

CITY OF PLANO POLICIES AND PROCEDURES

340.000

Department Name: Purchasing
Procedure: Disposal of Assets

Effective Date: 8/12/1986

Revision Date(s): 3/10/2005

Review: Annual: 8/1/2006

I. Purpose

This section provides a procedure for an open and competitive process for the Disposal of Citywide Assets.

II. Policy

- A. It is the Policy of the city of Plano to attempt to re-allocate "excess" materials/equipment within City Departments and dispose of any "surplus" materials/equipment.
- B. The Warehouse Manager or his/her designee shall handle the disposal process unless otherwise stipulated by law.

III. Definitions

- A. Excess – Any item that does not have a useful purpose for a particular department. The item may have value and may be utilized by another Department within the City.
- B. Surplus – Any material that is of NO USE to the City

IV. Reasons For Disposal

- A. Required under a particular policy or law ie; motor vehicles, seized/confiscated items
- B. No longer required due to change in function or usage patterns
- C. Occupying storage space and not needed in the foreseeable future
- D. No longer complying with Occupational Health and Safety Standards
- E. Beyond repair but can be sold for scrap

V. Categories of Assets

- A. Capital Items
 - 1. Rolling Stock
 - 2. All others exceeding \$1,500.00

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- B. Non-Capital Items – Less than \$1,500.00
- C. Seized/Confiscated
- D. Found
- E. Recovered
- F. Computers
- G. Scrap – All revenues of said materials will be deposited in Account 711.4486.

VI. Responsibilities/Procedures of Departments

- A. Will post item on Email System to All Users
- B. Will handle Fixed Asset Transfer Worksheet (sample attached) should a department transfer result from the aforementioned effort. Accounting to be copied on ALL transfers.
- C. If a department transfer does not take place materials/equipment should be sent to the Warehouse utilizing the required Fixed Asset Disposal Sheet. (Sample attached) Accounting to be copied if the purchase value of the item exceeded \$1,500.00

VII. Applicability

The aforementioned procedure does NOT apply to the following assets: Vehicles and Equipment maintained by Equipment Services, Any Computer Hardware, Software or Telecommunications Equipment and for Police Property to be disposed of. Please review the attached Department Disposal Criteria for each of these departments.

VIII. Warehouse Responsibilities

- A. The Warehouse is responsible for the disposal of all City assets, Seized/Confiscated Property, Recovered and Found Property.
- B. All City assets determined to be in excess should be sent to the City Warehouse for disposal. Seized / Confiscated, Found and Recovered Property will be transferred to the Warehouse after all legal requirements

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have been satisfied. Disposal and Reporting Requirements will be handled as outlined in the accompanying Police Department Disposal Policy.

IX. Disposal Items

- A. Will post a spreadsheet, on the City Intranet, of items available at the warehouse, until the time of disposal. These assets can be viewed at the Warehouse and claimed by a department prior to being listed for sale. Once an asset is listed for sale, IFB or Auction, it is not available for City use.
- B. Will determine best Disposal Method ensuring the intrinsic value can be reclaimed in a timely and ethically sound manner that maximizes the net revenue and minimizes the costs where little or no revenues are possible.

X. Stored Items

- A. The Warehouse is available for storage to all City Departments. However, space limitations require that this storage be controlled and in the best interest of the City. As a result the following criteria is established for all storage.
 - 1. Any activity can store property for three months without cost as long as adequate space exists.
 - 2. Department Heads will be required to renew their storage request every 3 months.
 - 3. After the first three months of storage the following fees will apply for any additional storage time. All fees are based on a per pallet cost regardless of amount.
 - 4. The types of storage available are as follows:
 - a. Warehouse - \$12.00 per month per pallet
 - b. Outside covered - \$8.00 per month per pallet
 - c. Outside open area - \$6.00 per month per pallet
 - d. Inside Secure with heat and AC - \$20 per month per pallet
 - e. Inside heat and AC - \$16.00

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- f. No charge will be made for the storage of items that are required to be stored due to the nature of their usage.

XI. Asset Disposal Appendixes

A. Equipment Services Criteria

1. All fleet vehicles and equipment (hereto referred to as unit or units) when removed from service, must be turned in to Equipment Services for disposal. When an old unit is replaced by a new unit, the old unit must be turned in to Equipment Services before the new unit will be released.
2. Replaced or surplus vehicles and equipment are prepared for disposal by Equipment Services at the lowest practical cost in order to recover the most dollars from their sale. Departments, therefore, are not allowed to remove any parts or equipment from a unit prior to or after it has been turned in to Equipment Services.
3. All small construction and lawn maintenance equipment such as lawnmowers, string trimmers and portable generators turned in to Equipment Services, is transferred to the Warehouse for disposal. Prior to delivering this equipment to the Warehouse, a Fixed Asset Transfer Form is completed and delivered to the Warehouse with the equipment.
4. The retention of replaced or surplus vehicles and equipment is the equivalent to increasing the size of the fleet. The fleet size can only be increased with City Manager or his designee's approval. Under normal circumstances, surplus or replaced vehicles and equipment should not be retained for use by a department. The procedure to retain vehicles and equipment is outlined in City of Plano Policy and Procedure 180-16 (c).
5. Replaced vehicles and equipment approved for retention will not be replaced a second time by the Equipment Replacement Fund (ERF).

B. Police Department Criteria

Asset Definitions – Plano Police Department

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1. **Abandoned:** Property discarded with no expectation it will be returned to the owner. Abandoned property will be destroyed in the field (if of no or little value) or sent to the Warehouse for disposal. If sold, proceeds from the sale of Abandoned property will be placed in the City's General Fund.
2. **Found:** Property in the custody of the Police Department in which the owner is or is not known, which is not Contraband, or is not Evidence. The Police Department will attempt to locate and contact the owner of Found property. If the owner cannot be determined or contacted, the property will be destroyed (if of no or little value) or sent to the Warehouse for disposal. If sold, proceeds from the sale of Found property will be placed in the City's General Fund.
3. **Recovered Stolen:** Property in the custody of the Police Department where there are reasonable grounds to suppose the property has been stolen. Property recovered as stolen will be evaluated by the Police Department to determine if it constitutes Evidence. If Recovered Stolen property is not being held as Evidence, and the owner is known, the Police Department has the authority to release it to its rightful owner. If the rightful owner of Recovered Stolen property cannot be determined or contacted, and it is not Evidence, after 30 days, Recovered Stolen property can be treated as Abandoned and sent to the City Warehouse for disposal. Proceeds from the sale of Recovered Stolen property will be placed in the City's General Fund.
4. **Contraband:** Anything illegal in itself to possess. Property of any nature used in the commission of certain illegal acts, or intended to be used in illegal acts,
5. **Seized:** Property restrained or taken into custody by a law enforcement officer.
6. **Forfeited:** Money, proceeds or property seized by law enforcement officers as part of a criminal investigation and prosecution, that has been forfeited and awarded to, or shared with, the seizing agency. Forfeited property will be used by the law enforcement agency that was awarded the forfeit, or will be sold at auction following requirements of Chapter 59 of the Texas Code of Criminal Procedures, and the U.S. Department of Justice's "Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies." All Forfeited Property sent to the Warehouse for disposal will be clearly and

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individually marked with stickers, and will be listed on a schedule of property containing only Forfeited Property. Proceeds from the sale of Forfeited Property will be deposited into the Criminal Investigation Fund, to be used for law enforcement purposes only.

7. Evidence: Any substance or material found or recovered in connection with a criminal investigation or the filing of a charge. Evidence, which may or may not be contraband, is held by the Police Department until all appeals are exhausted. Once a case has been adjudicated, Evidence is categorized as: contraband; property that has not been forfeited; property that has been forfeited and awarded to the Police Department. Contraband Evidence is destroyed following legal standards set to determine the degree and type of destruction required for different types of property to be destroyed. Evidence that has not been forfeited may be returned to the rightful owner, discarded, destroyed, or treated as abandoned and send to the City Warehouse for disposal. Proceeds from the sale of non-forfeited Evidence will be placed in the City's General Fund. Forfeited Evidence awarded to the Police Department will be treated as any other Forfeited property for law enforcement use and/or benefit. Proceeds from the sale of Forfeited Evidence will be placed in the Criminal Investigation Fund.
8. Destroyed: Property of a nature that cannot be placed into common society, such as narcotics, seized weapons, or contraband, which must be altered from its present state to prevent its further use. Legal standards are set to determine the degree and type of destruction required for different types of property to be destroyed.
9. Surplus: Property acquired for the Police Department that is no longer needed by the department. City Warehouse may dispose of surplus property in accordance with City policy.

C. Police Property Designated for Disposal by Warehouse

1. Seized/Forfeited: Property forfeited to the Plano Police Department, which is ready for sale or disposal will be clearly marked with a fluorescent SEIZURE tag, and the property will be itemized on an inventory separate from all other property sent to the Warehouse. Plano Police Department case numbers will be listed for each item of property. When each item is sold, the Police Department should be notified, due to stringent reporting requirements of the Texas Attorney General's Office, the U.S. Department of Justice and the U.S.

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Department of the Treasury. Instructions on the inventory will designate that proceeds from the sale of Seized/Forfeited property are to be deposited into the Criminal Investigation Fund, 12.535.4921. A percentage of the proceeds of the sale of Forfeited must be shared with the prosecuting agency, per interlocal agreements with county, state and federal agencies.

2. Abandoned, Found, Recovered Stolen, Evidence, Surplus: All property fitting these descriptions that is not Seized/Forfeited will be listed on an inventory, or on asset transfer sheets, by the Police Department. The Warehouse may dispose of these types of property in accordance with procedures of the City at large, the Purchasing Department, or other city departments. Any proceeds from the sale of the above-described property will be placed in the City's General Fund.