



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

November 18, 2020
AGENDA ITEM #8

Amend Chapter 4, Article 23 of the Mobility
Authority Policy Code regarding the
disposition of salvage or surplus property

Strategic Plan Relevance:	Deliver Multi-faceted Mobility Solutions
Department:	Operations
Contact:	Tracie Brown, Director of Operations
Associated Costs:	Not Applicable
Funding Source:	Not Applicable
Action Requested:	Consider and act on draft resolution

Summary:

Background: When Mobility Authority assets and/or inventory become obsolete, damaged, worn out or no longer needed, the property is deemed salvage or surplus property provided reasonable efforts have been made to redistribute the property for use within the agency. Examples of surplus property include furniture, computers, printers, monitors, toll equipment, etc. Such property can become salvage when it has no use to the Mobility Authority and little or no value for purposes of resale or distribution.

The *Mobility Authority Policy Code* addresses the disposition of surplus property in Article 23 and notes that surplus property may be disposed of via sale by bid, auction or trade-in. The *Policy Code* also addresses sales to the State, counties, municipalities or other political subdivisions of the State. Finally, the *Policy Code* makes allowances for property disposal by donating it to a civic, educational or charitable organization located in the State.

Current Action: Staff proposes adding new language to the *Policy Code* to address recycling of salvage or surplus materials. The new language allows the Authority to use paid recycling services if the property is determined to no longer be of any use. In these circumstances, the vendor must provide the Authority with a certificate of disposal for auditing purposes.

Previous Actions: The Mobility Authority's Policy Code was approved by the CTRMA Board of Directors in February 2012. Numerous amendments have been made since the

Policy Code's adoption.

Action Requested/Staff Recommendation: Staff recommends approval of a change to Article 23 of the *Mobility Authority Policy Code* regarding disposition of salvage or surplus property.

Financing: Not Applicable

Backup Provided: Draft Resolution
Proposed *Policy Code* amended language

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 20-0XX

**AMENDING MOBILITY AUTHORITY POLICY CODE
CHAPTER 4, ARTICLE 23, REGARDING THE DISPOSITION OF SALVAGE OR
SURPLUS PROPERTY**

WHEREAS, by Resolution No. 12-016 dated February 29, 2012, the Central Texas Regional Mobility Authority (“Mobility Authority”) Board of Directors (“Board”) adopted the Mobility Authority Policy Code (“Policy Code”); and

WHEREAS, subsequent to its initial adoption, the Board has amended the Policy Code from time to time in order to modify existing policies and incorporate new policies beneficial to the operation of the Mobility Authority; and

WHEREAS, Chapter 4, Article 23, of the Policy Code sets forth policies for disposition of salvage or surplus property; and

WHEREAS, the Policy Code does not address the use of paid recycling services to dispose of salvage or surplus property; and

WHEREAS, it would benefit the operations of Mobility Authority to be able to use paid recycling services in situations where the Executive Director determines the salvage or surplus property to be in such condition as to be no longer usable, and repair or rehabilitation for use is clearly impractical; and

WHEREAS, the Executive Director recommends amending Chapter 4, Article 23, of the Policy Code to add new section 401.119, as shown in Exhibit A to address recycling of salvage or surplus property.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby amends Chapter 4, Article 23, of the Policy Code to add new section 401.119, as shown in Exhibit A attached hereto.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 18th day of November 2020.

Submitted and reviewed by:

Approved:

Geoffrey Petrov, General Counsel

Robert W. Jenkins, Jr.
Chairman, Board of Directors

Exhibit A

Article 23. DISPOSITION OF SALVAGE OR SURPLUS PROPERTY

401.117 Sale by Bid or Auction.

The authority may periodically sell the authority's salvage or surplus property by competitive bid or auction. Salvage or surplus property may be offered as individual items or in lots at the authority's discretion.

401.118 Trade-In for New Property.

Notwithstanding subsection 401.117, the authority may offer salvage or surplus property as a trade-in for new property of the same general type if the executive director considers that action to be in the best interests of the authority.

401.119 Recycling.

Notwithstanding subsection 401.117, if the executive director determines the authority's salvage or surplus property to be in such condition as to be no longer usable, and repair or rehabilitation for use is clearly impractical, the authority may use a paid recycling service to dispose of property. The vendor must provide the authority with a certificate of disposal for all recycled items.

401.120 Heavy Equipment.

If the salvage or surplus property is earth-moving, material-handling, road maintenance, or construction equipment, the authority may exercise a repurchase option in a contract in disposing of such types of property. The repurchase price of equipment contained in a previously accepted purchase contract is considered a bid under subsection (a).

401.121 Sale to State, Counties, etc.

Notwithstanding subsection 401.117 above, competitive bidding or an auction is not necessary if the purchaser is the State or a county, municipality, or other political subdivision of the State. The authority may accept an offer made by the State or a county, municipality, or other political subdivision of the State before offering the salvage or surplus property for sale at auction or by competitive bidding.

401.122 Failure to Attract Bids.

If the authority undertakes to sell property under subsection 401.117. and is unable to do so because no bids are made for the property, the executive director may order such property to be destroyed or otherwise disposed of as worthless. Alternatively, the executive director may cause the authority to dispose of such property by donating it to a civic, educational or charitable organization located in the State.

401.123 Terms of Sale.

All salvage or surplus property sold or otherwise disposed of by the authority shall be conveyed on an “AS IS, WHERE IS” basis. The location, frequency, payment terms, inspection rights, and all other terms of sale shall be determined by the authority in its sole and absolute discretion.

401.124 Rejection of Offers.

The authority or its designated representative conducting a sale of salvage or surplus property may reject any offer to purchase such property if the executive director or the authority's designated representative finds the rejection to be in the best interests of the authority.

401.125 Public Notices of Sale.

The authority shall publish the address and telephone number from which prospective consultants may request information concerning an upcoming sale in at least two issues of the officially designated newspaper of the authority, or any other newspaper of general circulation in each county of the authority, and the authority may, but shall not be required to, provide additional notices of a sale by direct mail, telephone, or via the internet.

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