

## **Surplus Property Disposal – Policy No. 900**

This section describes the methods for disposal of surplus personal property at the City of O'Fallon. Disposal of the City's surplus property is under the direction of the Purchasing Agent. The methods of disposal used are:

### **1: Auction Sale of Property**

Non-attached personal property may be sold at auction if the Purchasing Agent determines that the auction contemplated will probably result in a higher return than if the property were sold by competitive written bid.

### **2: Liquidation Sale of Personal Property**

The Purchasing Agent may sell personal property through a commercially recognized third-party liquidation if the Purchasing Agent has determined that a liquidation sale will result in increased net revenue and the selection of the liquidator was conducted as a minimum, by the competitive Request for Proposal process.

### **3: Fixed Price Sale of Property**

The Purchasing Agent may sell personal property, including recyclable or reclaimed materials, without formal competitive bidding if the Purchasing Agent has determined that this type of sale will result in increased net revenue and the City is in compliance with the following conditions:

- a) When the current market value per item is deemed to be less than \$2,500, the Purchasing Agent may establish a selling price, schedule and advertise a sale date, and sell to the first qualified buyer meeting the sales terms.
- b) City employees may submit an offer meeting the sales terms for the personal property when no offers meeting sale terms have been received within 72 hours of the sale date.

### **4: Sealed Competitive Bid for Property**

When the current value per item is deemed to exceed \$2,500, the personal property must be offered for competitive written bid and be advertised in accordance with state statutes, or be offered for sale at public auction. If no bids are received or if a determination is made that the market value of the property exceeds that offer of the highest responsible bidder, all bids may be rejected and the Purchasing Agent may negotiate a sale subject to the following conditions:

- a) An appraisal of the market value of the property is obtained and documented and the negotiated sale price meets or exceeds the market value; or

- b) The sale amount exceeds the highest bid received through the bidding or auction process.

**5: Donations of Property**

The Purchasing Agent may transfer property, including recyclable or reclaimed materials, without remuneration or only nominal remuneration without competitive bids to the following activities:

- a) Another public agency; or
- b) Any sheltered workshop, work activity center, or group care home which operated under contract or agreement with, or grant from, any State agency and which is certified to receive Federal surplus property; or
- c) Any recognized non-profit activity which is certified to receive Federal surplus property. The Purchasing Agent may donate or sell, without competitive bids, surplus property to recognized private non-profit social or health service activities, subject to the following conditions:
1. A determination has been made that the property is not needed for other public purposes and that its economic value has been expended by the City;
  2. It will be transferred to the non-profit corporation for the express purposes of providing the public services the non-profit corporation provides;
  3. If the property has a current market value of \$250 or more, the donation or sale shall:
    - Be approved by the City Administrator
    - Be documented by the Purchasing Agent to be clearly in the public interest;
    - Be determined by the Purchasing Agent that this is the most efficient and cost-effective method for disposing of the property.

The Purchasing Agent shall maintain a record of all transfers, donations, or sales authorized by Subsections 1 and 2 of this section in accordance with the City's Records Retention Policy.

**7: Trade-In of Property** – Property may be traded in conjunction with acquisition of other items at the time competitive bids are solicited for those items.