



Asset Disposition Policy

Overview

This policy establishes procedures for the sale of all Town-owned property. Employees, former employees, or related organizations shall not receive any preferential treatment in the disposal or sale of Town property. These procedures are written in accordance with all relevant North Carolina General Statutes.

This policy renders all previous policies regarding Asset Disposition obsolete.

Purpose

This policy is intended for use as a guide to the Town of Landis' methods and practice for asset disposition. When used properly, the policies and procedures established herein will enable the Town to sell surplus or obsolete property ethically and in accordance with state law. The goal of this policy is to give structure to the Town of Landis' asset disposal methods and to set guidelines for Town departments. The understanding and cooperation of all employees is essential for the Town to maximize the value of each sale. The Town's purchasing agent, or otherwise designated administrator appointed by the Town Manager, is responsible for the enforcement of this policy. The purchasing agent/administrator shall coordinate the disposition of surplus property and shall ensure that the Finance Department is aware of any resulting proceeds so that the proceeds may be applied to the proper account.

Definitions

Real Property (aka Fixed Property) is defined as Land, Buildings, and infrastructure permanently attached or affixed to a location.

Surplus property is defined as any tangible personal property owned by the Town, which is not needed at present, or for the foreseeable future, or is no longer of value to the Town. Items included are those found, purchased, or received as gifts.

Scope

Real Property

All Real property owned by the Town of Landis must be sold by sealed bid, upset bid or public auction. Please see relevant section below for details.

Surplus Property

All surplus property must be evaluated by the department head and a fair market value estimated before starting the disposition process. Based upon the estimate, each sale will fall into one of three ranges:

❖ ***Surplus Property over \$30,000 (Fair Market Value)***

Property within this range must be declared surplus by the Board of Aldermen. A resolution must be passed outlining the method of disposal by Sealed Bid, Upset Bid or Public Auction and authorize an official or employee to oversee the asset disposal. The resolution must identify the property to be sold. Notice of sale must be published once in a newspaper of general circulation within the Town. The notice must summarize the contents of the resolution adopted by the board. Please see relevant section below for details.

❖ **Surplus Property \$1,001-\$30,000**

Property within this range must be declared surplus by the Board of Aldermen at a regular meeting. Town Staff will provide an update on items available for surplus on a quarterly basis. A resolution must be passed outlining the method of disposal by Sealed Bid, Upset Bid, Public Auction or privately negotiated sale, and authorize an official or employee to oversee the asset disposal. The resolution must identify the property to be sold. Notice of sale must be published once in a newspaper of general circulation within the Town. The notice must summarize the contents of the resolution adopted by the Board. Please see relevant section below for details.

❖ **Surplus Property \$1,000 and under**

Property within this range may be declared surplus by the relevant department head. Such declaration shall be in writing. The written declaration shall be delivered to the purchasing agent/administrator, who shall maintain a written inventory for circulation to, and review by each Town department. If any department has use of such property, that department may request reassignment of this property from the purchasing agent/administrator. The purchasing agent/administrator shall have the authority to assign the property to the requesting department best able to make use of it.

If no department requests the property after the inventory has been circulated once for 7 days, the property shall be deemed surplus. Surplus property in this range will be sold by electronic public auction on GovDeals unless otherwise authorized by the Town Manager. The Town Manager shall have the authority to approve the sale of assets in this range on the Town's behalf by Sealed Bid, Upset Bid, Public Auction or privately negotiated sale.

Privately Negotiated Sale

In accordance with NCGS 160A-266, the Town of Landis may conduct privately negotiated sales for all surplus property estimated at \$30,000 or less in fair market value. The terms of all such sales shall be cash, ACH, wire transfer, check, or money order in the amount of the full purchase price. Any city official authorized under this section to dispose of property shall keep a record of all property sold and that record shall generally describe the property sold or exchanged, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for each sale or exchange.

Discard

In accordance with NCGS 160A-266, the Town of Landis may discard any personal property that is determined to have no value, remains unsold or unclaimed after the Town has exhausted efforts to sell the property using any applicable procedure under this policy or poses a potential threat to the public health or safety of town residents and/or staff. The methods of discard may be decided at the Town Manager's discretion so far as they abide by all relevant State laws.

Sealed Bid (NCGS 160A-268)

Listed below are the basic procedures required under state law for disposing of personal and real property by sealed bid.

1. Board of Aldermen must adopt resolution authorizing sale by sealed bid. The resolution should identify the property to be sold.
2. Notice of sale must be published at least once in a newspaper of general circulation within the jurisdiction. The notice must summarize the contents of the resolution adopted by the Board and specify the date, time, and location of the public bid opening. The advertisement must be published at least 7 days before the bid opening for personal property and at least 30 days before the bid opening for real property.
3. All sealed bids received as part of this process must be opened at a public bid opening.
4. The Board may award the bid to the highest responsive, responsible bidder or reject all bids.

Upset Bid (NCGS 160A-269)

In accordance with NCGS 160A-269, the Town of Landis may accept offers to purchase through the upset bid process. The upset bid process may begin anytime the Town receives an offer to purchase Town property that the board wishes to entertain. The Town may also solicit offers informally or negotiate with a prospective buyer prior to initiating the upset bid procedure.

1. Governing board adopts a resolution accepting an offer to purchase town property and authorizing the upset bid procedure. The offeror deposits 5% of bid amount with the Town Clerk while upset procedure takes place.

2. Advertisement for upset bids must be published in a newspaper of general circulation within the Town. The advertisement must describe the property to be sold, the terms and conditions of the sale, and the requirements for submitting a qualifying upset bid within 10 days after the date of publication: a qualifying upset bid must be an amount at least 10% of the first \$1,000 of the original offer and 5% of the remainder. For example, an initial bid of \$3,000 can only be upset by a bid of \$3,200 or more. Bidders must submit qualifying upset bids within 10 calendar days after date of advertisement and their bids must be accompanied by a 5% bid bond or deposit.
3. If a qualifying upset bid is received, repeat the advertisement, and upset bid process until no additional qualifying upset bid is received.
4. After no additional qualifying upset bids have been received, governing board awards to the highest responsive, responsible bidder or rejects all bids.

Live Public Auction (NCGS 160A-270)

In accordance with NCGS 160A-270, the Town of Landis may sell surplus property at public auction. The Town uses GovDeals for all electronic auctions where applicable for surplus sales. Listed below are the basic procedures required under state law for disposing of personal and real property by public auction:

1. Governing board adopts resolution authorizing sale by auction. Resolution must be adopted at a regular meeting of the board. Resolution must describe the property to be sold, specify the date, time, place, and terms of sale, and, for real property, state that any offer or bid must be accepted and confirmed by the governing board before the sale will be effective. For personal property \$15,000 or under, the Town Manager may conclude the sale following the auction without further governing board action. For all other personal property, the authorizing resolution may appoint an individual officer or employee to conclude the sale following the auction without further governing board action.
2. Advertisement for the auction must be published in a newspaper of general circulation within the Town. The advertisement must give a general description of the property sufficient to identify it, the terms, and conditions of sale (including whether a deposit will be required at the conclusion of the auction), and a reference to the authorizing resolution adopted by the governing board. The advertisement must be published at least 10 days before the date of the auction for personal property, and at least 30 days before the date of the auction for real property.
3. The auction must be conducted, and the results reported to the Board of Aldermen.
4. Within 30 days of the date of the auction, the Board of Aldermen must award the sale to the highest responsive, responsible bidder or reject all bids. For personal property, if the board delegated authority to complete the sale following the auction, the authorized official or employee may complete the sale after the auction without further board action.

Purchasing Agent by Fiscal Year (FY)

FY 2021/2022 _____

FY 2028/2029 _____

FY 2022/2023 _____

FY 2029/2030 _____

FY 2023/2024 _____

FY 2030/2031 _____

FY 2024/2025 _____

FY 2031/2032 _____

FY 2025/2026 _____

FY 2032/2033 _____

FY 2026/2027 _____

FY 2034/2035 _____

FY 2027/2028 _____

FY 2035/2036 _____

Finance Officer _____ Signature _____