

Disposal of Council assets (other than land and buildings)

Policy, procedure, protocol	Policy
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Author	
Section / Department	Organisation Performance & Governance
Linkage to Our Community Plan	5 Leadership
Objective	5.1 We will have a strong, accountable and representative Government
Strategy	5.1.4 Ensure transparent and accountable decision making for our community

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1. Purpose

- To provide an accountable and transparent process for the disposal of surplus assets and materials.
- To ensure that such disposal is in accordance with the requirements of the Local Government Act (1993) and in the interests of good governance and complies with Council's Code of Conduct, particularly with respect to conflict of interest.
- To clearly define a framework, responsibilities and guidelines for Council Officers to manage the disposal of surplus assets and materials.

This Policy does not apply to disposal of land (including attached buildings), as there is a separate Disposal of Land Policy, or the disposal of motor vehicles.

2. Definitions

In this Policy:

"Asset" means any asset item recorded in Council's Asset Register, excepting land (and attached buildings) and motor vehicles.

"Beyond economical repair" means a classification given to an asset where that asset requires repairs likely to be more expensive than its replacement value.

"Motor vehicle" means any registered vehicle, including a passenger sedan or station wagon, motor cycle or commercial motor vehicle including vans, utilities, buses, trucks, tractors, road making plant including graders, rollers, excavators as well as large items of plant where the preferred method of disposal is via a trade in.

3. Exclusion

In this policy "asset" does not include real property (i.e. land and buildings) or a motor vehicle.

4. Policy Statement

4.1 Disposal of Plant, Equipment and Goods

The General Manager has delegated authority to approve the sale of items of plant, equipment and goods.

At all times, surplus assets or materials should be disposed of in a way that maximises returns whilst ensuring open and effective competition.

Prior to disposal, a reasonable effort is to be made to ensure Council has no need for the asset. Items of historical or cultural significance should be given special regard and any dangerous goods disposed of only in an authorised manner.

No warranty is to be offered on assets sold.

4.2 Sale of major assets

Where assets of significant value (being more than \$150,000) are to be sold, the sale is to be by public auction or tender.

4.3 Assets with a value over \$1,000

Council will dispose of plant, equipment and goods with an apparent value of \$1,000.00 or more by auction or by invitation of tenders or quotations with the responsible Manager recommending the most appropriate method of disposal. Calling for tenders or quotations will be in accordance with Council's Protocol for Quotations and Tenders. The General Manager or the Directors must

authorise the sale of the item or plant, equipment or goods with an individual value or total value of \$10,000 or more. Disposal of items with a value of up to \$10,000 can be authorised by a relevant Manager.

In determining the most appropriate method of disposal, the Manager must evaluate the best value for money return on the item being disposed. The Officer will take into consideration the costs that Council will incur in the disposal compared to the anticipated return from the sale.

The responsible Manager must advise the Finance Section (Assets) and/or Asset Section of the item being disposed to enable the Technical and Financial Asset Register to be managed effectively.

The Council Officer responsible for disposing of the item of plant, equipment or goods must, on disposal, except in the case of sale by public auction, obtain a signed disclaimer from the purchaser, indemnifying Council against any potential liability arising from any future use of the plant, equipment or goods. A template of such a disclaimer is attached.

4.4 Assets with a value under \$1,000

Low Value Assets and Scrap Materials

Can include:

Consumable materials -	sand, gravel, chemicals, paint, turf, hardware items, pavers;
Off-cut materials -	pipe, cables, timber, plumbing fittings;
Recyclable metals -	scrap metals, steel posts, brass, street signs, office furniture;
Technology -	IT equipment, mobile phones, cameras, calculators, computers, printers, etc.
Plant and equipment -	obsolete and unserviceable items such as old trailers, lawn and ride-on mowers, other parks and gardens powered tools, cement mixers, etc.
Office furniture -	surplus and obsolete office chairs, desks, tables, etc.

Low value assets and scrap materials have been identified as potential targets for misappropriation of assets. Council Officers should monitor the quantities and disposal of low value assets and scrap materials to ensure that no inappropriate activities are being conducted by employees and no conflict of interests are occurring.

The method of disposal of low value assets with an apparent value under \$1,000 shall be at the discretion of the relevant Manager.

Managers are to ensure that they determine the most appropriate method of disposing of these assets, managing potential risks of corruption and that the process is documented. Disposal methods may include:-

- (a) Auction - In the case of arranging a public auction, every effort should be made to make all Sections of Council aware of the auction so that disposal of all surplus assets can be accumulated and coordinated in the one event.
- (b) recycling – assets of no or little value or have failed to sell and for which there is no other means of disposal – as a last resort these items may be disposed of at Council’s landfill, preferably by recycling.

(c) donation to a registered charity or community organisation located within the Council area.

Goods, materials and plant that have been purchased and not used on a project are to be returned by employees to the relevant depot or left on vehicles to be used on the next project.

Such items should not be taken from the depot or work-site by employees for their private use.

Where Council has established storage facilities for scrap materials, employees are to ensure that surplus goods and materials are placed in the storage facilities upon return to the depot and not left for potential misuse.

5 Preparing Assets for Sale

A check must be carried out to ensure assets do not contain:

- Additional items not intended for sale;
- Confidential documents (records, files, papers);
- Documents on Council letterhead or which may be used for fraudulent purposes;
- Software (which could lead to a breach of licence or contain confidential data);
- Hazardous materials;
- As much as is practical, any “Clarence Valley Council” or former Council identifying mark should be removed or obliterated. Those assets which have been identified by an Asset ID Tag should have this Tag removed and forwarded to the Asset Accountant. Spare parts held for a particular item should where possible be disposed of in one parcel with the asset.

Consideration should also be given as to whether or not a reserve price should be determined for an item/s.

6 Disposal Process

- i) The Manager of the relevant area identifies assets that are no longer required by Council and are suitable for disposal.
- ii) The Manager of the relevant area arranges disposal of the assets in a manner prescribed by this Policy,
- iii) If no-one offers to purchase the asset and the asset is of no or little value, the asset will be disposed of by dumping in the manner described above. If no-one offers to purchase the asset and the asset is of significant value the relevant Manager will determine how to best dispose of the asset in order to maximise the return to Council whilst ensuring open and effective competition. For accountability and audit reasons, the basis of the decision must be documented on the attached “Disposal of Minor Assets Form”.
- iv) Complete the attached “Disposal of Minor Asset Form”.
- v) Once completed, the “Disposal of Minor Assets Form” should be forwarded to Finance for completion and updating of the Assets Register. When completed by Finance the form should be registered in Data Works.

7 Conflict of Interest

The officer responsible for the disposal of any Council asset and the relevant Director or Manager must ensure that no conflict of interest occurs in or as a result of the asset disposal process.

8 Sale to staff/Councillors

As a general principle, sale of assets to staff is **NOT** to occur outside of a public process.

9 Attachments

- Disposal of Minor Assets Form & Receipt by Purchaser
- Receipt by Purchaser

Clarence Valley Council**Sale of Council Asset****RECEIPT BY PURCHASER**

Description of Asset

.....

Sale Price \$.....

I

of

acknowledge receipt of the asset which I have purchased from Clarence Valley Council.

I further acknowledge that Council has provided no warranty as to the condition or suitability of the Asset and I agree that Council will not be liable for any loss or damage (including consequential loss or damage) however caused (whether by negligence or otherwise) in respect of any use of the Asset either by myself or any other person.

Dated

Signed by the Purchaser