



Community Government and Services

SURPLUS DISPOSAL POLICY PART A (FIXED ASSETS)

1. Statement of Policy

The surplus of 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.

2. Principles

- A.** The Government of Nunavut will adhere to the following principles when implementing this Policy:
 - a) That all fixed assets designated as surplus are disposed of in a fair, equitable and uniform manner.
 - b) In disposing of fixed assets all parties have equal opportunity and equal access to purchase surplus assets.
- B.** Surplus Property will be transferred or offered for sale to priority interests according to the following order of preference.
 - i. GN Departments and Agencies
 - ii. Community Governments
 - iii. Federal Government
 - iv. Non Profit Organizations
 - v. General Public

3. Scope

This Policy applies to fixed assets such as buildings, portables and lands which are declared surplus to the needs of the GN and to groups and individuals interested in acquiring surplus property.

Application

This Policy applies to all GN Departments and agencies, which are not listed in Schedule 1 of this policy.

Exclusion

This policy does not apply to the following types of property:

- a) Office equipment, furnishings, mobile equipment;
- b) Land on which there are no GN structures or other improvements;
- c) Crown land which is under the administration and control of the Government of Canada;
- d) Land which is under the administration and control of Community Governments;
- e) Private Property;
- f) Surplus Staff Housing;
- g) Property which is leased by the GN;
- h) Property that is pursuant to the land claims agreement.

4. Definitions

The following terms apply to this Policy:

Appraiser – is a current member in good standing of an organization, approved by the GN whose members are governed by a professional code of ethics and professional standards in the valuation, assessment and appraisal of real property. Such organizations include, but not limited to, the following:

- AACI – Accredited Appraiser Canadian Institute: A member of the Appraisal Institute of Canada for residential, commercial and revenue properties.
- Any Accredited Provincial and Territorial Assessor: Assessment of properties for value primarily for tax purposes.
- CRA – Canadian Residential Appraiser: Appraisal Institute of Canada accreditation for residential dwellings up to and including a triplex and undeveloped building sites.

- FRI(A) – Fellow of the Real Estate Institute of Canada – Appraisals: Accreditation in residential dwellings up to and including a triplex and undeveloped building sites.
- RPA – Registered Public Appraiser: Accreditation designation for residential, commercial and revenue properties.

Community Government - a community governing authority recognized by the Minister of Community Government and Services as the prime public authority responsible for the provision of municipal services.

Disposal - the sale or demolition of surplus GN fixed assets.

Fixed Assets - lands, buildings, portables and their structures or improvements.

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.

Priority Interests – parties to which the GN grants preference as outlined within this policy to purchase surplus assets.

Property Functionally Obsolete - property that is no longer suitable for its intended function due to changes in program or service requirements.

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

Public Corporations – independent statutory bodies of the Legislative Assembly of Nunavut, which are specified in Schedule B and C of the Financial Administration Act.

Sponsor Department – the GN department that assists non-government agencies/groups through financial and other means.

Surplus Property - fixed assets that are owned by the GN and that are not required in support of a GN department or GN programs and services.

Tenant Department – GN department agency or board that occupies or otherwise uses GN fixed assets.

Trailers – properties that are not affixed to the land and are routinely moved, such as wheeled trailers, temporary offices, but not including portable buildings.

5. Authority and Accountability

1. General

This Policy is issued under the authority of the Executive Council. The authority to make decisions exceptions and approve revisions to this Policy rests with the Executive Council. Authority and accountability are defined as follows:

Minister: The Minister of Community Government and Services is accountable to the Executive Council for the implementation of this Policy.

Deputy Minister: The Deputy Minister of Community Government and Services is accountable to the Minister for the administration of this Policy.

Assistant Deputy Minister: The Assistant Deputy Minister is accountable to the Deputy Minister and is responsible for administering this Policy in the absence of the Deputy Minister.

Property Manager: The Property Manager of Community Government and Services is accountable to the Assistant Deputy Minister and is responsible for implementing the Policy upon direction from the Deputy Minister.

2. Specific

Minister of Community Government and Services: The Minister of Community Government and Services with the Tenant Department may jointly recommend submissions to the Executive Council and Financial Management Board concerning disposal of surplus property in accordance with this policy.

Financial Management Board: The Financial Management Board may:

- a) approve funding required to retain on inventory government owned surplus properties that would normally be disposed of;
- b) approve funding for the disposal of surplus property;

- c) approve the sale of surplus property to a priority interest, where the appraised value of the property exceeds \$50,000;
- d) approve the sale of surplus property to a non taxed based community government and the funding for the community government to operate and maintain the property; *and*
- e) approve funding to return repossessed properties to the Government of Nunavut inventory pending disposal.

Ministers of Tenant Departments

Ministers of Tenant Departments may:

- a) Declare property surplus to the needs of their departments or agencies for which they are responsible;
- b) Provide Community Government & Services with a notice of surplus when it is decided a property is surplus to the tenant department's requirements;
- c) Request jointly with the Minister of Community Government & Services funding from the Financial Management Board to retain on inventory for continued use, properties which would otherwise be declared surplus according to Section 6 (A) of this Policy.

Deputy Minister of Community Government & Services

The Deputy Minister of Community Government & Services:

- a) Will determine if other user requirements can be met by re-allocating or transferring property declared surplus to a tenant department in accordance with Section 6 of this policy;
- b) May determine when a property is beyond economic operation or repair;
- c) May declare property surplus to the needs of the Government of Nunavut in accordance with Section 6(B) of this policy;
- d) Will determine the value of surplus property through a formal appraisal;

- e) May approve the disposal of surplus property where Financial Management Board approval is not required; *and*
- f) May authorize the demolition of the surplus property where the surplus property cannot be sold or where it is not in the public interest to offer it for sale.

Deputy Minister of Finance

The Deputy Minister of Finance:

- a) Will provide advice to Community Government & Services regarding insurance and risk management pertaining to the disposal of surplus property.
- b) Will review all standard agreements prepared by Community Government & Services which provide for the transfer or sale of surplus property;
- c) Will provide advice to Community Government & Services regarding asset control and other financial administration pertaining to the disposal of surplus property.

Deputy Minister of Justice

The Deputy Minister of Justice will:

- a) Review the standard forms of agreements, prepared by Community Government and Services, which provides for the transfer or sale of surplus property;
- b) Administer the conveyance of title to surplus land and improvements sold by the Government of Nunavut.

Deputy Minister of Environment

The Deputy Minister of Environment will:

- a) Enforce the provisions of environmental statutes, regulations and guidelines;
- b) Provide advice to Community Government and Services on all environmental related activities.

6. Provisions

A. Surplus Declaration Criteria

Property is surplus to a Tenant Department's needs when one or more of the following reasons occurs:

- i. Property Replaced/Displaced By New Construction

All property that has been replaced by new construction or requires removal to accommodate new construction becomes surplus unless the Financial Management Board approves funding for retention of the replaced property on the Government of Nunavut's inventory.

- ii. Property beyond economic operation or repair
- iii. Property functionally obsolete
- iv. Property vacant for greater than two years
- v. Property repossessed

B. Disposal of Surplus Property (excluding land) through Sale

Property with the exception of land which has been declared surplus to the requirements of the GN will be offered for sale or transferred to the priority interests in the following order of preference:

1 Government of Nunavut Departments or Crown Agencies

Government of Nunavut Departments and Crown Agencies will be invited by Community Government and Services to acquire the property. Acceptance must be received 10 (ten) business days in writing from the invitation. If circumstances permit, an extension to the time limit may be granted. The property will be transferred to the accepting Department or Agency.

2 Community Governments

Community Governments will be invited by Community Government and Services to submit an offer to purchase the property. An expression of interest must be received 30 (thirty) business days in writing from the invitation. If circumstances permit, an extension to the time limit may be granted. The property will be sold to the municipality for a minimum price of \$1.00.

3 Federal Government

The Federal Government will be invited by Community Government and Services to submit an offer to purchase the property. All bids must be received 30 (thirty) business days in writing from the invitation. If circumstances permit, an extension to the time limit may be granted. The property will be sold to the highest bidder.

4 Non Profit Organizations

Non Profit Organizations will be invited to submit an offer to purchase the property. All bids must be received 10 (ten) business days in writing from the opening day of invitations. If circumstances permit, an extension to the time limit may be granted. The property will be sold to the highest bidder.

5 General Public

The General Public will be invited to submit an offer to purchase the property. All bids must be received 10 (ten) business days in writing from the opening day of invitations. If circumstances permit, an extension to the time limit may be granted. The property will be sold to the highest bidder.

C. Surplus of Land

Where land within a municipal boundary has been declared surplus, the GN shall 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.

D. Appraised value of the property

If the appraised value of the property exceeds the highest acceptable bid by more than \$50,000.00, the Minister of Community Government and Services may recommend to the Financial Management Board that the Government of Nunavut accept the amount offered.

E. Sale of Property and Restoration of Sites

When a property is sold or transferred as surplus, the purchaser shall be responsible for any removal and site restoration within a specified period of time, unless there is an agreement with the Deputy Minister of Community Government & Services.

F. Appraisal and Environment Assessment

Appraisal

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

Environmental Assessment

Any surplus property that is suspected of being contaminated with hazardous waste and material will undergo a complete assessment before it is sold or transferred. The Deputy Minister of Government & Services will consult the Deputy Minister of Environment on this issue.

The cost of this assessment and remediation will be paid by the Department of Community Government & Services through a joint submission with the Department Environment to the Financial Management Board.

The administration of all contracts regarding the assessment and implementation of any remediation will remain the responsibility of Community Government & Services.

G. Eligibility Restrictions

Excluded Bidders

Government of Nunavut employees who are directly involved in the procedures set out in this Policy for the disposal of surplus property and their immediate family or agents shall be excluded from bidding to acquire surplus property offered for sale.

H. Re-Offering

If identical bids are received on the same offering, the tie bidders will be requested to submit a new offer.

If an offering does not produce acceptable bids or if no bids are received the property may be re-offered to seek an acceptable offer if Community Government & Services judges such action to be worthwhile.

I. Demolition of Unmarketable Property

Where a property surplus to the Government of Nunavut cannot be sold or it is not in the public interest to offer it for sale, the Deputy Minister of Community Government & Services may authorize the demolition of the property.

If demolition entails the containment and removal of hazardous property and material and site restoration, the Deputy Minister of Environment will be consulted. The management and disposal will remain the responsibility of Community Government & Services.

J. Time constraints

The disposal of surplus property shall be carried out in a timely manner to minimize costs to the Government of Nunavut.

K. Financial

The cost of disposing surplus property may include appraisal fees, advertising, site inspections, surveying, demolition, material removal, site restoration and general administrative costs.

7. Prerogative of the 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 action respecting the disposal of fixed assets outside the provision of this policy.