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**Chapter 13.80**  
**PROCEDURE FOR DISPOSITION OF SURPLUS BUSINESS PROPERTY**  
**AND SCRAP METAL**

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**13.80.010 Definitions.**

- (A) In this subtitle, the following words have the meanings indicated.
- (B) “Auction” means a public sale at which property or items are sold to the highest bidder.
- (C)(1) “Business property” means WSSC owned property that includes:
  - (i) Capital movable assets and scrap metal; and
  - (ii) Controlled assets.
- (2) Business property does not include real property.
- (D)(1) “Capital movable asset” means business property with:
  - (i) a unit cost of \$10,000 or more; and
  - (ii) a useful life of more than one year.
- (2) Capital movable asset includes:
  - (i) equipment and machinery;
  - (ii) motor vehicles;
  - (iii) furniture and fixtures; and
  - (iv) information technology hardware.

(e)(1) “Controlled asset” means business property with a unit cost of less than \$10,000;

(2) Controlled asset includes:

- (i) computers and computer-related equipment;
- (ii) audio-visual equipment;
- (iii) cell phones;
- (iv) machinery;
- (v) tools; and
- (vi) handguns and other law enforcement weapons.

(f) “Custodial business unit” means the area in which the business property or scrap metal was purchased or maintained or both.

(g) “Donation” means an act or instance of presenting something as a gift, grant or contribution to local governments or nonprofit organizations.

(h) “Firearms custodian/armorer” means the controller who issues, repairs, accounts for and ensures the security of WSSC police and homeland security firearms and ammunition.

(i) “Goods” means supplies, inventory, equipment, material, and all tangible personal property, excluding real property.

(j) “Gun manufacturer” means a person who possesses a federal license to engage in the business of manufacturing firearms or ammunition for sale or distribution.

(k) “Handgun” means a short barreled firearm that can be held, carried and fired with one hand.

(l) “Real property” means real estate, generally land and permanent structures.

(m) “Residual value” means the estimated value of an asset after the asset has fully depreciated.

(n) “Sale” means the exchange of business property or scrap metal for an amount of money or its equivalent.

(o) “Scrap metal” means unusable items of metallic composition such as pipe, castings, bronze meters, sheet metal, steel plates, engine blocks and auto body parts which are suitable for recycling. Examples of scrap metal include:

- (1) metal from automobile, truck, and equipment repairs: small internal combustion engines, engine blocks, brake drums, exhaust components, vehicle body parts;
- (2) fire hydrants, valves, used ductile iron pipe and fittings;
- (3) manhole covers, frames, water meter covers, valve boxes, curb boxes and other cupola, cast or forged iron;

- (4) lamp post, street signs, barrels;
- (5) used industrial equipment, motors, conveyors, bearings, pumps and process piping, vessels, equipment platforms and bases;
- (6) duct work, machine shop tailings, cutting sheet metals.

(p) “Surplus” means any business property or scrap metal owned by WSSC that is no longer needed by the business unit to which the business property or scrap metal was assigned.

(q) Trade-in” means an asset that is used to defray the cost of a new item and is accepted as partial payment of a new purchase.

### 13.80.20 Purpose.

To establish the authority, responsibility and procedures associated with the disposal of commission surplus business property and scrap metal.

### 13.80.030 Authority.

The General Counsel’s Office certifies that the statutory authority for the adoption of the regulation codified in this Chapter is the Public Utilities Article, §§ [17-403](#) and [21-103](#), Annotated Code of Maryland.

### 13.80.040 Disposition of capital moveable assets and scrap metal.

#### (a) General requirements.

(1) When goods with an original individual unit acquisition cost of \$10,000.00 or greater are no longer needed by the custodial business unit, the items are to be declared to the General Services Department as surplus by submitting a surplus capital asset transmittal form (see [Attachment 1](#)).

(2) These items are not to be placed in storage, cannibalized, scrapped, junked, sold, transferred outside WSSC or donated without the General Services Director’s approval.

(3) Once an item is declared surplus by the custodial business unit, the General Services Department may offer the goods to all other WSSC business units, if feasible, before other methods of disposal are considered.

(4) The General Services Director may delegate disposal activities to the custodial business unit on a case-by-case basis.

(5) Recipients of WSSC capital movable assets or scrap metal are responsible for the removal, disassembly, loading and transportation of the item.

(6) All WSSC property tags, WSSC logos, and any other identifying WSSC insignias shall be removed before disposal.

(7) A release and waiver form shall be signed by the receiver of items sold or donated (see Attachment 2).

#### (b) Disposal methods.

(1) The General Services Director or designee shall determine the method by which capital movable assets or scrap metal shall be disposed in accordance with these procedures. Items may be:

- (i) sold to the general public by advertisement or electronic or public auction;
- (ii) traded in;
- (iii) donated to local governments or nonprofit organizations;
- (iv) given away at no cost as an alternative to landfill disposal; or
- (v) if a capital movable asset has no residual value, or was not wanted as a trade-in or donation, the asset may be disposed of by any means, including recycled or whatever means are deemed appropriate in accordance with current applicable environmental regulations.

#### (2) *Scrap metal.*

- (i) WSSC employees and contractors shall properly store scrap metals by placing items in the appropriate receptacles located at the depots, production plants, and other facilities.
- (ii) If receptacles are not available, the WSSC business unit shall contact the General Services Department, materials management division to obtain such receptacles.
- (iii) The General Services Department shall secure the services of a certified vendor or vendors for the sale of scrap metal.
- (iv) All scrap metal shall be sold by the chosen vendor or vendors.
- (v) WSSC employees or contractors may not retain scrap for personal use, use other metal recycling methods, or otherwise dispose of same.

### 13.80.050 Disposition of controlled assets

#### (a) General Requirements.

- (1) When the custodial business unit declares any controlled asset surplus, that business unit may dispose of the controlled asset in a responsible manner as established by the department head or designee.
- (2) If the controlled asset has a residual value, the custodial business unit may seek guidance or assistance with disposition from the General Services Department.
- (3) The custodial business unit may offer surplus controlled assets to all other WSSC business units, if feasible, before other methods of disposal are considered.
- (4) All WSSC property tags, WSSC logos, and any other identifying WSSC insignias shall be removed before disposal.
- (5) A release and waiver form shall be signed by the receiver of items sold or donated (see Attachment 1).

#### (b) Disposal.

- (1) If the surplus controlled asset has a residual value, it may be sold via public sales or electronic auctions with the assistance of the General Services Director or designee.
- (2) If the surplus controlled asset does not have a residual value, or was not wanted as a trade-in or donation, the custodial business unit may recycle or dispose of the asset by whatever means deemed appropriate in accordance with applicable environmental regulations.
  - (3) Computers.
    - (i) WSSC shall manage surplus computers and other portable data storage devices in an environmentally and fiscally responsible manner that ensures safeguarding of sensitive data and licensed software.
    - (ii) Used computers or other portable data storage devices containing stored data and licensed software that are at risk of unauthorized use shall be rendered unreadable and unrecoverable through secure erasure or destruction before disposal.
    - (iii) When rendered unreadable and unrecoverable by outside sources, the outside source shall provide a certificate of disposition, as well as a statement that all WSSC water identifiable markings and tags have been removed and destroyed.
- (4) Handguns and other law enforcement weapons.

(i) The WSSC Police and Homeland Security Firearms custodian/armorer, with the concurrence of the General Services Director, shall determine how handguns and other law enforcement weapons shall be disposed in accordance with the Public Safety Article, § [3-501](#), Annotated Code of Maryland, which allows the law enforcement agency to dispose of surplus handguns as follows:

1. Destroy the handgun;
2. Sell, exchange, or transfer the handgun to another law enforcement agency for official use by that agency;
3. Sell, exchange, or transfer the handgun to a gun manufacturer.

#### 13.80.060 Unauthorized disposal.

Unauthorized removal, disposal, or use of WSSC's business property or scrap metal is considered theft and constitutes a serious breach of WSSC policy and could subject individuals to disciplinary action up to and including termination or criminal prosecution.

#### 13.80.070 Reporting.

(a)(1) Regardless of the method of disposition, the General Services Department shall report the status of the disposal of any capital movable asset or scrap metal to the Chief Financial Officer or designee within 30 days of the disposition.

(2) The Finance Department shall update the status of the property record in related asset management/inventory systems.

(b) The General Services Department shall inventory all stored surplus capital movable assets no later than June 30 of each year.

(c) The surplus transaction report shall include the following information, as applicable, for every disposition of capital movable assets or tagged and untagged scrap metal, regardless of disposal method:

- (1) a description of the item;
- (2) asset number of the item, or part number, if materials inventory;
- (3) original cost of the item, if available, or weighted average cost at the date of disposition, if materials inventory;
- (4) original purchase date of the item;
- (5) original purchase order number for the item;
- (6) method of disposal;
- (7) date of disposal;
- (8) proceeds of sale, as appropriate;

- (9) miscellaneous fees of the sale, as appropriate;
- (10) sales tax collected on the sale, as appropriate;
- (11) a bill of sale or other document signed by the receiving entity verifying the acceptance of the capital moveable assets and scrap metal, method of transfer (sale, trade-in, warehouse or scrapped) and the monetary value associated with the transaction; and
- (12) additional information as agreed to by the General Services Department, the Chief Financial Officer and the Chief Procurement Officer.