

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

Form #2

Do Not Mark In This Box

FILED

2005 JUN 28 P 2:02

OFFICE WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: Department of Administration TITLE NUMBER: 148

RULE TYPE: Legislative CITE AUTHORITY: 5A-3-45

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

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON July 28, 2005 AT 10:00 am ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS:

Donna Lipscomb

Department of Administration

1900 Kanawha Boulevard, East

Capitol Complex, Room E-119

Charleston, WV 25305

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.



Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

#3.20

Agency: Department of Administration

Rule Type: Legislative

Title Number: 148

Cite Authority: 5A-3-45

STATEMENT OF CIRCUMSTANCE AND BRIEF SUMMARY

The proposed rules are a result of the passage of SB 728 during the 2005 legislative session which made statute changes that allows for the cannibalization of state property. Cannibalization of property has been prohibited in the past. The rules establish the procedures for cannibalization of property.

**TITLE 148
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION**

**SERIES 16
CANNIBALIZATION OF STATE PROPERTY**

FILED

2005 JUN 28 P 2:02

OFFICE WEST VIRGINIA
SECRETARY OF STATE

§148-16-1. General.

- 1.1. Scope. - This Legislative Rule is an explanation and clarification of 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. -

§148-16-2. Definitions.

As used in this rule, all terms have the same meaning as provided in W.Va. Code §5A-1-1 and 5A-3-1 et seq., and as follows:

- (a) "Director" means the Director of the Purchasing Division of the Department of Administration.
- (b) "Cannibalization" means the removal of parts from one commodity to use in the creation or repair of another commodity.

§148-16-3. Applicability.

- 3.1 This legislative 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. Authority

The Director shall:

- (a) Ensure state assets are disposed of exclusively through the state agency for surplus property;

- (b.) Provide for a means of disposal, which includes cannibalization of property;
- (c.) Require a written request to be submitted on a standardized form prescribed by the Purchasing Division;
- (d.) Evaluate requests for cannibalization of state property and respond to agencies with documented decision;
- (e.) Provide recommendation to agencies for disposal of assets if cannibalization method is not approved.

§148-16-5. Cannibalization Procedures.

- 5.1 The requesting agency submits a "Cannibalization Asset Request Form" to the state agency for surplus property outlining:
 - (a.) commodity identification number,
 - (b.) commodity acquisition date;
 - (c.) commodity acquisition cost;
 - (d.) description of the commodity;
 - (e.) whether commodity is operable and, if so, how well it operates;
 - (f.) how the agency will dispose of the remaining parts of the commodity; and,
 - (g.) who will cannibalize the commodity and how the person is qualified to remove and reinstall the parts.
- 5.2 If the agency plans to use the cannibalized parts immediately, information listed in 5.1 (a-e) must be submitted for the commodity receiving the part(s). In addition, the following information must be provided:
 - (a.) whether the part restores the commodity to an operable condition;
 - (b.) the cost of the parts and labor to restore the commodity to an operable condition without cannibalization.
- 5.3 If the agency plans to maintain the cannibalized parts for future use, justification must be submitted to and approved by the state agency for surplus property.
- 5.4 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.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Title 148, Series 16

Type of Rule: X Legislative Interpretive Procedural

Agency: Department of Administration

Address: 1900 Kanawha Boulevard, East
 Capitol Complex, Room E-119
 Charleston, WV 25305

Phone Number: 304- 558-3392 Email: dlipscomb@wvadmin.gov

Fiscal Note Summary

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

The proposed rules are a result of the passage of SB 728 during the 2005 legislative session. The rules outline the procedures for cannibalization of state property. There should be no additional fiscal impact as a result of the rules as the Statute now allows for the cannibalization of property. These rules simply establish the procedures to be followed when an agency wants to cannibalize property.

Fiscal Note Detail

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	2005 Increase/Decrease (use "-")	2006 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	-0-	-0-	-0-
Personal Services			
Current Expenses			
Repairs & Alterations			
Assets			
Equipment			
Other			
2. Estimated Total Revenues			

