

**AGENDA ITEM: IV.A.**  
**DATE: JULY 13, 2020**

**AMENDMENT TO THE SAUSALITO-MARIN CITY SANITARY DISTRICT FINANCIAL  
POLICIES: FINANCIAL ASSET MANAGEMENT SECTION – SURPLUS POLICY**

---

**BACKGROUND:** The District adopted the Sausalito-Marin City Sanitary District Financial Policies on September 6, 2016. Over the years, policies have been amended to reflect changes in law or to clarify procedures. Currently, the District does not have a surplus policy and/or procedure to provide District staff direction, therefore staff and legal counsel have developed and reviewed the attached policy for the Board's approval.

**RECOMMENDATION:** Approve the Amendment to the Sausalito-Marin City Sanitary District Financial Policies – Financial Asset Management Section – Surplus Policy

**ATTACHMENTS:**

1. Surplus Property Policy & Procedure
2. Surplus Bid Form
3. Transfer of Personal Property Agreement



**SUBMITTED BY:** \_\_\_\_\_  
Jeffrey Kingston, General Manager

Policy to be placed in  
SMCSD Financial Polices Manual  
Page "Financial – Asset Management" page 58

## Surplus Property

### PURPOSE

The purpose of the Surplus Property Policy is to provide District staff direction on the disposal of personal property owned by the District as defined below.

#### I. Definition of Property

As used in this policy, "Property" refers to items of personal property owned by the District, not real property or surplus land. Sale or other disposal of real property or surplus land owned by the District which may be declared surplus must comply with the procedures set forth in Government Code Sections 54220 et seq.

#### II. Disposition of Property Valued at \$5,000 or Less

The General Manager may dispose of Property, without Board approval, if the General Manager makes the following two findings: (1) the Property, in the General Manager's discretion, is found to be obsolete, non-functional, or no longer necessary for District purposes declaring the property as surplus, and (2) the Property, in the General Manager's reasonable discretion, has an estimated present value of \$5,000 or less. If these two findings are met, the General Manager may dispose of the Property without Board approval, but must do so by employee bid or sealed bid in accordance with the Procedure for Disposal of Property below, or by using any other reasonable method, which in the discretion of the General Manager is the most efficient method of disposition and provides the best value to the District.

#### III. Disposition of Property Valued at \$5,000 or More

In cases in which Property in the General Manager's reasonable discretion has an estimated present value of more than \$5,000, the District Board must declare the property surplus before the General Manager may dispose of it. In addition, for property governed by this paragraph found to be obsolete, non-functional, or no longer necessary for District purposes, the General Manager shall advise the Board of the Property, its condition, intent to dispose of it and recommend that the property is surplus. The Board must then find and declare the Property surplus to the needs of the District and then the General Manager may dispose of the property by employee bid, sealed bid, or use of an auctioning service, in accordance with the Procedures for Disposal of Property set forth below. If the Property surplus does not sell, the General Manager must return to the Board and seek approval for donation purposes. In all instances and in his or her discretion, the General Manager shall dispose of property in the most efficient manner which provides the best value to the District.

## PROCEDURES FOR DISPOSAL OF PERSONAL PROPERTY

### A. Computer Equipment; Sensitive Data

Prior to disposal or liquidation of surplus computer equipment, regardless of the estimated value thereof, the General Manager must ensure that data residing on such equipment shall be securely erased and hard drive removed by the District's approved IT Specialist

### B. Employee Bids (For Personal Property of Any Value)

The General Manager may allow District employees to bid on certain items of property, including District vehicles, as the General Manager shall determine. Using forms provided by the District, an employee may submit a written bid for each item in which the employee is interested. Completed bids shall be submitted prior to the deadline established by the General Manager. In the event of a tie (that is, two or more employees submit bids in the same amount), the bidders that submitted the tying bids will be required to rebid on that particular item. Members of the Board and the General Manager are prohibited from bidding on surplus property.

### C. Sealed Bids (For Personal Property of any Value)

The General Manager may decide to dispose of property, including District vehicles, that has been declared surplus under this policy by advertising for one day in a newspaper of general circulation and posting a notice on District premises inviting sealed bids. Such advertisement and posting shall occur at least seven (7) days, but not more than twenty-one (21) days, in advance of the day established to open the sealed bids. The General Manager may set minimum bids for individual items.

1. Presentation of Bids: All bids shall be presented under sealed cover on forms provided by the District.
2. Opening of Bids: At the time and place set forth in the Notice Inviting Bids, the bids shall be opened in public.
3. Acceptance or Rejection of Bids: The General Manager may reject any and all bids if the General Manager deems it to be for the public good. Alternatively, the property may be awarded to the highest bidder. All property shall be sold "as is" and with no guarantees or warranties. Payment shall be in cash or by certified check. Any required transfer fees shall be paid by the buyer and the property shall be transferred only into the name of the successful bidder.

D. Auctioning Service  
(For Personal Property Estimated to be Valued at \$5,000 or More)

Property that has been declared surplus by the Board under this policy and is estimated to be worth more than \$5,000, including District vehicles, may be disposed of by the General Manager through the use of a reputable and experienced professional auctioning service. If this arrangement for disposition is selected by the General Manager, the assets shall be picked up from the District by the auctioning service for sale at a public auction location.

E. Donation to Public or Non-Profit Entity  
(For Personal Property Estimated to be Valued at Less than \$5,000)

If in the General Manager's discretion, the foregoing methods of disposal are not feasible or are not in the public's best interest, then the Property may be donated to a charitable organization, to another public or non-profit agency or local school, or disposed of as waste in compliance with applicable regulations.

F. Recycled or Scrap

Periodically surplus metal that has no further operational value to the District but which may be recycled or sold for scrap may be disposed of as determined by the General Manager.

Sausalito-Marín City Sanitary District  
SURPLUS PROPERTY BID FORM

Property can be viewed and inspected at Sausalito-Marín City Sanitary District, 1 East Road, Sausalito, CA 94965 insert dates and time. Questions should be referred to the District office at 415-332-0244 or info@smcsd.net. Only successful bidders will be notified. Individuals wishing to bid must submit their bid(s) on this official form.

Please check the box next to the item(s) you are bidding on and enter your bid amount.

ITEM #	DESCRIPTION / NOTES	MINIMUM BID	AMOUNT OF YOUR BID
1.	Example 2001 Ford Ranger	\$ 1,000	
2.	Example 2010 Dodge Charger	\$ 1,000	

Bidder Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Phone # \_\_\_\_\_  
 Email \_\_\_\_\_

All bid forms must be submitted in a sealed envelope and should be returned to:

Sausalito-Marín City Sanitary District  
 General Manager  
 Attn: Surplus Property Bid  
 1 East Road  
 Sausalito, CA 94965

Terms: All equipment will be sold "as is". Successful bidders are responsible for paying for and picking up equipment within 7 days of notification. All successful bidders agree to hold harmless Sausalito-Marín City Sanitary District for future liability in the use of the equipment. The Sausalito-Marín City Sanitary District reserves the right to reject any and all bids.

Prior to transfer of the property described above, successful bidder shall sign the Transfer of Real Property Agreement, attached hereto.

**BID DEADLINE: BIDS MUST BE RECEIVED AT SMCSD NO LATER THAN  
 INSERT DATE & TIME.**

## TRANSFER OF PERSONAL PROPERTY AGREEMENT

Subject to the terms set forth below, the Sausalito-Marín City Sanitary District (the "District") hereby agrees to convey and transfer the personal property described below to Successful Bidder, \_\_\_\_\_ [Name].

1. IDENTIFICATION OF PERSONAL PROPERTY:

2.1 Successful Bidder and the District agree that the following item(s), hereinafter referred to as the "Personal Property," are to be conveyed under this Agreement:

Item #	Description of Personal Property

2. PURCHASE PRICE FOR PERSONAL PROPERTY. The District has accepted the bid of the Successful Bidder for the purchase of the Personal Property and agrees to convey the Personal Property to Successful Bidder. Successful Bidder is/are responsible for paying for and picking up equipment within \_\_\_\_\_ days of notification. Successful Bidder and District acknowledge that the Personal Property does have a fair market value. However, in this instance, Successful Bidder and District are electing to transfer the Personal Property from District to Successful Bidder without assigning any independent cash value to the Personal Property.

3. AS-IS CONDITION/BILL OF SALE. Successful Bidder agrees that the Personal Property is being sold in "As-Is" condition. Notwithstanding the preceding sentence, the Personal Property shall be transferred to Successful Bidder in substantially the same condition it was in on the date of acceptance of this Agreement by Successful Bidder and District, ordinary wear and tear excepted. This Agreement shall constitute a Bill of Sale for the Personal Property without any warranties to the Personal Property.

4. INDEMNIFICATION. Successful Bidder hereby agree(s) to indemnify and hold harmless District from and against all liability, claims and injuries related to the property purchased.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year below written.

SAUSALITO-MARIN CITY SANITARY  
DISTRICT

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
(NAME)

Dated: \_\_\_\_\_

SUCCESSFUL BIDDER

By: \_\_\_\_\_  
(NAME)