

Maricopa County	Internal Policy	Number: A2510
Policy, Procedure, Standard or Guideline	Title: Surplus Policy	Issue Date: 08/16/06
Policy Category: Administration / Finance	Initiating Department: Sheriff's Office	Revision:
Reviewed by:	Approved by: Board of Supervisors	Revision Date:

A. INTRODUCTION

Maricopa County has established a contract with a private auction vendor for the disposition of all County surplus materials. This contract includes pickup and disposal charges for all County surplus materials that go to auction. Because of increased disposal charges, it is necessary to implement a procedure for the handling of surplus to include details that permit Department Surplus Liaisons to dispose of items deemed as having “no salvage value” instead of paying to transport them to auction. The implementation of this policy will reduce pickup and disposal charges and increase the net proceeds from auction sales.

B. PURPOSE

The purpose of this policy is to provide Department Surplus Liaisons with a clear and concise guide on how to dispose of County surplus materials, including items that have no salvage value (broken, damaged, or items with parts removed) at the Surplus Property Auction. This surplus disposal policy will ensure that County surplus materials have been used to the maximum value beyond their worth, and that their disposal is conducted in an equitable, efficient, and cost effective manner within the guidelines of County Policy.

The Surplus Property Manual has been prepared for the purpose of providing a comprehensive and understandable guide to be utilized in the definition, organization, and operational control of the Maricopa County Surplus Property Management Program. This manual will provide the user with valuable information to develop, implement, and maintain an effective Surplus Property Management Program.

The policy is intended to help County departments manage the disposal of all County surplus property, manage all aspects of the County’s Procurement Code (Article 8) and the Maricopa County Capital Asset Manual, and maximize the return on sale of surplus property while minimizing operational costs.

The Sheriff’s Office Surplus Property Manager (“Sheriff’s Surplus Manager”) will administer and coordinate the disposal of County surplus property on behalf of the County. Each County department will identify a Department Surplus Liaison who will be responsible for coordinating that department’s interaction regarding the Surplus Property Management Program.

All items are to be sold “as-is” with no warranty(ies), express, implied or otherwise.

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1. Financial Reporting

Sheriff's Office Financial Management Bureau will be responsible for all levels of recordkeeping, sale processes, and journal vouchers including the posting of revenues for all County departments.

Quarterly and annual financial reports will be prepared by the Sheriff's Office Financial Management Bureau and will be provided to all County departments.

However, it is the responsibility of the Department Surplus Liaison to process and complete the Fixed Asset Disposition Input Form and submit to the Department of Finance to dispose of the department's capitalized fixed assets in accordance with the Maricopa County Department of Finance Capital Assets Property Manual.

C. DEFINITIONS

To decide the best method to dispose of County surplus materials that have no salvage value, the following definitions should be applied:

Functionally Obsolete: The current estimated value of the surplus material is less than the proceeds that may be received at auction.

Technically Obsolete: Any technical equipment that has been rendered obsolete due to technological advances, and which the current estimated value of the surplus material is less than the proceeds that may be received at auction.

Beyond Economical Repair: The current estimated value to repair surplus materials exceeds the proceeds that may be received at auction.

No Salvage Value: Refers to an item that is functionally or technically obsolete, broken beyond repair, or has been used for parts. When the cost including freight to sell an item or group of items at auction exceeds the proceeds returned. For example, if the cost to transport 20 used chairs is \$50 and the auction proceeds for those chairs is \$25, the chairs would be considered to have "no salvage value."

Salvaged Equipment: For some items it may be considered advantageous by the department to use components of one unit to help reconstruct another, extending the asset life to the County. This process may leave nothing more than an empty shell of absolutely no salvage value.

Modular furniture: A system of modular panels, work surfaces, storage, tool bars, equipment, connectors, etc., that combines to make a modular workspace.

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D. POLICY

It is the policy of Maricopa County to fully exhaust the utility of an asset (to use an asset for spare parts or until it becomes functionally obsolete). The cost to dispose of an asset generally exceeds the proceeds that may be received. Therefore, salvage value of all assets is zero.

E. PROCEDURES

When it has been determined by the user department that an item has served its original purpose and no longer provides value to the original department the item shall be slated for determination of its eligibility for County surplus property disposition.

The decision to designate an item for the County surplus disposition is made by the Department Surplus Liaison where the County surplus material (furniture / equipment) is located.

Should a circumstance present itself where there is no one in the department who is in a position to make a surplus determination, then the final decision will be made by the Sheriff's Surplus Manager.

If the condition of County surplus materials is deemed as having "no salvage value," then at the discretion of the Department Surplus Liaison an item may be disposed of in a County dumpster.

The decision to remove parts from equipment to reconstruct another unit belongs to the Department Surplus Liaison who is involved in the reconstruction process. The Department Manager must be notified and must authorize the disposal of County surplus materials (equipment and/or furniture) that have had parts removed from them and must authorize the disposal of scrap before the scrap is discarded in a County dumpster.

1. Antiquities, Artwork, or Memorabilia

Items perceived to have a potential special value (i.e., antiquities, artwork, or memorabilia) will be handled separately by each Department Surplus Liaison in direct conjunction with their Department Manager.

2 Modular Furniture

All modular furniture designated as surplus by the Department Surplus Liaison shall be transferred to the AIM Warehouse. If any component of the modular furniture system is deemed as having "no salvage value," then at the discretion of the AIM Administrator at Facilities Management (506-1141), an item may be disposed of in a dumpster at the AIM warehouse.

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3. Compliance with Surplus Property Disposal Policy

The Sheriff's Surplus Manager shall maintain the primary responsibility to administer and monitor compliance with this procedure.

4. Record Keeping

In all instances, if County surplus materials have a barcode or County asset tag number, it is necessary to report the status of the item to the appropriate County Asset person prior to the transfer or disposal. It is also the responsibility of the Department Surplus Liaison to keep records of the disposal of all department assets.

5. Overview of Disposal of Surplus Property

The Sheriff's Surplus Manager is responsible for managing the disposition of all County surplus property through the contract established with a vendor and within the County's Finance and Procurement policies.

To dispose of the County's surplus property an outside vendor has been contracted to pickup all items for auction to be held on the first Saturday of every month. A schedule of auction dates, dates and times of pickups, and pickup locations is available to the Department Surplus Liaison. See Appendix A for the due dates of auction forms and for surplus property pickup dates.

5. Department Surplus Liaisons

All County departments will provide a contact name and telephone number of an employee to represent their department as the Department Surplus Liaison. The Sheriff's Surplus Manager will then coordinate the process of disposing surplus property between the department and the vendor.

All County departments are required to utilize and complete the Surplus Property Asset Transfer Form found in Appendix D. A sample of this form, which can be used as reference, can be found in Appendix B.

The Sheriff's Surplus Manager will contact, administer, and coordinate the surplus property disposal between County departments and vendor. A list of all Department Codes to be used in disposing of all assets is listed in Appendix C.

6. Instructions For Surplus Property Asset Transfer Forms

When a Department Surplus Liaison needs to dispose of surplus property, a Surplus Property Asset Transfer Form (Appendix D) must be completed and submitted to the Sheriff's Surplus Manager.

- a. All fields on the Surplus Property Asset Transfer Form must be completed in order to process the disposal.

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- b. A Department Code must be on each Surplus Property Asset Transfer Form in order to dispose the surplus property.
- c. All accounting strings with fund, agency, and org must be completed as per the sample form in Appendix B in order to allocate the proceeds from the sales to each department.
- d. Each lot must be listed on a separate line with a bar code number prefaced with the letter "B". Any items that have a County issued fixed asset number (departmental or fixed asset) must be reported to the appropriate County capital asset person.
- e. A detailed description of each lot must be provided in order to provide the right type of transport vehicle for disposal.
- f. A copy of the Surplus Property Asset Transfer Form must be emailed to the Sheriff's Surplus Manager for arrangement of pickup by the date provided on the schedule in Appendix A. Sheriff's Surplus Manager will coordinate all pickups with the vendor. Any forms received after the scheduled date will be held for the next pickup.
- g. A supply of bar code stickers for disposing of each lot will be assigned to the Department Surplus Liaison. A sticker will need to be placed on each lot. The bar code sticker should be placed in the upper front corner.
- h. The items with the bar code stickers, along with the completed Surplus Property Asset Transfer Form, must be brought to the designated location of pickup. The pickup location must be accessible by a large truck.

NOTE: For Health and Safety reasons, no hazardous items will be picked up for disposal.

7. Pickup of Disposal Surplus Property

There will be one scheduled pickup date for each month's auction. The deadlines to submit items to be auctioned are available from the Sheriff's Surplus Manager.

Transportation arrangements will be set up by the Sheriff's Surplus Manager. Times for pickup at all locations on schedule date will be between 8:30 a.m. and 3:30 p.m. Any requests for item pickup received after that day will be picked up on the next scheduled pick up date.

The Department Surplus Liaison will meet with the driver of the pickup vehicle and check off the lots as they are picked up. The Department Surplus Liaison will document the time on scene and have the driver sign for the picked up items.

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8. Process After Surplus Auction

After the auction, every Department Surplus Liaison who submitted items for auction will be provided with a detailed sales report in a timely manner. The report will include all items received for auction, items sold, sales price, commission and expenses for auction, and all items not sold.

Items not sold will be auctioned a second time. If the items still do not sell, they will be disposed at a cost to the department. The disposal costs are located in the contract.

Sheriff's Office Financial Management Bureau will prepare journal voucher entries to allocate the proceeds of the sales to the departments accounting strings provided from the Surplus Property Asset Transfer Forms.

NOTE: All Departments are strongly encouraged to submit disposition forms of all fixed asset capitalized equipment at the time of disposal and not wait until the year-end validation process.

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APPENDIX A

PICK UP DATES

**E-MAIL LIST OF GOOD
REUSABLE ITEM TO**

**EMAIL
ASSET LIST TO**

Surplus@MCSO.maricopa.gov

Surplus@MCSO.maricopa.gov

NO LATER THAN

October 5, 2005
November 2, 2005
November 29, 2005
January 4, 2006
February 1, 2006
March 1, 2006
March 29, 2006
May 3, 2006
May 31, 2006
June 28, 2006
August 2, 2006

NO LATER THAN

October 12, 2005
November 9, 2005
December 7, 2005
January 11, 2006
February 8, 2006
March 8, 2006
April 5, 2006
May 10, 2006
June 7, 2006
July 5, 2006
August 9, 2006

PICK UP STARTS

October 18, 2005
November 15, 2005
December 13, 2005
January 17, 2006
February 14, 2006
March 14, 2006
April 11, 2006
May 16, 2006
June 13, 2006
July 11, 2006
August 15, 2006

AUCTION DATE

November 5, 2005
December 3, 2005
January 7, 2006
February 4, 2006
March 4, 2006
April 1, 2006
May 6, 2006
July 3, 2006
July 1, 2006
August 5, 2006
September 2, 2006

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APPENDIX C

DEPARTMENT CODES

Agency	Department Code	Department Name
1	MC01	Board of Supervisors - District 1
2	MC02	Board of Supervisors- District 2
3	MC03	Board of Supervisors - District 3
4	MC04	Board of Supervisors- District 4
5	MC05	Board of Supervisors - District 5
6	MC06	Clerk of the Board
11	MC11	Adult Probation
12	MC12	Assessor's Office
14	MC14	County Call Center
15	MC15	Emergency Management Services
16	MC16	Clerk of Superior Court
17	MC17	Community Development
18	MC18	Finance
19	MC19	County Attorney
20	MC20	County Administrative Office
21	MC21	Elections Office
22	MC22	Human Services
23	MC23	Internal Audit
25	MC25	Constables
26	MC26	Correctional Health
27	MC27	Juvenile Probation
29	MC29	Medical Examiner
30	MC30	Parks and Recreation
31	MC31	Human Resources
34	MC34	Public Fiduciary
35	MC35	Total Compensation
36	MC36	Recorders Office
37	MC37	Superintendent of Schools
39	MC39	Health Care Mandates
41	MC41	Chief Information Office
42	MC42	Integrated Criminal Justice Info Systems
43	MC43	Treasurer
44	MC44	Planning and Development
46	MC46	Research and Reporting
47	MC47	General Government
48	MC48	General Government
49	MC49	Office of Management and Budget
50	MC50	Sheriff's Office
52	MC52	Public Defender

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54	MC54	Legal Defender
55	MC55	Office of the Legal Advocate
56	MC56	Office Contract Counsel
60	MC60	Managed Health Care
607	MC607	Managed Health Care
64	MC64	Transportation
65	MC65	Library District
66	MC66	Housing
67	MC67	Solid Waste
68	MC68	Stadium District
69	MC69	Flood Control District
70	MC70	Facilities Management
71	MC71	Office of Communications
73	MC73	Materials Management
74	MC74	Equipment Services
75	MC75	Risk Management
76	MC76	Telecommunications
79	MC79	Animal Control Services
80	MC80	Trial Courts
85	MC85	Air Quality
86	MC86	Public Health
88	MC88	Environmental Services
90	MC90	Maricopa Medical Center

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APPENDIX D

DIGITAL MASTER

Contact Person name: Contact #
 Pick up Location (Be Specific)
 Pick up details, equipment needed, etc.
 Dept Bar
 Code Code(B) Quantity Fund;Agency;Org Asset # Description

*NOTE: You must use the Digital Master in the Excel spreadsheet format.