The City of Seattle 308138

Department of Executive Administration

Rules Regarding Disposition of Surplus Materials, Supplies, and Equipment Other than Real Property

Number: DEA-07-01

Effective Date: December 16, 2005

Supersedes ESD Rule 97-1

I. Ordinance Authority for these Administrative Rules

The Director of Executive Administration's functions and powers include the following:..."execute contracts for and on behalf of the City for...disposition of property, equipment, supplies, and material, other than art works, that are surplus to the City's needs...." SMC Section 3.04.010 Q.

At his or her discretion or as otherwise authorized by ordinance, delegate any or all of the powers granted in Subsections 3.04.010 P and 3.04.010 Q to other departments, including but not limited to the authority to execute or administer classes of or individual portions of contracts....SMC Section 3.04.010 R.

All using agencies shall submit to the Director, at such times and in such form as he or she shall prescribe, reports showing stocks of supplies, materials and equipment on hand awaiting use. When any stock is surplus or no longer of use to any using agency, the Director may transfer it to another or other agencies which have need for it, subject to adjustment between the agencies concerned. The Director may sell all supplies, materials, and equipment not needed for public use or that may have become unsuitable for public use; provided, that, except for computer equipment disposed of under subsection B, any such sale shall be based on competitive bids in the same manner required for purchases unless the Director shall determine competitive bidding to be impracticable. SMC Section 20.60.124 A.

II. Delegation of Responsibilities to the Fleets and Facilities Department

Consistent with subsection Q and R of SMC Section 3.04.010, SMC Section 20.60.124 A, and the Memorandum of Understanding executed January 26, 2004, the Director of Executive Administration delegates to the Director of the Fleets and Facilities Department the responsibility to:

A. Provide for the daily operation of the City-wide surplus program.

B. Solicit, award and administer contracts for disposal of surplus City property with an estimated value under the competitive bid formal advertisement dollar threshold as identified in SMC Section 20.60.110.

III. Repeal of Prior Administrative Rule(s)

All prior administrative rule(s) regarding Disposition of Surplus Materials, Supplies and Equipment Other Than Real Property, are hereby repealed, including but not limited to ESD Rule 97-1, adopted July 21, 1997.

IV. Intent

These rules and procedures are intended to provide the Director of Executive Administration and his or her designee with maximum flexibility in handling surplus property in order to expedite the disposition process and minimize the cost of disposal.

V. Applicability

These administrative rules apply to all City departments for the disposal of City-owned property, other than real property, which has become surplus to their needs; provided, that the following situations may present exceptions to these administrative rules:

A. Disposition of zoological specimens by the Department of Parks and Recreation (see SMC Section 20.60.108);

B. Disposition of unclaimed personal property that comes into the possession of the Seattle Police Department in connection with the official performance of police duties (see SMC Section 3.28.010); and

C. Disposition of surplus artworks by the Seattle Arts Commission (see SMC Section 3.14.840).

VI. Responsibilities of City Departments in the Disposition of Surplus Property

A. City departments having material or equipment that has become surplus to their needs or for which they have no current use shall notify the Warehousing Services Section of the Fleets and Facilities Department (hereinafter "Warehousing Services") for appropriate disposition.

Surplus property is any property, supply, material or equipment, except real property, which has been determined by the owning City department as excess to its needs.

B. Warehousing Services shall develop written guidelines for evaluating and determining when competitive bidding is impracticable for the disposal of surplus property. Included in these guidelines will be the minimum dollar threshold under which any monies received from a disposition action shall be retained by Warehousing Services to defray the cost to the Fleets and Facilities Department for the disposal. Warehousing Services shall post these guidelines at the City surplus warehouse, and make them available to City departments upon request. Due to the high volume of surplus property with nominal value, it is recognized that most surplus is impracticable to competitively bid.

C. Upon notification by an owning City department of its need to dispose of surplus property, Warehousing Services shall estimate the value of the surplus property. When Warehousing Services determines the surplus property has an estimated per-piece value greater than the dollar threshold requiring a formal competitive bid process, it shall refer the disposition to the Director of Executive Administration, who shall administer the sale of the surplus property based upon competitive bids pursuant to the provisions of SMC Section 20.60.124.

D. For all surplus property that Warehousing Services estimates to have a per-piece value below the dollar threshold requiring a formal competitive bid process, Warehousing Services shall be responsible for the disposition of the surplus property, including determining the method of disposition. Warehousing Services shall utilize the most practical and cost-effective method for the disposition.

E. For all City surplus property under its authority for disposition, Warehousing Services shall provide the first opportunity to acquire the surplus property to another City department or another government agency whenever it is practical to do so, subject to monetary adjustments between agencies concerned.

F. When it is not practical or possible to sell or transfer the surplus property to another City department or another government agency, Warehousing Services shall directly dispose of the surplus property. Possible methods of disposition include but are not limited to the following methods:

* Sale or transfer of the property to a non-profit agency which receives local, state, or federal government assistance.

* Public sale.

* Trade-in for acquisition of new or other property.

* By arrangement with private contractors.

* Through solid waste or other disposal methods.

G. Warehousing Services may choose to dispose of surplus property obtained from public safety departments, or other specialized or unusual property, in a unique manner which is deemed appropriate for the situation.

H. Funds from the sale of surplus property that exceeds the minimum dollar threshold will be deposited into the revenue of account of the owning City department.

I. When Warehousing Services determines that the cost of disposal of any surplus property is excessive, including when the nature of the surplus property requires an unusual method of disposition, Warehousing Services may charge to the owning City department the cost of disposal in accordance with the procedures outlined in this rule. Warehousing Services will inform the owning City department of estimated charges prior to accepting the surplus property for disposal.

J. For surplus property that constitutes hazardous materials, Warehousing Services shall provide assistance to the owning City department with finding a source for the reuse, recycling, or disposition of the hazardous material. The transportation and final disposal of the material shall be the responsibility of the owning City department. City departments are responsible for proper disposition of hazardous materials in accordance with the policies of the City's Hazardous Waste Management Committee (see SMC Chapter 10.76). Where appropriate, surplus materials shall be disposed of through licensed hazardous waste management companies in accordance with state and local law, including but not limited to Sections 70.05.060 and 70.95.160 and chapter 70.105 of the Revised Code of Washington.

K. Warehousing Services may determine that property has no value and direct the owning City department to dispose of the property through its own efforts and at its own expense, utilizing methods determined by Warehousing Services in conjunction with the owning City department. In such cases, Warehousing Services will have no financial liability for the disposition of the property. If the owning City department subsequently discovers that the property does have value, the owning City department shall contact Warehousing Services to administer the disposal process, to ensure that the surplus property is appropriately disposed of in compliance with the City's Ethics Ordinance, cash handling requirements, and other City directives.

L. In the disposition of surplus property pursuant to City ordinance and these administrative rules, it is the responsibility of an owning City department to:

1. Adjust its fixed asset system to reflect the disposition of its surplus property that is a fixed asset;

2. Credit any funds it receives from the sale of surplus property to the appropriate City fund;

3. Establish internal department procedures and guidelines, consistent with these administrative rules and City ordinances, for the declaration and disposition of surplus property, other than real property;

4. Determine when the provisions of Chapter 35.94 of the Revised Code of Washington, pertaining to property acquired for public utility purposes, are applicable to the disposition of surplus material, and notify Warehousing Services accordingly. Utility departments are responsible for ensuring the City is in compliance with all requirements under Ch. 35.94 RCW; and

5. Provide Warehousing Services with reasonable access of its facilities for viewing the surplus property, whenever Warehousing Services, in conjunction with the owning City department, determines that disposition of the surplus property shall occur on the owning City department's site(s).

Note: Notice on adoption of these rules was published in the Seattle Daily Journal of Commerce on November 30, 2005, as required by SMC Section 3.02.030.

In the version of these rules filed December 16, 2006 and contained in Clerk's File 307767, the citation in Sections I and II of SMC Section 20.60.124 A was erroneously identified as SMC Section 20.60.106 A. The erroneous section number has been corrected in this version.

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