

HOW TO: SELL BOROUGH PERSONAL PROPERTY

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The borough wants to sell an old police car with high mileage because it was replaced by a newer model. The council must estimate the value of the vehicle. If there is a car dealership in the area it can ask them to provide an estimate of the fair market value.

According to section 1201.2 (a) if the personal property (i.e., the car) is valued at less than \$2,000 council passes a resolution stating the same and then it can sell it via a public process.

If the vehicle is worth more than \$2,000 it shall advertise one time in a newspaper of general circulation not less than ten days prior to the date scheduled for the opening of bids and the advertisement shall state the date of the bid opening. Or the borough can sell the vehicle via a public auction or an online/electronic auction provided it states in the advertisement that it's being sold in that manner including the Internet address or how to access the electronic auction website. The bidders should be able to see the buyer's bid rank or the high bid price. The purchase price must be paid immediately or within a reasonable time after the conclusion of the auction and if there are shipping charges the buyer must pay for it. The auction's records are public information subject to inspection

The borough can reject any bids that are not at least at the fair market value provided the language is in the advertisement.

Below is a sample resolution that's needed for selling personal property valued at this than \$2,000.

Sample Resolution to Sell Borough

Personal Property

RESOLUTION NO. _____, BOROUGH OF _____,
_____ COUNTY, PENNSYLVANIA

A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A PROCEDURE GOVERNING THE SALE OF PERSONAL PROPERTY VALUED AT LESS THAN TWO THOUSAND DOLLARS (\$2,000).

WHEREAS, section 1201.2 (a) of the Borough Code, authorizes the Council of _____ Borough to establish a procedure for the sale of the surplus personal property which has an estimated value of less than \$2,000 and,

WHEREAS, the Council of _____ Borough now desires to establish such a procedure.

NOW, THEREFORE, be it resolved that _____ Borough Council hereby authorizes the borough manager or borough secretary to sell the personal property of the Borough which has an estimated value of less than Two Thousand Dollars (\$2,000) pursuant to the following procedure.

1. The borough manager (secretary) shall determine the value of the subject personal property (the "property") by obtaining from five (5) vendors dealing in the Property, or goods substantially similar to the Property, in their regular course of business.
2. The second lowest estimate shall constitute the minimum permissible sale price for the Property (the "Minimum Price).
3. The borough manager (secretary) may then solicit and accept written offers of purchase at a price in excess of the Minimum Price (individually referred to as a "Purchase Offer).
4. After three (3) consecutive business days following receipt of the most recent Purchase offer, the borough manager (secretary) may accept the highest Purchase Offer received to that date, and sell the Property with or without approval of Council. In the alternative, the Borough Manager may reject "any Purchase Offers or other offers at any time.
5. The borough manager (secretary) shall report such sale at the Council Meeting immediately subsequent to such sale.

DULY PRESENTED AND ADOPTED by the Borough Council of _____, _____ County, Pennsylvania, at the public meeting held this _____ day of _____ (month) _____ year.

And when the borough has tried and failed to obtain bids here is the following procedure.

Award and Execution of Public Contracts When No Bids Received (73 PS 1641)

- (a). Purchase of goods.

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When a political subdivision, municipal authority or transportation authority advertises for bids on an item and no bids are received, the political subdivision, municipal authority or transportation authority shall rebid the item. If again such bids are not received, the political subdivision, municipal authority or transportation authority may purchase or enter into contracts for the purchase of any item where no bids are received from suppliers for the item within 45 days of the date of second advertisement.

(B) Sale of property. When a political subdivision, municipality authority or transportation is

required to advertise for bids in order to sell real or personal property and no bids are received, the political subdivision, municipality authority or transportation authority may proceed as follows:

- (1) The political subdivision, municipality authority, transportation authority may advertise for bids a second time.
- (2) If no bids are received within 15 days of the second advertisement, the political subdivision or transportation authority may initiate negotiations for a private sale of the property, taking into consideration its fair market value.
- (3) The political subdivision, municipality authority or transportation authority must publicly announce the identity of the parties, the sale price and a summary of the other terms and conditions relating to any proposed private sale at a regular or special meeting of its governing body.
- (4) After the public announcement of the sale is made in accordance with paragraph (3), at least 30 days must elapse before a political subdivision, municipal authority or transportation authority may authorize the private sale in accordance with this subsection.