
DISPOSAL OF SURPLUS PROPERTY

Section 1. PURPOSE

The Bedford Regional Water Authority (“Authority”) has this policy to explain the process for selling property that is no longer needed by the Authority for its operations.

Section 2. POLICY

- A. Surplus property of the Authority is defined as property that is no longer needed by the Authority. This could be property that has been replaced by a newer model or property that has become obsolete in the operations of the Authority.
- B. The Authority will dispose of all surplus property depending on the value of the property being disposed of.
 - 1. If the property is valued at five hundred dollars (\$500) or more, then the property shall be disposed of in accordance with Section 3 of this policy.
 - 2. If the property is valued at less than five hundred dollars (\$500), then the property shall be disposed of in accordance with Section 4 of this policy.
 - 3. Property that is unusable and determined to have no commercial value may be destroyed or disposed of after authorized by the Executive Director.

Section 3. SIGNIFICANT VALUED PROPERTY

- A. Surplus property that has a value of \$500 or more for each item must be disposed of by one (1) of the following methods:
 - 1. Advertisement on GovDeals website for auction.
 - 2. Advertisement in local paper for sealed bids.
 - 3. Negotiated sale: when property has not been sold after a sealed bid and it also hasn't been sold after being placed in a GovDeals auction, it may be sold to any solicitor who has shown an interest in the property. Every effort should be made to collect as high a price as possible for the item being disposed of.
 - 4. Contracted sale: a contract can be established for the sale of surplus items generated on a continuing basis, such as scrap metal or old meters.
 - a. Such contracts must be advertised in a local paper of general circulation to allow for all interested parties to submit a bid for the contract proposal.
 - 5. Trade in: when purchasing a new item and the vendor will take the item being replaced as a trade-in, the trade must be fully described with model and serial number on the invoice with the trade-in value listed as an offset to the purchase price of the new item.
- B. Employees and their immediate family are prohibited from submitting a sealed bid on any surplus property with a value of \$500 or more due to provisions of the Conflict of Interest Act 2.1-639.9. They may, however, participate in bidding for any item that is auctioned by GovDeals website, as long as they are not on duty when placing the bid.

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Section 4. SMALL VALUED PROPERTY

- A. Surplus property that has a value of less than \$500 should be disposed of by one (1) of the following methods:
1. Sealed bids from employees: an invitation to bid would be issued by the Executive Director that would state the terms and conditions of the sale, the location of the equipment, and the due date to receive bids.
 - a. Employees who are interested would be allowed to examine the surplus property during lunch or at break.
 - b. An employee must submit a sealed bid. Bids received will be date stamped, unopened, and secured until they are opened on the date established.
 - c. The Executive Director will publicly open the bids and witnessed by another Director of the Authority..
 - d. A list of the successful bidders will be posted and will show the name of the person receiving the bid and the amount of the bid. All bids received will be kept for three (3) years as required by the Record Retention Rules.
 2. Auction: Advertisement on GovDeals website for auction.
 3. Website Sale: the property may be sold on websites such as Craigslist or Facebook, provided that the price that is listed for the item is comparable to the fair market value, and that the Executive Director and Financial Manager approve of the posting before the sale is made.
 4. Negotiated sale: when property has not been sold after a sealed bid and it also hasn't been sold after being placed in a GovDeals auction, or a website sale it may be sold to any solicitor who has shown an interest in the property. Every effort should be made to collect as high a price as possible for the item being disposed of.
 5. Trade in: when purchasing a new item and the vendor will take the item being replaced as a trade-in, the trade must be fully described with model and serial number on the invoice with the trade-in value listed as an offset to the purchase price of the new item.
 6. Donation: these small valued properties may be donated to a non-profit organization under the following circumstances:
 - a. Donations can be made to Virginia organizations granted tax-exempt status. Preferences will be made to those charitable organizations located in Bedford County.
 - b. Bedford County, Fire Departments and Rescue Squads in Bedford County, and the Town of Bedford qualify to receive these donations.
- B. Items valued less than \$500 may be exempt from the Conflicts of Interest Act (2.1-639.9 (A) (6). To be eligible for exemption, the following must be documented:
1. That the surplus is valued at less than \$500.
 2. That the Authority has no further use for the item.
 3. That the surplus is not suitable for sale when the cost of the sale will exceed the potential revenue to be derived or the surplus material is not suitable for sale.

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Section 5. REVISIONS

- A. This policy was approved and adopted by the Authority's Board of Directors on June 19, 2018, effective July 1, 2018.

- B. This policy was modified as follows:
 - 1. Approved August 16, 2016, effective September 1, 2016:
 - a. Section 4.A was modified to allow for trade-ins and to allow for website sales, as well as clarification to the donated recipients.
 - 2. Approved June 16, 2020, effective June 17, 2020:
 - a. Section 4.A. was modified to allow for negotiated sales after an item has not been sold after a sealed bid, or after being advertised on GovDeals or another website sale.
 - b. Section 4.A. C was modified to reflect the additional position to witness the opening of bids.