



Town of Nags Head

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Board of Commissioners Policy

Disposal of Surplus Property via Online Auction (Adopted October 7, 2009)

The final decision for disposal of surplus property is given to the Board of Commissioners in the case of assets over \$5,000 or to the Town Manager in the case of assets not exceeding \$5,000.

For property that has been approved for surplus using an online auction disposal method, the following policy applies.

All public auctions will be advertised and held electronically. The Town must continually advertise that it disposes of surplus property via online auction on the Town's web site and via printed flyer available at Town offices.

To sell an asset via online auction, the following information must be provided in the online auction advertisement:

1. Availability of a title, if appropriate. If there is no title available, such as in the case of an ATV or Jet Ski, this information (that there is no title available) must be included in the advertisement.
2. Accurate description of the property taken directly from the surplus form. Mileage must be double checked with the Town's garage staff prior to placing the vehicle up for auction to ensure accurate mileage reporting. Serial or VIN numbers must also be included, as well as year, make and model.
3. The asset number shall be used as the online auction inventory ID.
4. The lowest bid price must reflect the minimum price on the property's surplus form in addition to the online auction charge.

If property is advertised via online auction but does not receive any bids, then the property must be re-advertised on the online auction site at a price that is 25% lower than the original minimum selling price. If the property still does not receive any bids after the second online

auction advertisement, then the Town Manager may approve an alternate method of disposal, which can include donating or destroying the property or re-listing it again for auction.

If property is advertised via online auction, but the bids do not meet the reserve price (the minimum price the Town will accept for the property), then the property may go to the highest bidder provided the highest bid is no more than 25% lower than the reserve price.

If property is advertised via online auction, but the buyer defaults on the purchase, the property must be listed for online auction again at a price that is 75% of the previous selling price. If the second buyer defaults, then the property may be sold to the 2nd highest bidder on the last sale.