



Benjamin Chu, M.D., MPH  
President

**OPERATING PROCEDURE NO. 110-10\*  
SURPLUS PROPERTY MANAGEMENT**

To: Distribution "D"  
From: Benjamin K. Chu, M.D. MPH  
Date: July 31, 2003

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1. **Purpose:** This procedure establishes the Corporation's guidelines for surplus property management.
  2. **Scope:** This procedure applies to all Corporation facilities and Central Office.
  3. **a.) Responsibilities:**
    - (a) The Network Senior Vice President will be responsible for ensuring compliance with this Operating Procedure throughout the network.
    - (b) The Executive Director is responsible for ensuring compliance at the local facility and monitoring the administration of the Surplus Property Management Program.
    - (c) The Director of Materials Management at the facility shall appoint a facility Surplus Property Officer to be responsible for surplus property management; and a facility Surplus Property Inspector, responsible for inspecting equipment and/or supplies designed for relinquishment/salvage. Also, the Directors of Materials Management will prepare a list of designated surplus property inspector(s) and forward this information and all subsequent changes, to the Assistant Vice President, Office of Materials Management.
    - (d) Cost Center Managers at Central Office are responsible for coordinating surplus property management activities at their individual cost centers.

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\*THIS PROCEDURE REPLACES OPERATING PROCEDURE 110-10, SURPLUS PROPERTY MANAGEMENT, DATED OCTOBER 1998.

**A.J. DANDREA  
346 Broadway  
12 East**

- (e) The HHC Office of Materials Management will be responsible for surplus property management policy development, the sale of surplus property for Central Office cost centers and the list of designated HHC facility surplus property inspectors.

**b.) Definitions:**

(a) Relinquishment

HHC material, supplies or equipment in at least satisfactory or functional condition where one HHC facility agrees to transfer title or ownership to another HHC facility.

(b) Salvage

- . HHC material, supplies or equipment in less than satisfactory condition or of no functional value to any HHC facility, and where an HHC facility prepares a bid for the sale of unusable HHC property.
- . HHC material, supplies or equipment which is in such poor condition that a bid would not be practical. Upon completion of surplus property documentation and required approvals, HHC facilities may discard such items accordingly.

**4. Procedure:**

**a. Surplus Property:**

The Surplus Property Officer shall:

(1) Classify surplus property items into one of the following categories:

- (a) Usable - Material or equipment that is new or used, has no future use at its current location and may be of use to another HHC facility. Information about these items will be circulated to other HHC facilities for possible transfer.
- (b) Unusable, worn, damaged or obsolete HHC property, which can no longer be used for its original purpose. Information about these items will not be circulated to other HHC facilities for transfer.

(2) Complete HHC Form 2148 (revised June 1998) Surplus Property Management. Any Corporation property judged to be unfit for sale may be disposed of with the approval of the Executive Director after HHC Form 2148 is fully completed.

- (3) Obtain authorizing signature from facility Director of Materials Management and Chief Financial Officer. All unusable properties must be inspected and approved by the Facility Inspector, designated by the facility Materials Management Director.
- (4) Surplus Property Officer shall formally circulate listings of usable surplus property (HHC Form 2148) to all other HHC Materials Management Directors for a period of 30 days. If another HHC facility is interested in obtaining the property, the transfer to the requesting facility should be coordinated by the Materials Management departments, respectively.
- (5) If no other HHC facility expresses interest in obtaining the usable surplus material, reclassify it as unusable. The Surplus Property Officer may extend the 30 day circulation period as appropriate, especially if there is potential for another HHC facility to use the surplus property.
- (6) Prepare a bid package for the sale of unusable HHC property incorporating HHC Form 110-92 (Sales Agreement Terms and Conditions). HHC surplus property shall be sold only to non-HHC facilities, institutions or commercial sources. (Prior to any attempt to sell new material it should be determined if the vendor will accept the return of the new material for credit). **Under no circumstances shall Corporation employees, Affiliate employees, and/or others covered by the Corporation's Code of Ethics be permitted to bid on and/or receive directly or indirectly any surplus HHC property.**

Furthermore,

- (a) If the value of the surplus property is estimated at less than \$5,000 by the designated facility inspector, telephone bidding procedures (as defined in Operating Procedure No. 110-1) shall apply.
  - (b) If the value is estimated at \$5,000 or more by the designated facility inspector, formal bidding procedures (as prescribed in Operating Procedure No. 110-1) shall apply. In addition, if value is over \$10,000 an advertisement shall appear in the *City Record* at least 10 days prior to the date of public bid opening.
- (7) All sales of Corporation property must first be approved by the facility Executive Director (or designee). Additionally, payment in the form of a certified check or money order must be received before the release of any surplus property. Payment checks received for the sale of surplus property must be forwarded to the HHC facility Controller's Office (Finance) for deposit.

- (8) Changes in the status of Corporation property due to transfer, sale or disposal must be entered by the facility into the Corporation's Fixed Assets Inventory System.
- (9) HHC facility Materials Management Directors are responsible for maintaining inventory records of all surplus HHC property and any and all records relating to surplus property transactions. A copy of all surplus property transactions are to be forwarded to the HHC Office of Materials Management within five (5) business days following the final disposition of the surplus property.

**b. Sale of HHC Vehicles:**

The Surplus Property Officer shall:

- (1) Utilize HHC Form 2148 to designate vehicles for disposal. Once authorizing signatures have been obtained:
  - (a) Complete DCAS (DGS) Form 24 CW-414 Rev. 11/1/91 General Mechanical and Equipment Condition Report On Surplus Vehicles and,
  - (b) Complete DCAS (DGS) Relinquishment Form 23-S-154 (Rev 4/69).
- (2) Forward DCAS (DGS) relinquishment form(s) to the attention of Director, NYC Office of Surplus Activities, 18th Floor, Municipal Building. DCAS will advise the Surplus Property Officer of the date scheduled for the auto auction.
- (3) Arrange for the delivery of HHC vehicle(s) to be auctioned to the DCAS auction site. DCAS (DGS) Form 24 CW-414 must accompany the vehicle to the auction site.
- (4) Record and maintain all files and documents relative to vehicle(s) auctioned.

**c. Donations:**

- (1) When it is in the best interest of the Corporation, the President (or the President's designee) shall be authorized to approve the donation of Corporation property to other governmental agencies or free-world foreign countries for humanitarian purposes only.
- (2) At the discretion of the Senior Network Vice President, a computer CPU or other computer component (including a monitor) that has been identified (or reclassified) as unusable surplus material having a net value estimated at less than \$100 by the

designated facility inspector may be donated to registered patients at the facility under the following conditions:

- (a) Before any such donations are made, the intent to offer such computers and/or computer components to patients must be communicated to other networks within the Corporation to give them the opportunity to request the computers for their own use.
- (b) The patients to whom such computers would be donated must be participating in a disease management program and the donation must facilitate patients' communication with their healthcare provider and their access to relevant health information through the internet.
- (c) Donations must be made in a fair and impartial manner without regard to the volume of services used by patients.
- (d) No patient who is a near relative of an HHC employee ( as defined by the HHC Code of Ethics) may receive a donation of a computer or computer component.
- (e) No household may receive more than one computer in a two year period.

Any facility proposing to initiate a program of donating computers or computer components to patients under this Operating Procedure must develop a formal written policy to govern such donations in a manner consistent with this Operating Procedure and the Network Senior Vice President must certify in writing that all such donations are in compliance with the facility policy and this Operating Procedure.

(3) The following procedure shall apply to donations:

- (a) The Surplus Property Officer shall complete HHC Form 2148 (revised June 1998), Surplus Property Management, filling in all pertinent information. Identify the name, address, telephone number and contact person of the organization that will receive the donation. Attach documentation confirming that the receiving organization qualifies as a non-profit entity and has established a means of pick-up and delivery of HHC property being donated. In the case of a donation to a free-world country, a letter from the branch of government scheduled to receive the donation is required. The letter should also include an approval of the not-for-profit organization coordinating the donation with HHC.
- (b) The Surplus Property Officer shall obtain authorizing signatures from Director of Materials Management, Chief Financial Officer and the Executive Director of the facility.

- (c) The Surplus Property Officer shall forward originals and one copy of all documents (including HHC Form 2148) to the Assistant Vice President for Materials Management, Office of Materials Management at 346 Broadway, Room 509.
  - (d) The Assistant Vice President for Materials Management shall review and submit the donation request to the President (or designee) for approval.
  - (e) The Office of Materials Management shall maintain all documentation and records covering requests approved or not approved by the President.
  - (f) The Assistant Vice President for Materials Management shall return all original documentation approved by the President (or designee) to the facility Executive Director or Chief Operating Officer.
  - (g) Approval by the President (or designee) must be received, by the requesting HHC facility, prior to donations of surplus property being physically transferred to the receiving organization.
  - (h) Any and all expenses associated with the removal, transportation and delivery of donated HHC property is the sole responsibility of the not-for-profit organization coordinating the donation. HHC facilities are prohibited from allocating Corporation resources.
- (4) Donations to HHC employees, near relatives of employees of HHC (as defined by HHC Code of Ethics), Code of Ethics covered persons, and commercial or profit oriented companies are strictly prohibited regardless of purpose.

**Deviations from the Standards of this Procedure**

The procedures established herein are effective immediately and shall remain in effect until modified or suspended by the President.

RW/gr

attachments

- HHC Form 2148 (R June 98) – Surplus Property Management
- HHC Form 110-92 (R Nov 78) – Sales Agreement Terms and Conditions
- HHC Code of Ethics
- HHC OP 110-1 - Procurement of Supplies, Services and Equipment

# New York City Health and Hospitals Corporation

## SURPLUS PROPERTY MANAGEMENT

Page _____ of _____	Date _____	Number _____
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The item(s) described below are no longer required by this unit. They are judged to be:

Relinquishment       Salvage

Facility/Department: \_\_\_\_\_

Item No.	Quantity	Description	Equipment Control No.	Condition	Date of Purchase	Original Cost	Present Estimated Value

<b>Relinquishment/Salvage Certification</b>	<b>Relinquishment</b>	<b>Salvage</b>
I certify that the item(s) listed above are judged to be as described.		
Signature - Director, Materials Management (or Designee)      Date	To obtain the above item(s) notify:	The above item(s) are designated as salvage
Signature - CFO (or Designee)      Date		Signature - Cost Center/Department Designee
Signature - HHC Facility Inspector      Date	By (date)	Date

**NEW YORK CITY  
HEALTH AND HOSPITALS CORPORATION**

125 Worth Street  
New York, New York 10013

**SALES AGREEMENT TERMS AND CONDITIONS**

**Information to Bidders**

1. The Corporation shall award the Sales Order to the highest responsible bidder as determined by the Corporation.
2. Tie bids will be decided by the Corporation.
3. The Corporation reserves the right to waive any informality in a bid when such waiver is in the interest of the Corporation. The Corporation reserves the right to reject all bids when it deems it to be in the best interest of the Corporation to do so.
4. Bids must be submitted on the forms furnished by the Corporation. A bid on any basis other than that indicated in the Bid Request will be considered non-conforming and may not be accepted.
5. When a bidder desires an interpretation or clarification of an ambiguity in the Bid Request, he must contact the originator of the Bid Request five (5) working days prior to the bid opening. The Corporation's interpretation shall be final and will be made known to all prospective bidders.
6. The bidder agrees to purchase from the Corporation the items indicated herein at the prices herein set forth, if its bid or any part thereof is accepted in writing within ninety (90) days from the date of the bid opening. After ninety (90) days, its bid shall remain in effect until withdrawn in writing.
7. The resulting total "sales agreement" shall include all the terms and provisions contained in the signed Bid Request, Information to Bidders, Sales Agreement Terms and Conditions, and the Sales Order. The Purchaser shall be subject to all the terms and provisions contained in these documents as well as any additional regulations of the Corporation applicable to this sale.