



## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Pown</i> 3 Oct 2019		GENERAL MANAGER ACTION REQ'D: Yes		
DATE: 9/13/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: James Wiscarson Dept: Procurement	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC
Signature/Date: <i>[Signature]</i> 10-1-19	<i>[Signature]</i> 10/1/19 [ ]	<i>[Signature]</i> 10/1/19 [ ]	[ ]	<i>[Signature]</i> 10/1/19 [ ]

### Update to District Guidelines for Disposition of Tangible and Surplus Property

#### PURPOSE:

To approve the attached resolution for the updated "Guidelines for Disposition of Tangible and Surplus Property."

#### DISCUSSION:

An outside consultant, Evison Partners, performed a study of the District's current inventory control process and procedures and recommended updates to the District's surplus property policy to better align with current inventory and warehousing requirements. The District's original policy for the disposition of surplus property adopted November 9, 1967, needs to be updated to meet the District's current tangible and surplus property disposition requirements.

This update to the guidelines includes an increase to the property value threshold from \$5,000.00 to \$100,000.00, to be commensurate with the General Manager's current authority.

With the arrival of the Fleet of the Future, its corresponding spare parts, the decommissioning of the existing legacy fleet, and yearly processing of obsolete materials, the guidelines will be imperative to manage and maintain valuable warehouse space and inventory capacity. The updated policy, if adopted, will allow for the opportunity to recycle or sell items of interest to the public through a competitive process. The updated policy will also create a more fiscally and environmentally responsible inventory system.

#### FISCAL IMPACT

There is no negative fiscal impact for this action. The new policy will potentially provide a revenue source by allowing the District to recycle or sell otherwise obsolete items.



**ALTERNATIVES:**

Reject the motion and continue to apply the original policy, which would impact the District's ability to effectively manage and maintain inventory.

**RECOMMENDATION:**

The Board adopt the following motion.

**MOTION:**

To adopt the attached resolution, "In the matter of authorizing the Guidelines for the Disposition of Tangible and Surplus Property."

BEFORE THE BOARD OF DIRECTORS OF THE  
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

In the matter of authoring  
the Guidelines for the Disposition of Tangible  
and Surplus Property. /

Resolution No.

NOW, THERFORE, BE IT RESOLVED that the Board of Directors of the  
San Francisco Bay Area Rapid Transit District authorizes the General  
Manager or their designee to sell, recycle or otherwise dispose of tangible and surplus  
property within the District when in the judgment of the General Manager it is for the  
best interest of the District so to do, and when a District department  
head has certified to the General Manager that the property concerned has  
an estimated market value of less than \$100,000; and

BE IT FURTHER RESOLVED that all authority granted to the General  
Manager hereunder applies to tangible and surplus property only and not to real property  
in accordance with the Guidelines for Disposition of Tangible and Surplus Property  
attached hereto and marked Exhibit A Guidelines for Disposition of Tangible and  
Surplus Property.



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT  
EXHIBIT A  
GUIDELINES FOR DISPOSITION OF TANGIBLE AND SURPLUS PROPERTY

November 2, 1967, UPDATED October x, 2019

STATEMENT

BART strives to maintain all assets used in delivery of its services in a state of good repair consistent with the BART Asset Management Plan. Tangible property which has reached the end of its projected useful life or has otherwise been deemed unusable by the General Manager or their designee, either because of the damage to the asset is beyond the economic repair of the asset, the asset is obsolete, or the asset is otherwise no longer suitable for use in delivering BART transit services, need to be declared surplus property and disposed of in an orderly and fiduciarily responsible manner.

PURPOSE

To establish a uniform procedure for the disposal of tangible and surplus property in order to prevent it from utilizing valuable space and either to obtain an advantageous monetary return from its sale, recycle, or to make effective use of it in another department. This policy EXCLUDES:

- a) The transfer, sale or other disposal of real property; and
- b) Any items seized, confiscated, or found by the BART Police department

APPLICATION

This procedure shall apply to all tangible and surplus property, i.e., inactive stock and excess, obsolete, worn-out, discarded, or otherwise unusable materials, supplies and equipment.

## PROCEDURE

1. Each department head shall review all tangible and surplus property in his custody at least once a year.
2. Each department head shall prepare and submit to the General Manager or their designee, a list of all surplus tangible and surplus property in his custody as soon as it becomes surplus. This list shall include a complete description of each item, serial number (if applicable), Maximo system item number (if applicable), the quantity or bulk weight, and location.
3. The General Manager or their designee will determine whether the surplus item can be used effectively by another department, and if so, will arrange for its transfer.
4. If a surplus item cannot be used by the District, the General Manager or their designee will dispose of it by the most advantageous of the following methods:
  - (a) Trade-in on new equipment.
  - (b) Public sale where the estimated value warrants the expense of advertising. Public sale will normally be accomplished by publication of a notice requesting bids at least once in a newspaper of general circulation which publication shall be made at least ten days before bids are received. Such notice shall declare that the District may reject any and all bids and re-advertise at its discretion.
  - (c) Where the value of the item concerned does not warrant the expense of advertising, disposition may be by informal sale. Wherever reasonably possible, several bids should be solicited.

GUIDELINES FOR DISPOSITION OF TANGIBLE AND SURPLUS PROPERTY(Continued)

(d) Where cost of removing the surplus item exceeds its value,  
such removal will be obtained at the least cost to the District.

Note: Preference in the disposition of property will be given public agencies wherever reasonably possible.

5. Prior contractual commitments concerning the disposition of property, as, for example, in the case of Federally assisted projects, must be strictly observed and will normally take precedence over the terms of this guideline.
6. Disposition of scrap metal items will include recycling.
7. Disposition of any surplus property with an estimated market value of \$100,000 or more shall be authorized by the Board of Directors.
8. Disposition of surplus items shall not be made to an employee of the District.
9. As a supplement to the monthly financial statements, District Accounting shall fully report all personal property dispositions occurring during the preceding Quarter.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

EXHIBIT A

GUIDELINES FOR DISPOSITION OF ~~SURPLUS PERSONAL PROPERTY~~

TANGIBLE AND SURPLUS PROPERTY

November 2, 1967, UPDATED October x, 2019

STATEMENT

BART strives to maintain all assets used in delivery of its services in a state of good repair consistent with the BART Asset Management Plan. Tangible property which has reached the end of its projected useful life or has otherwise been deemed unusable by the General Manager or their designee, either because of the damage to the asset is beyond the economic repair of the asset, the asset is obsolete, or the asset is otherwise no longer suitable for use in delivering BART transit services, need to be declared surplus property and disposed of in an orderly and fiduciarily responsible manner.

PURPOSE

To establish a uniform procedure for the disposal of tangible and surplus ~~personal~~ property in order to prevent it from utilizing valuable space and either to obtain an advantageous monetary return from its sale, recycle, or to make effective use of it in another department. This policy EXCLUDES:

- a) The transfer, sale or other disposal of real property; and
- b) Any items seized, confiscated, or found by the BART Police department

APPLICATION

This procedure shall apply to all ~~surplus personal property~~ tangible and surplus property, i.e., inactive stock and excess, obsolete, worn-out, discarded, or otherwise unusable materials, supplies and equipment.



#### PROCEDURE

1. Each department head shall review all tangible and surplus property in his custody at least once a year.
2. Each department head shall prepare and submit to the General Manager ~~or their his / her designee~~, a list of all surplus ~~personal tangible and surplus~~ property in his custody as soon as it becomes surplus. This list shall include a complete description of each item, serial number (if applicable), Maximo system item number (if applicable), the quantity or bulk weight, and location.
3. The General Manager ~~or their his / her designee~~ will determine whether the surplus item can be used effectively by another department, and if so will arrange for its transfer.
4. If a surplus item cannot be used by the District, the General Manager ~~or theirhis / her designee~~ will dispose of it by the most advantageous of the following methods:
  - (a) ) Trade-in on new equipment.
  - (b) ) Public sale where the estimated value warrants the expense of advertising. Public sale will normally be accomplished by publication of a notice requesting bids at least once in a newspaper of general circulation which publication shall be made at least ten days before bids are received. Such notice shall declare that the District may reject any and all bids and re-advertise at its discretion.
  - (c) ) Where the value of the item concerned does not warrant the expense of advertising, disposition may be by informal sale.Wherever reasonably possible, several bids should be solicited.

GUIDELINES FOR DISPOSITION OF ~~SURPLUS PERSONAL PROPERTY—TANGIBLE AND~~

SURPLUS PROPERTY(Continued)

(d) ) Where cost of removing the surplus item exceeds its value,  
such removal will be obtained at the least cost to the District.

Note: Preference in the disposition of property will be given  
public agencies wherever reasonably possible.

5. Prior contractual commitments concerning the disposition of property, as, for example, in the case of Federally assisted projects, must be  
strictly observed and will normally take precedence over the terms of this guideline.

6. Recycle

- ~~6-7.~~ Disposition of any surplus property with an estimated market value of \$~~5100~~,000 or more shall be ~~referred to authorized by~~ the Board of Directors.

- ~~7-8.~~ Disposition of surplus items shall not be made to an employee of the District.

- ~~8-9.~~ As a supplement to the monthly financial statements, District Accounting shall fully report all personal property dispositions occurring during the preceding Quarter.