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**AUGUSTA WATER  
OPERATING PROCEDURES AND POLICY MANUAL**

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Approved By: Board of Directors  
Effective Date: May 19, 2022

Procurement  
Policy No. 11.5  
Page 1 of 1

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**Disposal of Surplus Non-Real Property**

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- 1.0 Surplus Non-Real Property that has a value of \$500 or more for each item must be disposed of by one of the following methods:
- a. Public Sales or Auctions: This requires advertisements to be placed in major state and area newspapers in the vicinity of the auction sale. The Augusta County School Board and Augusta Water advertise their combined sale each year. This is the preferred method used by Augusta Water for most surplus equipment.
  - b. Negotiated Sale: When property has not been sold despite efforts at public auction and/or sealed bid.
  - c. Contracts: Contracts established for surplus items generated on a continuing basis such as scrap metal, wood, tires etc.
  - d. Trade-in: Trade in must be fully described with Model and Serial number on the Purchase Order with the credit amount shown on it.
  - e. Destruction or Abandonment: Non-real property that is unusable and determined to have no commercial value may be destroyed after authorization. This determination must be done in writing with a full description of the property with model and serial numbers and signed by the Department Head.

Employees and immediate family are prohibited from bidding on Surplus Non-Real Property with a value of \$500 or more due to provisions of the Conflict of Interest Act 2.2-3110(A)(1).

- 2.0 Surplus Non-Real Property that has a value of less than \$500 that Augusta Water has no further use for may be exempt from the Conflicts of Interest Act 2.2-3110(A)(1). On advice of counsel, to be eligible for the exemption, we must document the following:
1. That the surplus is worth less than \$500.
  2. That Augusta Water has no further use for the item.
  3. That the surplus is not suitable for sale when (a) the cost of the sale will exceed the potential revenue to be derived there from or (b) the surplus material is not suitable for sale.

An example of a surplus item that experience has proven not to be suitable for sale in an auction would be computers and printers. The exemption for items is justified through documentation of Auction Sales results that show they bring \$2 to \$20 in the annual School Board/Augusta Water Auction.

This type of equipment should be disposed of by one of the following methods:

1. Sealed Bid from Employees.
2. Donation to a nonprofit organization.