

COUNTY OF SACRAMENTO  
CALIFORNIA

8

**APPROVED**

BOARD OF SUPERVISORS

*By Reso # 2013-0535*

AUG 13 2013

For the Agenda of:  
August 13, 2013

By *Cyndi Lee*  
Clerk of the Board

To: Board of Supervisors

From: Department of General Services

Subject: Approval Of Policy For The Disposition Of County Surplus Property

Supervisorial  
District(s): All

Contact: Michael Morse, Director, Department of General Services, 876-6191

**Overview**

The Department of General Services regularly has surplus property on hand, which is either redistributed to other County departments, sold at regularly scheduled "cash and carry" surplus sales, sold via on-line auction, sold to recyclers such as the California Electronic Asset Recovery (CEAR) program, or discarded at the landfill if the items are of poor condition. The attached Surplus Property Policy includes a provision that allows surplus equipment, to include computer and peripheral equipment with a fair market value estimated at \$250 or less, to be donated to school districts, special districts, local public non-profit charitable organizations, and members of the community, at the discretion of the Purchasing Agent or their designee (Attachment 1). In this new policy, "charitable organization" means a nonprofit organization exempt from taxation under the provisions of the Internal Revenue Code, 26 USC 501(c)(3), whose primary purpose is public service (Attachment 2). The surplus property being considered for donation includes items such as computers, laptops, keyboards, computer mice, monitors, and most office furniture and supplies.

**Recommendation**

Approve the attached Surplus Property Policy. This action requires four-fifths vote approval by the Board per Government Code Section 25365.

**Measures/Evaluation**

The outcome of this policy will be to assist local non-profit agencies and members of the community obtain surplus County Equipment that still has useful life, therefore helping to bridge the "digital divide" in the community.

**Fiscal Impact**

There is no General Fund cost associated with this request. Typically, computers are recycled through the CEAR program, and other electronics and surplus office equipment and supplies are sold through cash and carry surplus sales.

## **BACKGROUND**

Currently, computers and laptops that are deemed surplus are sent to the Department of General Services Support Services Division where they are placed in the CEAR bin to be recycled. Most of the personal computers and laptops are no longer in good working condition, but many times working personal computers and laptops are recycled due to the fact that the County does not have a donation policy in place to allow this equipment to be repurposed and used by nonprofit or other public agency organizations or members of the community. Items other than computers, including vehicles, desks, chairs, and file cabinets, are sent to the Support Services Division where they are repurposed to other County departments and/or sold during cash and carry sales. County fixed assets are not included in this policy.

The Government Code Section 25365 provides that a county board of supervisors by four-fifths vote can grant, convey, quitclaim, assign, or otherwise transfer property to public agencies, including school districts (Attachment 3).

Additionally, Government Code Section 25372 authorizes a county board of supervisors to donate or lease any real or personal property that the board declares to be surplus to a school or community college district, county children and family commissions, or an organization exempt from taxation pursuant to specified provisions of federal law (Attachment 4). This section was amended on September 7, 2012, to additionally authorize a county board of supervisors to authorize a county welfare department to donate surplus computer equipment directly to persons receiving public benefits under the CalFresh, CalWORKs, County Relief, General Relief, General Assistance, or MediCal programs, as specified.

## **DISCUSSION**

Through normal operations, the County generates surplus equipment and furnishings due to age, damage, and obsolescence on a regular basis. Items that are no longer needed by a department or program, but are still in good condition and re-usable, are made available to other departments, local government agencies, and special districts at no charge. Items that are no longer usable in the County are declared surplus.

County surplus is categorized as being either a fixed-asset or a low-value asset. Fixed-asset items include, but are not limited to, vehicles, trucks, heavy equipment, land, and other items having a fair market value of \$500 or more when they are declared surplus. Surplus fixed assets, excluding land or real property, are sold online using PublicSurplus.com or GovDeals.com, with the proceeds from the sale going back to the department that owned the asset. Low value assets are generally sold during Support Services Division's cash and carry sales with the exception of computers and laptops. Computer equipment is either redistributed to another department or recycled through the CEAR program.

The County receives numerous requests from organizations throughout the course of the year for donations of used equipment, especially computer equipment, but because the County does not have a donation policy approved by the Board, these requests are denied. Approval of the attached Surplus Property Policy will establish delegated authority to the Purchasing Agent to act on behalf of the Board of Supervisors to donate equipment with a fair market value of less than \$250 to school districts, special districts, and local public non-profit charitable organizations and

members of the community. Typically, items under \$250 in value include used computers, laptops, desks, desk chairs, file cabinets, monitors, televisions, etc., but will exclude higher valued items such as vehicles, which will continue to be sold at auction.

Should the Board approve this item, the Contracts and Purchasing Services Division will solicit local schools, special districts, non-profit agencies, and the community at large to determine who would like to receive donated equipment. Responses to the policy implementation notice will be used to develop a list of community members and/or organizations which could receive equipment on an as-available basis. Broken and non-working equipment would continue to be disposed of using current methods of recycling and disposal.

The County Chief Information Officer (CIO) will be responsible for setting the standards for donated computer equipment, ensuring County-related information is removed, and coordinating the donation process. This includes removing all County software, labels, etc., and restoring the equipment to its original, generic configuration. The CIO has reviewed, and concurs with, the proposed policy.

#### **MEASURES/EVALUATION**

The outcome of this policy will be to assist local non-profit agencies and members of the community obtain surplus County Equipment that still has useful life, therefore helping to bridge the “digital divide” in the community.

#### **FINANCIAL ANALYSIS**

There is no General Fund cost associated with this request.

Respectfully submitted,

\_\_\_\_\_  
MICHAEL M. MORSE, Director  
Department of General Services

APPROVED:  
BRADLEY J. HUDSON  
County Executive

By: \_\_\_\_\_  
DAVID VILLANUEVA  
Chief Deputy County Executive

Attachments: Resolution

1. Surplus Property Policy
2. Internal Revenue Service 26 USC 501 (c) (3)
3. Government Code 25365
4. Government Code 25372

**RESOLUTION NO. 2013-0535**

**APPROVAL OF POLICY FOR THE DISPOSITION OF  
COUNTY SURPLUS PROPERTY**

**WHEREAS**, Sacramento County (County) regularly has surplus property which is either redistributed to other County departments, sold at “cash and carry” surplus sales, sold via on-line auction, sold to recyclers, or discarded at the landfill if the items are of poor condition; and

**WHEREAS**, the recommended policy will establish delegated authority to the Purchasing Agent to act on behalf of the Board of Supervisors to donate equipment with a fair market value estimated at \$250 or less to school districts, special districts, and local public non-profit charitable organizations and members of the community, and;

**WHEREAS**, the adoption of the recommended policy will assist the aforementioned agencies to obtain surplus Equipment with useful life to assist citizens of Sacramento County and help bridge the “digital divide” in the community; and

**WHEREAS**, The County Chief Information Officer (CIO) will be responsible for setting the standards for donated computer equipment, ensuring County-related information is removed, and coordinating the donation process of such equipment;

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that the Board of Supervisors, County of Sacramento, State of California, hereby approves the Surplus Property Policy and establishes delegated authority to the Purchasing Agent, or designee to act on behalf of the Board of Supervisors to donate equipment with a fair market value of less than \$250.00 to school districts, special districts, and local public non-profit charitable organizations and members of the community, and further, the Board confirms that once the Purchasing Agent has established the list of organizations and/or community members that are eligible for donations, the County Chief Information Officer will be responsible for setting the standards for donated computer equipment, ensuring County related information is removed, and coordinating the donation process of such equipment.

On a motion by Supervisor Serna, seconded by Supervisor Yee,  
the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of  
Sacramento this 13th day of August, 2013, by the following vote, to wit:

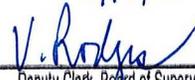
AYES:	Supervisors,	MacGlashan, Nottoli, Serna, Yee, Peters
NOES:	Supervisors,	None
ABSENT:	Supervisors,	None
ABSTAIN:	Supervisors,	None



Chair of the Board of Supervisors  
of Sacramento County, California



In accordance with Section 25103 of the Government Code  
of the State of California a copy of the document has been  
delivered to the Chairman of the Board of Supervisors, County  
Of Sacramento on: 8/13/13

By:   
Deputy Clerk, Board of Supervisors

ATTEST:   
Clerk, Board of Supervisors

**FILED**  
BOARD OF SUPERVISORS

AUG 13 2013  
BY   
CLERK OF THE BOARD

ATTACHMENT 1

**COUNTY OF SACRAMENTO  
Surplus Property Policy**

**Purpose**

To establish a policy regarding the disposal of County-owned surplus personal property and other personal property under the custody of the County; to ensure that sales are conducted in an open, competitive environment, and that maximum public exposure to the disposal process is accomplished to minimize disposal costs and assure that revenue from sales is maximized and obtained in a timely manner.

**Background**

The disposal of County-owned personal property considered scrap and/or surplus to the County's needs is normally accomplished by the Purchasing Agent or designee in accordance with Sacramento County Code Section 2.56.300. It is financially advantageous to the County to dispose of scrap and/or surplus personal property in a manner that expeditiously maximizes revenue and converts idle equipment and materials to revenue, thereby recovering funds for other uses.

**Policy**

The policy shall apply to all sales of scrap and/or surplus County-owned personal property, including lost or abandoned personal property and forfeiture program assets, federal and State grant personal property when authorized by the grantor, and private personal property entrusted to County officials for disposition unless otherwise excepted. Therefore, it is the policy of the County of Sacramento Board of Supervisors that:

1. Elected officials, department heads, and staff responsible for County-owned personal property shall continually monitor the use of fixed assets, minor equipment, supplies, and materiel to ensure that personal property, when no longer needed or not utilized as trade-in on new acquisition, are transferred to the Surplus Property Division for timely redistribution and/or disposal in accordance with Section 2.56.300 of the of the Sacramento County Code.
2. Disposal of applicable County-owned surplus personal property, including lost or abandoned personal property transferred to the Purchasing Agent or designee with an estimated Fair Market Value (FMV) of \$500 or more, shall normally be accomplished through public auction as the preferred method of sale whenever practical. Public Auctions shall be accomplished using electronic commerce (online) sites that specialize in Public Property.
  - a. All public sales of property by the Purchasing Agent or designee, shall be noticed on the County's Internet site.

ATTACHMENT 1

3. Proceeds from the sale of County-owned property and equipment that are considered fixed assets and/or that have a FMV of \$500 or more will be deposited to the County General Fund or other fund designated by the owning Department. Property and equipment acquired using grant funds and that require sale proceeds to be returned to the grantor must be separately identified at time of transfer to the Purchasing Agent or designee. Proceeds from the sale of non-fixed assets will be deposited into the County of Sacramento Capitol Construction Fund.
  
4. When County departments and officials responsible for County-owned property have declared an item surplus to the County's needs, and the Purchasing Agent or designee has determined that the item should be sold in accordance with current procedures, such items may be sold to municipalities and government agencies in accordance with the following guidelines. Prior to consummating any sale to a local municipality or government agency located in Sacramento County, the Purchasing Agent or designee shall ensure that right of first refusal for known requirements is offered to County Departments and entities first.
  - a. If the estimated fair market value, as determined by the Purchasing Agent or designee, does not exceed \$25,000, a negotiated sale may be conducted with the governmental agency and sale of the item concluded at the price determined to be fair and reasonable without competitive bids.
  - b. If the estimated fair market value, as determined by the Purchasing Agent or designee, is greater than \$25,000, but does not exceed \$100,000, the Chief Executive Officer's approval shall be obtained prior to any sale. Information provided to the Chief Executive Officer shall, as a minimum, identify the government entity and the rationale behind the sale at that value.
  - c. If the estimated fair market value, as determined by the Purchasing Agent or designee, is greater than \$100,000 or the sales price is less than the determined fair market value, Board of Supervisors' approval shall be obtained prior to any sale. Information provided to the Board of Supervisors shall, at a minimum, identify the government entity and the rationale behind the sale at that value.
  
5. Donations of County-owned surplus equipment with a FMV estimated at \$250.00 or less may be donated to special districts and local schools, public non-profit charitable organizations and members of the community at the discretion of the Purchasing Agent or designee. For the purposes of this policy, charitable organizations shall mean a nonprofit organization exempt from taxation under the provisions of the Internal Revenue Code, 26 U.S.C. 501(C) (3), whose primary purpose is public service.
  - a. Typical items that can be donated include but are not limited to computers, laptops, monitors, miscellaneous office supplies, desks, file cabinets, televisions, etc.
  - b. All donated computer equipment must meet the following criteria:
    - All licensed software will be removed from computers.
    - All electronic files will be deleted from computers prior to donation
    - Computers may be reloaded with operating system software only if legal.

ATTACHMENT 1

- All inventory and identification tags, as well as Help Desk tags, will be removed from the equipment.
  - The County will not guarantee the current or future working condition of the equipment.
  - The County will not provide technical assistance with the set-up, repair or operation of the equipment.
- c. Non-working electronic or universal wastes may not be sold or transferred. Mercury containing devices such as gauges, thermostats, sphygmomanometers, thermometers, etc., may not be sold and must be managed in accordance with California Code of Regulations Title 22 §66273.
- d. The County Chief Information Officer (CIO) will be responsible for setting the standards for computer equipment to be donated, ensuring County related information is removed, and coordinating the donation process. This includes removing all County software, labels, etc., and restoring the equipment to its original, generic configuration.
6. Departments and officials responsible for monitoring use and disposal of surplus property under their custody may seek the Board of Supervisors' approval for an exception to this policy when it is in the best interest of the County.

ATTACHMENT 2

**Exempt Purposes - Internal Revenue Code Section 501(c)(3)**

The exempt purposes set forth in section 501(c)(3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals. The term *charitable* is used in its generally accepted legal sense and includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.

*Page Last Reviewed or Updated: 14-Jan-2013*

[http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exempt-Purposes-Internal-Revenue-Code-Section-501\(c\)\(3\)](http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exempt-Purposes-Internal-Revenue-Code-Section-501(c)(3))

ATTACHMENT 3

**GOVERNMENT CODE - GOV**

**TITLE 3. GOVERNMENT OF COUNTIES [23000. - 33205.]**

*( Title 3 added by Stats. 1947, Ch. 424. )*

**DIVISION 2. OFFICERS [24000. - 28085.]**

*( Division 2 added by Stats. 1947, Ch. 424. )*

**PART 2. BOARD OF SUPERVISORS [25000. - 26490.]**

*( Part 2 added by Stats. 1947, Ch. 424. )*

**CHAPTER 5. County Property [25350. - 25549.23.]**

*( Chapter 5 added by Stats. 1947, Ch. 424. )*

**ARTICLE 1. General [25350. - 25376.]**

*( Article 1 added by Stats. 1947, Ch. 424. )*

**25365.**

(a) The board of supervisors may, by a four-fifths vote, grant, convey, quitclaim, assign, or otherwise transfer to the state or to any community redevelopment agency, housing authority, community development commission, surplus property authority, federal agency, city, school district, county board of education, special district, joint powers agency, or any other public agency within the county or exchange with those public agencies, any real or personal property, or interest therein belonging to the county upon the terms and conditions as are agreed upon and without complying with any other provisions of this code, if the property or interest therein to be granted and conveyed or quitclaimed is not required for county use or in the event of an exchange, the property to be acquired is required for county use.

(b) The board of supervisors may also, by a four-fifths vote, exchange real property with any person, firm, or corporation, for the purpose of removing defects in the title to real property owned by the county, or where the real property to be exchanged is not required for county use and the property to be acquired is required for county use. If the real properties to be exchanged are not of equal value, either party to the exchange may contribute cash or other real property assets, acceptable to the other party, to balance the transaction. The value of any private real property exchanged shall be equal to, or greater than, 75 percent of the value of the county property offered in exchange. The cash or other real property assets to be added to balance the transaction shall not be greater than 25 percent of the value of the county property proposed for exchange.

(c) Unless the public agency to which the property is transferred pursuant to this section and the public agency transferring the property are governed by the same county board of supervisors, the transferring board of supervisors shall publish a notice of its intended action pursuant to Section 6061 at least one week prior thereto in a newspaper of general circulation published in the county.

*(Amended by Stats. 2007, Ch. 145, Sec. 1. Effective January 1, 2008.)*

<http://leginfo.legislature.ca.gov/>

ATTACHMENT 4

**GOVERNMENT CODE - GOV**

**TITLE 3. GOVERNMENT OF COUNTIES [23000. - 33205.]**

*( Title 3 added by Stats. 1947, Ch. 424. )*

**DIVISION 2. OFFICERS [24000. - 28085.]**

*( Division 2 added by Stats. 1947, Ch. 424. )*

**PART 2. BOARD OF SUPERVISORS [25000. - 26490.]**

*( Part 2 added by Stats. 1947, Ch. 424. )*

**CHAPTER 5. County Property [25350. - 25549.23.]**

*( Chapter 5 added by Stats. 1947, Ch. 424. )*

**ARTICLE 1. General [25350. - 25376.]**

*( Article 1 added by Stats. 1947, Ch. 424. )*

**25372.**

(a) Except as restricted by any conditions by which the county acquired the property, the board of supervisors may donate or lease any real or personal property that the board declares to be surplus to any public agency or organization exempt from taxation listed in subdivision (b). The board may impose on the donation or lease any terms and conditions that it determines to be appropriate.

(b) This section applies to all of the following:

(1) An organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that is organized for the care, teaching, or training of children or developmentally disabled children.

(2) An organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that is organized for the care, teaching, or training of Native Americans.

(3) A school district or community college district.

(4) A county children and families commission established pursuant to the California Children and Families Act of 1998 (Division 108 (commencing with Section 130100) of the Health and Safety Code).

(5) An organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that is organized to provide health or human services.

(c) (1) Notwithstanding subdivisions (a) and (b), the board of supervisors may authorize the county welfare department to donate surplus computer equipment directly to persons receiving public benefits under one or more of the following programs:

(A) CalFresh (Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code).

(B) California Work Opportunity and Responsibility to Kids Act (CalWORKs) (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code).

(C) County Relief, General Relief, or General Assistance (Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code).

ATTACHMENT 4

(D) Medi-Cal (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(2) The board shall make findings and declarations relating to the public purpose served by the donation, and shall develop terms and conditions to govern any donations made pursuant to this subdivision.

(3) A county welfare department authorized to donate surplus computer equipment pursuant to this subdivision shall do all of the following:

(A) Maintain a list of all eligible persons receiving public benefits who have requested to receive surplus computer equipment. A person receiving public benefits pursuant to this subdivision may request to have his or her name placed on the list to receive surplus computer equipment.

(B) Establish a fair and impartial selection process by using a random lottery.

(C) Follow any rules and regulations adopted by the board.

(D) Require the recipient of any surplus computer equipment to sign an agreement that prohibits the recipient from selling the equipment.

(4) A county welfare department shall not donate surplus computer equipment to a person receiving public benefits who is in sanction status or otherwise noncompliant with the rules and regulations of his or her benefits program.

*(Amended by Stats. 2012, Ch. 245, Sec. 1. Effective January 1, 2013.)*

<http://leginfo.legislature.ca.gov/>