



TOWN POLICY

ADMINISTRATION POLICY:

Disposal of Surplus Assets, Inventory and Other Items

DEPARTMENT: Financial Administration

POLICY NUMBER: FA-012

APPROVAL:  APPROVED BY CAO
Jeff Shaw

EFFECTIVE DATE: March 10, 2015

SUPERSEDES: Policy #D-30

UP FOR REVIEW: September 25, 2022

Policy Statement:

The Town of Cardston is committed to disposing of its surplus assets, inventory, and other surplus items in a fair, consistent, and transparent manner that maximizes value and return to the Town. The Town recognizes that having a comprehensive asset management system is best practice in municipal governance. Asset management allows the Town to make more informed and better decisions that will ultimately allow it to better serve its residents.

The purpose of this policy is to:

Establish guidelines for the disposal of Town of Cardston surplus assets, inventory and other items such as salvage.

Determination of Value, Asking Price, or Charge-out Price

The Town will offer surplus assets, inventory and other items at an asking price that reflects a fair market value that maximizes value and return to the Town. Asking price must be approved by the Chief Administrative Officer (CAO).

Methods of Disposal

The CAO will exercise discretion as to the disposal of surplus assets, inventory and other items. Items with little or no perceived market value, or where the need is determined, may be donated to a non-profit or charitable organization to help further their community cause. Items with perceived market value or perceived to have a reasonable chance of realizing a return for the Town will be offered to the general public at a specific and firm asking price for a pre-defined time period. Items with a perceived value exceeding \$1000 will be dealt with in the following manner:

When the pre-defined offering time has elapsed one of two alternatives will ensue:





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- 1) If an offer has been received and it equals or exceeds the asking price then the highest offering price will be accepted. If this results in a tie, the winner will be determined through an unbiased draw process, as determined by the CAO.
- 2) If no offer equal to or greater than the asking price was received, then the process will be repeated either at a new asking price or at the previous asking price, subject to the approval of the CAO.

Items with a perceived value of less than \$1000 will, at the discretion of the CAO, be listed to the public on a first-come, first-served method. For example, items may be listed on the Town web site or social media sites with a predetermined price and be available until the inventory has been exhausted. Other examples of appropriate venues or methods to advertise any type of disposal may include:

- Classifieds or newspaper posting, including online or print;
- Sale through public tender;
- Sale by auction;

Any items such as scrap metals, pallets, wire, oil, or other goods that become available for salvage, or sale through the capital or operational projects of the Town, remain the property of the Town. All funds derived from the salvage or sale of these goods is to be deposited by the Town for recording as revenue. Wherever possible, Town staff will request payment for scrap or salvage in the form of cheque instead of cash to ensure that the payments and corresponding deposit can be tracked. Not all methods of disposal are equally suitable for all disposals; the most appropriate method of disposal must be approved by the CAO.

Related Party Transactions

Town of Cardston employees and any related or non-arms length parties may not submit an offer if they are involved in the tendering process; such persons must not receive preferential treatment or an advantage in the purchase process because of their relationship with the Town. Determination of whether such conflict of interest exists will be at the discretion and judgment of the CAO.

