



PROCUREMENT OFFICE
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PROCUREMENT POLICIES & PROCEDURES:

DISPOSAL OF SURPLUS SUPPLIES WITH A VALUE OF >\$10k

POLICY

Any disposition made by a department within the Town of Edgartown is subject to Massachusetts General Law governing public purchasing (M.G.L c. 30B). The rules within Chapter 30B apply to all tangible surplus "supplies" with a resale or salvage value, including motor vehicles, machinery, computer equipment, furniture, and other materials and supplies. The disposal of these goods must conform to the provisions of c. 30B § 15, as may from time to time be amended. The term "supplies" does not include real property.

The value of the surplus supplies dictates which law/s the disposition process must adhere to. In addition to the statutes enforced by the State, the Town is subject to its own policies, which have been implemented to ensure sound business practices. The Town must comply with these legal requirements (both statutes and policy), or its procurements/dispositions are invalid and any resulting contract is unenforceable. Town policy consists of self-imposed requirements which will always be stricter than legal requirements. Policy requirements may be waived by the Chief Procurement Officer (CPO); legal requirements may not.

These policies and procedures are enforced by the CPO and all dispositions of supplies with a value above a certain financial threshold must be approved by the CPO. Revenue generated from dispositions will be deposited into the Town's General Fund per M.G.L c. 44 § 53. Payment shall always be payable to the Town of Edgartown, and never to an individual.

Although open and effective competition should be sought at all times when disposing of goods, the effort involved in achieving this should be commensurate with the value of the goods being disposed of.

Under no circumstances may an employee take an item or offer an item outside of this written procedure. Failure to follow this procedure may result in disciplinary action. The removal of surplus materials from any department outside this procedure is considered theft and will be referred to the Board of Selectmen and the Edgartown Police.

DEFINITIONS

- **"Chapter 30B"**: of the Massachusetts General Laws, the Uniform Procurement Act, establishes uniform procedures for local governments to use when contracting for supplies, services and real property.
- **"Market Value"**: The value of an item in the marketplace, regardless of its initial purchase price or residual value.

- **“Policy”**: Standards adopted by the Town and approved by the governing body to achieve best value for money, such that the Town obtains the best possible return for the goods that are being disposed, as well as maintaining probity and transparency throughout the process.
- **“Statute”**: Written law formally created by the State that governs the procurement process without exception.
- **“Supply”**: All property, other than real property, including equipment, materials and printing and further including services incidental to the delivery, conveyance and installation of such property.
- **“Surplus”**: The goods that remain when use or need has been satisfied.
- **“Town”**: The Town of Edgartown.
- **“Trash”**: Goods that are badly damaged and cannot be repaired; goods where the cost to repair exceeds the value of the property or if repaired, has no salvage value.

FINANCIAL THRESHOLDS

The financial thresholds that determine the process of disposition are as follows:

<\$500: Discretion of Owner/Department Head, no approval necessary.

\$500-\$9,999: Disposition of Surplus Supply Form, CPO Approval/Discretion.

>\$10,000: Disposition of Surplus Supply Form, Sealed Bid Process or Public Auction.

REASONS FOR DISPOSAL

Items can be available for disposal because they are:

1. Required to be disposed of under a particular policy
2. No longer required due to changed procedures, functions or usage patterns
3. Occupying storage space and not being needed in the foreseeable future
4. Reaching their optimum selling time to maximize returns
5. No longer complying with occupational health and safety standards
6. Found to contain hazardous materials
7. Beyond repair but able to be sold for scrap

DISPOSAL OPTIONS

1. Transfer to other municipal departments or public entities, with or without financial adjustment;
2. Trade-in;
3. Sale by public tender to the highest tenderer;
4. Sale by public auction;
5. Recycling;
6. Donation to a charitable institution where the goods have little or no economic value or the cost of disposal through other methods is not efficient or economical;
7. Destruction, dumping or burying as appropriate.
8. Selling to public sector employees through an advertised, competitive process.

The disposal method that is chosen must be appropriate to the nature, quantity and location of the goods as well as promote fair and effective competition to the greatest extent possible. All disposals should be conducted in an ethical manner.

Disposal of Hazardous Goods must be in a manner that safeguards against environment risks and addresses health and safety issues. A public authority disposing of hazardous or potentially pollutant

goods must obtain advice on policy and environmental considerations from the relevant government authority.

PROCEDURE

In any case where a department decides it no longer needs a supply, it must make a determination of the supply’s value. If the supply is worth \$10,000 or more, the Town must use a sealed bid process or public auction and award to the highest bidder. If the supply has a value of less than \$10,000 and is not considered “trash” (as defined above), the following procedures must be followed:

1. The head of the department, board or commission in possession of the surplus supplies shall certify in writing the estimated value, determined through a commercially reasonable process.
2. The estimate shall be recorded on a Disposition of Surplus Supply Form and provided to the Chief Procurement Officer for approval.
3. The CPO will then determine the most appropriate method of disposal, including (but not limited to): direct sale, quotes or donations. Disposal should be based on fair market value for each surplus item. The price established will be based on current market value and condition of the supply.
4. Once the preferred disposal method has been selected, the goods must be inspected, cleared of any material unfit for disposal and stored in a secure location.
5. Any payment for goods will be made to The Town of Edgartown and all revenue will be deposited back into the Town’s General Fund.
6. The entire disposal process shall be documented with reasons given in writing as to why a certain disposal method was chosen.
7. A copy of the Disposition of Surplus Supply Form shall be submitted to the Town Accountant with any revenue generated.

ENTITY LIABILITY

The Entity (Town) shall offer no warranty on the condition of the goods it sells. The request for tender, auction catalogues or any other sales documentation should provide as full a description of the items as possible, specify that goods are sold “ex works” or “as is, where is” and invite prospective buyers to inspect the goods before sale. Where there are faults or wear or some other flaw in the item being disposed of, these must be clearly stated to any prospective buyer.

Entity should check that assets for disposal do not contain material that is not intended for disposal. Ensuring that surplus goods prepared for disposal have been properly cleared will help maintain the integrity of the Town and the Government in general.

ADOPTED as amended July 31, 2017

TOWN OF EDGARTOWN BOARD OF SELECTMEN:

Arthur Smadbeck

Margaret E. Serpa

Michael J. Donaroma