

SURPLUS DISPOSAL POLICY (FIXED AND NON FIXED ASSETS)

PREAMBLE

Under the Financial Administration Manual (FAM) directive 704-3, Community Government and Services (CGS) is mandated to dispose of surplus public property from GN departments and Nunavut Arctic College (NAC).

POLICY STATEMENT

The surplus of public property, including both Fixed and Non Fixed Assets, owned by the Government of Nunavut (GN) will be disposed of in a manner that will maximize public benefit and is in the public interest.

PRINCIPLES

- a) All GN public property, including both Fixed and Non Fixed Assets, designated as surplus are disposed of in a fair, equitable and uniform manner.
- b) In disposing of GN surplus public property, including both Fixed and Non Fixed Assets, all parties have opportunity to purchase or acquire surplus public property as outlined in this policy.
- c) GN surplus public property will be transferred and/or offered for sale to priority interests according to the following order of preference:
 1. GN Departments and Public Agencies
 2. Community Governments
 3. Non Profit Organizations
 4. General Public

SCOPE

This Policy applies to the following:

- **FIXED ASSETS:** GN public property such as buildings, portables, and lands.
- **NON FIXED ASSETS:** GN public property such as office equipment, furnishings, and mobile equipment.

- **EXCLUSIONS:**

- Crown land which is under the control of the federal government
- Land which is under the control of a Community Government
- Private property which is leased by the GN
- Property that is pursuant to the land claims agreement
- Public Property owned by a Public Agency (not including NAC)

DEFINITIONS

Appraiser

A current member in good standing of an organization governed by a professional code of ethics and professional standards in the valuation, assessment and appraisal of real property, including, but not limited to, the following organizations:

- AACI – Accredited Appraiser Canadian Institute
- CRA – Canadian Residential Appraiser:
- FRI(A) – Fellow of the Real Estate Institute of Canada
- RPA – Registered Public Appraiser

Community Government

A municipal corporation or a community governing authority recognized by the Minister of CGS as the prime public authority responsible for the provision of municipal services.

Disposal

The sale or demolition of surplus GN public property.

Fixed Assets

Lands, buildings, portables and their structures or improvements.

Municipal Corporation

A community governing body incorporated under the Cities, Towns & Villages Act, or the Hamlets Act.

Non Fixed Assets

GN public property such as office equipment, furnishings, and mobile equipment.

Non Profit Organizations

A Non Profit Organization that is registered and is in good standing with the Legal Registries division of the Department of Justice.

Property Repossessed

Property for which title is taken over by the GN for such reasons as loan defaults and termination of privatization initiatives.

Public Agency

A statutory body specified in Schedules A, B or C of the Financial Administration Act.

Public Property

All personal and real property that belongs to the GN as defined in the Financial Administration Act

Report of Surplus

A form used to document assets declared surplus by GN departments and NAC.

Surplus Public Property

GN Fixed and/or Non Fixed Assets that are owned by the GN and that are not required in support of a GN department's programs and/or services.

Tenant Department

GN department or public agency that occupies or otherwise uses GN public property

AUTHORITY

- This Policy is issued under the authority of the Executive Council as per FAM 704-3, FAA Regulation R-047-93 and FAA - Section 65.
- The authority to make exceptions and approve revisions to the Policy rests with the Executive Council.
- The Minister of CGS is accountable to the Executive Council for the implementation of this Policy.
- The Deputy Minister of CGS is responsible to the Minister of CGS for the administration of this Policy. The Deputy Minister of CGS has the authority under this Policy to:
 - declare public property surplus to the needs of the GN in accordance with this policy and FAM 704-3;
 - determine when public property is beyond economic operation or repair;
 - to authorize, subject to funding approval, the demolition of surplus public property whereby the surplus public property cannot be sold or where it is not in the public interest to offer it for sale.
- The Assistant Deputy Minister, Infrastructure of CGS is responsible to the Deputy Minister of CGS for the administration of this Policy.
- The following positions are responsible to the Assistant Deputy Minister, Infrastructure of CGS for the administration of this Policy:
 - Regional Director. Infrastructure (Qikiqtaaluk) all assets in Baffin Region
 - Regional Director. Infrastructure (Kivalliq) all assets in Kivalliq Region
 - Regional Director. Infrastructure (Kitikmeot) all assets in Kitikmeot Region
 - Director. Asset Management Division (HQ) all assets in Iqaluit

PROVISIONS

1.0 Public Property (fixed / non fixed assets) is surplus to a Tenant Department's needs when one or more of the following conditions are met:

- Public Property that has been replaced/displaced by New Construction or requires removal to accommodate new construction shall become surplus unless the Financial Management Board (FMB) approves funding for retention of the replaced property.

- Public Property is beyond economic operation or repair.
- Public Property is functionally obsolete.
- Public Property is vacant for greater than two years (in the case of buildings) unless Client Department can substantiate need for an extension (eg. building is currently being renovated)
- Public Property that has been repossessed by the GN.

2.0 Report of Surplus

All tenant departments declaring public property surplus to their needs or requirements shall fill out a Report of Surplus form detailing what the surplus items are and any relevant information. The Report of Surplus shall include the reason for the declaration of surplus and authorized signatures of the respective Deputy Minister. The tenant department shall provide CGS with all registration documents for mobile equipment.

The Report of Surplus will be reviewed and disposal recommendations made by the Deputy Minister of CGS or his/her designate. All surplus items shall be transferred to CGS in order to proceed with the disposal process. If required, the cost of transporting disposal items to CGS shall be the responsibility of the Tenant Department.

3.0 Public Property declared surplus to the GN will be offered for sale or transferred to the priority interests in the following order of preference:

3.1 GN Departments and Public Agencies

GN Departments and Public Agencies will be invited by CGS to acquire the surplus public property. If more than one GN Department and/or Public Agency expresses interest in the surplus public property the Deputy Minister of CGS, in consultation with DMC (Deputy Ministers Committee), will evaluate the substantiated needs and make a final decision. The property will be transferred to the accepting Department or Agency.

3.2 Community Governments

If no interest is expressed by GN Departments and/or Public Agencies then Community Governments will be invited by CGS to acquire the surplus public property. If more than one Community Government expresses interest in the surplus public property the Deputy Minister of CGS, in consultation with DMC (Deputy Ministers Committee), will evaluate the substantiated needs and make a final decision. The property will be transferred to the accepting Community Government. Surplus public property with an appraised value of \$50,000 or higher will be transferred to the Community Government by way of a grant in lieu contribution from the GN. The Community Government will be required to properly disclose the asset and grant in lieu on their financial statements.

3.3 Non Profit Organizations

If no interest is expressed by Community Governments then Non Profit Organizations will be invited to submit an offer to purchase the surplus public property. The property will be sold to the highest bidder. CGS, at its own discretion, reserves the right to include a minimum reserve bid price on surplus public property with an appraised value of \$50,000 or higher.

3.4 *General Public*

If no interest is expressed by Non Profit Organizations then the general Public will be invited to submit an offer to purchase the surplus public property. The property will be sold to the highest bidder. CGS, at its own discretion, reserves the right to include a minimum reserve bid price on surplus public property with an appraised value of \$50,000 or higher.

3.5 *Surplus Lands*

In terms of Land within a municipal boundary that has been declared surplus, the GN may convey the fee simple estate to the Municipality in exchange for nominal consideration in accordance with Article 14.7.1 of the Nunavut Land Claims Agreement.

4.0 Appraisal

All property that has a minimum expected value of \$50,000 will be appraised to establish a base value. CGS will be responsible for hiring an accredited appraiser.

5.0 Environmental Assessments

Prior to a sale or transfer, CGS shall complete an environmental assessment on any surplus public property suspected of environmental contamination.

6.0 Financial

In terms of administering this Policy, CGS shall seek funding from FMB, as and when required, for costs including property appraisals, environmental assessments, site inspections, surveying, demolition, material removal, site restoration and any required environmental remediation.

7.0 Tender of Surplus Public Property to Priority Interest Groups 3.3 and 3.4

CGS shall prepare and issue a Request for Proposal or a Request for Tender, as deemed appropriate, for the disposal of surplus public property to Priority Interest Groups 3.3 and 3.4.

- *Eligibility Restrictions Excluded Bidders*
GN employees and their immediate family or agents who are directly involved in the provisions set out in this Policy shall be excluded from bidding to acquire surplus property offered for sale.
- *Re-Offering*
If identical bids are received on the same offering, CGS shall request the respective bidders to submit a new offer.

PREROGATIVE OF EXECUTIVE COUNCIL

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take actions regarding disposal of government property, outside the provisions of this Policy.

SUNSET CLAUSE

This policy shall be in effect from the date of the signature until March 31, 2020.

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