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# Asset Disposal Policy

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Date Approved by Council:

Resolution: 2021-10-14-565

Review Date: March (with Tangible Capital Assets)

Related Bylaws: N/A

Amendments:

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## **Purpose**

The purpose of this policy is to ensure the best method of asset disposal for any asset that has outlived their useful lives and/or are no longer required for operational reasons.

## **Objectives**

The objectives of the asset disposal policy are to:

- Safeguard the Village's assets against inappropriate disposal or loss
- Ensure that the disposal is advertised to the public (if applicable)
- Ensure that all people who are interested in the asset have an equal opportunity to purchase the asset
- Ensure that assets are sold at no less than fair market value unless otherwise approved by Council
- Improve and enhance the control over asset disposal

## **General Guidelines**

### **DISPOSAL CONSIDERATIONS**

In assessing the asset considered for disposal, the following should be considered:

- Asset can still deliver the services at acceptable quality level
- Asset can still deliver services effectively and efficiently
- Asset has reached the end of its useful life
- Asset has become uneconomical to operate and maintain
- The technology of the assets is outdated
- Assets have negative effects on the community and environments

### **APPROVAL OF ASSET DISPOSAL**

"Schedule A" Asset Disposal Forms will be presented to Council during a regular council meeting. Council shall be responsible for assessing and approving the asset disposal through a resolution.

### **ADVERTISEMENT**

If applicable, the approved disposal shall be publicly advertised through the appropriate media as specified in the asset disposal form. "Schedule A".

**DISPOSAL METHODS**

The following methods of disposal shall be used:

- *Public Auction*

The advantages of auctions:

- The process is open to the public
- It may maximize the number of potential buyers when selling the assets
- All potential buyers have equal opportunities to purchase the assets.
- The transaction may be settled at fair market value.

The disadvantages of auctions:

- The commission fees may be higher than the selling fees for private sales.
- The marketing fees for public auction may be higher than private sales

- *Trade-in*

The disposed asset may be traded-in on purchasing new assets. This method is applicable to the vehicles and equipment categories of assets. The CAO is responsible for receiving a trade-in quote from the vendor and must ensure the value is fair and reasonable. The trade-in value must be approved by Council before entering into the trade-in agreement

- *Tender*

The value of the disposed assets and the prospect of maximizing the disposal value need to be considered when selecting this method. A reserved bid shall be set for all assets proposed to be disposed by this method. The tenders shall be advertised for two consecutive weeks. The results of the tender shall be presented to Council with a recommendation of the successful bidder.

If all received tenders are below the predetermined reserved bid, a request for decision shall be prepared and submitted to Council requesting to dispose an asset below the reserve bid to the highest bidder.

- *Donation*

Surplus assets can be donated to registered charities, not-for-profit organizations, and other governments. The transfer of the disposed asset shall be approved by Council before transferring the ownership and physical assets.

- *Other*

Other methods of disposal may be utilized as authorized by the CAO and Council

**SCHEDULE A: ASSET DISPOSAL FORM**

<b>SECTION A: INFORMATION ABOUT THE DISPOSED ASSET</b>	
Type of Asset	
Description of the Asset	
Serial Number	
Date Acquired	
Original Cost	
Expected Useful Life	
Estimated Fair Value	
<b>SECTION B: PROPOSED DISPOSAL PLAN</b>	
Estimated Date of Disposal	
Reason for Disposal	
Advertisement Plan	
Disposal Method	
Disposal Value	
Purchaser Name	
Other Comments	
<b>SECTION C: APPROVAL OF DISPOSAL</b>	
Chief Administrative Officer Signature: _____	
DATE: _____	
<b>MOTION:</b>	