

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration		<b>POLICY #:</b> GA-02	
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 1 of 12

**POLICY STATEMENT:**

The County of Renfrew shall dispose of goods, real property and vehicles/equipment in accordance with this policy.

**TABLE OF CONTENTS OF POLICY DOCUMENT**

<b>Article or Section</b>	<b>Title</b>	<b>Page</b>
1.0	PURPOSE	1
2.0	DEFINITIONS	1-2
3.0	BACKGROUND & POLICY OBJECTIVES	2-3
4.0	DISPOSAL OF SURPLUS GOODS & MATERIALS	3-5
5.0	DISPOSAL OF VEHICLES & EQUIPMENT	5-6
6.0	DISPOSAL OF REAL PROPERTY	6-10

**1.0 PURPOSE**

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

**2.0 DEFINITIONS**

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

"Chief Administrative Officer" means the County's employee with that title or person acting in that capacity as designated by By-Law.

"Clerk" means the appointed County's Clerk or Deputy Clerk.

"Council" means the Council of the Municipal Corporation of the County of Renfrew.

"County" means the Municipal Corporation of the County of Renfrew.

"Director" means the County employee with administrative responsibilities for the operation of a County department.

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

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 2 of 12

"Goods & 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 County of Renfrew.

"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 & materials, vehicles & equipment or real property that is no longer required by the user department.

"Surplus Real Property" means property, which the County does not require ownership of to meet its current or future program or operational requirements.

"Treasurer/Deputy Clerk" means the County'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 & POLICY OBJECTIVES**

This Policy does not apply to the sale of land for tax arrears, pursuant to Part IV of the Municipal Act, 2001.

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 3 of 12

Any Tangible Capital Asset recorded on the balance sheet of the County of Renfrew that is being disposed of or being declared surplus must be reported to the Treasurer/Deputy Clerk so that the Corporate financial records can be adjusted with regard to its Tangible Assets.

#### **4.0 DISPOSAL OF SURPLUS GOODS & 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 Director shall ensure that the disposal of Corporate assets is appropriately documented and that such records are maintained as per the County's Retention By-law.

The Director 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 Director shall advise the Chief Administrative Officer of the surplus status and the proposed disposal strategy.

##### 4.3 Transfer of Surplus Goods and Materials

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

##### 4.4 Asset Value

The Director shall be responsible for determining the estimated value of an asset prior to its disposal. In determining the value, the Director shall consider the following:

- condition
- age
- replacement cost
- market conditions

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 4 of 12

#### 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 Director that the highest return for surplus goods and materials is by a call for bids, a sale bid shall be issued and publicly advertised. This may be submitted by facsimile, electronically or sealed submission as determined by the Director.
- (b) **Public Auction:** If it is determined by the Director that the highest return for surplus goods and materials may be by public auction, the Director shall arrange for the surplus goods/materials to be sold at a public auction. At the discretion of the Director, a minimum bid may or may not be set, depending on the asset value.
- (c) **Return to the Original Supplier:** If it is determined by the Director that a higher return can be achieved by sale or trade in of the goods and materials to the original supplier or suppliers, the Director 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 Director and valued up to \$1,000, goods and services may be disposed of by one of the following means:

- (a) **Fundraising Sales:** the Director may offer the goods and materials to long-term care homes for use in their fundraising efforts.
- (b) **Gift to Not-For-Profit Agencies:** The Director, in consultation with the Chief Administrative Officer, may offer the surplus items to a local not-for-profit organization. The Director shall ensure that any transaction is appropriately documented.
- (c) **Silent Auction:** If the surplus goods/materials are not deemed suitable for (a) and (b) above, the Department Head may hold a silent auction for staff of the County. All County staff shall be eligible. These surplus articles shall be advertised through the County e-mail system and posting in appropriate locations within the workplace for a period not less than two weeks. It shall be submitted to the Department Head responsible for the sale in a sealed envelope clearly marked as to its contents. The Department Head shall open all bids received and award the item to the highest bidder.

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 5 of 12

- (d) 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 & 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 County fleet vehicles and equipment while ensuring the maximum value/return for disposed units.

#### 5.2 Declaration of Surplus Status

The Director shall determine which vehicles and equipment are surplus to the needs of their Department. The Director shall also identify the most appropriate process and timing to dispose of the vehicle/equipment. The Director will give consideration to the following disposal options:

- (a) Auction: This shall be conducted through established agreements with auction houses for the sale of fleet units.
- (b) Formal Tenders/RFQ: The Department will develop either a RFQ or RFT document to dispose of the asset. This process will follow the procedures outlined in the County's purchasing by-law.
- (c) Offer of Sale to Local Municipalities: The Director may also elect to dispose of vehicles and equipment in the following manner:
- (i) Notification shall be given to each municipality within the County, including the separate City of Pembroke, advising them of the details of the disposal.
  - (ii) Municipalities that have been notified in accordance with (i) shall have 30 days from the date of notification to indicate, in writing, their bid to purchase the vehicle/equipment from the County at or above a pre-established reserve bid as determined by the Director. The County will

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration		<b>POLICY #:</b> GA-02	
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 6 of 12

sell the surplus vehicle/equipment to the highest bidder that meets or exceeds the reserve bid.

- (iii) Should the vehicle/equipment remain unsold after the offering to the municipalities, the County can offer the vehicle/equipment for sale to nonprofit agencies located within the County. This would also include the separate City of Pembroke.
- (iv) Non-profit agencies notified of the availability of the used vehicle/equipment for sale by the County will have 30 days from the date of notification to indicate in writing, their willingness to purchase the vehicle/equipment at the reserve bid price. The County will sell to non-profit agencies willing to purchase the used vehicle/ equipment based on a "first-come/first-served" basis.
- (v) Failing a sale under procedures (i)-(iv) above, the Director will advertise the sale of the surplus vehicle/equipment in a local newspaper and sell the asset to the highest bidder.

#### 5.4 Electronic Tendering

The Director, when deemed appropriate, may allow the tendering for the sale of surplus vehicles/equipment through an electronic process.

#### 5.5 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.

### **6.0 DISPOSAL OF REAL PROPERTY**

#### 6.1 Purpose

The County's policy is to dispose of real property interests deemed surplus to its mandated requirements. The disposal of such interest will be completed in a manner designed to maximize financial returns. The purpose of this section of the disposal policy is to ensure consistent, transparent and equitable processes that must be followed in the disposal of all real property interests and as well, to ensure that returns are fair, reasonable and in the best interests of the County.

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 7 of 12

The disposal of any real property interests requires a report to County Council, which contains a recommendation to declare the property as surplus. Council's intention to dispose of the real property interests must be approved at an open Council meeting.

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 8 of 12

## 6.2 Notice

Before any real property is disposed of, there must be public notification of the proposed sale before its sale.

## 6.3 Objectives

The disposal of surplus real property, or leasing for a term of not less than 21 years, will be addressed keeping in mind the following objectives:

- County Departments will be circulated prior to sale, advising of the intention to dispose of a property;
- Since "social housing" is a County mandated program, the Community Services Department will be afforded the opportunity to utilize the property for housing purposes, which may include use by non-profit or co-operative housing groups;
- Sale or lease of a property will be at current market value, current market value rent, or equivalent consideration;
- Disposals will be conducted in an open, transparent and fair manner, consistent with accepted real estate practices and, in accordance with municipal by-laws and applicable provincial and federal legislation.

## 6.4 Appraisals

At least one appraisal estimating the current market value of the property will be obtained. Appraisals will remain confidential until the sale is completed.

## 6.5 Public Register

The Clerk Treasurer of the County of Renfrew shall establish and maintain a public register listing and describing all real property owned or leased by the Corporation save and except those properties exempted under the Municipal Act and Regulations attached thereto.

## 6.6 Procedures for the Disposal of Real Property

The following procedures shall be followed in respect of the disposal of real property:

### Inventory Review

Each Department will conduct regular reviews of its real property inventory in order to ensure that unused properties are inventoried, managed effectively and, where appropriate, identified as potentially surplus to the Department's requirements.

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration		<b>POLICY #:</b> GA-02	
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 9 of 12

*Declaration of Surplus Real Property*

Once real property is deemed surplus to Departmental needs and prior to disposal of the property, a recommendation or formal declaration of surplus status will be prepared for consideration by County Council. Council shall, by by-law or resolution passed at a meeting open to the public, declare the real property to be surplus.

*Former Owner's Rights*

A review of the initial acquisition details must be completed to confirm the method of acquisition and whether or not the former owner has a right to repurchase the surplus property in accordance with the provisions of the Expropriations Act. County Council may, in certain circumstances, withhold the rights of the former owner.

*Internal Circulation*

All County Departments will be circulated to identify requirements and/or interest in a property, which is considered to be surplus. The Departments will be permitted 20 working days to provide written expressions of interest in the property. Where an interest is expressed, the Department has 90 days to confirm that the property is required to support a mandated program. When an interest is expressed by more than one County Department, the Chief Administrative Officer will determine the County's priority regarding the disposition of the property.

In cases where the administration supports the internal reallocation of an asset, the disposition of the asset and it's current market value of the asset will be reported to Council.

*External Circulation*

An external circulation will be completed allowing 20 working days for written expressions of interest. The circulation will include but is not limited to, the local municipalities including the separated City of Pembroke, School Boards, utilities.

*Environmental Audit*

The user Departments will complete a review to determine whether or not an independent environmental audit is warranted prior to disposal of any real property assets.

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 10 of 12

Report to Council

Prior to the consideration by Council of any proposed sale of real property, a report shall be presented for approval to Council, directly or through one of its standing Committees, respecting the following matters:

- (a) a description, location and sketch of the real property;
- (b) whether the real property is surplus to the County's needs and the reason why it should be declared surplus;
- (c) unless an appraisal is not required, what type of appraisal should be obtained to determine its fair market value;
- (d) what type of notice to the public should be given;
- (e) persons, corporations, authorities, local boards and bodies to whom notice should be given;
- (f) recommendation as to method of sale; and
- (g) recommendation as to terms or conditions of sale.

Valuation

The County shall obtain at least one appraisal of the real property. Where the estimated value is \$100,000 or greater, a second appraisal will be required. In this instance, an independent appraisal firm will prepare at least one of the reports. Appraisal reports will be based on the highest and best use of the asset and will be prepared by an accredited appraiser or in accordance with the current standards of the Appraisal Institute of Canada.

Notice to Public

Before selling any real property owned by the County, Council shall give notice to the public of the proposed sale. The notification must be placed in at least one local newspaper with circulation in all or a major portion of the County. Notice is also to be on the County's website.

There may be occasions such as the disposal of non-viable properties and land exchanges where notice is not necessary. This shall be determined by the Director and approved by the Chief Administrative Officer.

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 11 of 12

Method of Sale

The method of sale will be determined taking into consideration a number of factors including viability, interest expressed by external agencies included in the circulation list, market conditions and availability of resources.

Direct sales may be achieved through direct negotiations for nonviable properties, land exchanges or sales to government/quasi-government agencies.

The sale of viable properties may be achieved through direct sales, contracts with a licensed Real Estate Broker, Proposal Calls, Land Exchange, Public Tender and Public Auction.

The disposal method and negotiation process that is utilized shall ensure consistent, transparent and equitable processes in the disposal of all real property interests.

Marketing

All viable parcels will be marketed publicly for a period of not less than 10 business days prior to the final approval of any offer by the County.

Housing

The Social Services Department will be notified through internal circulation regarding the surplus status of a property and will be afforded the opportunity to determine whether the real property is suitable for housing purposes. If it is determined that the real property is suitable for housing purposes, non-profit and cooperative housing groups within the County may be afforded the opportunity to acquire the real property at current market value. As part of the report to the appropriate Standing Committee and Council concerning the declaration of a property as surplus and the disposal of said property, Council may elect to approve a grant to housing provider to offset the acquisition cost where deemed appropriate. The sale of the property at market value in a recommendation for a grant will be submitted to Council.

Execution of Documents of Sale

Where the sale of real property is approved by Council, all documents required to carry out the sale shall be executed on behalf of the County by the Warden and the Clerk.

6.7 Proceeds of the Sale

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> General Administration			<b>POLICY #:</b> GA-02
<b>POLICY:</b> Disposal of Assets			
<b>DATE:</b> January 2009	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 12 of 12

The proceeds of the sale of real property shall be identified in the financial records of the Department disposing of the property.