

Section
PURCHASING

Subject
ASSET DISPOSAL POLICY AND
PROCEDURE

I. PURPOSE

To establish a formal procedure for the proper disposition and sale of all Pace assets.

II. ADMINISTRATIVE POLICY

Pace will adhere to Pace's Fixed Assets Policy, FI-05 and the FTA Circular 5010.1D (or most recent version) regulations that pertain to the proper disposal of assets. Before a sale is authorized, the asset must have reached the end of its useful life and no longer be needed as defined by FTA Circular 5010.1D (or most recent version), any applicable Pace, RTA or IDOT disposal practices and policies, and Pace's Fixed Asset Policy, FI-05.

The DOT's Common Grant Rules at 49 C.F.R. § 18.32(d) (5) and 49 C.F.R. § 19.34(f) (6) requires that all federally funded assets be sold for the highest return. Therefore, all assets that have a fair market value, scrap value, or other value will be disposed of through the appropriate Purchasing process.

All Pace employees and their family members, as defined in Pace's Ethics Ordinance, are strictly prohibited from purchasing or obtaining Pace assets from any sale or disposition.

A. General Requirements

Appropriate approvals are required before disposing of any asset. Accordingly, an asset disposal form shall be completed for each asset that is ready for disposal and approved by the applicable responsible parties before any disposal process can begin or be committed to. Refer to Section III for responsibilities.

For assets not authorized for disposal directly by the Using Department, it is the responsibility of the Using Department to submit a requisition in the Oracle system. This requisition requires a detailed description of the item to be disposed of and documentation that the asset disposal forms have been approved. A copy of these approved asset disposal forms are then submitted to the Purchasing Department by the Finance Department.

Items with potential environmental issues shall be disposed of appropriately through the applicable process. The Using Department is responsible for informing the Finance Department if it believes there may be a potential environmental issue and noting it on the asset disposal form in accordance with FI-05, Fixed Assets policy. The Environmental Affairs Coordinator in the Capital Financing and Infrastructure Department is responsible for reviewing and approving all items with potential environmental issues before a disposal may take place. See below for specific responsibilities.

B. Specific Requirements for Vanpool Program and Non-Revenue Vehicle Disposals

All Vanpool Program and Non-Revenue Vehicle Sales shall be handled by the Contractor providing Fleet Management Services (for Vanpool and Administration), who is selected through the competitive procurement process. The Administration Department shall oversee the performance of this Contractor in conjunction with the Purchasing Department. *For specific policies and procedures pertaining to the sale of Vanpool Program and Non-Revenue/Staff vehicles, see PC-10.*

C. Specific Requirements for Rolling Stock Disposals

All disposals of Rolling Stock, other than those vehicles sold in accordance with PC-10, shall be handled by the Purchasing Department.

Vehicle title transfer and other applicable processes shall be ensured for all disposals of Rolling Stock must ensure. This includes disposal of badly damaged vehicles determined to have no fair market value. Once the corresponding requisition, asset disposal forms, condition reports, and other applicable documents are submitted to Purchasing, Purchasing shall determine appropriate method of disposal in conjunction with the Capital Financing and Infrastructure and Finance Departments.

III. RESPONSIBILITIES

The following provides the department responsible for each task.

A. The Using Department

The Using Department (defined as Division or Department where responsibility over the asset is currently assigned) shall be responsible for:

- Ensuring the Asset Disposal form is complete and approved by all applicable parties and ensuring all other requirements are met in accordance with FI-05, Fixed Assets Policy, prior to submitting a formal requisition in Oracle for the disposition of the equipment;
- Completing and submitting a requisition in Oracle within 15 business days for processing by the Purchasing Department, once the Asset Disposal Form is approved and it has been determined assets shall be sold, scrapped, traded in, or disposed of by an outside vendor;
 - The requisition shall require approval from the Capital Financing and Infrastructure Department if the item was originally purchased with Capital funds. If purchased with Capital funds, ensure the requisition for disposal is marked as Capital “Yes.”
 - The requisition will include:
 - A complete description of the item approved for disposal
 - An attached disposal approval memo providing evidence that all approvals were obtained on the asset disposal form (please note that

Purchasing will not proceed with disposal process until it receives the signed, fully approved asset disposal forms)

- An Independent Cost Estimate based on fair market value and condition assessment of the vehicle or other asset
- Notifying the Finance Department (Fixed Assets) of the assigned requisition number once it has been approved so that the Finance Department can release the approved asset disposal forms to the Purchasing Department;
- Promptly forwarding any asset sale payment inadvertently submitted directly to the Using Department to the Finance Department.

B. Capital Financing and Infrastructure Department

The Capital Financing and Infrastructure Department shall be responsible for:

- Approving or denying Asset Disposal Forms for any capially funded equipment/assets based on funding rules and regulations and sending said forms to the Finance Department (Fixed Assets) for further processing;
- Obtaining disposal concurrence from funding agencies, if required;
- Approving requisitions for the disposal of any capially funded equipment/assets and addressing issues that may delay the approval process with the Using Department (and the Purchasing Department if required);
- Reviewing and approving the solicitation documents for the disposal of any grant or capially funded equipment/assets;
- Reviewing and approving the solicitation documents of any disposals with possible environmental issues (Environmental Affairs Coordinator) and providing recommended disposal method if needed. This includes IT equipment items, items with rechargeable batteries, and items containing refrigerant (i.e., Freon);
- Coordinating proceeds from sale and remittance back to funding agencies for any sales (if applicable).

C. Finance Department

The Finance Department shall be responsible for:

- Forwarding the completed Asset Disposal form to Capital Financing and Infrastructure for approval (when applicable);
- Notifying the Using Department of the proposed disposal method to be utilized (final determination will be made by the Purchasing Department);
- Forwarding a copy of the approved Asset Disposal Form (when applicable) to the Purchasing Department;
- Verifying with the Purchasing Department that payment amounts received are correct and as agreed upon with the Purchaser(s) of the asset(s);
- Processing all payments and documentation associated with the sale of each asset;

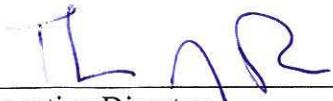
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- When applicable, notifying Capital Financing and Infrastructure of all proceeds from the sale in order to determine whether repayment to the funding agency is necessary;
- When deemed necessary, attending the sale or the pick-up of assets sold to ensure all are accounted for properly.

D. Purchasing Department

The Purchasing Department shall be responsible for:

- Processing the requisition for the disposition of all applicable Pace assets that are determined by the Using and Finance Departments to be eligible for sale, scrapping, or disposal by an outside vendor including the disposal of capitally funded and operating funded assets;
- Ensuring all related asset disposition documentation is received and previously approved by all applicable parties;
- Ensuring and making the final determination of the most competitive and cost effective disposal process, according to all applicable Federal, State, and local regulations;
- Notifying the Finance Department (Fixed Assets) of assigned Buyer so that approved disposal forms may be forwarded for the Purchasing/Contract file;
- Forwarding a copy of the solicitation documents to the Capital Financing and Infrastructure Department for approval of the disposal of any grant or capitally funded equipment/assets;
- Forwarding a copy of the solicitation documents for any disposals with potential environmental issues to the Environmental Affairs Coordinator for review and approval;
- Forwarding a copy of the final solicitation package for any disposal to the Finance Department;
- Ensuring and addressing all contract compliance issues with the prospective Purchasers of each asset;
- Forwarding any payments received by the Purchasing Department to the Finance Department, with all applicable bid amount information;
- Reviewing and signing any titles for the title transfer process (if there is a title of ownership for the property or equipment);
- Maintaining a contract file for the sale, scrapping, disposal or other disposition of these Pace assets.


Executive Director5.6.13
Date