand dollars per individual item without prior approval by the board of supervisors. Notwithstanding any other provision of this code, such disposition of surplus property may be made without securing bids or advertising. For disposition of personal property exceeding one thousand dollars per individual item, prior approval from the board of supervisors must be obtained. All proceeds from such sales shall be paid into the county treasury for the use of the county. (Ord. CS 475 §3, 1992).

### 2.24.070 Surplus property sale—Notice.

Notices of sales of surplus personal property shall be posted for not less than five business days preceding the day of sale in the county offices building and in the office of the purchasing agent, and in such other public place within the county as the purchasing agent may be deem advisable. (Prior code §2-96).

### 2.24.080 Surplus property sale—Advertising.

In the disposition of any surplus personal property and upon approval of the board of supervisors, the purchasing agent may purchase advertising space and may advertise the proposed sale or other disposition of the personal property in such newspapers, magazines and other periodicals as in his judgment will best publicize the proposed sale or other disposition to those persons most likely to bid for or purchase the personal property. Within the limitation of the order of the board of supervisors approving the advertising, the purchasing agent shall decide upon the amount, nature, makeup, and content of the advertising. (Prior code §2-97).

### 2.24.090 Surplus property—Transfer to another department.

Whenever any item of personal property is no longer needed by the office, department or institution in possession thereof, such fact shall be reported to the purchasing agent. Such personal property shall be maintained under the supervision of the purchasing agent, and

whenever any office, department or institution is in need of an article which has been designated as purchasing agent's salvage, or has requisitioned the purchase of a similar article, the purchasing agent may upon a property drawn request for transfer or requisition, transfer the article to such department. (Ord. CS 502 §2,1992: prior code §2-98).

### **Applicable California State Government Code**

25504. The county purchasing agent may by direct sale or otherwise sell, lease, or dispose of any personal property belonging to the county not required for public use, subject to such regulations as may be provided by the board of supervisors. He shall pay the proceeds into the county treasury for the use of the county. Where the property is exchanged or traded in he shall secure its value in behalf of the county.

25504.5. The county purchasing agent, with the approval of the board of supervisors, and after publishing notice of his or her intended action pursuant to Section 6061, may, by direct sale or otherwise, sell to a purchaser any personal property owned by or to be owned by the county, provided the purchaser agrees to lease the equipment back to the county for use by the county following the sale. The approval by the board of supervisors of the sale and leaseback shall be given only if the board of supervisors finds, by resolution, that the sale and leaseback is the most economical means for providing such personal property to the county.

25505. Where specifically authorized by law the purchasing agent may sell, lease, or dispose of the personal property of any special district, and pay the proceeds into the treasury of the district, or, if an exchange or trade-in is made, return the proceeds to the special district.

25506. Notices of sales shall be posted for not less than five business days preceding the day of sale in the courthouse of the county and in the office of the purchasing agent.

25507. In the disposition of any personal property pursuant to this article and upon approval by the board, the purchasing agent may purchase advertising space and may advertise the proposed sale or other disposition of the personal property in such newspapers, magazines, and other periodicals as in his judgment will best publicize the proposed sale or other disposition to those persons most likely to bid for or purchase the personal property. Within the limits of the order of the board approving the advertising, the purchasing agent shall decide upon the amount, nature, make-up, and content of the advertising.

### **California Constitution**

#### **Article 16 – Public Finance**

Sec. 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever;

### **General Policy**

1. The sale or disposal of all surplus/obsolete equipment and furniture regardless of value is arranged by the General Services Agency (GSA) – Purchasing Division in conjunction with GSA's Central Services (CS), Facilities Maintenance (FMD), and Fleet Services Divisions.

2. Except as otherwise stated in this policy, or as delegated by the Board of Supervisors the disposal of County personal property is the responsibility of the Purchasing Division.
3. The department of record may declare a piece of equipment or furniture "surplus" if the item:
  - a. Has reached the end of its useful life cycle;
  - b. Is beyond economical repair or is too expensive to operate;
  - c. Involves outdated technology;
  - d. Is inappropriate for current operations.
4. With the exception of an item which has an asset tag or appears on the County inventory sheet, an item which is broken, has reached the end of its useful life cycle, is beyond economical repair, or involves outdated technology should not be sent to the warehouse. These items should be put into a dumpster or disposed of in a proper manner based upon environmental regulations and fiscal responsibilities. Examples of this type of equipment are fans, broken calculators, and phone cords. If it is not feasible for the department to dispose of the item, the CS Warehouse should be contacted for assistance.
5. All items which are asset tagged or appear on the County inventory sheet should be sent to the CS Warehouse for disposal, along with the Stanislaus County Inventory Transfer form (Exhibit 3). An interactive form may be accessed online at the GSA Intranet page.
6. Any item which a department has identified for disposal, must be disposed of and may not be retained by any County employee or transferred to a member of the public. Only items which are first transferred to CS Warehouse may be donated to a local non-profit or sold at auction.
7. The County inventory report is the source for determining the department of record for all inventoried assets. All assets which are on the County inventory must comply with the Auditor/Controller Capital Assets Inventory Policy, regardless of value. For accounting and control purposes Stanislaus County records any piece of equipment or furniture with a value in excess of \$1,000, or is considered to be pilferable property, as a capital asset. The movement or disposal of any such item must be communicated to Auditor/Controller in accordance with Capital Assets Inventory Policy, Section 3.3:

### 3.3 Surplus Property

Items sent to salvage should only be equipment for which a Department/Agency no longer has a need.

When Departments have items to send to salvage, they are to fill out the Stanislaus County Inventory Transfer Form indicating SALVAGE as the "TO" Department name. This is a required document. Make sure you indicate the Oracle assigned Asset Number as well as the Inventory Tag Number, if applicable, in the description of the item. This form is used to remove the listed items from your department's inventory. All salvage items should be listed, tagged, or otherwise designated.

Once the Inventory Transfer Form (Exhibit 3) is complete, the initiating Department removes the County asset tags and sends the tags to the Fixed Asset Accountant in the Auditor's Office. (Note: Central Services will not accept any

hazardous materials; therefore make sure qualified personnel [FMD] have cleared all units that contain them.) When turning in desks or file cabinets, please be sure they are emptied.

Do not drop off salvage items if no one is available to accept them.

Central Services will sign off on the form and give you a copy for your records. Central Services will forward remaining copies to Purchasing for approval and the Auditor's Office will receive their copy of the form from Purchasing and retire the tagged assets from your inventory.

8. Before transferring a computer to CS Warehouse, Departments are responsible for contacting Strategic Business Technology (SBT) or the Department's internal information technology division to ensure any data stored on the computer is fully and irrevocably rendered unreadable. This is vital to protect against confidential data and to ensure that unlicensed software is not released to others.

#### **Equipment Purchased with Grant, State, or Federal Funding**

Equipment purchased with grant, State, or Federal funding, including vehicles, may have specific requirements. Departments should review these special funding programs prior to disposing of any asset purchased with grant funding.

#### **Donation to a Local Non-Profit**

From time to time, a County department will have items that are no longer needed, but could be used by a local non-profit organization. County departments must work through CS Warehouse to first determine that no County department has a need for the item. The California Constitution prohibits gifts of public funds or property to private persons or entities unless a public purpose is served and private entities are benefited only as an incident to the public purpose. (Cal. Const., art. XVI; California Housing Finance Agency v. Elliott (1976) 17 Cal.3d 575, 583.) When it has been determined that the item is available to donate to the non-profit, the item will be transferred to CS Warehouse using the Stanislaus County Inventory Transfer Form (Exhibit 3). CS will work with GSA Purchasing to verify the non-profit status of the organization and prepare a board agenda item if required by County Ordinance 2.24.065 Sale of personal property

After the organization has been verified as non-profit, and the donation has been approved by the Board of Supervisors (if necessary) CS will work with the non-profit organization to arrange a time for pick up of the item.

CS Division will maintain a list of all equipment valued at less than \$1,000 transferred to local non-profit organizations, along with the estimated asset value at the time of transfer for no less than three years.

#### **Transfer from Central Services Warehouse to a Department**

CS will maintain a list of equipment available to County Departments on the GSA intranet site. Departments may schedule an appointment to view the items at the warehouse and arrange for pickup or delivery at that time. Using the Stanislaus County Inventory Transfer Form (Exhibit 3), the item may be transferred to the new Department. When the item is received by the department, it is the responsibility of the receiving department to asset tag the item and add it to the County inventory, if applicable. An interactive version of the Stanislaus County Inventory Transfer Form can be found on the GSA intranet page.

If a department is transferring multiple pages of equipment at one time, the department may use "attached sheets" to list items. However, each page must be numbered, "Page \_\_\_\_\_ of \_\_\_\_\_" so that Central Services is able to verify that all pages are accounted for.

### **Transfer of Assets between Departments/Divisions**

Assets may be transferred from one County Department to another County Department using the Stanislaus County Inventory Transfer Form (Exhibit 3). In this situation, the asset tag is not removed and the form is signed by the sending and receiving departments before being sent to the Purchasing Agent, and then the Auditor/Controller. The Auditor/Controller will transfer the asset on Oracle Fixed Assets.

For transfers within a department, the Stanislaus County Inventory Transfer Form (Exhibit 3) is to be given to the departmental inventory clerk. The department must change the asset key, the fund/org on the expense account and/or the location in the County inventory for each asset transferred. If the transfer is between different types of funds (i.e. Government Funds and Internal Service Funds) on the Fixed Asset system, send the Inventory Transfer Form (Exhibit 3), which has been signed by the department, to the Auditor/Controller requesting the move.

### **Sale to the Public**

Sale of items to the public may be done through auction, bids, or sale directly to the public, in accordance with County Ordinances.

1. Items with a value less than \$1,000 (tagged or untagged)
  - a. Item is transferred to CS Warehouse using the Stanislaus County Inventory Transfer Form (Exhibit 3). The asset tag is removed by the sending department and sent to the Auditor/Controller.
  - b. The item is deemed to be surplus by CS.
  - c. The Purchasing Agent is authorized to sell, trade, trade in, lease, exchange, or otherwise dispose of any personal property belonging to the county which is deemed to be surplus and not required for public use by the county and which has a value of less than \$1,000 per individual item without prior approval by the Board of Supervisors.
  - d. Notwithstanding any other provision of this code, such disposition of surplus property may be made without securing bids or advertising.
  - e. All proceeds from such sales shall be paid into the County Treasury for use by the County.
  
2. Items with a value greater than \$1,000 (tagged or untagged)
  - a. Item is transferred to CS Warehouse using the Stanislaus County Inventory Transfer Form (Exhibit 3). The asset tag is removed by the sending department and sent to the Auditor/Controller.
  - b. The item is deemed to be surplus by CS.
  - c. The Purchasing Agent prepares an agenda item listing items proposed for sale for approval by the Board of Supervisors.
  - d. With approval by the Board of Supervisors, notices of sales of surplus personal property shall be posted for not less than five business days preceding the day of sale in the county offices building and in the office of the Purchasing Agent, and in such other public place within the county as the Purchasing Agent may be deem advisable.
  - e. The Purchasing Agent may purchase advertising space and may advertise the proposed sale or other disposition of the personal property in such newspapers, magazines and other periodicals as in his judgment will best publicize the proposed sale or other disposition to those persons most likely to bid for or purchase the personal property.



Within the limitation of the order of the board of supervisors approving the advertising, the Purchasing Agent shall decide upon the amount, nature, makeup, and content of the advertising.

- f. All proceeds from such sales shall be paid into the County Treasury for use by the County

### **Disposing of a County-Owned Vehicle**

All disposals of Stanislaus County-owned vehicles must be facilitated by Fleet Services, which will work directly with the Purchasing Agent. Prior to disposal of any vehicle, Fleet Services Division will evaluate the vehicle for usage in other County departments. This may result in transfer of the asset to another department, without compensation to the originating department. To transfer a County-Owned vehicle to Fleet Services, use the Inventory Transfer Form (Exhibit 3.)

### **Sending Items to Salvage**

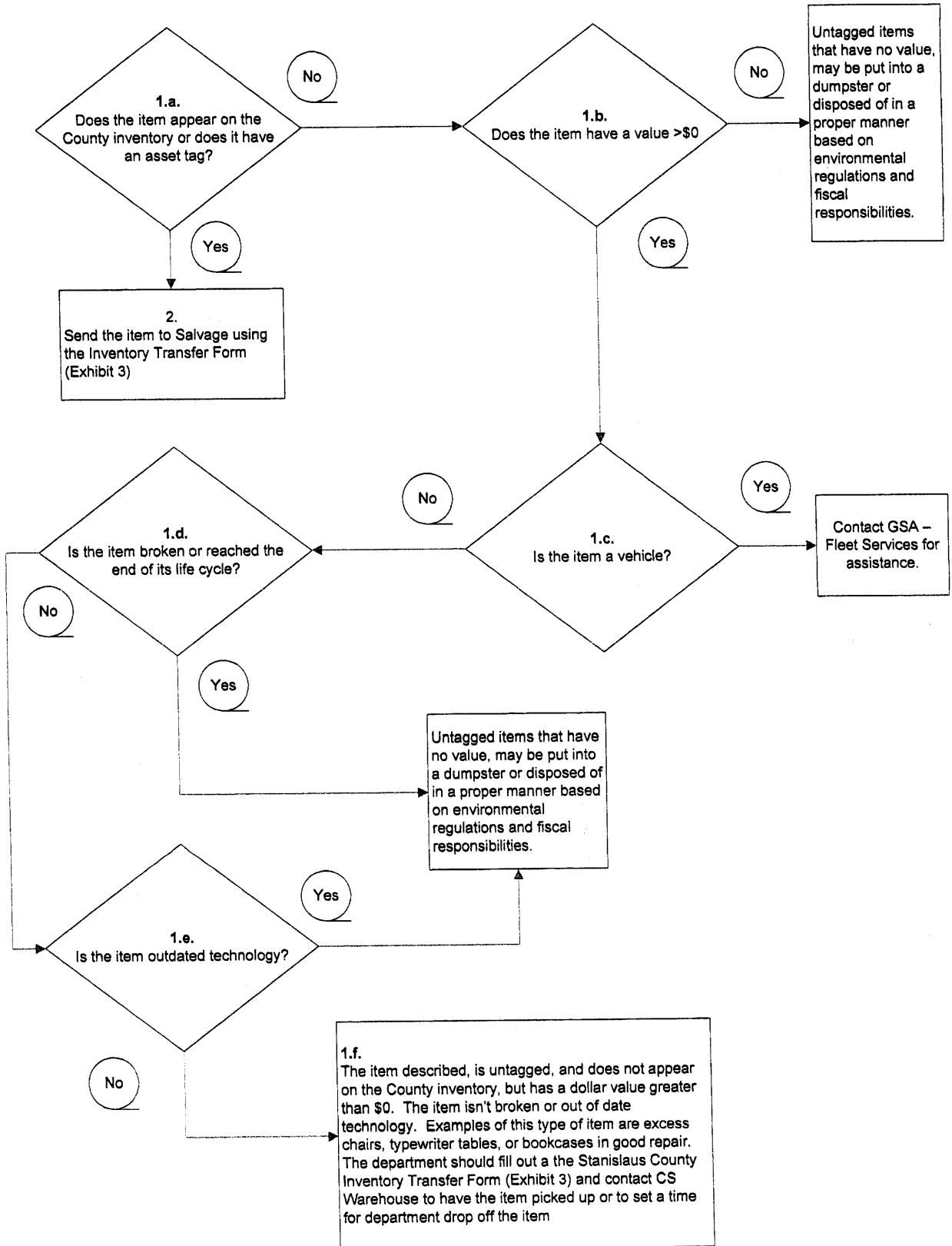
The department prepares the paperwork for transfer to salvage. Fill out the Stanislaus County Inventory Transfer Form (Exhibit 3) indicating SALVAGE as the "TO" Department name. This is a required document. Make sure you indicate the Oracle assigned Asset Number as well as the Inventory Tag Number, if applicable, in the description of the item. Remove the asset tag and send the asset tag to the Auditor/Controller. All salvage items should be listed, whether there is an asset tag or it is otherwise designated. Send the completed form to CS Warehouse. Warehouse personnel will contact you to arrange pick up of the item(s).

If a department is transferring multiple pages of equipment at one time, the department may use "attached sheets" to list items. However, each page must be numbered, "Page \_\_\_\_\_ of \_\_\_\_\_" so that Central Services is able to verify that all pages are accounted for.

If it is determined that the department will bring items to the warehouse, the department will contact the warehouse to set a mutually agreed upon time for drop off. Do not drop off salvage items if no one is available to accept them. The warehouse staff will sign off on the Inventory Transfer Form (Exhibit 3) and give you a copy for your records.

The warehouse will forward remaining copies to Purchasing for approval and the Auditor's Office will receive their copy of the form from Purchasing and retire the tagged assets from your inventory.

## Exhibit 1 Departmental Salvage Procedures



## **Exhibit 2**

### **Central Services Warehouse Contact Information**

Phone Number: 558-7778

909 County Center III Court 95355

Hours: 8:00 a.m. – 5 p.m. Closed 12:00 p.m. – 1:00 p.m.

### **Fleet Services Contact Information**

Phone Number 558-3653

448 E. Hackett Road, 95358

Hours: 7:00 a.m. – 5:30 p.m.

### **Purchasing Contact Information**

Phone Number 525-6319

1010 10<sup>th</sup> Street, Suite 5400, 95354

Hours: 7:30 a.m. – 5:00 p.m.

### **Strategic Business Technology (SBT) Contact Information**

Phone Number 525-4357

801 11th Street, Suite 4100, 95354

Hours: 7:30 a.m. – 5:00 p.m.

**Exhibit 3  
STANISLAUS COUNTY INVENTORY TRANSFER RECORD**

PLEASE TYPE OR PRINT CLEARLY

DATE: \_\_\_\_\_

|                        |                             |                             |
|------------------------|-----------------------------|-----------------------------|
|                        | <b>RELEASING DEPARTMENT</b> | <b>RECEIVING DEPARTMENT</b> |
| <b>DEPARTMENT NAME</b> |                             |                             |
| <b>FUND/ORG</b>        |                             |                             |
| <b>CONTACT PERSON</b>  |                             |                             |

| QUANTITY | DESCRIPTION | ASSET TAG NUMBER | SERIAL NUMBER | OTHER NUMBER (SPECIFY) |
|----------|-------------|------------------|---------------|------------------------|
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| <b>RELEASING DEPARTMENT</b>                                 |      | <b>RECEIVING DEPARTMENT</b>                                 |      |
| I certify that I have released the article(s) stated above. |      | I certify that I have received the article(s) stated above. |      |
|   |      |   |      |
| Signature   | Date | Signature   | Date |

|                                     |      |
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| <b>APPROVED BY PURCHASING AGENT</b> |      |
|                                     |      |
| Signature                           | Date |