



**SCRAP METAL, OBSOLETE PERSONAL
PROPERTY AND OTHER SALVAGE
DISPOSAL POLICY
TEXAMERICAS CENTER**

107 Chapel Lane
New Boston, TX 75570

Revised: November 27, 2012 by Resolution # 20121127-05

1.0 Definitions

- 1.1 “Army” shall mean the Department of the Army acting through its Secretary of the Army or duly authorized official, on behalf of the United States of America.
- 1.2 “TAC” shall mean TexAmericas Center, a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas.
- 1.3 “TexAmericas Center – East (TACE)” shall mean portions of the former Lone Star Army Ammunition plant that includes the land, improvements and personal property located on approximately 8,874 acres more specifically described in the Deed Without Warranty between the United States of America and the Red River Redevelopment Authority (now known as TexAmericas Center) for portions of Lone Star Army Ammunition Plant dated September 1, 2010, recorded in Volume 5898, Page 1 of the Real Property Records, Bowie County, Texas.
- 1.4 “Personal Property” shall mean items stored or contained within buildings or upon land owned by TAC that are not fixtures or appurtenances to real property.
- 1.5 “Scrap” shall mean material derived from demolition or reconfiguration of assets that is no longer usable for the purpose intended.

2.0 Background & Purpose.

- 2.1 Background. On September 1, 2010, TAC acquired the TexAmericas Center – East (TACE) property from the United States Army. The transfer requires many transformational actions to privatize utility infrastructure, segment utility systems, demilitarize certain real and personal property, decontaminate real and personal property and for other actions. As a result, the Authority is left with a significant volume of Scrap material and Personal Property that is no longer usable, but has salvage value. From time to time, these materials must be collected and disposed of to both achieve salvage value and also to reduce the risk of loss.
- 2.2 Purpose. The purpose of this policy is to establish the procedure by which Scrap material and Personal Property may be disposed of in a timely and financially beneficial manner.

3.0 Disposal Actions.

- 3.1 Large Lots. Due to the volume of potential unusable Scrap material and Personal Property upon TACE, there will be occasions upon which large volumes of material

can be collected, categorized and positioned to obtain significant market interest in the purchase of such material.

- 3.1.1 The Executive Director is authorized to accumulate this material and advertise and competitively procure the best price for such material when the expected market value of the total lot exceeds \$25,000.
- 3.1.2 The Executive Director is authorized to dispose of Scrap material and Personal Property in accordance with Resolution No. 20120221-03 passed by the Board of Directors on February 21, 2012.
- 3.1.3 A record of the volume of material or property identification numbers shall be kept for a minimum of 3 year. To the extent required, the fixed assets of the Authority shall be adjusted to reflect the sale of such material.
- 3.1.4 A record of all bidders' information and bid price shall be kept for a minimum of 3 years.
- 3.1.5 The winning bid and record of sale shall be kept for a minimum of 3 years.
- 3.1.6 The Executive Director shall not be required to seek the approval of the Board of Directors for each salvage sale, but shall provide a quarterly report and an annual report to the board summarizing the records identified in Paragraph 3.1.3-3.1.5 above.

3.2 Small Lots. Much of the short term transition work at TACE includes utilities system reconstruction and building and personal property decontamination that will result in many smaller lots of Scrap or Personal Property that is left on-site in the field. To avoid multiple handling costs, it is often advantageous to move this material directly to local scrap yards.

- 3.2.1 The Executive Director is authorized to sell this material to local scrap yards or otherwise dispose of it when the expected value of the total lot is less than \$25,000.
- 3.2.2 The Executive Director is authorized to dispose of Scrap material and Personal Property in accordance with Resolution No. 20120221-03 passed by the Board of Directors on February 21, 2012.
- 3.2.3 The Executive Director will attempt to obtain multiple quotes and may use phone inquiries and fax/email quotes to justify the sales price. When it is apparent from prior inquires that there is only one local source, the Executive Director may sole source the sale.
- 3.2.4 A record of all bidder's information and bid price shall be kept for a minimum of 3 years.

- 3.2.5 The winning bid and record of sale shall be kept for a minimum of 3 years.
 - 3.2.6 The Executive Director shall not be required to seek the approval of the Board of Directors for each small lot salvage sale, but shall provide a quarterly report and an annual report to the board summarizing the records identified in Paragraph 3.2.3-3.2.5 above.
- 3.3 Demolition. From time to time the salvage of certain materials may require on-site demolition or deconstruction activities performed by the purchaser of the material. Such demolition is authorized pursuant to the purchasers agreement to the Site Security and Access Policy of the Authority and the insurance and indemnification provisions as per paragraph 4.0 below. Purchaser shall be required to demonstrate compliance with paragraph 4.0 prior to entry to receive the salvaged property. Such evidence shall be required within 10 days of notification of award or the sale shall fall and the bidder shall not be authorized to rebid for the material.

4.0 Insurance & Indemnification

- 4.1 All Contractors/Subcontractors performing work upon property owned by the Redevelopment Authority to dismantle, remove or ship scrap material or personal property to be disposed, shall be required to comply with the following minimum requirements:
- 4.1.1 Insurance. Prior to the start of work, the Contractor or Subcontractor shall procure and maintain in force Workers' Compensation Insurance, Employer's Liability Insurance, Automobile Insurance and General Liability Insurance.
 - 4.1.2 General Liability Insurance shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, contractual liability, and broad form property damage.
 - 4.1.3 The General Liability Insurance shall name TexAmericas Center as an additional insured for liability arising out of the Contractor's/Subcontractor's work.
 - 4.1.4 The Contractor's/Subcontractor's Employer's Liability, Business Auto Liability and General Liability Policies will procure and maintain during the entire period of performance under the contract the following minimums:

4.1.4.1 Worker's Compensation and Employer's Liability must comply with federal and state worker's compensation and occupational disease statutes.

4.1.4.2 Employer's Liability

4.1.4.2.1 Bodily Injury by Accident: \$100,000

4.1.4.2.2 Bodily Injury by Disease: \$100,000

4.1.4.3 Auto Liability

4.1.4.3.1 Bodily Injury per person: \$200,000

4.1.4.3.2 Bodily Injury per occurrence: \$500,000

4.1.4.4 Property Damage per occurrence: \$100,000

4.1.4.5 General Liability per occurrence: \$500,000

4.1.5 The Employer's Liability, Auto Liability, and General Liability Coverages may be arranged under a single policy for the full limits required or by the combination of the underlying policies with the balance provided by excess and/or umbrella liability policies.

4.1.6 The Contractor/Subcontractor shall maintain in effect all insurance coverage required at the Contractor's/Subcontractor's sole expense with insurance companies authorized to do business in the State of Texas. If the Contractor/Subcontractor fails to obtain or maintain any insurance coverage then TAC may deny the Contractor access to the property.

4.1.7 The policies of insurance required shall contain provision that the coverages afforded under the policies will not be cancelled or allowed to expire until at least 30 days prior written notice has been given to TAC.

4.1.8 The Contractors/Subcontractors shall maintain completed operations liability insurance for one year after acceptance of the work, substantial completion of the project, or the time required by the contract documents, whichever is longer. The Contractor/Subcontractor shall furnish TAC evidence of such insurance at the time of completion of the work.

4.2 Indemnity

4.2.1 To the fullest extent permitted by law, any contractor operating on TAC property shall defend indemnify and hold TAC harmless from all claims for bodily injury and property damage that may arise from the performance of the work to the extent of negligence attributed to such acts or omissions by the Contractor, Subcontractors, or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable.

- 4.2.2 The Contractor/Subcontractor shall be responsible for and indemnify the Army and TAC for:
 - 4.2.2.1 Any response cost claims for any environmental remediation services with the Contractor has assumed responsibility
 - 4.2.2.2 All costs associated with correction of a failure of any remedy implemented or operated and maintained by the Contractor to the extent such failure was caused by the willful or negligent acts or omissions of the Contractor in the course of performing any services upon TAC property.
 - 4.2.2.3 All personal injury or property damage claims to the extent caused by the acts or omissions of the Contractor in the course of performing work upon TAC property.
 - 4.2.2.4 All natural resource damage pursuant to 42 USC Section 9607(a)(4)(C), to the extent that such damages were caused or contributed to by the action of the Contractor or its successors in interest
 - 4.2.2.5 All costs associated with or arising from any negligent acts or omissions or willful misconduct of the Contractor in the course of performing work or services or implementing remedial environmental actions.

4.3 Additional requirements. Nothing in this Section will preclude additional insurance or indemnification requirements upon TAC contractors, tenants or other TAC counterparties acting upon TAC property.

5.0 Safety

5.1 Munitions and Explosives. TexAmericas Center – East is undergoing environmental clearance for munitions and explosives of concern. Use of the premises is limited to only those uses strictly authorized by TAC or Army. All warning signs shall be observed. If an authorized person encounters an unknown substance or item, it should be deemed to be explosive and must be reported to the person/entity that authorized access to the property. No unknown items should be handled or tampered with. Explosive contaminated buildings shall not be entered without an Army escort or an escort designated by the Army.

5.2 Lead Based Paint, Asbestos Containing Materials, Code Compliance and Other Hazards. It should be assumed that all structures upon the TexAmericas Center pose an extreme safety and health risk. Visitors should always be escorted and wear appropriate protective items upon entry.

5.3 Contractors/Subcontractors/Tenants/Users shall comply with all federal, state and local safety laws and regulations as a condition of access to TACE properties.

6.0 Release of Hazardous Materials into the Environment

6.1 Those entering TexAmericas Center – East shall report any release of a hazardous substance into the environment to Dispatch and to TAC Offices at 903-223-9841.

7.0 Call 911 in case of fire, emergency, personal injury or property damage.