



City of Lloydminster

Policy

Policy Title:	Asset Disposal Policy	Policy Number:	134-14
Date of Adoption:		Motion Number:	
Date of Amendment:		Motion Number:	

1. Purpose:

- 1.1. To enable Members of Council and Administration to dispose of City Assets in an open, equitable, and transparent manner.
- 1.2. To provide guidance in determining the best manner to dispose of Assets.

2. Definitions:

'As Is – Where Is'	A condition of a sale where an Asset is being sold in its existing state and condition and the buyer accepts it with all its faults and defects, whether immediately apparent. No warranties are expressed or implied by the seller.
Administration	An employee, contract employee, or volunteer of the City of Lloydminster.
Asset	Property owned by the City, regardless of cost or use (i.e., from small operational goods/supplies to large capital assets). Inclusive of items in their entirety, or individual components thereof (i.e., salvage).
Conflict of Interest	When an individual or business interest (family, friendships, financial, social) could compromise the judgment, decisions or actions of a person or business.
Controlled Asset	An asset that has legal or regulatory restrictions regarding its possession and use.
Disposal	The process of getting rid of something, either through sale, Donation, or landfill.
Donation	A voluntary transfer of cash, cash equivalents, services, or goods for the benefit of the recipient.
Electronic Bid	An electronically submitted response to an invitation to bid.
Licensed Auctioneer	A reputable auctioneer, who is registered and in good standing with relevant regulatory bodies, who performs public sales in which goods or

	property are sold to the highest bidder (in person or online).
Member of Council	An individual elected pursuant to <i>The Local Government Election Act</i> (Saskatchewan) as a Member of Council.
Public Bid	A formal, public, and competitive procedure during which offers to purchase Assets are requested, received, and evaluated.
Real Property	Fixed property, principally land and permanent structures, such as buildings.
Resale Value	The value that can be reasonably expected to be recovered when an Asset is resold.
Reserve Bid	The minimum amount that a seller will accept as the winning bid.
Sealed Bid	A document enclosed in a sealed envelope and submitted in response to an invitation to bid.
Tangible Capital Asset	Non-Financial Assets with physical substance that: <ul style="list-style-type: none"> i. are held for use in the production or supply of goods and services, rental to others, administrative purposes, or for the development, construction, maintenance or repair of other tangible capital Assets; ii. has a Useful Life of more than five years; iii. will be used on a continuing basis; and iv. are not for sale in the ordinary course of operations.

3. Scope

- 3.1. This Policy applies to all Assets controlled by the City, except for:
 - 3.1.1. cultural artifacts;
 - 3.1.2. inventory for sale;
 - 3.1.3. Real Property;
 - 3.1.4. Controlled Assets.
- 3.2. This Policy applies to all City departments.

4. Responsibilities

- 4.1. Council is responsible for approving this Policy and any amendments.
- 4.2. The City Manager is responsible for implementing this Policy and approving related procedures.
- 4.3. Finance is responsible for making all necessary accounting adjustments related to Asset Disposals.

- 4.4. Department managers are responsible for:
 - 4.1.1. identifying Assets to be disposed of; and
 - 4.1.2. providing Finance with the financial details of all sales; and
 - 4.1.3. providing notice to remove the Asset from the Tangible Capital Asset register; and
 - 4.1.4. providing notice to remove the Asset from the City's insurance policy, and
 - 4.1.5. preparing comprehensive plans for the disposal of Real Property.
- 4.5. Employees are responsible for notifying their supervisor of any Assets or goods that could be considered for Disposal.

5. Methods of Disposal

- 5.1. When it is possible and reasonable to do so, an Asset will be re-assigned to another City department, should a reasonable need be identified, before proceeding to a Disposal method.
- 5.2. The Finance department must be notified of any re-assignments of Assets.
- 5.3. Any Asset that has been determined to have a resale value and cannot be transferred shall adhere to one of the following methods of Disposal:
 - 5.3.1. offered for sale at fair market value, or;
 - 5.3.2. exchanged in a trade-in for a new Asset or credit, or;
 - 5.3.3. donated to a local non-profit organization, subject to section 6.
- 5.4. Private sales may be authorized on a case-by-case basis with approval of the City Manager or delegate, if the following conditions are met:
 - 5.4.1. the Asset does not have wide public appeal;
 - 5.4.2. a timely sale is advantageous; and
 - 5.4.3. a private sale will result in a higher sale price.
- 5.5. Any Asset that has been determined to have no resale value and cannot be transferred shall adhere to the following methods of Disposal:
 - 5.5.1. donated to a local non-profit organization; or
 - 5.5.2. disposed of at a landfill.

6. Non-Profit Organizations

- 6.1. If a prior need is identified, the Asset will be offered for sale at fair market value to a non-profit organization.
- 6.2. An Asset may be donated to a non-profit organization with the following approvals:

- 6.2.1. Resale Value less than \$2,500 – City Manager or delegate approval;
- 6.2.2. Resale Value greater than \$2,500 – Council approval.

7. Public Auctions

- 7.1. The following criteria must be met to dispose of an Asset in a Public Auction:
 - 7.1.1. reasonable efforts are made to advertise the sale through a variety of means (City website, social media accounts, public notices, etc.); and
 - 7.1.2. the Auction is held by a Licensed Auctioneer; and
 - 7.1.3. the public can participate in the auction; and
 - 7.1.4. the Asset is sold with a 'As Is – Where Is' condition, with no warranties or guarantees expressed or implied.

8. Public Bid

- 8.1. The following criteria must be met to dispose of an Asset in a Public Bid:
 - 8.1.1. reasonable efforts are made to advertise the sale through a variety of means (City website, social media accounts, public notices, etc.); and
 - 8.1.2. bids are taken using either the Sealed Bid or Electronic Bid method; and
 - 8.1.3. the Asset is sold with a 'As Is – Where Is' condition, with no warranties or guarantees expressed or implied.

9. Minimum Bid Price

- 9.1. For Assets individually valued by the City to have a Resale Value over \$10,000, there must be a reserve bid price equal to 50% of the Resale Value of the Asset, regardless of the method of sale.
- 9.2. Resale Value shall be determined as follows:
 - 9.2.1. Resale Value less than \$20,000 – informal or formal valuation methods as determined by the department manager.
 - 9.2.2. Resale Value greater than \$20,000 – formal valuation methods, such as an external appraisal.
- 9.3. If the reserve bid price is not received, the item shall be disposed of at the discretion of the City Manager or delegate as follows:
 - 9.3.1. sold to the highest bid received; or
 - 9.3.2. donated to a local non-profit organization; or

9.3.3. disposed of in a landfill or recycling system.

10. Disposal at a Landfill

10.1. Any Asset that has been determined to be of no value or unsafe must be disposed of at a landfill with no attempts to sell for proceeds or donate.

10.2. Any Assets disposed of at a landfill shall:

10.2.1. be taken apart or disabled to discourage scavenging; and

10.2.2. be disposed of in accordance with the governing environmental requirements or best practices.

11. Tangible Capital Assets

11.1. Department managers are responsible for determining whether the Asset being disposed of is a Tangible Capital Asset.

11.2. Assets that are Tangible Capital Assets must adhere to the "*Tangible Capital Asset Policy*".

12. Disposal of Technology

12.1. If disposing of technology that holds data, the hard drive of the device needs to be wiped by the Information Technology department before it is disposed.

12.2. If it is not possible to wipe all data, the device and/or its hard drive must be destroyed.

13. Conflict of Interest

13.1. Sale of an Asset to a City employee is permitted provided that the employee has participated in the public auction or public bid outside of working hours.

14. Penalty

14.1. Any member of Administration found to be in violation of this policy may be subjected to a disciplinary action. Such action may be dependent upon the nature of the breach of this policy; discipline may range from a written warning to dismissal with cause.

14.2. Any Member of Council found to be in violation of this policy may be dealt with utilizing the "*Code of Conduct Bylaw*" or provisions of "*The Lloydminster Charter*."