

CITY AND COUNTY OF HONOLULU ADMINISTRATIVE RULES

TITLE 3

DEPARTMENT OF BUDGET AND FISCAL SERVICES

SUBTITLE 4 DIVISION OF PURCHASING

CHAPTER 61

DISPOSITION OF PERSONAL PROPERTY

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§3-61-1 Purpose. The purpose of these rules is to implement the requirements of section 9-302, Revised Charter of the City and County of Honolulu, 1973, as amended, and prescribe the procedures for the disposition of personal property owned by the County. [Eff AUG 12 2011 ]  
(Auth: RCH §9-302) (Imp: RCH §9-302)

§3-61-2 Definitions. As used in this chapter, unless a different meaning clearly appears in the context:

"Animals" means a living organism that is distinguished from plants by spontaneous movement and rapid motor responses to stimulation that is owned by the City and not otherwise subject to disposal by other City policies or rules.

"City" means the City and County of Honolulu.

"Competitive bidding" means a sale in which intending buyers bid against one another for individual items each of which is sold to the bidder offering the highest bid.

"Controlled property" means equipment, materials and supplies that include but are not limited to: weapons, works of art, historical treasures, or animals.

"Department" means any department or agency of the City, the council and its offices.

"Director" means the Director of Budget and Fiscal Services or authorized representative.

"Equipment" means a moveable object, or asset, intended for continued use which may have a useful life of one year or more, which does not lose its identity when removed from its location, and is not changed materially or consumed by use.

"Excess property" means any personal property that is declared by the Director as unusable for public purposes.

"Materials" means articles and substances in a natural or manufactured state, which usually enter into, are connected or attached to, or become component parts of the permanent asset to which they apply.

"Supplies" means commodities that may either be consumable or, after being used once, show material change in or an appreciable impairment of its physical conditions.

"Personal property" means equipment, materials and supplies.

"Public auction" means a public sale in which personal property is sold to the highest bidder.

"Weapons" means lethal or non-lethal firearms, handguns, rifles, shotguns, Tasers, explosives, munitions, and other equipment, materials and supplies that are used for law enforcement or security purposes.

"Works of Art or Historical Treasures" mean collections or individual items of significance, which are not held for financial gain, but rather for public exhibition, education or research in furtherance of public service that is owned by the City and not otherwise subject to disposal by other City policies or rules.

[Eff AUG 12 2011 ] (Auth: RCH §9-302) (Imp: RCH §9-302)

§3-61-3 Unusable for Public Purposes. No personal property shall be sold, traded, destroyed, or otherwise disposed of, without the approval of the Director. All departments having personal property, which are not useful to them, shall furnish a list thereof to the Director. After examining such property, the Director shall declare whether the personal property is unusable for public purposes. Any personal property found to be unusable for public purposes shall be disposed of in accordance with the provisions set forth in §3-61-4 through §3-61-6. [Eff AUG 12 2011] Auth: RCH §9-302)  
(Imp: RCH §9-302)

§3-61-4 Disposal of Unusable Personal Property. (1) Any personal property no longer usable for public purposes shall be declared as excess property and disposed of using one of the following methods:

- (A) Disposal by trade-in to a vendor for credit on an acquisition, and determination by the Director shall be based on:
  - (i) The determination of the trade-in shall be based on the urgency of need by the department for the acquisition and whether the trade-in value is expected to exceed the value realized through the sale of the personal property;
- (B) Disposal by sale of personal property through competitive sealed bidding, voice or internet public auctions, established markets, or posted prices.
  - (i) Competitive sealed bidding method shall be in accordance with the following: Notice of the competitive bidding shall be made publicly available at least ten days before the date set for bid opening; the notice shall list the personal property offered for sale; the location, availability for inspection, the terms and conditions of sale and instructions to bidders; the award shall be made in accordance with the provisions of the notice of the competitive bidding to the highest responsive and responsible bidder, provided that the price offered by such bidder is acceptable to the Director; if the Director determines that the bid is not advantageous to the City, the Director may negotiate the sale, provided that the negotiate sale price is higher than the highest responsive and responsible bidder;
  - (ii) Voice or internet public auctions shall be made publicly available at least five days before the auction date and the solicitation to the bidders shall include all the terms and conditions of any sale.
  - (iii) Posted price (pre-established price) may be used for personal property for which there is no regular market, demand is erratic, or for personal property that received unacceptable prices through competitive bids or public auction.
  - (iv) The Director shall determine the most effective means of publicizing the disposal by sale based on the estimated return expected from the sale; the costs involved; the current market conditions and target markets; and salability of the personal property.

- (C) Sale to dealers for recycling, salvaging, or scrap;
- (D) Other disposition methods, including, but not limited to solicitation by phone, appraisal, or barter, provided the department makes a written determination, approved by the Director, that such procedure is advantageous to the City;
- (E) Donation to the following organizations, provided the department makes a written justification, approved by the Director, that the donation would be advantageous to the City:
  - (i) Private eleemosynary organization dedicated to the care of aged persons;
  - (ii) State of Hawaii or any county within the State;
  - (iii) Nonprofit organization that renders a benefit to the government and the public;
- (F) Cannibalize the usable parts by the department;
- (G) Destroy, remove and dump by the department, provided the department submits a list to the Director for approval, and the department certifies that the excess property was destroyed, removed and dumped in accordance with applicable laws.

(2) Determination Factors. The Director shall determine the preferred method of disposition of the personal property based on the best use of the personal property; the quality and residual value of the personal property; the safety, liability and environmental issues associated with the disposal; timing and accounting issues dictated by the operational needs of the department; current market conditions for the personal property; and the optimal return to the City from the disposition of the personal property. [Eff AUG 12 2011]  
 (Auth: RCH §9-302) (Imp: RCH §9-302)

§3-61-5 Controlled Property. Based on the unique characteristics of the controlled property, the Director shall confer with the department and determine, in the best interests of the City, the preferred method of disposition, based on the health, safety and welfare of the public; the humanitarian interests being served; and the public exhibition, education or research in the furtherance of public service. [Eff AUG 12 2011]  
 Auth: RCH §9-302) (Imp: RCH §9-302)

§3-61-6 Exceptions. If any requirement of this chapter results in undue hardship for the department or agency, the Director may, upon written request from the head of the department, grant an exception to that requirement if the Director determines such action to be in the best interests of the City. [Eff AUG 12 2011] (Auth: RCH §9-302) (Imp: RCH §9-302)

§3-61-7 Severability. If any chapter, section, subsection, sentence, clause, phrase, or portion of these rules is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.  
 [Eff AUG 12 2011] (Auth: RCH §9-302) (Imp: RCH §9-302)

DEPARTMENT OF BUDGET AND FISCAL SERVICES

Compilation of title 3, subtitle 4, chapter 61, City and County of Honolulu Administrative Rules, Department of Budget and Fiscal Services, Disposition of Personal Property, on the Summary Page dated May 6, 2011, were adopted on JUN 07 2011, following a public hearing held on June 7, 2011, after public notice was given on May 6, 2011, in the Honolulu Star-Advertiser.

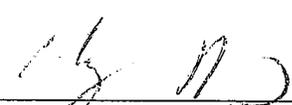
These rules shall take effect after the completion of the ten (10) days filing with the Office of the City Clerk.

Department of Budget and Fiscal Services  
City and County of Honolulu



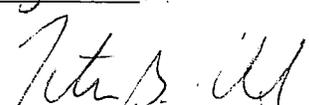
Michael R. Hansen, Director

Approved as to Form  
And Legality:

  
\_\_\_\_\_  
Deputy Corporation Counsel

Approved this 15<sup>th</sup> day of

August, 2011.

  
\_\_\_\_\_  
Peter B. Carlisle, Mayor  
City and County of Honolulu

CERTIFICATION

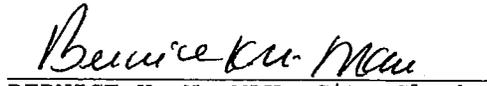
I, Michael R. Hansen, in my capacity as Director of the Department of Budget and Fiscal Services, City and County of Honolulu, do hereby certify that the foregoing is a full, true and correct copy of the Disposition of Personal Property, as compiled, which were adopted on JUN 07 2011, following a Public Hearing held on June 7, 2011, after public notice was given on May 6, 2011, in the Honolulu Star-Advertiser.



Michael R. Hansen, Director

Received this 2 day of

August, 2011.

  
BERNICE K. N. MAU, City Clerk