

EXECUTIVE ORDER NO. 65

EFFECTIVE DATE: October 16, 1996

SUBJECT: DISPOSAL OF SURPLUS METRO PROPERTY

## I. GENERAL

When Metro property no longer has useful value to Metro departments, it becomes surplus. In recognizing the high cost of storage and disposal, and the mission of Metro to reuse and recycle, this executive order sets forth policies and procedures for the efficient disposal of surplus property.

This Executive Order does not apply to real property.

## II. POLICIES AND PROCEDURES

### A. Definitions:

(a) "Acquiring Department" means the Metro department that last used the property prior to declaring it surplus.

(b) "Surplus Property" means any Metro asset, whether or not carried as a fixed asset on the general ledger, and deemed to be of no further useful value to the acquiring Metro department or to Metro as a whole.

(c) "Property Services Manager" means the Metro official charged with administering the disposal of surplus property.

(d) "Metro Property" means all personal property purchased with Metro funds, or given to Metro at no cost. Real Property is not included.

(e) "Useful value" means the functional utility of an item, as determined by the acquiring department, or the Property Services Manager after consulting with the acquiring department.

(f) "Market value" means the amount of money that the sale of property could yield as determined by the Property Services Manager after reasonable inquiry.

(g) "Scrap" means the property has no useful value to Metro and no market value. Surplus property may also be designated scrap if the further storage or cost of disposal exceeds its market value.

### B. General Scope

Property purchased by individual departments and being used by Metro departments is under the control of those departments until it is of no further use to the department. When property is declared to be of no further use to an individual department, it is to be turned over to the Property Services Manager for reuse by another department, sold,

discarded or donated. Property cannot be disposed of by individual departments. When property is located at a site remote from the Metro Regional Center, the Property Services Manager may delegate the disposal and sale function to the department director having control over the asset. When this is done, the department director shall notify the Property Services Manger of intent to dispose of property. The Property Services Manager will make the determination based on the most cost effective disposal method.

### C. Procedures

Surplus property turned over to the Property Services Manager by Metro departments will be processed as follows:

1. When a determination is made by the Property Services Manager that surplus property has further value to Metro, and the cost of storage does not exceed its value, it may be stored for future use. An inventory of property available for use by other Metro departments will be maintained in the office of Property Services.
2. When surplus property is determined by the Property Services Manager to have no useful value to Metro and the market value is in excess of \$10,000 after the cost of advertising and sale, the Property Services Manager shall sell the property by one of the following methods:
  - a) Advertise the sale in a newspaper of general circulation. Receive bids for the purchase and sale of the property to the highest bidder.
  - b) Hold a public auction with a licensed auctioneer.
  - c) In the case of specialty property where the market is narrow, the property may be consigned to a broker to sell. The broker is to be selected by the Property Services Manager in consultation with the department director after reasonable inquiry to insure the best marketing effort and commission rate is received.
  - d) The property may be sold or donated to another governmental entity or non-profit agency serving the region. The sale or donation under this provision shall be approved by the Executive Officer or his/her designee.
3. When surplus property is determined by the Property Services Manager to have no useful value to Metro and a market value of greater than \$0 and less than \$10,000 after deducting the cost of advertising and sale, the Property Services Manager shall sell the property by one of the following methods:
  - a) Solicit bids from at least three liquidators or brokers (if there are three interested). The property will be sold to the highest bidder.
  - b) Hold a public auction with a licensed auctioneer.

- c) Conduct a public sale with marked prices reflecting the estimated quick sale value as determined by the Property Services Manager.
  - d) In the case of specialty property where the market is narrow, the property may be consigned to a broker to sell. The broker is to be selected by the Property Services Manager, in consultation with the department director, after reasonable inquiry to insure the best marketing effort and commission rate is received.
  - e) The property may be sold or donated to another governmental entity or non-profit agency serving the region. The sale or donation under this provision shall be approved by the Executive Officer or his/her designee.
4. When surplus property has no useful value and no market value as determined by the Property Services Manager, it is declared "scrap" and may be disposed of in any of the following methods:
- a) Discard or recycle the property in any method prescribed by the Property Services Manager.
  - b) Donate the property to another governmental entity or nonprofit organization for reuse or sale.
  - c) As a last resort (to avoid discarding the property into the solid waste stream) the property may be given to any interested party agreeing to reuse or recycle it in exchange for the timely removal of the property from the premises.
5. A record of all property disposals shall be maintained in the office of Property Services. All surplus property disposals will be recorded in the property disposal files and maintained in accordance with proper archiving practices.

#### D. Accounting requirement

- 1. When the property is sold, proceeds from the sale shall be turned over to Accounting and credited to the originating fund when the fund is identifiable. If the originating fund can not be identified, the proceeds will be credited to the General Fund as miscellaneous revenue.
- 2. When surplus property is a fixed asset carried on the general ledger, the disposal or transfer of the property to another department shall be reported to Accounting. The asset will be transferred to the receiving department if the property has sufficient value to be considered a fixed asset on the general ledger.

#### D. Exceptions

- 1. Zoo animals are exempt from the provisions of this order.

2. Expendable materials and supplies that are normally recycled or disposed of after use are not considered property for the purpose of this Executive Order.
3. Real Property is not included in this Executive Order.


IT IS SO ORDERED this 17 day of October, 1996.

  
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Mike Burton, Executive Officer



METRO

RECEIVED  
OCT 16 1996  
EXECUTIVE OFFICER

Date: October 16, 1996  
To: Mike Burton, Executive Officer  
From: Dan Cooper, General Counsel   
Subject: Proposed Executive Order No. 65 - Disposal of Surplus Metro Property

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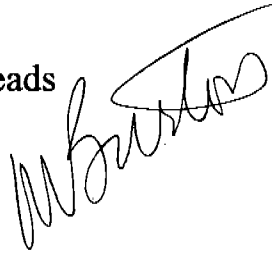
Bill Potter has worked with this Office in preparing a draft of Executive Order No. 65. We have reviewed it several times and believe that it now reflects proper policy choices for you to make in determining the means for disposal of personal property that Metro no longer finds of value.

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# MetroMemo

TO: Department Heads

FROM: Mike Burton



DATE: October 17, 1996

RE: Executive Order #65

Attached is a copy of Executive Order #65, which covers the disposal of surplus Metro Property.

Please review with your staff, and file in an easily accessible spot.



**METRO**

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*Recycled paper*