



Travis County Commissioners Court Agenda Request

Meeting Date: March 19, 2013

Prepared By/Phone Number: Kent Hubbard/854-6458

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Agenda Language: Pursuant to Texas Local Government Code, Section 263.152(a)(1), declare certain items salvage property and recycle as scrap material.

Texas Local Government Code (TLGC) 263.151(1) defines salvage property as: *"...personal property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended."*

In the typical course of County asset disposal process, Purchasing presents County assets to the Court to consider as "surplus" (as defined in TLGC) and requests direction to administer a public auction for final disposition of those assets. For the specific items on this request, we are recommending that these assets (or more specifically, remainder portions thereof) be considered as salvage property and are requesting direction to recycle the items as scrap metal. The current collection includes approximately 30 pallets of general scrap metal that includes portions of old metal desks, file cabinets, metal tables, bicycle frames, iron drain grates, old electric motors, washers, dryers, wire baskets, metal shelving, old damaged trash cans, rusted A/C units, water heaters, metal storage boxes and old lockers.

We believe these assets are more valuable to the Court as recycled material than auctioned. Anecdotally, we have auctioned similar materials for a number of years that yielded little or no bids from the public. On bids accepted at auction, ordinarily less than \$5 for one or more pallets of material, the cost of the work required to process the material far exceeds the bid amount received. For material that received no bids, we have been

obliged to stockpile these items to find alternative means of disposal, thus the relatively large volume of material currently on hand.

We expect an initial volume for recycling of this particular salvage material to be 3-4 large roll-off containers, with subsequent usage to be no more than once or twice a year depending on salvage-quality material received by the warehouse. Later Agenda requests to process that material will be submitted to the Court for its direction.

Through an inter-local agreement with the City of Austin, the County can utilize an existing contractual agreement with a locally-owned recycling company, Austin Metal and Iron Company. This company will provide roll-off containers as needed to process the material. These containers are owned by the company and are provided at no cost to the County. Rates paid for the material will be based on industry standard metal market-index pricing on the day on which the material is received. Each container processed by the company will generate appropriate documentation for the Purchasing Office, with all funds received by the County forwarded to the Treasurer's Office as with the regular auction process. While this request is specific to the disposal of fixed assets by Purchasing, the same contractual agreement in place will facilitate on-going non-asset based metal recycling activities by other County departments.

We believe that this process, if accepted by the Court, will allow us to return the maximum amount of asset-generated value back to the general fund, while simultaneously allowing a portion of the statutorily mandated asset disposal process to merge with the County's broader recycling efforts.

Fixed Assets: Proposed Disposal Process with Recycling









