

AGENDA ITEM 1 F
Consent Item

MEMORANDUM

DATE: August 3, 2023
TO: El Dorado County Transit Authority
FROM: Scott A. Ousley, Operations Manager
SUBJECT: Surplus Property Resolution, policy adoption, and designation of surplus property

REQUESTED ACTION:
BY MOTION,

1. **Adopt Resolution No. 23-21 approving Board Policy G-5 for Surplus Property and Disposition**
2. **Approve designation of surplus property per itemized inventory list**

BACKGROUND

The El Dorado County Transit Authority (El Dorado Transit) was established as a Joint Powers Agency (JPA) between the County of El Dorado and the City of Placerville on January 1, 1994. The newly established JPA adopted a purchasing policy based on the County of El Dorado purchasing procedures. The El Dorado Transit Board periodically adopts revisions to that initial document. Purchasing Procedures Section 3.12.150 titled Surplus Property Sale has not been updated since the last adopted revisions on August 6, 1998.

DISCUSSION

El Dorado Transit staff recommends adoption of Resolution No. 23-21 approving the attached draft Board Policy G-5 for Surplus Property and Disposition.

The purpose of the Surplus Property and Disposition policy is to establish uniform guidelines for the disposal or transfer of surplus, or obsolete equipment and supplies. This policy shall apply to all tangible property, including rolling stock and technology equipment. This policy excludes the transfer, sale or other disposal of real property.

The Interim Executive Director has determined that El Dorado Transit owns personal property that is no longer required for public use, has a zero value on the fixed asset account and/or not entered into the Depreciation Schedule.

The list of proposed surplus property is included as an attachment.

El Dorado County Transit Authority
August 3, 2023

EL DORADO COUNTY TRANSIT AUTHORITY
ITEMIZED SURPLUS PROPERTY INVENTORY
August 3, 2023

<u>Quantity</u>	<u>Description</u>
Multiple	Miscellaneous Kodiak Parts
1	APC Back up UPS 600 S/N: 4B1315P36877
1	Bluetooth headset replacement battery
1	HP LaserJet P2035 Printer
1	Glory Change Counter CCS-60
1	Chevy 8.1 Engine
1	Allison/World Transmission C5S00
1	Dell Latitude 5500 Service Tag: CHM40R2
1	Dell PowerEdge R320 Server Service Tag: 11YV382
1	Mitel HX Controller
1	Multi-Tech Fax Server
2	Sonicwall Power over Ethernet (PoE) Injector
2	Chevy 8.1 Cycle Heads
2	MiVoice Conference Phones UC360
4	5320e IP Phone
6	Honeywell Motorola Batteries
6	Motorola Lithium Batteries
6	Bluebird Wheels and Tires 275/70R 22.5
6	Kodiak Wheels and Tires 245/70R 19.5
19	5330e IP Phone
20	DECT Cordless Headset & Module Bundle
1	Kodiak Differential

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 23-20**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EL DORADO COUNTY TRANSIT AUTHORITY
ADOPTING BOARD POLICY G-5 FOR SURPLUS PROPERTY AND DISPOSITION**

WHEREAS, El Dorado County Transit Authority (“El Dorado Transit”) was established as a Joint Powers Agency (JPA) between the County of El Dorado and the City of Placerville on January 1, 1994; and

WHEREAS, The newly established JPA adopted a purchasing policy based on the County of El Dorado purchasing procedures; and

WHEREAS, The El Dorado Transit Board periodically adopts revisions to that initial document; and

WHEREAS, The purchasing procedures Section 3.12.150 titled Surplus Property Sale has not been updated since the last adopted revision on August 6, 1998; and

WHEREAS, the proposed Policy has been updated to establish uniform guidelines for the disposal or transfer of surplus, or obsolete equipment and supplies; and

WHEREAS, the proposed Policy shall apply to all tangible property, including rolling stock and technology equipment; and

WHEREAS, the proposed Policy includes guidelines for the Disposition of Federal Transit Administration (FTA) funded equipment and supplies

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE EL DORADO COUNTY TRANSIT AUTHORITY: The Board adopts the attached revised Personnel Policies and Procedures Manual of the El Dorado County Transit Authority.

PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY at a regular meeting of the Board held on the 3rd day of August 2023, by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jackie Neau, Chairperson

ATTEST:

Megan Wilcher, Secretary to the Board

EL DORADO COUNTY TRANSIT AUTHORITY

Subject	Policy Number	Date Adopted
Surplus Property and Disposition	G-5	TBD

SURPLUS PROPERTY AND DISPOSITION

1. Purpose

The purpose of the Surplus Property and Disposition policy is to establish uniform guidelines for the disposal or transfer of surplus, or obsolete equipment and supplies. This policy shall apply to all tangible property, including rolling stock and technology equipment. This policy excludes the transfer, sale or other disposal of real property.

2. Surplus Property

The term “surplus property” shall mean any property other than real property that is no longer needed or usable by the El Dorado County Transit Authority (Transit).

3. Definitions

“**Equipment**” shall mean all tangible property of Transit that has a useful life of more than one (1) year and an acquisition cost of \$1,000 or more per unit. This definition includes rolling stock and other tangible (movable) property used in the provision of public transit service.

“**Supplies**” shall mean all tangible property of Transit other than equipment having a useful life of less than one (1) year and an acquisition cost under \$1,000.

“**Surplus or obsolete equipment**” means tangible property which Transit determines is no longer required for its needs or for the fulfillment of its responsibilities.

“**Fair Market Value**” means the most probable price which equipment or supplies should bring in a competitive and open market.

“**Net proceeds from the sale of surplus or excess property**” means the amount realized from the sale of property no longer needed for transit purposes less the expenses of any actual and reasonable selling fixing-up expenses.

“**Service Life or Useful Life**” of rolling stock begins on the date the vehicle is placed in revenue service and continues until it is removed from service.

“**Straight Line Depreciation**” means the method by which the value of Transit equipment is depreciated (reduced) over its service or useful life as a percentage of its cost.

4. Policy

4.1 Disposition of FTA Funded Tangible Property

A. Rolling Stock

With respect to rolling stock originally funded by Federal Transit Administration (FTA) funds, any disposition before the end of its service life requires prior FTA approval. In addition, if rolling stock is removed from service and disposed of before the end of its useful life, the return to FTA is the greater of the FTA share of the unamortized value of the remaining service life per unit, based on straight line depreciation of the original acquisition cost, or the Federal share of the sales price (even though the unamortized value is \$5,000 or less).

In order to maintain proper inventory valuation and management practices, when the last bus in a fleet is sold, or when otherwise warranted, an analysis of related bus parts in inventory needs to be completed by the maintenance department. Bus parts that are specific to the disposed fleet, which cannot be used by another fleet, must be disposed. This will keep the parts inventory accurate, and immune to “obsolete inventory” audit findings.

B. Equipment and Supplies over \$5,000 Value

After the service life of equipment is reached, equipment with a current market value exceeding \$5,000 per unit, or unused supplies with a total aggregate fair market value of more than \$5,000, may be retained or sold, with reimbursement to FTA of an amount calculated by multiplying the total aggregate fair market value at the time of disposition, or the net sale proceeds, by the percentage of FTA’s participation in the original acquisition.

C. Equipment and Supplies less than \$5,000 Value

Equipment with a unit market value of \$5,000 or less, or supplies with a total aggregate market value of \$5,000 or less, may be retained, sold or otherwise disposed of with no obligation to reimburse FTA, providing the useful service life requirements have been met. Records of this action must be retained.

4.2 Methods of Disposition of Tangible Property

Approved methods for the disposition of surplus or obsolete tangible property shall include: (1) trade-in as part of a new procurement; (2) transfer or sale to other public agencies within the United States; (3) transfer to non-profit agencies or organizations within the United States consistent with established legal parameters; (4) sale by auction open to the public; (5) solicitation of sealed bids or negotiated sale; whichever maximizes the disposal value to Transit; or (6) disposal through scrapping.

5. Prohibited Sales

Except in the case where surplus or obsolete Transit property is sold at public auction conducted by an independent third party auctioneer, members of the Board of Directors and/or employees of Transit, or persons acting as agents of the foregoing, shall not be permitted to purchase at the sale.

6. Authority

6.1 Board Authority – Disposition Authorization

The Board of Directors may authorize the disposal of any surplus or obsolete tangible equipment or supplies having an original acquisition cost exceeding \$100,000. The Staff Report to the Board recommending disposition shall include acquisition cost, source of funding, funding agency and reimbursement to the funding agency, if required.

6.2 Executive Director’s Authority – Disposition Authorization

The Executive Director may authorize the disposal of any surplus or obsolete tangible equipment or supplies having an original acquisition cost not exceeding \$100,000, providing the useful life of said equipment or supplies have been met. The Executive Director is authorized to sell or dispose of surplus or obsolete tangible equipment or supplies, when it is judged to be in the best interest of the organization that the property concerned is an estimated market value of up to \$25,000 per unit.

7. Effective Date

This Policy shall be effective upon its adoption and shall supersede all prior policies, amendments, letters of intent, or positions of El Dorado Transit on this subject.

8. Board Resolutions

Resolution Number
23-21

Date Board Approved
Proposed August 3, 2023