

Sale of APS Assets Review

Objective

One of my assignments this year is to review controls over the periodic sale of APS assets. Goals were to develop an understanding of how assets disposals are handled at APS, including both those that produced revenue as well as those for which APS incurred a disposal fee.

Policy

APS Procurement Policies – Surplus Property (40-4-13) outline the provisions for disposal of surplus personal property belonging to APS:

Personal property is defined as all equipment and supplies other than buildings and land.

The disposal of surplus personal property will be by the method determined by the staff to be most advantageous to the school system.

Methods available are:

- *Transfer to Arlington County Agencies*
- *Sale to other public jurisdictions*
- *Sale by competitive bids or public auction*
- *Trade-in on the purchase of other items*
- *Disposal as scrap*

In the event that disposal of surplus property cannot be achieved by one or more of the above options, staff is authorized to dispose of residual property in a manner most economical to Arlington County Public Schools.

Scope

Interviewed APS staff in Purchasing and Information Systems for access to records and information on current processes.

Reviewed the following reports:

- *Public Surplus APS Sold and Paid Report (March 2016 to June 2017):*
 - Furniture and fixtures
 - IT equipment
 - Vehicles sold after repair by the Career Center

- Surplus / Excess Pickup Form – *form used by schools to list materials to be discarded*
- Notice of Transfer of Ownership and Liability Release of Arlington Public Schools Property
- FY17 APS general ledger revenue account for Sale of Surplus and Equipment Maintenance
 - School Furniture and fixtures (\$6,222)
 - IT equipment (\$42,435)
- Career Center School Activity account for FY17 vehicle sales (\$61,008)

Summary of Processes in place

Documented process as follows:

Control over Furniture and non-IT equipment

1. School or office identifies materials to be discarded and completes Surplus / g Pickup Form.
2. Purchasing Staff receives form and determines if other APS location could use the material
 - a. If yes, Facilities and Operations is contacted to pickup and deliver to new location
 - b. If no, photo is requested and item is listed with Public Surplus, a website used by school and government entities to sell items no longer needed.
3. *Public Surplus* vendor maintains website to advertise materials, collect proceeds and charge an 8% fee on all sales. If value of item is less than estimated disposal cost, items is listed at \$10 or less with the expectation that a winning bidder will remove the item from APS premises.
4. *Public Surplus* forwards payments the following month to APS.
5. If item cannot be sold, pick by APS Facilities & Operations and subsequent disposal is arranged:
 - a. Wood items are dismantled and place in dumpster.
 - b. Metal items are placed in dumpster for pick-up by Environmental Services who will deliver to Davis Company, firm selected for APS recycling.
 - c. School recycling is picked up by Covanta, firm used by the county since 1-1-17. Pick-up is weighed to facilitate allocation of any rebate received.

Control over IT assets

Information Systems tracks over \$45mm (50,000) items in the APS IT inventory.

- Over \$300 threshold
 - I-pads
 - Personal computers
 - Televisions
 - Smart boards
 - Projectors
1. Information Systems Manager, Desktop Support, supervises entering of all new IT assets into the APS IT inventory system as received. This includes items purchased through APS IT and shipped to either 2770 South Taylor Street or directly to each location. Devices are assigned to individuals: Schools receive PCs, monitors and blackboards; students receive macbooks and ipads.
 2. Refurbishing of older equipment may be done, if only minor repairs are needed. Items no longer needed by APS departments or the schools are removed from inventory and assigned to a needy student as defined by each principal.
 3. If item is not suitable for re-assignment, but has value, a picture will be taken for sale on *Public Service* auction process coordinated by APS Purchasing Staff.
 4. Hard drives of all computers are scrubbed prior to sale.

Then steps #3 and #4 are followed (same as for sales of furniture and non-IT equipment).
 5. If item has no value (broken and obsolete items, for example) or item cannot be sold, disposal is arranged with C2Management for a fee.

Observations

APS has systems in place to transfer surplus items among locations to where there is a need. In addition, for PC's and laptops that are no long needed by APS departments or the schools, there is a system to assign these devices to needy students as defined by each principal. Any remaining items with value not needed elsewhere within APS are sold at public auction.

School furniture and fixtures were sold totaled \$6,222 during FY17.

IT equipment consisting of two lots of Dell laptop computers, no longer used at APS, were sold totaled \$61,008 during FY17.