

Section 480-B

AUCTION FIRM SERVICES

OVERVIEW

To reduce staff time in the sale and disposal of property, to reduce the amount of space being used to store surplus and unclaimed property, to improve the process of estimating the value of surplus property, and to maximize the value of return on surplus property, the Department of Finance & IT is authorized to contract with an auction firm to assist staff in the sale and disposal of personal property, consumable supplies and unclaimed property on an "as available basis" after authorization is given by the Council or the Director of Finance & IT to sell or dispose of City property.

The policies and procedures provided below in conjunction with the City's auction firm will provide the staff with the opportunity to systematize the sale and disposal of this property.

AUCTION FIRM RESPONSIBILITIES

The following responsibilities will normally be assigned to the City's auction firm by Agreement between the City and the firm selected:

- A. The auction firm will be required to pickup any and all "marketable" surplus property by consignment and deliver this property to their premises where it shall be inventoried, sorted, identified, and catalogued. An auction will be conducted within 30 days of receipt of property and supplies.
- B. The auction firm will make the necessary arrangements for offering the property for sale by auction to the most qualified buyers to obtain the highest return possible. The auction firm will advertise the auction in a manner that will obtain the maximum participation by the public in at least one newspaper of general circulation in the City of San Luis Obispo for a minimum of five days prior to a scheduled auction.
- C. The property consigned to the auction firm will remain the property of the City until sold or disposed in accordance with these procedures.
- D. Property not sold at auction will be disposed by on of the following methods:
 - 1. Consignment to a sub-contractor specializing in unique or special equipment and material for which there is no local market.
 - 2. Direct sale to a buyer of unique or special equipment and material for which there is no local market.
 - 3. By sale as salvage to a local dealer or any recycling firm.
 - 4. By destruction at an appropriate landfill site and certification thereto.
 - 5. Returned to the City.

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- E. The material and equipment not sold at auction will be disposed of by one of the methods described above within 15 days from the date offered at auction. For the purpose of these instructions, the City will give approval as to the disposal method based on the recommendation of the auction firm and the method that is in the best interests of the City.

- F. The auction firm will provide the Department of Finance & IT with a list of consigned property with a check for the net proceeds from the auction or specialty sale within 60 days of receipt of consigned material and equipment providing the following information:
 - 1. City Asset number (if available)
 - 2. Short title description of the property
 - 3. Date of sale or disposal
 - 4. Purchaser or the disposal site
 - 5. Total purchase price
 - 6. Auction fee
 - 7. Net to City
 - 8. Method of disposal (sale at auction, transfer to a specialty house for sale, direct sale as salvage, transfer to an appropriate landfill or disposal site, return to City)