



Administrative Office of the Courts

1001 Vandalay

Frankfort, Kentucky 40601

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www.courts.ky.gov

John D. Minton, Jr.
Chief Justice of Kentucky

Laurie K. Dudgeon
Director

MEMORANDUM

TO: Patrick W. McGee
Finance and Administration Cabinet, Office of General Counsel

FROM: S. Leigh Taylor
Administrative Office of the Courts

DATE: December 18, 2017

SUBJECT: MOU for Surplus Property

Enclosed is a copy of the MOU for surplus property to be executed per your correspondence with Jenny Lafferty. Please contact us if you have any questions.

RECEIVED

DEC 19 2017

**GENERAL COUNSEL
FINANCE CABINET**

MEMORANDUM OF UNDERSTANDING

WHEREAS, Division of Surplus Property (“Surplus”), a division of the Department for Facilities Management and Support Services within the Finance and Administration Cabinet is responsible for the disposal of all personal property no longer needed for state use, and to otherwise carry out the functions required by KRS 45A.045(5);

WHEREAS, the Administrative Office of the Courts (“AOC”) is the agency responsible for carrying out the administrative functions of the court system and the judicial branch of government in Kentucky, as provided for by KRS Chapter 27A;

WHEREAS, AOC wishes to utilize the resources and expertise of Surplus to dispose of personal property owned by AOC which is no longer needed by the agency;

WHEREAS, Surplus is amenable to providing services to AOC on the same terms and conditions as the services it provides for executive branch agencies;

WHEREAS; the parties hereto wish to memorialize their agreement through this Memorandum of Understanding.

NOW THEREFORE, in consideration of the foregoing, Surplus and AOC hereby covenant and agree as follows:

1. That, in accordance with the provisions of the Order of the Supreme Court of Kentucky, No. 2017-05 titled *In Re: Judicial Branch Surplus Property*, said Order being incorporated herein by reference (“the Order”), Surplus shall accept and sell such items as requested by the Director of the AOC or the designee of the Director of the AOC;

2. Surplus will sell such personal property accepted by it under this MOU in accordance with the provisions of the *User’s Guide: Surplus Property Disposal* manual (10/2017

edition), found on the webpage for the Division of Surplus Property, to the extent such manual does not conflict with the provisions of the Order;

3. AOC will not send to Surplus any personal property deemed to be damaged beyond repair.

4. Non-Titled Property

a. AOC will contact Surplus in advance to schedule and arrange a delivery based on availability of Surplus. AOC will deliver the property to Surplus for sale.

b. AOC will submit all requests as a Surplus Request via the Surplus Property Management System (SPMS).

c. All proceeds generated will be retained by Surplus.

5. Titled Property

a. Surplus will conduct online sales of vehicles, or other titled personal property, designated for sale by AOC pursuant to the Order.

b. To effectuate the sales:

i. AOC will send general descriptions of the vehicles to Surplus.

ii. AOC will supply supporting documentation (i.e. maintenance records, titles, affidavits) to Surplus upon request.

iii. Surplus will take pictures of vehicles located within a 10-mile radius of Frankfort; AOC will supply pictures of vehicles located outside of a 10-mile radius of Frankfort.

iv. Surplus will verify auction contact information for AOC.

v. Surplus will catalogue items for auction.

vi. Surplus will Post items to the internet sales platform of its choice.

vii. Surplus will coordinate removal of the vehicles from AOC property by purchasers.

viii. Surplus will complete all paperwork needed for transfer of property from the AOC to the purchaser and provide copies thereof to the AOC.

ix. Surplus will distribute funds to the AOC via eMARS.

c. Surplus will retain 15% of the proceeds, or a minimum amount of \$150, whichever is greater, as an Administrative Fee for conducting the sale.

6. The term of this Memorandum of Understanding shall begin on January 1, 2018 and end on June 30, 2018, and thereafter shall renew automatically for additional one (1) year periods at the end of each fiscal year unless terminated by either party.

7. Either party may terminate this Memorandum of Understanding without cause by giving the other party thirty (30) days written notice of such termination.

8. Each party agrees that the other party shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The parties recognize that any books, documents, papers, records, or other evidence received during a financial audit or program review are the property of the originating agency. Any requests received pursuant to the Kentucky Open Records Act, KRS 61.870-61.884 or Supreme Court Order 2017-09 shall be referred to the originating agency as the custodian of the documents.

6. All notices delivered in connection with this Memorandum of Understanding shall be delivered to the following parties:

FOR SURPLUS:

Division of Surplus Property
999 Chenault Road
Frankfort, Kentucky 40601

FOR AOC:

Tressa Milburn, Manager
Administrative Office of the Courts
1001 Vandalay Drive
Frankfort, Kentucky 40601

WITNESS OUR HANDS, this 30th day of November, 2017.

Finance and Administration Cabinet
Department for Facilities Management and
Support Services
Division of Surplus Property


Administrative Office of the Courts

By:



William M. Landrum III, Secretary
Finance and Administration Cabinet

By:




Laurie K. Dudgeon, Director
Administrative Office of the Courts


Approved as to Form and Legality:


Counsel, Finance and Administration Cabinet

Approved as to Form and Legality:


Counsel, Administrative Office of the Courts

Reviewed and Recommended:


Tressa Milburn, Manager
Administrative Office of the Courts