



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Resolution Establishing a Surplus Property Policy

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Resolution Establishing a Surplus Property Policy

Reference Number: MTAS-786

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF ANYTOWN, TENNESSEE, TO ESTABLISH A POLICY FOR THE SALE AND DISPOSAL OF PROPERTY DETERMINED TO BE SURPLUS TO THE CITY'S NEEDS.

WHEREAS, it is in the public interest for the City of Anytown to periodically sell or dispose of certain machinery, equipment, or materials which, by nature of its obsolescence, low value, or disrepair, has been determined by the [Governing Body] to be surplus to the realistic and foreseeable needs of the City; and

WHEREAS, the Governing Body] wishes to establish a uniform policy, which provides that obsolete and unneeded property will be offered for sale to the general public in an open, transparent, and cost-effective manner, and assures against usable and valuable property from wrongfully being declared obsolete and offered for sale.

NOW, THEREFORE, BE IT RESOLVED BY THE ANYTOWN [GOVERNING BODY], AS FOLLOWS:

1. **Title.** This Resolution shall be known as the "Anytown Surplus Property Policy" and shall be the official guideline for the sale of the City's surplus properties.
2. **Authority to declare property as surplus to the City's needs.** Any member of the [Governing Body], the city manager, any department head, the City's property manager, or the City's purchasing manager may nominate any City-owned property for disposal or sale as surplus property. All such nominations shall be made on forms developed by the City and signed by the person making the nomination. Signed nominations shall be forwarded to the [Governing Body] for the final decision authorizing the sale. It shall be the official policy of the City of Anytown that no city-owned property shall be sold, or offered for sale, as surplus property without prior authorization by the [Governing Body]. The Board's authorization to sell surplus property shall be in the form of a Resolution.
3. **Unauthorized sales.** Any employee of the City of Anytown found to have sold, or offered for sale, any City-owned property in violation of the Anytown Surplus Property Policy shall be subject to disciplinary action and, if applicable, criminal prosecution.
4. **Surplus property nomination form.** The City Recorder shall develop a form which shall be used by city officials to nominate surplus property for sale. As a minimum, such form shall contain the following information:
 - (a) A brief description of the item proposed for sale, including manufacturer, model number, serial number, age, and condition; as well as any asset number assigned to the item in the City's Capital Asset listing;
 - (b) The department or office to which the property is assigned;
 - (c) An explanation of why the property is no longer needed by the City;
 - (d) An estimate of the current in-place value of the property; and
 - (e) The name and signature of the person making the nomination.
5. **Surplus property criteria.** All signed surplus property nomination forms shall be promptly forwarded by the City Recorder to the [Governing Body]. Before classifying any property as being surplus, the [Governing Body] shall consider the following:
 - (a) The age and condition of the property;
 - (b) The cost of replacing the property, if any;
 - (c) The anticipated remaining life of the property;
 - (d) The estimated value of the property;
 - (e) Whether the property might reasonably, safely, and efficiently be used by another City department or office.

6. **Sales procedures.** Unless otherwise directed by the [Governing Body], all surplus property approved for sale shall be sold according to the following procedure:

(a) The City Manager shall be wholly and solely responsible for advertising and conducting all surplus property sales.

(b) The preferred method of sale shall be a public auction, on a cash, certified check, or if applicable, debit or credit card basis. A public auction may include the use of a nationally recognized government surplus website, such as GovDeals.com or PublicSurplus.com. Sales on such websites shall include a buyer's premium so that the buyer bears the cost for using the website service. When a public auction is not practical or efficient, the Board may direct the sale to take place by means of sealed bids. The opening of all sealed bids shall take place in a meeting open to all bidders and the general public.

(c) It shall be the City's policy that sales of surplus property shall be awarded to the highest bidder.

(d) All surplus property auctions shall be advertised at least 30 days in advance in a newspaper of local circulation (or on the appropriate website, as noted above). Additionally, the City Manager is encouraged to advertise surplus property sales on the City's website, and with posters or notices placed in public facilities throughout the City.

(e) Prior to the sale, all City logos or other symbols are to be removed or destroyed from the items to be sold.

7. **Sale of dangerous property.** It shall be the policy of Anytown to avoid the sale of surplus property that might reasonably be dangerous or hazardous to the ultimate purchaser. Dangerous or hazardous items shall include, but are not limited to, the following:

(a) Surplus firearms and other weapons. Such items may only be offered for sale to a public law enforcement agency;

(b) Explosives;

(c) Volatile or highly toxic chemicals; and

(d) Equipment and materials that cannot be operated or used safely due to obsolescence, product defect, lack of maintenance, etc.

8. **Prohibited sales.** No member of the Anytown [Governing Body] shall purchase, attempt to purchase, or otherwise take possession of any item of surplus property offered for sale by the City of Anytown. Any employee of the Town of Anytown who purchases, attempts to purchase, or otherwise takes possession of any item offered surplus property offered for sale by the City of Anytown shall be subject to disciplinary action up to and including termination of employment.

9. **Distribution.** The City Manager is hereby directed to distribute a copy of this resolution to every employee of the City of Anytown and in each copy of the City's employee handbook issued after the effective date of this Resolution.

10. **Effective date.** This Resolution shall be in full force and effect from and after its date of adoption by the Anytown Board of Mayor and Aldermen.

PASSED AND APPROVED THIS ____ DAY OF _____, 20__ BY A ROLL CALL VOTE OF THE ANYTOWN [GOVERNING BODY].

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