City of Durham – Resolution Authorizing City Auction

Saturday, October 24, 2015
10:00 a.m.
Fleet Maintenance Facility
1900 Camden Avenue, Durham NC

- Auctioneering services provided by Western Auction and Realty.
- Contract provides for payment of 6.8% of gross sales to Western Auction and Realty.

Auction Historical Data

Year	Gross	Fee	Net
2012	$402,652.50	$27,380.37	$375,272.13
2013	$501,095.00	$34,074.46	$467,020.54
2014	$496,730.00	$33,777.64	$462,952.36

Auction proceeds are primarily generated from sale of vehicles and other rolling stock items.

Note: Amounts collected are deposited to the fund where items were originally purchased (General Fund, Water/Sewer Fund, Transit, Grant, etc.)

GovDeals Historical Data

Year	Gross
2012	$169,911.73
2013	$198,133.30
2014	$156,308.06
Total	$524,353.09

GovDeals sales include computers, old water meters, and a variety of equipment items.

Purchasing staff provides support/coordination to client departments to help identify items which are viable for GovDeals listing/sale.

Purchasing Policies and Procedures Manual

XIV. Surplus Personal Property Disposal - Procedures

The purpose of this policy is to establish an efficient and effective method for disposal of its surplus personal property. The City Finance Officer has statutory authority to dispose of property under Resolution no. 9308. This policy directs the timely, efficient, cost effective and safe disposition of surplus personal property in a manner consistent with the best interest of the City.

Policy

Surplus personal property with commercial value will be disposed of in a cost effective and efficient manner that achieves the highest net resale proceeds for the City of Durham. This policy does not address the surplus of real property. The disposal of real property is handled by the Real Estate Division of the General Services Department.
Surplus property with little or no commercial value or for the disposal and sales efforts are judged more costly than estimated net proceeds, may be transferred, donated (with City Council approval), or eventually disposed of through salvage contracts or other cost effective and efficient means. Items that are broken, unusable or have no commercial, salvage or donation value may be declared as “trash” and efficiently and safely disposed of as such.

City officials, the Finance Officer, Deputy Finance Officer, the Requesting departments manager and/or supervisor signing the request form and their immediate family are restricted from purchasing the surplus items due to conflict of interest concerns.
Generally, city employees may bid on and/or purchase surplus City property under the same rules as the general public, unless they are a party listed above.
Violations by parties listed above that are restricted from purchasing surplus City property can result in disciplinary action up to and including termination.

Definitions

Surplus – Any City personal property and/or asset that is no longer needed now or in the foreseeable future or that is no longer of value or use to the City. This includes items purchased by the City and found items.
Estimated Surplus Value – The estimated amount of money an interested party will be willing to pay the City for the property. This can be determined through an estimate, an official appraisal, an offer from another agency, Kelly blue book value or other sources available to the responsible department.
Eligible Purchaser – Any public entity, non-profit organization, private organization or the general public is eligible to purchase surplus products unless otherwise noted in this policy.

Procedure

The City department responsible for property it wishes to have declared surplus shall complete the surplus request form including a complete description of the item, location, condition and estimated fair market value. The employee requesting that the item be declared surplus and his/her supervisor/manager must sign the completed form before sending it to the Purchasing Division.
Once the form is submitted to Purchasing, the requesting department should notify other City departments that the item is being disposed. Internal City departments will be given the first priority in using the surplus items. If the item is no longer of value to the City the item may be disposed of in the following methods:

- Sell or transfer to another governmental agency, subject to the public notice and City Council approval for items with a value in excess of $30,000
- Auction the item via sealed bid, negotiated sale, live auction or GovDeals.com.
- Trade the item in for new replacement equipment.
- Dispose as scrap metal - – see below.
- Properly discard the item if the item is broken, unusable, and/or hazardous.

Documentation and pictures must be provided for an item to be disposed of. Discarding the item(s) being surplused is the last option to be used unless the item is broken, unusable or has no commercial, salvage or donation value and/or the department and Purchasing have exhausted all other options for disposal.
All items being sold will be sold on an “As-Is/Where-Is” basis with no guarantees expressed or implied.

If the item is sold the proceeds will be deposited into the fund that accounts for the asset within 24 hours of the transaction. Checks for surplus items are to be made payable to the City of Durham.

Vehicles
For vehicles being surplused, the requesting department shall attach to the surplus request form a printout from Kelly Blue Book with the estimated value of the vehicle. If the item is being sold on govDeals.com, Purchasing may set the starting bid price at half of Kelly Blue Book value unless the department indicates otherwise. City logos and other markings identifying vehicles as city property shall be removed prior to sale.

Scrap Metal
Surplus metal items must be itemized on the scrap metal worksheet. The information provided shall include the weight of the items. The scrap metal worksheet shall be submitted to Purchasing.

Seizure Items
The Police department will manage and maintain a list of seizure items sent to be sold.