



Nice Matters!

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January 14, 2020

**MEMO TO:** Mayor Barber and Board of Commissioners  
**FROM:** Laura Rotchford, Finance Director  
**SUBJECT:** Amendments to Purchasing and Contracting Policy

The Board of Commissioners is asked to approve the attached amendments to the Town's Purchasing and Contracting Policy at the January 14, 2020 meeting. The proposed amendments are indicated with the "strike-through" and "underline" feature in the attached excerpts from the policy. Because the entire policy is more than 20 pages and the amendments affect only a few pages, I have included only excerpts in the agenda packet.

The purpose of the amendment would align the Town's Purchasing and Contracting Policy with NC General Statutes, specifically under Article X – SURPLUS PROPERTY.

NC GS 160A-266(c) specifies that an officer or employee of the Town may be authorized to conduct small surplus item sales without published notice or government board approval if the value of the personal property item or group of items is less than \$30,000. The Town's policy has not been updated for many years and that value is listed at \$5,000. The following changes are proposed:

## ARTICLE X

### SURPLUS PROPERTY

#### Section 1. Finance Officer and Town Clerk Notified

Department heads are to notify the Finance Officer and the Town Clerk of surplus property that needs to be disposed of. Departments may transfer property to other departments provided that the Finance Officer and the Town Clerk have been notified and the Town Manager has approved the transfer.

#### Section 2. Sale of Personal Property (Less than ~~\$5,000~~, \$30,000)

The Town Manager is authorized to dispose of any personal property owned by the Town of Emerald Isle, whenever he/she determines, in his/her discretion, if:

- (A) The item or group has a fair market value of less than ~~\$5,000~~, \$30,000;
- (B) The property is no longer necessary for the conduct of public business; and,
- (C) Sound property management principles and financial consideration indicate that the interests of the Town would best be served by disposing of the property.

The Town Manager may dispose of any such surplus personal property by any means which are judged to yield the highest attainable sale price in money or other consideration, in accordance with North Carolina General Statutes.

The surplus property shall be sold to the party who tenders the highest offer, or exchanged for any property or services useful to the Town if greater value may be obtained in that manner, and the Town Manager is hereby authorized to execute and deliver any applicable title documents. If no offers are received within a reasonable time, the Town Manager may retain the property, obtain any reasonable salvage value, or cause it to be disposed of as waste material.

The Town Manager shall, on or before the first day of February, report in writing to the Town Board of Commissioners on any property disposed of under these provisions from January 1 through December 31 of the previous year. The written report shall generally describe the property sold or exchanged, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for sale or exchange since the last such report was submitted.

Section 3. Sale of Real Property or Personal Property (Greater than ~~\$5,000~~, \$30,000)

The Town Board of Commissioners must authorize the disposal of any real property or surplus personal property valued at greater than ~~\$5,000~~, \$30,000. Private negotiation and sale may be used for personal property valued at less than \$30,000 for any one item or group of similar items. Real property, of any value, and personal property valued at \$30,000 or more for any one item or group of similar items may be sold through sealed bid, negotiated offer and upset bid, and public auction procedures, as outlined in the North Carolina General Statutes.

I recommend approval of the attached policy amendments.