

**WEST VIRGINIA
SECRETARY OF STATE
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ADMINISTRATIVE LAW DIVISION**

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

Form #6

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED
BY THE WEST VIRGINIA LEGISLATURE**

AGENCY: Department of Administration TITLE NUMBER: 148

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 16

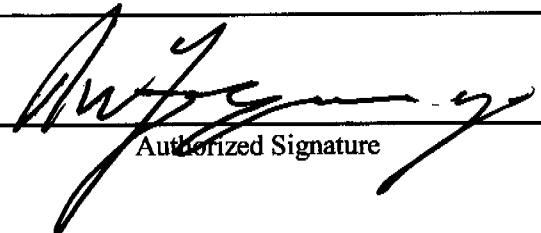
TITLE OF RULE BEING PROPOSED: Cannibalization of State Property

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) House Bill 2616

SECTION 64-2-1(a), PASSED ON March 8, 2007

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON THE
FOLLOWING DATE: July 1, 2007


Authorized Signature

TITLE 148
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION

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SERIES 16
CANNIBALIZATION OF STATE PROPERTY

OFFICE WEST VIRGINIA
SECRETARY OF STATE

§148-16-1. General.

- 1.1. Scope. - This rule explains and clarifies operative procedures for the disposal of state surplus property by cannibalization for use of component parts.
- 1.2. Authority. - W. Va. Code, §5A-3-45.
- 1.3. Filing Date. - May 15, 2005
- 1.4. Effective Date. - July 1, 2007

§148-16-2. Definitions.

As used in this rule, all terms have the same meanings provided in W.Va. Code §§5A-1-1 *et seq.* and §5A-3-1 *et seq.* In addition:

- 2.1 "Director" means the Director of the Purchasing Division of the Department of Administration.
- 2.2 "Cannibalization" means the removal of parts from one commodity to use in the creation or repair of another commodity.
- 2.3 "Spending Officer" means the executive head of a spending unit or a person designated by him.

§148-16-3. Applicability.

- 3.1. This rule applies to all spending units of state government except those statutorily exempted. Exempted spending units may elect to follow this rule.
- 3.2. All requests for property cannibalization under this rule must be approved by the Director of the Purchasing Division, or a designee.

§148-16-4. Cannibalization Procedures.

- 4.1 State assets shall be disposed of exclusively through the state agency for surplus property.
- 4.2. All requests for cannibalization of property must be submitted by the agency inventory coordinator and approved by the spending officer. A "Cannibalization Asset Request Form" (WV-105) must be submitted to the state agency for surplus property outlining:

- 4.2.a. The commodity identification number which was originally assigned by the agency when the property was purchased and entered into the agency's inventory;
 - 4.2.b. The commodity acquisition date;
 - 4.2.c. The commodity acquisition cost which is the amount originally paid for the property;
 - 4.2.d. A description of the commodity;
 - 4.2.e. Whether the commodity is operable and, if so, how well it operates. If the item is operable, the agency must provide justification for removing parts from an asset in usable condition;
 - 4.2.f. How the agency will dispose of the remaining parts of the commodity. All parts not being used or retained for future use to repair another piece of equipment must be retired to the state agency for surplus property for proper disposal; and,
 - 4.2.g. Who will cannibalize the commodity and how the person is qualified to remove and reinstall the parts. A separate document, signed by the spending officer, must accompany the "Cannibalization Asset Request Form" (WV-105), identifying the individual(s) responsible for performing the disassembly and repair, along with their qualifications.
- 4.3 If the agency plans to use the cannibalized parts immediately, it must provide the following additional information:
- 4.3.a. Whether the part restores the commodity to an operable condition;
 - 4.3.b. If the part does not restore the property to operable condition, additional justification for the initial cannibalization, along with the additional steps required to restore the property to an operable condition; and
 - 4.3.c. The cost of the parts and labor to restore the commodity to an operable condition without cannibalization.
 - 4.3.d. The agency must properly retire an inoperable part being replaced to the state agency for surplus property using the authorized means of disposal outlined in W.Va. Code §5A-3-45.
 - 4.3.e. The Director shall make a comparison of the current value of the asset being cannibalized, the value of the property being repaired and the cost to repair the item without cannibalization. The Director will not authorize cannibalization unless the value of the repaired asset exceeds the value of the asset to be cannibalized, along with the cost of the cannibalization/repair process.
- 4.4 If the agency plans to maintain the cannibalized parts for future use, it must submit written justification to the state agency for surplus property for approval.
- 4.4.a. The justification must identify:
 - 4.4.a.1 The agency-owned assets which may possibly utilize the cannibalized parts;

- 4.4.a.2 The proposed retention time frame before the parts will be used;
- 4.4.a.3 The location where the parts will be stored; and
- 4.4.a.4 The tracking process for which the parts will be accounted.

- 4.5 Upon receipt of the "Cannibalization Asset Request Form," the Surplus Property Director will evaluate the request and provide a recommendation to the Director for approval.
- 4.6 The Director shall determine whether cannibalization is in the best interest of the State based on the following criteria:
 - 4.6.a. Does the value of the component parts exceed the value of the equipment as a whole that is being cannibalized?;
 - 4.6.b. Is there no current need or requirement in state government or within any eligible organization for the equipment in the current form?; and
 - 4.6.c. Does the cannibalization impose a liability on the State for the disposal of unused components?
- 4.7 The Director shall review the agency recommendation and approve or disapprove the request.
 - 4.7.a. If the Director approves the request, the approved parts will be cannibalized by the requesting agency. The residual components of the cannibalized commodity must be retired to the state agency for surplus property using other authorized means of disposal as outlined in §5A-3-45.
 - 4.7.b. If the Director disapproves the request, the Director shall advise the requesting agency of the appropriate authorized means of disposal as outlined in §5A-3-45.