CITY OF SEQUIM
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SURPLUS PUBLIC PROPERTY GUIDELINES AND PROCEDURES SMC 3.14.100

PURPOSE: The City of Sequim is authorized to dispose of its real and personal property under RCW 35A.11.010 and SMC Chapter 3.14 when that property is surplus to the City's needs. These guidelines are intended to establish efficient and lawful procedures for declaring and disposing of surplus public property.

GUIDELINES: Real or personal property belonging to the City may be declared as surplus and disposed of in accordance with SMC 3.14.100 as may be amended, and in accordance with State law as may be amended. City property includes any real or personal property that came into the City's legal possession in any manner (purchase, donation, claim, forfeiture, lost and found, etc.).

GUIDELINES AT A GLANCE

NOTE: The streamlined chart below *only* applies to personal property items valued under $50,000 that are not being transferred from one City department to another or used as a direct trade or trade-in. Refer to full text for interdepartmental transfers and trades/trade-ins, disposition of personal property valued $50,000 and above, or disposition of surplus real property:

Task	Who is Responsible?
Determine whether an item is eligible to be declared surplus (this includes determining whether the item can be declared "junk").	Department head with input from staff
Obtain the three basic forms you will need from FORMS\Surplus on the shared drive: • Surplus Declaration • Surplus Confirmation of Disposition • Surplus Activity Tracker	Department head or designee assigned to handle process

Fill out Surplus Declaration Form ("Declaration"). Include rough estimate of value and identify details of item and condition. This step may require researching the fund used for the original purchase. If obtaining a professional appraisal, get City Manager and Finance Director approval of that expense first.	Department head or designee with assistance of Finance Director and other staff as necessary
Initiate a "Surplus Activity Tracker" for the item(s). The Tracker is used to contemporaneously document the process step by step and must be included as part of the City's official record copy after disposition is complete.	Department head or designee
Submit completed and signed Declaration and supportive documentation to City Clerk (e.g., photographs, appraisal).	Department head or designee
Forward Declaration for City Manager review.	City Clerk
Review Declaration, approve or deny it, and return it to City Clerk.	City Manager
Return Declaration to Department head.	City Clerk
If interdepartmental transfer was not suggested or was denied, pursue other allowed disposition actions described in these Guidelines until disposition is achieved.	Department head or designee or City Clerk can assist with posting notice on our website, issuing formal published notices, and setting up any required public hearings.
Prepare and/or obtain all applicable documentation of the item's disposition, e.g., Purchaser Release and Waiver, Bill of Sale, Transfer or Donation Agreement, receipts. Update the Tracker as you go.	Department head or designee
Complete Surplus Confirmation of Disposition Form and submit to City Manager along with all associated disposition documentation, including completed Tracker.	Department head or designee
Review and sign off on the Confirmation of Disposition and give it to City Clerk.	City Manager
Ensure that the record copy contains all Declaration and Disposition materials. Retain	City Clerk

per Archivist schedule. (Check GS2012-030, GS50-08C-06, and other DANs as applicable, as may be amended)	
Notify Finance Director of disposition.	City Clerk
Revise City asset documentation and remove from insured asset listing, as needed.	Finance Director or designee

PROCEDURES:

1. DECLARATION AS SURPLUS

A. Personal Property

The Department head with custody of proposed surplus personal property (including equipment and vehicles) will fill out and sign a "Surplus Declaration Form" and submit it to the City Clerk, who will obtain City Manager review of the proposed disposition (see subsections (1) and (2) below).

If the City Manager approves interdepartmental transfer as an option, see section C below.

The City Manager will review the Declaration Form using the criteria in SMC 3.14.100(A) and proceed as follows:

(1) If the personal property's aggregate estimated or appraised value is between zero and $50,000, the City Manager will take the applicable steps in section 2 below.

(2) If the property's aggregate estimated or appraised value is $50,000 or above, the matter will be placed on an upcoming Council meeting agenda for Council's determination of whether to declare the property surplus, and which method to use to dispose of it, provided that the method is allowed under the law and City Code. The City Manager will provide Council with sufficient information about the item for Council to make an informed decision. Council's declaration and determination of disposition method must be memorialized in a vote recorded in the meeting minutes or a written resolution. Per Attorney General Opinion (AGO) 1997 No. 5, a public hearing in accordance with RCW 39.33.020 will be required before actual disposition of the property occurs if an inter*governmental* (not interdepartmental) transfer is proposed.

B. Real Property

The City Manager will present any proposed surplus decision involving real property (including land, buildings, easements, etc.) to the City Council, which must be involved in each step of the review, declaration, and disposition process. SMC 3.14.100(C). Discussions of potential

transactions may occur in an executive session if appropriate under the Open Public Meetings Act.

C. Interdepartmental Transfers

A City department may determine that an item is surplus to its needs and seek to transfer it to another City department. Such transfers still require undertaking a declaration and disposition process, as described below.

Task	Who is Responsible?
Obtain the three basic forms you will need from FORMS\Surplus on the shared drive: • Surplus Declaration • Surplus Confirmation of Disposition • Surplus Activity Tracker	Department head or designee assigned to handle process
On Declaration form, check disposition preference box for "Transfer to another department" but include other options as well in case the City Manager rejects the transfer or no other department is willing to accept the item. At the same time, initiate a Tracker to ensure that all applicable steps are taken. Submit Declaration to the City Clerk, along with any supporting materials, such as photographs.	Department head or designee
Circulate notice of item's availability to other City departments, giving 5 days to respond, then notify City Manager regarding the response received.	City Clerk
If more than one department is interested in the item, decide which will receive it. If no department is interested in the item, select an alternative disposition from the Department head's preferences on the Declaration form. Return Declaration to City Clerk.	City Manager
Return Declaration to Department head or designee for next steps.	City Clerk
If interdepartmental transfer was successful, prepare a Surplus Confirmation of Disposition form and follow other last steps	Department head or designee

(including finalizing the Tracker) and submit to City Clerk for retention as official record copy. OR If interdepartmental transfer failed, refer back to these Guidelines and pursue an alternate disposition method that has been approved by the City Manager until disposition is achieved.	
Ensure that the record copy of the transfer is complete (including Tracker). Retain per Archivist schedule. Notify Finance of the interdepartmental transfer so they can update asset records, as needed.	City Clerk
Update asset records if necessary.	Finance Director or designee

D. Direct Trades and Trade-Ins

Department heads may determine that an item is surplus to the Department's needs but that there is (1) an opportunity to trade the item directly with an outside entity for an item of equal or greater value; or (2) that the item could be used as a trade-in reducing the purchase price of another item that will be of use to the City.

For direct trades and trade-ins, the Department head or designee must still complete the declaration and disposition process outlined in these Guidelines. Depending on the aggregate value of the item(s), if a direct trade is with a government agency, the intergovernmental transfer process may apply and require a public hearing.

2. Disposition of Surplus – Available Methods

The disposition methods listed below are available under the law and City Code, depending on the item type, value, and other circumstances. Some methods are not available until others have been exhausted.

- Direct auction/sale administered by the City
- Auction/sale administered by an approved government or private contractor
- Trade directly for an item of the same or greater value or use as a trade-in to reduce the price of a new item
- Transfer to another governmental agency
- Transfer to another City department

- Donation to a charity that aids the poor or infirm
- Scrap, recycle
- Discard as solid waste

After an item of personal property has been determined to be surplus to a department's needs, the following steps should be taken to obtain an estimate of its worth so that an appropriate disposition process can be undertaken:

a. ***Value Assessment.*** If a professional appraisal or subject matter expert estimate has not already been obtained during the Declaration step, it is advisable to obtain one now and include it with the Declaration Form submitted to the City Manager via the Clerk. "Blue Book" estimates, comparing trade publication classifieds, internet searches, and other in-house methods may be used in cases where an outside professional's assessment is not mandated. A professional appraisal requires prior approval from the City Manager and Finance Director.

b. Items Valued $50,000 and Above. The City Council must be involved in the decision to dispose of surplus personal property valued $50,000 and above (RCW 39.33.020 as may be amended) and in all decisions related to disposal of surplus real property. A public hearing must be held in the manner described in RCW 39.33.020 if disposition will be via intergovernmental transfer.

c. ***Items Valued Between $1,000 and $50,000.*** The City Manager retains discretion on the method of disposition (except for real property) without Council notification or action. In order of priority, the City Manager or designee should begin by directing that the item(s) be sold in a commercially reasonable manner, usually through an agency or company the City contracts with for that service. If selling the item seems impractical, or fails after a reasonable attempt, the City Manager may pursue transfer to another government agency at or below the item's reasonable market value. If that option also fails, the City Manager may approve an offer to donate the item to a recognized charity that supports the poor or infirm. The Department head or designee is responsible for contacting the charity. If the donation is accepted, a written agreement should be prepared and signed by the City Manager and charity representative with authority to accept the donation. For some items in this value range a receipt from the charity may suffice in lieu of a donation agreement.

d. ***Items Valued at $999 or Less; "Junk" Items.*** For surplused personal property items reasonably estimated to be worth $999 or less based on factors such as original purchase price, age, and current condition or usefulness, the City Manager can choose the disposition method without Council notification or action. In addition, the City Manager can determine that the costs of sale or auction are not likely to be recouped from the potential proceeds. If such items are not compatible with an intergovernmental transfer or charitable donation, the City Manager may determine them to be "junk" as defined in SMC 3.14.100 and the item may be disposed of as scrap, recycled, or discarded as solid

waste at the City Manager's discretion. The City Manager has discretion to determine how long the City must pursue the available disposition methods before deeming the item junk per SMC 3.14.100. If a deadline is chosen, it should be included in the Surplus Activity Tracker.

e. Timeframes. The fact that the City is unable to dispose of a surplused item does not obligate the City to keep it indefinitely. Depending on the item type and its value, either the City Manager or the City Council may set dates after which a certain disposition method may be abandoned and another one pursued. Such dates should be memorialized in writing on the Surplus Activity Tracker.

f. "Gifting" Prohibition. Nothing in these Guidelines may be construed to allow gifting of City surplus property to employees, volunteers, officials, or their respective families, even after disposition methods have failed and even if the item has been declared "junk."

3. Disposition Method Details

Public Notice

Most dispositions of surplus property will occur through an approved auction company or agency, such as the State of Washington's Department of Enterprise Services Surplus Operations program, rather than a public sale administered directly by the City. The City may, but is not required to, post notice on its Surplus Program webpage that an item has been declared surplus and will be sold through an outside company or agency, and provide a link to that service.

In the rare circumstance when a surplus item will be sold via a public auction or sale administered *by the City*, the Clerk will place a description on the City's Surplus Program webpage along with detailed instructions to potential bidders. The Clerk will also arrange to have the required notice of intent to sell surplus at a public auction or sale published in the City's official newspaper once a week for two consecutive weeks before the date of auction/sale. The notice must state the date, time, and place at which the auction will occur and any conditions that will be required of bidders. If the City opts to conduct the surplus disposition through a sealed bid process, the notice must state the date, time, and place at which the sealed bids will be opened, the minimum price, if any, and the terms of the sale.

If an item — whether personal or real property — is valued $50,000 or above, specific notice and public hearing requirements may apply. See RCW 39.33.020.

Sale or Auction Agencies/Companies/Websites

The City should only use approved sale or auction services, preferably ones with whom we have a written agreement. The City Manager or designee must approve the use of such services and is responsible for keeping the list of accepted agencies/companies/websites up to date. Currently, the City is party to an interagency agreement (K8518) with the State's Department of Enterprise Services Surplus Operations to handle most City surplus property dispositions.

Lost and Found/Unclaimed Property Held by Police Department
The Sequim Police Department obtains evidence or property of others. RCW Chapters 63.21 and 63.32 allow disposal of found or unclaimed property that comes into their possession. The online sites Propertyroom.com and GovDeals.com are compliant with Washington State law for disposal of items. The Sequim Police Department is responsible for keeping this list up to date.

Documentation of Sale, Auction, Transfer, Direct Trade, Trade-in, or Donation
Any sale, auction, transfer, donation, direct trade, or trade-in of a surplus item must include preparation of appropriate documents in addition to the Disposition Confirmation Form and Tracker. Often a Bill of Sale, "As Is" Warranty, and some form of agreement memorializing the transaction will need to be prepared by the City Manager or designee in consultation with the City Attorney. For vehicles, a release of title will be required from the Department of Licensing. All such documents must be kept for the appropriate retention period by the City Clerk as part of the record copy of the surplus disposition. Depending on the item's value or its type (personal or real property), the Mayor may need to sign some documents on behalf of the City.

Real Property
Proposed disposition of surplus real property must be handled in accordance with SMC 3.14.100(C). The City Council may elect to dispose of real property in any manner allowed by State law and by resolution or motion will authorize the City Manager to pursue the disposition methods described in these Guidelines, including sale through a professional real estate company, an auction administered by the City or its contractor, intergovernmental transfer, or no-cost transfer to a public, private, or nongovernmental body for public benefit/affordable housing purposes.

4. Administration of the Surplus Property Program

The City Manager with the support of the City Clerk and other staff designated by the City Manager are responsible for implementation and administration of the City's surplus property program. At Council's request, the City Manager or designee will periodically report to Council on program compliance, material matters, and to evaluate the effectiveness of existing policies and procedures.

5. Rejected Declarations

If the decision-making body (City Manager or Council) rejects a proposed surplus declaration at any stage in the process, all efforts to dispose of the real or personal property as surplus to City needs must cease until such time as a different decision is made. However, documentation of curtailed surplus activities should still be kept by the Clerk for an appropriate retention period.

6. Prohibited Activities

Certain City employees, volunteers, and officials are excluded from purchasing City surplus items by Washington State law (RCW 42.23.030(6)). These include persons directly involved in

declaring items surplus, such as elected officials, Department heads, and persons administering the sale.

City employees, officials, and volunteers must not directly or indirectly use, take, or dispose of City property other than in their official duties. This includes, but is not limited to, articles of clothing, supplies, tools, and vehicles. Items (including clothing) owned by the City found to be unfit for further service on the job must be returned to a designated person within each department. As the number of items justifies, they will be declared surplus and disposed of in accordance with these Guidelines.

No City-owned items may be turned over to an individual (employee or other person) for personal use other than items purchased by the employee clothing allotments.

No employee, volunteer, official, or organization of employees and retired employees, or their family members, may receive any preferential treatment in the disposal or sale of City surplus property. Exception: Per SMC 3.14.100(F), Special Disposition of Retiring Police Dogs, a person or agency specializing in handling K-9s will receive priority for placement of a retiring K-9 officer.

Statutory References

RCW 35A.80.010	Public Utilities, General law applicable
RCW 35.94.040	Lease or sale of land or property originally acquired for public utility purposes
RCW 39.33.020	Disposal of surplus property – Hearing – Notice
RCW 39.33.010	Sale, exchange, transfer, lease of public property authorized – Section deemed alternative
RCW 39.33.015	Transfer, lease, disposal of public property for affordable housing
RCW 63.21	Lost and found property
RCW 63.32	Unclaimed property in hands of city police

THESE GUIDELINES ARE DEEMED TO BE POLICIES AND PROCEDURES RELATED TO THE AGENCY'S CORE MISSION OR FUNCTIONS, SUBJECT TO RETENTION PURSUANT TO STATE ARCHIVIST RETENTION SCHEDULE GS50-01-24.