

POLICY	
Policy Number: CORP2021-002	Date Approved: November 16, 2021
Department: Corporate	Date Reviewed:
Disposal of Surplus, Unclaimed and Scrap Items	

1) Policy Statement

Section 270(1) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, provides that a municipality shall adopt and maintain policies with respect to the procurement of goods and services, which includes disposal. The Town of Kirkland Lake’s surplus, unclaimed and scrap items are to be disposed of in as a sustainable manner as possible, with consideration to the best opportunity to maximize revenue.

2) Purpose

To identify the proper procedures for disposing of items declared as surplus to the needs of the municipality.

3) Scope

The municipality may deem items owned by or in the legal possession of the municipality as surplus and eligible for disposal if they are: a) obsolete b) replaced c) worn out d) too costly to maintain; e) no longer used; or f) unclaimed items.

4) Definitions

“Appraisal” means a written opinion of market value prepared by a person having appropriate credentials and experience, including staff.

“Asset”, “Assets” “Surplus Assets” “Items” means any physical material item(s) in legal possession of the municipality that could be described as heavy equipment, tools, vehicles, maintenance equipment, used materials, office furnishings, surplus parts or supplies, etc. with the exclusion of lands and buildings owned by the municipality.

“CAO” means the person appointed as the CAO for the Town of Kirkland Lake or their duly authorized representative or designate.

“Council” means the elected officials of the Town of Kirkland Lake.

“Director of Corporate Services” means the person appointed as the Director of Corporate Services for the Town of Kirkland Lake or their duly authorized representative or designate.

“Disposal” means the removal of an item from the municipality’s inventory by sale, donation, destruction or other means.

“Employee” means a current full-time or part-time employee of the Town of Kirkland Lake.

“Fair Market Value” is the price of an asset when both buyer and seller have reasonable knowledge of the asset and are willing and not pressured to trade. It is established at the discretion of the Director of Corporate Services or their designate, based on the sales of comparable assets in the open marketplace.

“Notice” means notice to the public in accordance with this policy.

“Person” means an individual or a corporation and the successors, heirs, executors, administrators, or other legal representatives of a person to whom the context may apply according to law.

“Sale” includes a lease of 21 years or longer.

“Scrap” means equipment or material that is considered waste to be disposed of through destruction or recycling.

“Town” means the Corporation of the Town of Kirkland Lake.

“Unclaimed Items” means lost and unclaimed property left on municipal property or in municipal care for more than 30 days.

5) Policy & Procedures

General Direction

- 1) The Town will dispose of all surplus, unclaimed and scrap items in a manner which minimizes the environmental impact and maximizes the financial return to the Town and fully complies with any environmental and safety issues.
- 2) Department Directors shall be responsible for ascertaining if items possessed by their Department are obsolete or irrelevant to their requirements.
- 3) Directors shall give notice of unwanted items to other departments prior to disposal, to ensure that the asset is not required by another department.
- 4) Items that are not claimed for use by another department shall be reported to the Chief Administrative Officer or their designate. The CAO or their designate shall determine the process that shall be utilized to dispose of the item.

- 5) Items with little or no market value (including recycling market value) are to be destroyed/disposed of in a safe and environmentally acceptable manner.
- 6) For disposal of computer equipment and office equipment, all hard drives/memories must be certified as cleared of Town information by the Municipal Information Systems Coordinator or their designate prior to disposal.
- 7) Disposal of items at no cost to businesses or individuals is prohibited when the items have a reasonable market value.
- 8) All transactions are cash based only; deferred payments, trades etc. are not accepted.
- 9) Items are disposed of “as is and where is” with no further liability on the part of the Town and purchasers must be made aware of these conditions.
- 10) Items will be disposed of on a “First Come, First Served” basis. Items may not be pre-ordered or otherwise attributed to an organization.
- 11) Disposal of tangible capital assets in accordance with this policy must follow the Town’s Tangible Capital Asset Policy, Section 5. This includes the completion of a ‘Disposal/Out of Service’ form which must be forwarded to the Treasury Department.
- 12) Revenue from the sale of surplus, unclaimed and scrap items shall be credited to the appropriate account.
- 13) Notice of items intended for disposal shall be advertised at a minimum on the Town’s website and social media platforms.
- 14) The Town may dispose of items directly by way of posting a listing of items for ten (10) day period on the Town website. The listing shall include, at minimum, a description of the item; a photograph if possible; a time and place for viewing; details of staff person to contact; and a minimum bid price. Offers to purchase shall be submitted by way of sealed bids.
- 15) Optional disposal methods include:
 - Advertising on local and regional buy/sell/trade sites, with the traffic directed to the Town website.
 - Third party or online auctions and resale sites.

- Direct sale to another municipality, organization or individual where it is deemed fair market value is being received.
 - Dismantling for partial sale.
 - Other means, if any, as determined by the CAO depending on the asset.
- 16) In the event that no offer is received in response to offers of sale within ten days, the CAO or their designate may accept any subsequent offer to purchase deemed to be in the Town's best interest.
- 17) For usable items with an estimated individual value of \$1,000 or less, the surplus asset may be disposed of by providing it to an interested school or non-profit corporation, association, or entity at no cost thereto.
- 18) The municipality shall post notice of this clause annually on the Town's website and social media platforms and invite interested school or non-profit corporation, association, or entity to register with the municipality in order to receive future email notices of upcoming disposal events.
- Items will be posted on the Town's website and advertised on the Town's social media platforms for ten (10) days. Transactions will be limited to school or non-profit corporation, association, or entity during this ten-day period.
 - The listing shall include, at minimum, a description of the item; a photograph if possible; a time and place for viewing; details of staff person to contact.
- 19) For usable items with an estimated individual value in excess of \$1,000 intended for disposal to the general public, the CAO or their designate will determine the method of disposal (i.e. via Town site or optional disposal methods identified in NO. 14 above) that will maximize the revenue potential.
- 20) For usable items with an estimated individual value in excess of \$5,000, staff will complete an appraisal based on a comparative assessment of similar items listed for sale geographically within Ontario or on a trade site. The results of the appraisal shall be provided to the CAO or their designate, and a minimum bid shall be established.
- 21) When scrap material is available for disposal, the relevant Department Director, after determining the value and possible alternate uses of the scrap material, may dispose of the material by:

- General advertising to secure sealed bids. Notice shall be advertised at a minimum on the Town's website and social media platforms.
- Third party or online auctions and resale sites.
- Direct contact with the appropriate dealers to view the scrap and submit offers to purchase.
- Other methods as deemed appropriate.

Exclusions and Prohibitions

- 1) Council may approve an alternate disposal process from those identified in this policy especially as it may relate to unique opportunities or emergency situations.
- 2) Land is excluded from this policy.
- 3) Surplus, unclaimed and scrap items cannot be sold to any member of Council or employee of the Corporation or to a sibling, spouse or child of any member of Council or an employee of the Corporation, unless the offer to purchase is received through a sealed bid.

6. Summary

This policy identifies the proper procedures for disposing of items declared as surplus to the needs of the municipality. Any decision to dispose of surplus items must be implemented in accordance with this policy and will be guided by the Corporations strategic plan and any applicable legislative requirements.