

BY-LAW NO. 2013-21

BEING A BY-LAW TO ADOPT A POLICY TO GOVERN THE DISPOSAL OF MUNICIPAL ASSETS

WHEREAS under Section 8.(1) of the Municipal Act, 2001, S.O., 2001, c.25, as amended, the powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

AND WHEREAS the Council of the Corporation of the Township of Nairn and Hyman deems it desirable to have a policy to govern the disposal of materials and equipment that are obsolete or surplus to the needs of the Municipality.

NOW THEREFORE the Council of the Corporation of the Township of Nairn and Hyman hereby enacts as follows:

1. That the Corporation of the Township of Nairn and Hyman hereby adopts the Municipal Disposal of Assets Policy attached hereto as Schedule "A" to and forming part of this By-law.
2. That this By-law shall come into force and take effect upon final passing thereof.

Read a first and second time this 6th day of May, 2013.

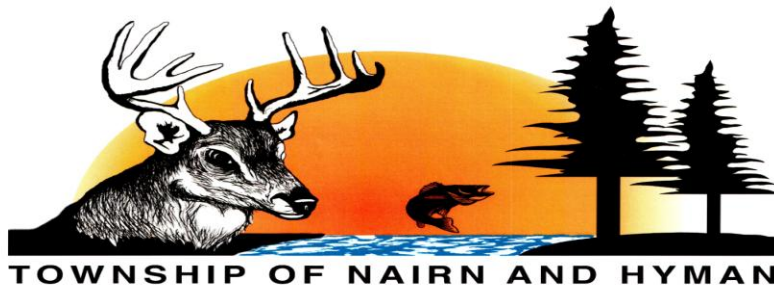
Read a third time and passed in open Council this 6th day of May, 2013.

(Original signature on file)

Mayor

(Original signature on file)

Clerk



Schedule "A" to By-law number 2013-21
Municipal Disposal of Assets Policy

1.0 PURPOSE

To provide an orderly and transparent policy for the disposal of Municipal Assets.

2.0 DEFINITIONS

"Appraisal" means a written estimate of current market value.

"Chief Administrative Officer" means the Municipal employee with that title or person acting in that capacity as designated by By-law.

"Clerk" means the appointed Municipal Clerk.

"Council" means the Council of the Municipal Corporation of the Township of Nairn and Hyman.

"Disposal" means the sale, exchange for other lands, or the lease for a term of 21 years or longer of any portion of the Municipality's surplus real property but does not include the granting of an easement or a right-of-way.

"Goods and Materials" means such items as furniture, lights, computers, filing cabinets, etc. that is required to carry on the work activity of a department.

"Market Value" means the amount that the real property might be expected to realize if sold in the open market by a willing seller to a willing buyer.

"Non-Viable Real Property" means surplus real property for which a building permit cannot be granted because either it is landlocked or because it is of insufficient size and shape to permit development unless developed in conjunction with abutting land.

"Obsolete" means material, goods and equipment no longer usable in the service for which they were purchased and cannot be used safely or economically for any other purpose.

"Real Property" means land and buildings inclusive of roads and road allowances which are owned by the Corporation of the Township of Nairn and Hyman.

"Request for Quotation" means a bid solicitation where written quotes are received from suppliers without formal advertising or receipt of sealed bids.

"Request for Tender" means a bid solicitation based on relevant specifications, terms and conditions where the recommendation to award the contract is intended to be the lowest responsive bidder.

"Surplus" means goods and materials, vehicles and equipment or real property that is no longer required by the user of a department.

“Surplus Real Property” means property which the Municipality does not require ownership of to meet its current or future program or operational requirements.

“Treasurer” means the Municipality’s employee with that title or acting in that capacity.

“Viable Real Property” means all property that has a market value greater than nominal.

3.0 BACKGROUND AND POLICY OBJECTIVES

Any Tangible Capital Asset recorded on the balance sheet of the Corporation of the Township of Nairn and Hyman that is being disposed of or being declared surplus must be reported to the Treasurer so that the Corporate financial records can be adjusted with regard to its Tangible Assets.

4.0 DISPOSAL OF SURPLUS GOODS AND MATERIALS

4.1 Minimize Inventory

Surplus and obsolete material inventory should be kept to a minimum to ensure the efficient use of limited storage space.

4.2 Declaration of Surplus Status

In all instances the Chief Administrative Officer shall ensure that the disposal of Corporate assets is appropriately documented and that such record are maintained as per the Municipality’s Retention By-law.

The Chief Administrative Officer shall identify which materials and goods are surplus to Department requirements. Where the residual value of the asset is in excess of \$1,000, the Chief Administrative Officer shall advise Council of the surplus status and the proposed disposal strategy.

4.3 Transfer of Surplus Goods and Materials

Department Heads may transfer furniture, equipment, surplus stock and other goods and materials from one department to another provided there is mutual consent with respect to the transfer. The details of the transfer are to be provided to the Treasurer immediately upon transfer.

4.4 Asset Value

The Chief Administrative Officer shall be responsible for obtaining the estimated value of an asset prior to its disposal. In obtaining the value, the Chief Administrative Officer shall consider the following:

- a) Condition
- b) Age
- c) Replacement cost
- d) Market conditions

4.5 Sale of Goods and Materials – In Excess of \$1,000

Any surplus goods or materials not required by another Department and yet still deemed to have a residual value greater than \$1,000, shall be publicly advertised for sale or disposed of in one of the following methods:

- a) Call for Bids: If it is determined by the Chief Administrative Officer that the highest return for surplus goods and materials is by a call for bids, a sale shall be issued and publicly advertised. This shall be by sealed submission

- b) Return to the Original Supplier: If it is determined by the Chief Administrative Officer that a higher return can be achieved by sale or trade in of the goods and materials to the original supplier or suppliers, the Chief Administrative Officer shall sell such goods and materials at the highest return.

4.6 Sale of Goods and Materials – Up to \$1,000

For surplus goods and materials as determined by the Chief Administrative Officer and valued up to \$1,000, goods and services may be disposed of by one of the following means:

- a) Gifts to Not-For-Profit Agencies: The Chief Administrative Officer may offer surplus items to a local not-for-profit organization. The Chief Administrative Officer shall ensure that any transaction is appropriately documented.
- b) Disposal: Any article not suitable for disposal by any of the aforementioned means and/or for which there are no bids received shall be disassembled for usable parts, if any.

4.7 Proceeds of the Sale

The proceeds of the sale of all disposed surplus goods and materials shall be identified in the financial records of the Department disposing of the goods and materials.

5.0 DISPOSAL OF VEHICLES AND EQUIPMENT

5.1 Purpose

The objective of this section of the policy is to ensure a fair and practical solution for the disposal of surplus Municipal fleet vehicles and equipment while ensuring the maximum value/return for disposed units.

5.2 Declaration of Surplus Status

The Chief Administrative Officer shall recommend to Council which vehicles and equipment are surplus to the needs of their department. The Chief Administrative Officer shall also identify to Council the most appropriate process and timing to dispose of the vehicle/equipment. The Chief Administrative Officer will recommend to Council the following disposal option:

- a) Formal Tenders/Request for Quote: The Department will develop either a Request of Tenders or Request for Quote document to dispose of the asset. This process will follow the procedures outlined in the Municipal policies.

5.3 Proceeds of the Sale

The proceeds from the disposal of surplus vehicles and equipment shall be identified in the financial records of the Department disposing of the vehicles and equipment.