



## MCE Policy 019 - Disposition of Surplus Property

Pursuant to California Government Code, § 25504 and § 6509, the Purchasing Agent has the authority to sell directly, lease, donate or otherwise dispose of any fixed asset property belonging to the agency that is determined by the purchasing agent to be no longer required for public use. Fixed asset property is deemed no longer required for public use when such property is transferred to the Purchasing Agent as surplus property and is not claimed by any other agency department for use.

- A. If the Purchasing Agent determines, based on the book value reflected in MCE's standard asset depreciation schedules, that the aggregate value of the property is \$10,000 or less and there is no market for such property, it may be donated upon a finding by the Purchasing Agent that the donation serves the public interest in the following order of preference:
  - i. To public entities, including the State of California, counties, cities or special districts within MCE's service area.
  - ii. To nonprofit corporations that have been certified as such by the Commissioner of Internal Revenue, that have filed requests with the purchasing agent for surplus property, and that are located within MCE's service area.
  - iii. To any other entity located in close proximity to the storage location of the surplus property, for the purpose of reducing greenhouse gas emissions from transport.
- B. If the Purchasing Agent determines, based on the book value reflected in MCE's standard asset depreciation schedules, that the aggregate value of the property is more than \$10,000 and there is a market for such property, the Purchasing Agent may authorize a public sale. Such sale may be conducted in a format consistent with a community sale (e.g., a garage sale), and shall be publicly noticed by posting information at MCE's offices and providing notice to neighboring entities within the vicinity of the surplus property location. Items shall be priced in a manner that reflects fair market value or nominal value as deemed appropriate by the Purchasing Agent.
  - i. Any proceeds from the sale or lease of surplus fixed asset property shall be paid into MCE's Operating Fund.