

BSTOCK – MACRO PROCESS

OFFICE OF THE CHIEF AUDITOR (OCA)

- During the property and inventory audits, the Inventory Audit Specialist reviews documents provided by the location for asset records that are still active in SAP.
- The Inventory Audit Specialist test for compliance in the following areas:
 - ✓ Is there information missing on the form(s)?
 - ✓ Did the property custodian sign the form(s)?
 - ✓ Is there a discrepancy not identified by the location?
 - ✓ Is there a copy of the B-Stock Transfer Ticket accompanying the 3290A Surplus Declaration Transfer Form(s)?
 - ✓ Was the document processed by all departments involved in the surplus process?
 - ✓ Did the Accounting and Financial Reporting Department receive the document from B-Stock?
 - ✓ Determine why the asset records were not removed from inventory if the surplus took place more than six months ago?



BSTOCK – MACRO PROCESS

Procurement & Warehousing Services Department (PWS)

Role of B-Stock

B-Stock items are classified as equipment, supplies, or inventory that the school/department no longer can utilize, are obsolete, or the continued use of which is uneconomical or inefficient or which serves no proper function.

B-Stock surplus inventory is available to schools and departments throughout the District at no charge. Generally, items stored are in functional condition.

B-Stock staff are available to pick up and deliver surplus materials.

Additional B-Stock Services

- Repurpose resources throughout the District
- Recycle computer and technology equipment
- Relocate office furniture and equipment to new site locations
- Storage and retrieval of all District department materials



Administrative Space

Space at the warehouse is utilized to...

- Loading Docks allow the loading and unloading of equipment, forklifts, and other handling equipment from trucks to the warehouse.
- Staging Area for Auctions and Pictures
- Storage for surplus property in a functional condition that's to be redistributed across the district.
- Storage for the surplus property before being auctioned, disposed of, or recycled.
- Additional storage location for District supplies (Currently storing PPE throughout the District)



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Current Process

- School/location identifies equipment /tangible personal property they wish to transfer / surplus, and they fill out a 3290A form with the specific items listed to transfer or surplus
- PWS BSTOCK receives 3290A and places the request in the queue for dispatch
- PWS BSTOCK driver arrives at school to pick up and verifies ALL items listed on 3290A are included in pick-up.
 - If there are discrepancies that cannot be fixed on-site, PWS BSTOCK does not pick up and awaits the school to submit a new / updated request
- Upon picking up all accounted-for contents, they are delivered to the BSTOCK storage location, where they are staged for proper disposal.
 - PWS BSTOCK submits to capital assets the 3290A for disposition or transfer of identified tangible property.
 - PWS BSTOCK cannot transfer/auction or dispose of (surplus) the property until they have been taken out of the school's inventory and deactivated from the financial master list.
- Financial Reporting / Capital Assets sends an email to the school/location and PWS BSTOCK confirming once their process is complete and the personal property is clear to be disposed of by PWS BSTOCK.
- PWS BSTOCK transfers, auctions, or disposes of the property compliantly.



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Procurement & Warehousing Services Department (PWS)

Current Issues - Emergency B-Stock Collection Plan Update

A workgroup was convened on May 11, 2023, and representatives from Audit, Procurement & Warehousing Services (PWS), Finance, and Level Principals reviewed issues surrounding B-Stock and what was needed to solve the problem(s). Space, resources, trucks, and people are required to address the B-Stock problem(s). This group addressed specifically the following:

Issues

1. The contracted vendor hired to remove the stockpile of old computers from schools and other District sites had yet to be paid according to the contract terms. As a result, they suspended their services approximately two and a half years ago, resulting in tons and tons of obsolete equipment stored in school facilities and other District locations.
2. The warehouse has limited space for storage since federal guidelines must be met before the District can dispose of the 50 semi-tractor truckloads of expired personal protective equipment purchased during the pandemic.
3. The recordkeeping issues that currently impede clearing some items out of the warehouse require approval from the federal government.



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Solutions

1. District process must be amended to include a board item every quarter of assets that are being disposed of.
2. Useable Personal Protective Equipment (PPE) will be distributed to schools and administrative sites while removing items identified for surplus pickup. A memo was sent out to schools to outline the pick-up process and schedule. Transportation (they have drivers who can assist) will work with the Procurement and Warehousing Services on a schedule for delivery.



BSTOCK – MACRO PROCESS

Procurement & Warehousing Services Department (PWS)

BSTOCK – MACRO PROCESS (Next Steps)

- A. Revise Policy 3202 (Redlined Draft Attached)
- B. Develop new procedures for B-Stock based on sound business decisions to dispose of surplus in the most efficient and cost-effective manner.



BSTOCK – MACRO PROCESS

Procurement & Warehousing Services Department (PWS)

BSTOCK – MACRO PROCESS (Next Steps)

A. Revise Policy 3202 (Redlined Draft Attached)

Items Addressed in the Revised Draft Policy 3202 Include:

- 1) Definition of surplus property and procedures around disposal that align with state requirements (county requirements do not govern the school board)
- 2) Considerations for how to dispose of surplus property purchased Disposal items purchased by Federal Award to comply with federal requirements
- 3) Delegating to the location Principal or Director the ability to classify all property fully depreciated, which has exceeded its useful life as surplus.
- 4) Delegated to Cabinet members the ability to approve classifications of surplus property that has remaining net book value or useful life based on documentation provided by the Principal or Director



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Procurement & Warehousing Services Department (PWS)

BSTOCK – MACRO PROCESS (Next Steps)

A. Revise Policy 3202 (Redlined Draft Attached)

Items Addressed in the Revised Draft Policy 3202 Include:

- 5) Evaluation of the estimated commercial value of surplus property to determine the method of disposition
 1. “If the property classified as surplus is without commercial value, it may be donated, destroyed, or abandoned.
 2. Property classified as surplus, the value of which the School Board or its delegate estimates to be under \$5,000, may be disposed of in the most efficient and cost-effective means. This manner of disposition may include but is not limited to, public sale, private sale, negotiation, donation, destruction, sale of scrap, or abandonment.
 3. Any sale of the property classified as surplus, the value of which the School Board estimates to be \$5,000 or more, shall be sold only to the highest responsible bidder, or by public auction, after the publication of notice not less than one week nor more than two weeks prior to the sale in a newspaper having a general circulation in Broward county, and in other newspapers if in the judgment of the School Board, the best interests of the School Board will be better served by the additional notices.”



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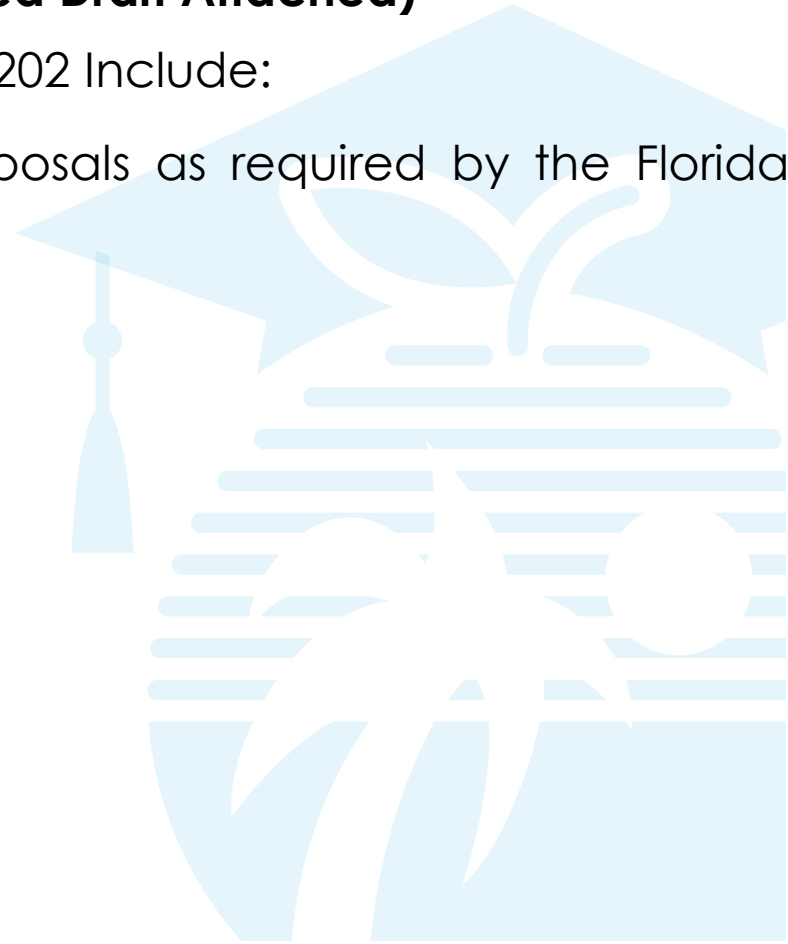
Procurement & Warehousing Services Department (PWS)

BSTOCK – MACRO PROCESS (Next Steps)

A. Revise Policy 3202 (Redlined Draft Attached)

Items Addressed in the Revised Draft Policy 3202 Include:

- 6) Proper Recording of surplus property disposals as required by the Florida Administrative Code



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Procurement & Warehousing Services Department (PWS)

BSTOCK – MACRO PROCESS (Next Steps)

- B. Develop new procedures for B-Stock based on sound business decisions to dispose of surplus most efficiently and cost-effectively.
- Cost Benefit Analysis will be performed on the surplus property based on the estimated commercial or scrap value.
 - Property with no commercial value will be disposed of at the location unless the property requires assistance to be disposed of. Two witnesses will be required to review and document the disposal.
 - Property with an estimated commercial value greater than the pickup cost will be taken to B-Stock to dispose of through a method that provides revenue to the District (such as auction or scrap).
 - Property with an estimated commercial value over \$5,000 will be taken to B-Stock and advertised as statutorily required to be sold at public auction.



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Procurement & Warehousing Services Department (PWS)

BSTOCK – MACRO PROCESS (Next Steps)

How will the Next Steps resolve Current Issues

A. Revise Policy 3202 (Redlined Draft Attached)

1. Revised policy will streamline classifying surplus equipment with no net book value or useful life.
2. Revised policy will allow for new procedures that will allow for timely disposals of surplus property.



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Procurement & Warehousing Services Department (PWS)

BSTOCK – MACRO PROCESS (Next Steps)

How will the Next Steps resolve Current Issues

- B. Develop new procedures for B-Stock based on sound business decisions to dispose of surplus in the most efficient and cost-effective manner.
 - 1. New procedures will provide efficient and cost-effective use of district resources, including people, time, and equipment.
 - 2. New procedures will provide a small source of revenue to the District from public auctions and salvage sales.



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Audit Committee Request B-Stock Cannot Address

- Replacement: The location's budget and current needs determine decisions to replace property before being classified as surplus property.
- Maximo: SAP is used as the School Board of Broward County Enterprise Resource Planning system. All assets are recorded and maintained in SAP. Maximo does not contain the information necessary for B-Stock to perform their job duties.

