

# Mackenzie County

<b>Title</b>	<b>Asset Disposal Policy</b>	<b>Policy No:</b>	<b>FIN029</b>
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<b>Legislation Reference</b>	<b>Municipal Government Act, 17 (1) and 70</b>
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## **Purpose**

**To provide a framework and guidance for the disposal of county's assets.**

## **1. INTRODUCTION**

Mackenzie County replaces its assets that outlive their useful lives and/or no longer required for operational reasons.

## **2. OBJECTIVES**

The objectives of the asset disposal policy are to:

- Safeguard county's assets against inappropriate disposal or loss.
- Ensure that the disposal is advertised in public media (if applicable).
- Ensure that all people who are interested in the asset have an equal opportunity to purchase the asset.
- Ensure that the assets are sold at no less than fair market value unless otherwise approved by Council.
- Improve and enhance the control over asset disposal.

## **3. SCOPE**

The asset disposal policy is applicable to all County's assets.

## **4. ASSET DISPOSAL REQUEST**

All departments shall plan for disposal of assets on an annual basis in conjunction with their departments' annual budget preparation.

The departments that intend to dispose their assets are responsible for preparing the asset disposal request form (Schedule A).

The planning for disposal should include a detailed assessment of assets identified as surplus, redundant or obsolete by the department. In assessing the assets considered for disposal, the departments should consider the following:

- Assets can still deliver the services at acceptable quality level.
- Assets can still deliver services effectively and efficiently.
- Assets have reached the end of their useful life.
- Assets have become uneconomical to operate and maintain.
- The technology of the assets is outdated.
- Assets have negative effects on the community and environments.

## **5. APPROVAL OF ASSET DISPOSAL**

The disposal request shall be submitted to Chief Administrative Officer or Designate for approval. Chief Administrative Officer or Designate shall be responsible for assessing and approving the disposal request. A copy of the approved form shall be submitted to the County's Finance Controller.

## **6. ADVERTISEMENT**

If applicable, the approved disposal shall be publicly advertised through the appropriate media as specified in the asset disposal request and approved by the Chief Administrative Officer.

## **7. DISPOSAL METHODS**

The following methods of disposal shall be used:

- Public Auction

The advantages of auctions are as follows:

- The process is open to public.
- It may maximize the number of potential buyers when selling the assets.
- All potential buyers have equal opportunities to purchase the assets.
- The transaction may be settled at fair market value.

The disadvantages of auctions may include:

- The commission fees may be higher than the selling fees for private sales.
- The marketing fees for public auction may be higher than private sales.

- Trade-in

The disposed assets may be traded-in on purchasing new assets. This method is applicable to the vehicles and equipment categories of assets. When this method is selected, the department is responsible to have the quote for trade-in value from the vendor. The trade-in value offered by the vendor needs to be assessed by the person who conducts the transaction to ensure this value is fair and reasonable. The trade-in value must be approved by the Chief Administrative Officer or Designate before entering into the trade-in agreement.

- Tender

The value of the disposed assets and the prospect of maximizing the disposal value need to be considered when selecting this method. A reserved bid shall be set for all assets proposed to be disposed by this method. The tenders shall be advertised for two consecutive weeks. After the tender is closed, the tenders shall be open in the presence of the Finance Controller. The results of the tender shall be presented to Chief Administrative Officer with a recommendation of the successful bidder and approving the appropriate action.

If all received tenders are below the predetermined reserved bid, a request for decision shall be prepared and submitted to Council requesting to dispose an asset below the reserved bid to the highest bidder.

- Donation

The surplus assets can be donated to registered charities, not-for-profit organizations, and other governments. The transfers of the disposed assets shall be approved by Chief Administrative Officer or Designate before transferring the ownership and physical assets. A quarterly report of such activities shall be submitted to Council.

- Other

Other methods of disposal may be utilized as authorized by the Chief Administrative Officer. A quarterly report of such activities shall be submitted to Council.

## **8. APPROVAL OF THE TRANSACTION**

Director of Corporate Services shall be responsible for approving the financial transactions resulting from disposal of assets.

## 9. TRANSFER THE PHYSICAL ASSETS TO THE PURCHASERS

The departments that dispose their assets are responsible for transferring the ownership and physical assets. When transferring the assets to the purchasers, the purchasers must present the original receipt of the payment.

The department shall be responsible for notifying the County's Risk Manager/Insurance Clerk that removal of an asset from the County's insurance is required.

## 10. ADMINISTRATIVE RESPONSIBILITY

Chief Administrative Officer or designate is responsible for compliance with this policy.

	<b>Date</b>	<b>Resolution Number</b>
<b>Approved</b>	08-Nov-11	11-11-909
<b>Amended</b>		
<b>Amended</b>		

**Schedule A  
Asset Disposal Policy**

<b>ASSET DISPOSAL REQUEST FORM</b>	
<b>SECTION A: INFORMATION ABOUT THE DISPOSED ASSET</b>	
UNIT NUMBER:	
TYPE OF THE ASSET:	
DESCRIPTION OF THE ASSET:	
SERIAL NUMBER:	
DATE ACQUIRED:	
ORIGINAL COSTS:	
EXPECTED USEFUL LIFE:	
ESTIMATED FAIR VALUE:	
DISPOSING DEPARTMENT:	
<b>SECTION B: PROPOSED DISPOSAL PLAN</b>	
ESTIMATED DATE OF DISPOSAL:	
REASON FOR DISPOSAL:	
ADVERTISEMENT PLAN:	
DISPOSAL METHOD:	
DISPOSAL VALUE:	
PURCHASER NAME:	
OTHER COMMENTS:	
DEPARTMENT MANAGER/DIRECTOR	DATE
<b>SECTION C: APPROVAL OF DISPOSAL</b>	
CHIEF ADMINISTRATIVE OFFICER	DATE