

## **EXHIBIT A**

### **NBMC CHAPTER 3.56**

#### Sections:

- 3.56.010 Sale or donation of surplus and personal property owned by the city – General requirements.
- 3.56.020 Sale of surplus personal property with an individual item value of \$5,000 or less.
- 3.56.030 Sale of surplus personal property with an individual item value in excess of \$5,000.
- 3.56.040 Sale of surplus personal property to another governmental entity.
- 3.56.050 Trade-in of surplus equipment with an individual item value in excess of \$5,000.
- 3.56.060 Sale of property originally acquired for public utility purposes.

#### **3.56.010 Sale or donation of surplus and personal property owned by the city – General requirements.**

A. Subject to this chapter, the mayor may authorize department directors to sell property that is in the custody of the departments and owned by the city when said property is no longer of public use to the city.

B. Department directors shall certify in writing to the mayor or their designee that city-owned property is no longer of public use to the city, or that the sale thereof would be in the best interests of the city.

C. The mayor may declare personal property that is of no current or future public use to the city with an individual item value of less than \$500.00 as scrap. Personal property declared scrap may be disposed of as prescribed by the mayor or sold by private sale at prices established by current market conditions.

D. The mayor may also authorize a donation of surplus property when the cost of disposition of the property is equal to or exceeds the current fair market value of the property, to a specific bona fide charitable organization which is tax exempt pursuant to Internal Revenue Code Sec. 501(c)(3).

E. If any surplus property is purchased with grant funds, the department directors shall consult with the granting agency to ensure sale or disposal of the property is consistent with any grant requirements or restrictions prior to providing certification to the mayor.

#### **3.56.020 Sale of surplus personal property with an individual item value of \$5,000 or less.**

A. Approval of the city council is not required for the sale or disposition of any city-owned personal property with an individual item estimated value of \$5,000 or less.

B. When such property has been certified for disposition by a department director, sale or disposition shall be made by the mayor or their designee in accordance with informal procedures. No member of the city council or members of their immediate family, and/or city employees or members of their immediate family, may acquire such property if the city employee or official had any role in establishing the valuation or price of said property.

**3.56.030 Sale of surplus personal property with an individual item value in excess of \$5,000.**

Upon approval by the city council, surplus property owned by the city which is no longer of public use and which is valued at more than \$5,000 shall be sold by calling for sealed bids or by live auction, at the council's discretion.

**A. Sale by Sealed Bidding.**

1. The call for sealed bids shall contain a description of the property to be sold, the location thereof, the name and address of the person with whom the bid is to be filed, the last date for filing bids, and any other pertinent information required by the mayor. Such call shall be published at least once in the official newspaper of the city not less than five days before the last date for filing of bids.
2. Each bid shall be accompanied by a deposit in the form of a certified or cashiers check in the amount equal to but not less than 10 percent of the amount of the bid. All such deposits so made shall be returned to the unsuccessful bidders after award of a bid, if any. The deposit of the successful bidder shall be applied toward the bid price, or upon failure of such bidder to consummate the purchase, such deposit shall be forfeited as liquidated damages and such deposit shall be credited to the appropriate account.
3. Sealed bids shall be opened in public by the city clerk or duly authorized agent at the time and place specified in the call for bids. The city clerk or duly authorized agent shall make a tabulation of all bids received and forward the bids to the mayor for approval or rejection. The mayor shall accept the highest bid that exceeds the city's estimated value.
4. In the event no bids are received, all bids are rejected, or no bid exceeds the city's estimated value, the mayor may either ask for new sealed bids or direct the sale or disposition of such surplus property under the procedures adopted pursuant to NBMC 3.56.020.

**B. Sale by Live Auction.**

1. Notice of the live auction, a description of the property to be sold and any other pertinent information required by the mayor shall be published at least once in the official newspaper of the city not less than five days before the auction.
2. The auction shall be conducted by the mayor or at their direction. The city shall accept the highest bid.
3. In the event no bids are received, the mayor may direct the sale or disposition of such surplus property under the procedures adopted pursuant to NBMC 3.56.020.

**3.56.040 Sale of surplus personal property to another governmental entity.**

A. Sale or disposition of surplus and personal property with an individual item value of \$50,000 or less to another governmental entity shall be in accordance with NBMC 3.56.020.

B. Sale or disposition of surplus and personal property with a value of more than \$50,000 to another governmental entity shall be in accordance with the procedures for public notice and hearing in RCW 39.33.020.

**3.56.050 Trade-in of surplus equipment with an individual item value in excess of \$5,000.**

A. Notwithstanding NBMC 3.56.030, approval of the city council is not required for the trade-in of surplus equipment with an individual value of more than \$5,000 when purchasing new equipment, so long as the city receives appropriate trade-in value for the surplus equipment. Appropriate trade-in value shall be determined by reference to “The Blue Book” or other similar published reference book.

B. When surplus city equipment has been certified for trade-in by a department director in accordance with this chapter, such trade-in may be approved by the mayor in accordance with informal procedures. No member of the city council or members of their immediate family, and/or city employees or members of their immediate family, may acquire such property if the city employee or official had any role in establishing the valuation or price of said property.

**3.56.060 Sale of property originally acquired for public utility purposes.**

Sale or disposition of surplus and personal property originally acquired for public utility purposes shall be in accordance with the procedures for public notice and hearing in RCW 35.94.040.