

**COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

Subject

Disposal of Personal Property

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Purpose

To establish a policy regarding the disposal of County-owned surplus personal property and other personal property under the custody of the County; to ensure that sales are conducted in an open, competitive environment, and that maximum public exposure to the disposal process is accomplished; to minimize disposal costs, and assure that revenue from sales is maximized and obtained in a timely manner.

Background

The disposal of County-owned personal property considered scrap and/or surplus to the County's needs is normally accomplished by the Director of Purchasing and Contracting in accordance with Section 422 of the Administrative Code of the County of San Diego. It is financially advantageous to the County to dispose of scrap and/or surplus personal property in a manner that expeditiously maximizes revenue and converts idle equipment and materials to revenue, thereby recovering funds for other uses.

Policy

The policy shall apply to all sales of scrap and/or surplus County-owned personal property, including lost or abandoned personal property and forfeiture program assets, federal and State grant personal property when authorized by the grantor, and private personal property entrusted to County officials for disposition unless otherwise excepted. Therefore, it is the policy of the Board of Supervisors that:

1. General. Elected officials, department heads, and staff responsible for County-owned personal property shall continually monitor the use of capital assets, minor equipment, supplies, and materials to ensure that personal property, when no longer needed or not utilized as trade-in on new acquisition, are reported to the Director of Purchasing and Contracting for timely redistribution and/or disposal in accordance with Sections 419 through 422 of the Administrative Code of the County of San Diego.
2. Auction Sales. Disposal of applicable County-owned surplus personal property, including lost or abandoned personal property and forfeiture program assets transferred to the Director of Purchasing and Contracting, shall normally be accomplished through public auction as the preferred method of sale whenever practical. Public auctions shall include the use of electronic commerce (online), live auctions, and sealed bids. Auctions should be held in cooperation with other public agencies whenever possible to minimize expenses, maximize range of items to be sold, and to increase bidder participation.
 - a. All County-sanctioned live auctions shall be conducted by an auctioneer and/or auction company that is in compliance with California Civil Code 1812.600, et seq.

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- b. All County live auctions shall be advertised in appropriate news and industry/trade media. In addition, all public sales of property by the Director of Purchasing and Contracting shall be noticed on the County's Internet site.
 - c. Disposal of other than County-owned personal property, public or private, and not under the supervision of the court shall be accomplished through public auction or use of Internet or sealed bid.
3. Sales Proceeds. Proceeds from the sale of County-owned personal property by the Director of Purchasing and Contracting will be retained in the Department of Purchasing and Contracting Internal Service Fund (ISF) or returned to the special fund owning the personal property. Personal property acquired using grant funds or special funds and that require sale proceeds to be returned must be separately identified when reported to the --- Director of Purchasing and Contracting.
4. Sales to Federal, State, and Local Municipalities and Governmental Agencies. When County departments and officials responsible for County-owned personal property have declared an item surplus to the County's needs, and the Director of Purchasing and Contracting has determined that the item should be sold in accordance with current procedures, such items may be sold by the Director of Purchasing and Contracting to municipalities and government agencies in accordance with the following guidelines. Prior to consummating any sale to a non-local municipality or government agency (not located in San Diego County), the Director of Purchasing and Contracting shall ensure that right of first refusal for known requirements is offered to local governmental agencies, including dependent and independent public safety agencies.
- a. If the estimated fair market value, as determined by the Director of Purchasing and Contracting, does not exceed \$25,000, a negotiated sale may be conducted with the governmental agency and sale of the item concluded at the price determined to be fair and reasonable without competitive bids.
 - b. If the estimated fair market value, as determined by the Director of Purchasing and Contracting, is greater than \$25,000, but does not exceed \$100,000, the Chief Administrative Officer's approval shall be obtained prior to any sale. Information provided to the Chief Administrative Officer shall, as a minimum, identify the government entity and the rationale behind the sale at that value.
 - c. If the estimated fair market value, as determined by the Director of Purchasing and Contracting, is greater than \$100,000 or the sales price is less than the determined fair market value, Board of Supervisors' approval shall be obtained prior to any sale. Information provided to the Board of Supervisors shall, at a

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minimum, identify the government entity and the rationale behind the sale at that value.

- d. For those capital assets, including capital assets acquired using grant funds and that require sales proceeds to be returned to the grantor, for which proceeds from the sale will be deposited to a special fund, the concurrence of the department or agency having custody or management control of respective fund/grant shall be obtained prior to consummation of such sale under sub-paragraphs 4.a. through 4.c. above.
 - e. If any universal wastes or Cathode Ray Tubes are to be transferred to Mexico, the Director of Purchasing and Contracting shall notify the California Department of Toxic Substances Control and the local Certified Unified Program Agency a minimum of four weeks prior to the offsite shipment in accordance with California Code of Regulations Title 22, Chapter 23, §66273.20 and/or 66273.90.
5. Sales to Republic of Mexico Municipalities and Government Agencies. When County departments and officials responsible for County-owned personal property have declared an item surplus to the County's needs and the Director of Purchasing and Contracting has determined that the item should be sold in accordance with current procedures, such item may be sold to Republic of Mexico municipalities and/or government agencies under the following guidelines:
- a. The Republic of Mexico municipality and/or governmental agency shall forward to the Purchasing Agent a written, official request that provides the following information:
 - 1. Name and address of municipality or governmental agency.
 - 2. Name and telephone number of responsible official who can consummate a resulting sales agreement and sign appropriate sales documents.
 - 3. Description and quantity of surplus personal property items desired.
 - 4. Statement as to how the items requested will be used by the requesting municipality or governmental agency.
 - b. If the estimated fair market value, as determined by the Director of Purchasing and Contracting, does not exceed \$100,000, the Chief Administrative Officer's approval shall be obtained. Information provided to the Chief Administrative Officer shall, as a minimum, identify the government entity and the rationale behind the sale at that value. Prior to consummating any sale to a Republic of Mexico municipality and/or governmental agency, the Director of Purchasing and

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Contracting shall ensure that right of first refusal for known requirements is offered to local governmental agencies, including dependent and independent agencies.

- c. If the estimated fair market value, as determined by the Director of Purchasing and Contracting, is greater than \$100,000 or the recommended sales price is less than the determined fair market value, Board of Supervisors' approval shall be obtained. Information provided to the Board of Supervisors shall, at a minimum, identify the government entity and the rationale behind the sale at that value. Prior to consummating any sale to a Republic of Mexico municipality and/or governmental agency, the Director of Purchasing and Contracting shall ensure that right of first refusal for known requirements is offered to local governmental agencies, including dependent and independent public safety agencies.
 - d. For those items (capital assets, including capital assets acquired using grant funds and which require sales proceeds to be returned to the grantor) for which proceeds from the sale will be deposited to a special fund, the concurrence of the department or agency having custody or management control of respective fund/grant shall be obtained prior to consummation of such sale under subparagraphs 5.b. and 5.c. above.
6. Donations and Sales of County-Owned Surplus Personal Property at Less Than Determined Fair Market Value to Agencies Located in San Diego County.
- a. The requesting agency shall forward to the Director of Purchasing and Contracting a written or electronic transmitted donation request, approved by its governing board or authorized representative, that includes the following minimum information:
 - 1. Name and address of agency.
 - 2. Name and telephone number of responsible official who will accept the donation, if approved, and sign appropriate donation documents.
 - 3. Description and quantity of surplus personal property items desired.
 - 4. Statement as to how the items requested will be used by the requesting agency.
 - b. Donation or sale at less than fair market value of County-owned personal property items requested by an agency located in San Diego County may be approved by the Director of Purchasing and Contracting when the estimated fair market value, as determined by the Purchasing Agent, does not exceed \$1,000.

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- c. Donation or sale at less than fair market value of County owned-personal property items requested by agencies located in San Diego County may be approved by the Chief Administrative Officer when the estimated fair market value, as determined by the Purchasing Agent, does not exceed \$10,000.
- d. Donation or sale at less than fair market value of County-owned personal property items requested by agencies located in San Diego County requires Board of Supervisors' approval when the estimated fair market value, as determined by the Director of Purchasing and Contracting, exceeds \$10,000.
- e. The Director of Purchasing and Contracting may donate or lease any surplus personal property to any public agency or organization exempt from taxation listed below and may impose on the donation or lease any terms and conditions that the Director of Purchasing and Contracting determines to be appropriate.
 - 1) Any local Agency that meets the conditions listed in California Government Code, Division 2, Chapter 5, Article 1, Section 25372.
 - or
 - 2) Any public agency, nonprofit corporation, or nonprofit operating programs that the Board of Supervisors has determined, by authorizing the authority to contract, issue grants, or specific action, serve public purposes, including all public safety agencies located in San Diego County.
- 7. Disposal of County-Owned Surplus Personal Property Determined to be Unsalable. Items of County-owned personal property that are restricted from sale by law, regulation, or code; items of County-owned personal property determined to be unsalable; and items deemed unsuitable for sale to the general public may be scrapped, sold for refurbishment, or donated to charitable organizations in lieu of discarding such property. For the purpose of this policy, charitable organizations shall mean a nonprofit organization exempt from taxation under the provisions of the Internal Revenue Code, 26 U.S.C. 501 (C) (3), whose primary purpose is public service or a Republic of Mexico registered public organization promoting economic and social well-being in the border region.
- 8. Non-working electronic or universal wastes may not be sold or transferred, unless they are transferred to another universal waste handler who has provided a written agreement of acceptance to the County. Mercury containing devices such as gauges, thermostats, sphygmomanometers, thermometers, etc., may not be sold and must be managed in accordance with California Code of Regulations Title 22 §66273.

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9. Transfer of Surplus Computer Assets. Departments that have computer assets that are no longer needed may transfer them to the San Diego Futures Foundation pursuant to Section 422 of the Administrative Code. The Director of Purchasing and Contracting may provide approval electronically. The requesting Department, upon approval of the list, transfer the assets to the Foundation and updates inventories in accordance with Administrative Code Section 422 and Chief Administrative Officer Administrative Manual Items 0050-02-1 regarding fixed assets and minor equipment. (Non-working Electronic Wastes such as Cathode Ray Tubes and other Video Display Devices that cannot be used or sold for their intended purpose, may be donated to San Diego Futures Foundation or other charitable organizations that have met all Federal and State Universal Waste handling requirements.)
10. Donation of Surplus Property to Agencies and Organizations Affected by Natural Disasters. The Chief Administrative Officer may authorize the donation of surplus equipment pursuant to Section 422 of the Administrative Code to agencies or organizations affected by natural disasters.
11. Transfer of Potential Historical Significance Artifacts that are in the Custody of the County. Title 14, Chapter 3, Article 5, Section 15064.5, "Determining the Significance of Impacts to Archeological and Historical Resources" of the California Code of Regulations requires resources of historical significance to be preserved. County title to potential artifacts, with the approval of the Director of Purchasing and Contracting, shall be transferred by contract to nonprofit or educational organizations that are dedicated to the preservation of the San Diego County history as identified by the requiring Department Director.

Exceptions

1. Disposition of waste, scrap, and County-owned personal property for which disposition processes are otherwise covered under law, regulation, code, or Board of Supervisors' Policy are exempted from this policy.
2. Disposal of County-owned recyclable products such as used and waste tires, lead-acid batteries, oil, wood pallets, scrap metal, universal waste, etc., may be accomplished through the use of term contracts, trade-in, or other means established by the Director of Purchasing and Contracting in compliance with Board of Supervisors' Policy A-87. Commodity indices, industry practices, and other business and economic factors should be used as guidelines in determining the disposal process method to be applied.
3. County Library materials such as newspapers, books, magazines, periodicals, videocassettes, compact discs (CDs) etc., may be disposed of by public sale conducted by

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the County Library, Library Friends of San Diego County, and/or by Department of Purchasing and Contracting-approved third parties.

4. Departments and officials responsible for monitoring use and disposal of personal property under their custody may seek the Board of Supervisors' approval for an exception to this policy when it is in the best interest of the County.

References/Related Policies

California Government Code, Division 2, Chapter 5, Article 7, (Beginning with Sections 25503-25507 – Trade-in and Disposition of Surplus Personal Property)

California Government Code, Division 2, Chapter 5, Article 1 Section 25372

California Government Code, Division 2, Chapter 13, Section 26227

California Civil Code, Section 1812.600, et. seq.

California Civil Code, Section 2080, et. seq. – Lost and Unclaimed Property

California Health and Safety Code, Division 10, Chapter 8, (Beginning at Section 11470 – Seizure and Disposition)

California Health and Safety Code, Division 20, Chapter 6.5, (Beginning at Section 25100 – Hazardous Waste Control)

California Penal Code, Section 1417, et. seq. – Disposition of Evidence in Criminal Cases
California Penal Code, Section 12028 – Nuisance Weapons Violations Constituting Surrender and Resale of Destruction of Firearms Used in Commission of Crime

California Penal Code, Section 12032 – Firearms Sold or Destroyed – Not Applicable to Department of Fish and Game Code of Regulatory County Ordinances, Title 6, Division 8, Chapter 12, (Beginning at Section 78-101 – Abandoned Vehicle Abatement)

Administrative Code, Section 65 – Lost or Abandoned Personal Property

Administrative Code, Section 66.1 – Sheriff's Asset Forfeiture Program

Administrative Code, Section 66.2 – District Attorney Asset Forfeiture Program

Administrative Code, Section 66.4 – Chief Probation Officer Asset Forfeiture Program

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Administrative Code, Section 397 – Public Administrator and Public Guardian

Administrative Code, Section 420 – Report of Personal Property No Longer Needed By a County Department

Administrative Code, Section 421– Acquisition of Excess Property From Director of Purchasing and Contracting

Administrative Code, Section 422 – Disposal of Personal Property No Longer Needed by County

Administrative Code, Section 427 – Services Provided to, Obtained From, or In Cooperation With Other Public Entities

Administrative Code, Section 440 – Sale of Unclaimed Property in Possession of the Sheriff

Administrative Code, Section 440.1 – Excepted Property

Board of Supervisors, Policy H-12 – County-Wide Silver Recovery Program

Board of Supervisors, Policy K-6 – Loan of County Property to Non-County Activities

Internal Revenue Code, 26 U.S.C. 501 (C) (3)

Chief Administrative Officer Administrative Manual Items 0050-02-1

Sunset Date

This policy will be reviewed for continuance by 12-31-2020.

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Board Action

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08-17-82 (2)
10-30-84 (102)
12-15-87 (32)
08-06-91 (30)
12-08-98 (53)
03-12-2002 (10)
12-13-2005 (10)
02-27-2007 (9)
12-09-08 (33)
12-02-14 (20)

CAO Reference

1. Department of Purchasing and Contracting
2. Public Administrator
3. Department of Environmental Health