

Policies



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Subject	Surplus Property Policy
Section	Capital Asset Management
Approved by	Marissa Madrigal, Chief Operating Officer
Approved on	February 9, 2024
Replaces	Executive Order #65, approved October 17, 1996

POLICY PURPOSE

This policy governs the disposition of Metro Surplus Property. The practices and procedures outlined in this policy will help Metro:

- Prevent waste and the upstream climate and Environmental Impacts of materials both through purchasing practices and end of life disposal considerations.
- Establish efficient processes for staff to identify and dispose of Surplus Property.
- Recover residual value for Surplus Property that still has market value.
- Ensure the appropriate stewardship of public funds.
- Guide staff in balancing the values of efficiency, ethics, and environmental sustainability to ensure appropriate disposal of Surplus Property.

Applicable to

This policy is applicable to all employees including regular status, limited duration, variable hour, interns and volunteers.

Definitions

- **Agency SWAG** - Traditionally SWAG stands for “Stuff We All Get”. It includes promotional products for marketing and giveaways. Examples include but are not limited to t-shirts, pens, hats, bags, mugs, trinkets, and other branded products.
- **Capital Asset** - In accordance with Metro’s current finance policies, Capital Assets are:
 - a. Metro property valued above \$10,000 if the property was purchased prior to or on June 30, 2022
 - b. Metro property valued above \$50,000 if the property was purchased on or after July 1, 2022.
- **Capital Asset Out form** - form required to track the disposition of retired Capital Assets that become Surplus Property.
- **Deaccessioning Process** - the process by which a work of art is permanently removed to sell

it or otherwise dispose of as Surplus Property.

- **Department Surplus Property Contact** - individual staff appointed to manage Surplus Property for their department, venue, or site.
- **Eligible Party** - Any public entity, non-profit organization, private organization, or the general public who is eligible to purchase or receive Surplus Property.
- **Environmental Impact** - the effect of human activity on the environment creating environmental harm. Common examples include climate pollution, air pollution, water pollution and waste pollution.
- **Minimal Value** - a value of less than \$500.
- **Non-Trivial Residual Value** - a value of \$500 or more.
- **Provided Equipment** - equipment and/or supplies Metro provides to employees with the expectation it be returned. Examples include furniture for home offices, computer equipment and uniforms.
- **Surplus Property or Surplus** - tangible personal property owned by Metro, including equipment and materials, which is no longer needed by Metro.
- **Sustainability Hierarchy** - conceptual framework designed to guide and rank waste management decisions, with top priority given to waste prevention, followed by re-use, recycling, recovery and finally disposal.

Roles and Responsibilities

The identification and disposal of Metro Surplus Property is the responsibility of each Metro department and/or venue. Each department/venue will identify at least one Department Surplus Property Contact responsible for ensuring the appropriate management of their department's Surplus Property in accordance with this policy. If a department/venue has physical facilities, it is advisable to choose a facility management staff member to be the Department Surplus Property Contact.

All Metro staff and employees are responsible for appropriately managing Metro property (including files, records, supplies, equipment) to ensure said property does not prematurely become Surplus Property. This can be done by using Metro property in a way that preserves and prolongs its life and storing Metro property in a manner that preserves its use and value (reasonably protected from damage, theft, and waste). All employees are also responsible for reporting Metro property that may no longer have use to their immediate team, to their Department Surplus Property Contact. Potential Surplus Property should not be stored in lieu of disposal or appropriate management (records included). Potential Surplus Property should be appropriately managed to ensure that it does not (1) take up space that could be better utilized by Metro or (2) become a future administrative burden on others.

Staff who make purchases are responsible for complying with the Sustainable Purchasing Administrative Procedure and Sustainable Buildings and Sites Policy when making purchases with Metro funds.

Department Surplus Property Contacts are responsible for identifying and managing Surplus Property and in compliance with the procedures, rules and guidance set out in this policy. Department Surplus Property Contacts are also responsible making unused property available to

other departments at Metro, identifying Surplus Property, valuing of Surplus Property, and appropriately disposing Surplus Property.

Data Tracking. Department Surplus Property Contacts are responsible for the tracking of Surplus Property the department manages outside of the solid waste stream and reporting this information monthly as part of the waste disposal and recycling reports turned into the CAM Sustainability team.

Vehicular Records. Department Surplus Property Contacts should keep records of Surplus fleet vehicles and fleet equipment via their computerized maintenance management systems (CMMS).

Storage Responsibilities. Department Surplus Property Contacts must not permit items to be stored in lieu of disposal or surplus in department storage rooms, cabinets, or other assigned spaces. Department Surplus Property Contacts are responsible for the regular inspection and cleanout of department and/or site storage so that excess or unneeded property is not forgotten and does not accumulate for the agency.

Ethics Compliance. Department Surplus Property Contacts are also responsible for taking reasonable precautions to ensure Surplus Property is disposed of consistent with the Oregon Government Ethics law (ORS 244). See section below entitled “Restrictions on Sales to Metro Employees”.

Procurement staff are responsible for providing guidance on Metro’s Sustainable Purchasing Administrative Procedures and assisting staff to purchase property in accordance with the State Contracting Code and Metro’s Contracting Administrative Rules. Procurement staff is a general resource for identifying more efficient, cost effective and/or sustainable ways Metro’s purchasing practices can limit the creation of Surplus Property.

Finance staff are responsible for assisting Department Surplus Property Contacts in determining what property should be managed as a Capital Asset, providing paperwork to surplus the asset, as needed, and helping with documentation of the sale and associated management of the funds.

Capital Asset Management staff are responsible for considering and recommending ways employees can make sustainable purchases, keeping an updated list of all Metro Department Surplus Property Contacts, managing the agency-wide auction website contract, collecting and managing data from departments on the disposition of Surplus Property, maintaining a resource list to help employees manage Surplus Property and supporting employee adherence to the Sustainable Buildings and Sites Policy through education and communication.

Department Managers are responsible for ensuring this policy is adhered to by all applicable employees and ensuring departed employee files and property are turned in and managed per this policy.

Department Directors are responsible for appointing Department Surplus Property Contacts, informing departmental staff of the role of the Department Surplus Property Contacts, and ensuring this policy is adhered to by all employees. Department directors must appoint a Department Surplus

Property Contact if they utilize any Metro space for storage of equipment, supplies, or files and/or produce Surplus Property.

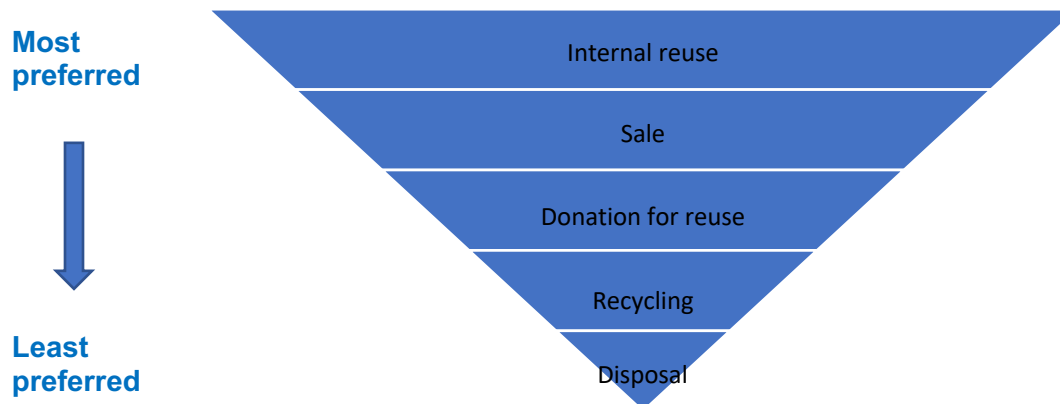
Surplus Property Procedure

*This section outlines the **procedure** for declaring an item to be Surplus Property, including the criteria, priorities, and classes of items with special considerations. This procedure is written to optimally balance the efficient use of public dollars in procuring materials and usage of staff time with the Environmental Impacts of materials, especially at end of life.*

Unused property should not be stored in lieu of following the procedures below.

Internal Reuse, Sale, Donation for Reuse, Recycling, and Disposal

When Metro property has no further use to the team who possesses it, the respective Department Surplus Property Contact will follow the steps below. Metro prioritizes the full use of property, acknowledging that any value extracted before the item is disposed of is a more efficient use of natural resources. Ideally, to maximize the efficient use of public funds, all property will be reused by another team or department at Metro. However, if an item cannot be reused internally, then said items shall be deemed Surplus Property. For Surplus Property items with a Non-Trivial Residual Value, Department Surplus Property Contacts must make every reasonable effort to sell said items to recover public funds. Surplus Property items of Minimal Value (or Surplus Property that cannot be efficiently sold) may be donated. For Surplus Property that cannot reasonably be reused, sold or donated, Metro prioritizes end of life choices that minimize Environmental Impact. The dollar value of the item and the severity of the Environmental Impact should be balanced against the staff time in evaluation and execution of this procedure.



The Department Surplus Property Contact may task other employees with executing part of the following process, but the Department Surplus Property Contact is responsible for ensuring policy compliance.

1) Internal Reuse:

- a) Any Metro employee who identifies property as potentially surplus must make their Department Surplus Property Contact aware of the items. Property that can potentially be reused should be offered to all other departments, sites, and venues within Metro via an email to all Department Surplus Property Contacts. Department Surplus Property Contacts

should then communicate and distribute reuse opportunities to staff within their department/site/venue. Reuse opportunities should be open for a minimum two-week period before a responsible Department Surplus Property Contact determines the items to be Surplus Property.

- b) When determining whether reuse is appropriate, consideration should be given to the Environmental Impact, e.g., an appliance with a low energy efficient rating compared to newer models.
- c) The Capital Asset Accountant in the Finance and Regulatory Services Department (FRS) is to be alerted of any reused property transferring between departments if the initial purchase value of the property is estimated to be over \$10,000.
- d) Although exceptions may be made by Department Directors, generally no department, site, or venue will pay for to reuse property that otherwise would be designated as Surplus Property.

2) Sale of Surplus Property with Non-Trivial Value

- a) If there are no internal reuse opportunities, the property is determined to be Surplus Property. Surplus Property with a Non-Trivial Residual Value should be publicly sold through a competitive, publicly accessible process. Examples of other publicly accessible processes include:
 - (1) Auction. By publicly advertised auction to the highest bidder.
 - (2) Bids. By publicly advertised invitation to bid.
 - (3) Liquidation Sale. By liquidation sale using a commercially recognized third party liquidator selected in accordance with this Metro's procurement and contracting rules.
 - (4) Fixed Price Sale. The Department Surplus Property Contact may establish a selling price based upon an independent appraisal or published schedule of values generally accepted by the insurance industry, schedule and advertise a sale date, and sell to the first buyer meeting the sales terms.
- b) If a publicly accessible process is not expected to result in a sale, or if the Department Surplus Property Contact determines that a direct negotiated sale will result in substantially increased net revenue, a direct negotiated sale with an interested party is allowed.
- c) For Capital Assets, the Department Surplus Property Contact must alert the Capital Asset Accountant in the Finance and Regulatory Services Department (FRS) and complete a Capital Asset Out Form.
- d) Revenue generated by the sale of Surplus Property will likely be deposited into the fund originally used to purchase the property. The Department Surplus Property Contact should work directly with FRS to ensure property accounting and routing policies are met.

3) Donation

- a) If a sale was unsuccessful, Surplus Property may be donated to another governmental entity or nonprofit agency. Priority should be given to governmental entities or nonprofits located within the Metro region.

- b) If no governmental entity or nonprofit agency is willing to accept the donation of the Surplus Property, to avoid discarding the item into the solid waste stream, the Surplus Property may be given to any interested person agreeing to reuse or recycle it in exchange for the timely removal of the property from Metro premises.
 - c) A Capital Asset Out Form must be completed and submitted to the Capital Asset Accountant in FRS if the donated property is a Capital Asset.
 - d) Metro's "Find a Recycler" should be consulted to help with finding a business or organization that will take materials for reuse.
- 4) **Recycling:** When the Surplus Property cannot be sold or donated, then the item should be recycled if possible. Staff may consult Metro's Recycling Information Center 503-234-3000 to confirm the recyclability of items.
- 5) **Disposal:**
- a) If Surplus Property cannot be reasonably reused or recycled, then the item can be disposed of as solid waste. At all times, Metro employees should strive for the highest and best use of agency property. Employees should avoid disposing of surplus agency property in a way that is *or even may appear to be* a waste or misuse of Metro resources.
 - b) A Metro employee may exercise individual judgement to dispose Surplus Property as solid waste without consulting their Departmental Surplus Property Contact if the item is of Minimal Value. Examples of items that can be assessed by staff to be recycled or disposed of without consulting the Departmental Surplus Property Contact include:
 - (1) damaged items, items missing part,
 - (2) used personal items (earmuffs, respirators, headsets/earbuds),
 - (3) items beyond repair, items that are at the end of their useful life
 - (4) nonfunctional items with a variety of component materials that need to be dismantled before they can be recycled (e.g. laminated products, old task chair, exhibit displays)
 - c) A Capital Asset Out Form must be completed and submitted to the Capital Asset Accountant in FRS if recycled or disposed of property's initial purchase value is estimated to be over \$10,000.

Procedural Notes:

- For some sales and donations of Surplus Property, Metro may need to execute transfer documents to address the terms of the transaction (e.g. a Bill of Sale or a Waiver of Rights). CAM can be consulted for these documents, and the Office of Metro Attorney can advise on appropriate terms and conditions.
- See CAM's MetroNet page for various documents, forms and resources. :

Special Processes:

- **Surplus Property with Minimal Value.** Surplus Property of Minimal Value, or for which the costs of sale are likely to exceed sale proceeds or result in sale proceeds less than \$500, may

- be disposed of by any means determined to be cost-effective, including by disposal as waste.
- **Trade-Ins of Vehicles and equipment.** As an alternative to the sale process above, Departments may trade-in used vehicles and equipment in conjunction with acquisition of other price-based items.
 - The Capital Asset Accountant in FRS should be consulted when the item is suspected to be an asset or has a title (typically over \$10k in estimated initial purchase value whether an individual piece or a collection).
 - In addition, all Metro decals and insignia must be removed prior to sale/ trade.
 - **Metro issued computers and peripherals.** All Metro owned computer equipment containing a hard drive must be returned to the Information Technology department at the end of its useful life or when changing user hands. Monitors, keyboards, mice, speakers, and other computer peripherals are managed per the above surplus process. Questions can be directed to helpdesk@OregonMetro.gov
 - **Hazardous Materials** Hazardous Waste should not be made available for sale, reuse or donation and instead should be managed and disposed of in an environmentally sound way.
 - **Non-Usable or Broken Electronics.** Electronics that are not reusable due to age or condition should be managed as electronic waste and disposed of in an environmentally sound way.
 - **Paper and Electronic Records.** All paper and electronic records and information created or received by Metro in connection with the transaction of public business must be managed as per the Records and Information Management (RIM) Policies.
 - **Art.** Items created for Metro by a commissioned artist or art pieces given to Metro must be managed as per the facilities or sites deaccessioning process. If one does not exist, the contracts related to the original acquisition of the piece should be reviewed before any disposal process is commenced.

Restrictions on Sales to Metro Employees

As public officials, Metro employees are personally responsible for complying with the provisions in Oregon Government Ethics law (ORS 244). Oregon Government Ethics law prohibits Metro employees from using their official positions to obtain a financial benefit for themselves, relatives, or businesses with which they are associated if that financial benefit is not otherwise generally available to the public. To ensure compliance with the Oregon Government Ethics law, the following restrictions on sale and donation of Surplus Property apply:

Surplus Property of Non-Trivial Value. Metro employees may not compete, as members of the public, for the purchase of publicly sold Metro Surplus Property. However, if Metro attempts to sell an item of Surplus Property through a competitive sale method outlined above in Section 2(a) but

fails to receive any offer meeting the advertised sale terms, Metro may thereafter accept offers from Metro employees provided such offers (a) meet the advertised sale terms and (b) are not in violation of the Oregon Government Ethics law.

Surplus Property of Minimal Value or Donations. Metro may not sell or transfer any Surplus Property (even items of Minimal Value) to a Metro employee unless the Surplus Property was first broadly offered to the public under the same terms and conditions.

Personal-Use Item Exception. An item (or indivisible set) for specialized and personal use may be sold through a direct negotiated sale process to the employee or retired or terminated employee for whose use it was purchased provided that the items sold are at fair market value. Examples of personal-use items include Metro issued clothing, personal protective equipment, headsets, office furniture.

Duty to Disclose Conflicts of Interest. Metro employees involved in making decisions related to Surplus Property should be aware of potential or actual conflicts of interests that could exist should they (or their relatives and any businesses with which either are associated) purchase said Surplus Property. Employees met with a conflict of interest are reminded that they must announce or disclose the nature of a conflict of interest, although the method of disclosure depends on the position held. See Oregon Government Ethics law (ORS 244) for more information regarding compliance.