

South Central Regional Transit District	
SUBJECT: Disposition of Obsolete Property	
EFFECTIVE DATE: July 26, 2023	Adopted by Board Resolution No. FY24-01
AMENDS/ SUPERSEDES:	APPROVED _____ EXECUTIVE DIRECTOR

1.0 Objective

The goal of this policy is to dispose of South Central Regional Transit District property including but not limited to vehicles that the District has determined to be obsolete, worn-out, or unusable in a manner that:

- 1.) allows for the proper deletion of the item from the District's inventory.
- 2.) Complements and complies with the District’s Inventory & Capital Asset Policy and Procedures.
- 3.) Integrates the role and duties of the "Property Disposal Committee"; assures that the District complies with relevant state and federal statutory, regulatory, and contractual requirements.
- 4.) optimizes the benefit to the District, District riders, and the Members of the District of publicly owned assets; and
- 5.) allows for the fair and equitable distribution of property once it has been determined to be worn-out, obsolete, or otherwise unusable for district purposes.

2.0 Coverage

The District could be considered a "local public body" within the meaning of NM SA 1978, Section 13-6-4 and as such is required to sell, lease, trade or donate its property pursuant to the statutory provisions of NMSA 1978, Sections 13-6-1 through 13-6-4. This policy covers all personal property, licensed vehicles, and rolling stock regardless of cost or value listed on the district's Inventory & Capital Assets list.

3.0 Roles and Responsibilities

The Board Chair is responsible for appointing between two and three members of the Board annually to serve as the district's Property Disposal Committee. The Fleet Supervisor is responsible for creating and maintaining a list of vehicles that are potentially worn-out, obsolete, or otherwise unusable for district purposes. The Finance Officer is responsible for deleting any property disposed of pursuant to this policy, from the district’s inventory and for providing notifications of disposal to the state auditor.

4.0 Preparation of Annual Preliminary List of Obsolete Property

At least once annually in January the Maintenance Supervisor shall review the District’s vehicle inventory and make a preliminary list of all vehicles, he or she deems obsolete, worn-out, or otherwise unusable for District purposes. The Finance Officer shall add to the list other personal property deemed obsolete, worn-out, or otherwise unusable for District purposes and identify the funding source of the asset to be disposed of. Any property purchased with federal program funding disbursed by NMDOT and/or any vehicles with the New Mexico Department of Transportation (NMDOT) listed as a lien holder, must be approved for

disposal by NMDOT prior to the disposal of the asset. The list shall designate the property with sufficient specificity to ensure that the district's Property Disposal Committee and the Procurement Officer and all other District employees and agents can perform their duties in compliance with this policy.

5.0 Disposal of Assets purchased with Federal Transit Administration (FTA) Funds or State Funds administered by NMDOT (including State Capital Outlay and State Road Funds)

When vehicles or property purchased with FTA or state funds administered by NMDOT (including Capital Outlay Funds and State Road Funds) reach their estimated recommended useful life, the District's Finance Officer must notify NMDOT's Project Manager of the desire to dispose of a vehicle and/or equipment via email and request approval from NMDOT via a disposition request in BlackCat (NMDOT's Award Management software). NMDOT will then approve or recommend the redistribution of the vehicle to other transit agencies and/or ask the District to continue using the vehicle for transit purposes based on their criteria. Once the disposal is approved the Finance Officer will notify the Department of Finance and Administration (DFA) and Office of the State Auditor (OSA) of the District's intent to dispose of the property. The Procurement Officer will then notify the Members of the Board via a resolution of the intent to dispose of the assets. Assets will be disposed on the following descending order of priority:

1. Donation to a transit agency or 5310 provider
2. Donation to a member of the District
3. Sale via auction through Public Surplus or any other auction platform
4. Donation to a public entity that is not a member of the district; (e.g., Indian nation, tribe or pueblo, a state agency or local public body, school district, state educational institution or municipality)
5. Donation to a Section 501(c)(3) entity
6. Destruction or permanent disposal of the property

6.0 Disposal of Assets Purchased with GRT, Capital Outlay Funds, or District Reserves

When vehicles or property purchased with GRT, State Capital Outlay or District Reserves reach their estimated recommended useful life, the District's Maintenance Supervisor should provide a list of assets recommended for disposal to the Procurement Officer and Finance Officer, the Finance Officer will then notify the Department of Finance and Administration (DFA) and Office of the State Auditor (OSA) of the district's intent to dispose of the property. The Procurement Officer will notify the Executive Director via a resolution of the intent to dispose of the assets. Assets purchased with GRT, State Capital Outlay, or District Reserves will be disposed on the following descending order of priority:

- 1.) Donation to a member of the District
- 2.) Sale via auction through Public Surplus or any other auction platform
- 3.) Donation to a transit agency or 5310 provider
- 4.) Donation to a public entity that is not a member of the District; (e.g., Indian nation, tribe or pueblo, a state agency or local public body, school district, state educational institution or municipality)
- 5.) Donation to a Section 501(c)(3) entity
- 6.) Destruction or permanent disposal of the property

7.0 Presentation of Preliminary List for Initial Review

The preliminary list of property shall be submitted to the Board Chair and the Executive Director by the Procurement Officer for review prior to convening a meeting of the District's Property Disposal Committee. The Executive Director may remove any property from the preliminary list if he or she deems the property to be useful to the District or finds that disposition of the property would not be in the best

interest of the District. During the preliminary review, the Finance Officer shall provide the Board Chair and the Executive Director with any information they request (such as data on comparable auctions and sales) to ascertain the estimated current resale value of the property.

8.0 Meeting of the District's Property Disposal Committee

Following receipt and review of the preliminary list, and upon the Direction of the Board Chair the Executive Director shall place the item "Appointment of District Property Disposal Committee" on the Board Agenda. The Board Chair shall solicit volunteers from the Board at the Board meeting to fill the roles of committee members. To the extent possible the committee members shall represent diverse communities including, where possible, rural, and urban members along with tribe and pueblo members. The Property Disposal Committee shall meet at the time and location of its choosing. As long as the meeting facilitates the inspection and review of the property that the District intends to dispose of and provides a reasonable opportunity to determine the value of the property including physical inspection of vehicles. The Board may confer with staff and appropriate outside professionals on matters such as useful life, maintenance history, and potential resale value of the property.

9.0 Committee Review of the Preliminary Inventory List

The Property Disposal Committee shall make recommended findings based upon its meeting and review of the inventory of property proposed for disposition under this policy. Findings shall include:

- 1.) Whether the property is valued at \$5,000 or less.
- 2.) Whether the property is valued at "no value":
- 3.) Whether the property is worn out, unusable, or obsolete to the extent that the property is no longer economical or safe for continued use by the District.
- 4.) Whether the property contains hazardous materials and may not be used safely under any circumstances.
- 5.) Whether the property is valued at more than \$5,000 but is still proposed for disposal following state approval.

10.0 Member's Recommendations on Disposal

Once the Property Disposal Committee has made its preliminary list of property and recommended findings the Executive Director shall circulate the entire preliminary list and findings to each Board member for review and shall solicit comments on the proposed disposition of property. Each Board member shall have the right to request the donation of a vehicle.

11.0 Equitable Distribution of Property

A request for donation in writing and organizational letterhead must be made to the Executive Director and Finance Officer via email. Requests will be processed on a first-come first-served basis. When more than one member of the District wishes to obtain or allocate a particular piece of property to itself or a third party the equitable allocation of property shall be performed as follows:

- 1.) Members who have not previously obtained or allocated property from the District shall have priority over those who have obtained or allocated property in reverse chronological order with the Member who has most recently received or allocated property having the lowest priority.
- 2.) Priority will be given to those members requesting a vehicle for their organization versus a third party.

Nothing herein shall prohibit members from agreeing to the allocation and distribution of property by mutual consent or consent of multiple parties, and this policy shall only be utilized where the members cannot agree on the allocation of property.

12.0 Prohibited Disposal

No tangible personal property shall be donated to an employee or relative of an employee of an agency, local public body, school, or state educational institution, provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

13.0 Board Approval of Disposal of Property

The Board shall consider the recommended findings of the Property Disposal Committee and may make such changes to the findings as it deems appropriate. The Board may approve, disapprove, or approve with modification the final list of property for disposal and shall dispose of any property in accordance with the law and this policy by a resolution of the Board. The Board shall provide in its resolution.

- 1.) The list of properties to be disposed of.
- 2.) whether the value of the items of property is less than \$5,000.00.
- 3.) Findings on each item where the Property Disposal Committee made a recommended finding pursuant to this policy.
- 4.) Comment that notification to appropriate state review bodies was provided.
- 5.) Delegation of authority to staff to sign, authenticate, and preserve all records required by law.

14.0 Prerequisites for Transfer of Property

Because the District wishes to preserve and maintain its brand and image as the "South Central Regional Transit District" "logo" and in order to ensure that there is no confusion regarding the registration, licensure, ownership, use, and liability of former district property, the following requirements are prerequisite to the transfer of district property.

- 14.1 All recipients of district property must be removed. All District logos, advertisements and other identifying information or insignias from the property. The District will generally remove decals and logos but the ultimate responsibility for removal shall lie with the recipient.
- 14.2 All recipients of District property must agree to assume liability for the property, acknowledge that they receive the property in "as is" condition free of all express or implied warranties, and verify upon request that the recipient has obtained any and all necessary licenses, permit, and insurance for the ownership, operation, use or maintenance of the property.
- 14.3 In the case of motor vehicles, the District will clear the original title of liens and encumbrances imposed by the New Mexico Department of Transportation (NMDOT) by providing NMDOT with proof that the vehicle has exceeded its useful life. NMDOT will then provide the district with a release of any lien on the property. The district will then obtain a "clean" title from the New Mexico Department of Motor Vehicles (NMMVD) and will provide the recipient with both the clean title and a bill of sale (for actual or nominal consideration) to ensure that the recipient is able to close title and obtain appropriate title, registration, licensure, and insurance. The District shall also return to NMMVD any existing license plates for the vehicle.
- 14.4 In the case of motor vehicles that are going to be operated and driven following transfer, the recipient shall be responsible for registration, licensing, and insurance of the vehicle following

transfer and shall confirm in writing its agreement to take all necessary steps to ensure the legal operation of the vehicle following transfer.

15.0 Disposition Proceeds

The District will follow the requirements of the awarding agency for the return of disposition proceeds. The District will follow NMDOT vehicle disposition procedures when granted by NMDOT. The district will adhere to New Mexico Statutes for guidance to dispose none granted properties.