

CHAPTER 12

CLEARANCE AND DEMOLITION TABLE OF CONTENTS

12.01.00.00	CLEARANCE AND DEMOLITION - GENERAL
01.00	Purpose
02.00	Approval Authority
03.00	Federal Participation in Revenue and Expenses
04.00	Other Applicable Federal Regulations
05.00	File Content
06.00	Right of Way vs. Construction Item
07.00	Inventory Disposal Record
08.00	Improvement Disposal Authorization
09.00	Improvement and Personal Property Definition
10.00	Improvement and Personal Property Inventory
11.00	Numbering of IDAs and IDRs
12.00	Active Inventory of Improvements File
13.00	Lost or Stolen Property
12.02.00.00	TRANSFERRING PROPERTIES FROM RENTAL STATUS TO CLEARANCE STATUS
01.00	General
02.00	Advanced Transfers to Clearance Status
12.03.00.00	HAZARDOUS WASTE AND HAZARDOUS MATERIALS
01.00	Policy
02.00	Definition
03.00	General
04.00	Inventory
05.00	Underground Tanks
06.00	Tank Removal Procedures
07.00	Potential Surface Contamination
12.04.00.00	CLEARANCE PROCEDURE
01.00	Initial Clearance Procedures
02.00	Historic Structures
03.00	Improvements With Asbestos Containing Construction Materials (ACCM)
04.00	Rodent Control
05.00	Preparing the IDA
06.00	Sale of Tools and Machinery to the Office of Equipment
07.00	Sale of Personal Property
08.00	Public Notification of Proposed Sale
09.00	Content of the Notice of Sale
10.00	Advertising the Sale
11.00	Terms of Sale – Furniture and Bedding
12.00	Post-Sale Field Inspections

12.04.00.00	CLEARANCE PROCEDURE (Continued)
13.00	Annual Purge of Mailing Lists
14.00	Conduct of Sale
14.01	Sale by Sealed Bid
14.02	Sale by Public Auction
15.00	Deposits
16.00	Deposit Return - Unsuccessful Bidders - Sealed Bid
17.00	Bill of Sale
18.00	Breach of Contract
19.00	Defaults Not Fault of Bidder
20.00	Refunds
21.00	Notification to Defaulted Bidder
22.00	Resales to Determine Damages Sustained
23.00	Statement of Damages Sustained
12.05.00.00	CLEARANCE CONTRACTS
01.00	General
02.00	Clearance Contracts Not Used
03.00	Contract Request
04.00	Demolition Clearance Contracts
05.00	Relocation Clearance Contracts
05.01	Extra Work
05.02	State's Obligation and Responsibility
05.03	Inventory of Impaired Conditions
05.04	Changes Requested by Owner
05.05	Liability for Correcting Structure Deficiencies
05.06	Letters of Acceptance From Property Owners
06.00	Notice of Completion
07.00	Certificate of Completion and Final Report
12.06.00.00	CLEARANCE AND DEMOLITION FLOW CHART

12.00.00.00 CLEARANCE AND DEMOLITION

12.01.00.00 - CLEARANCE AND DEMOLITION - GENERAL

12.01.01.00 Purpose

The District Clearance function is responsible for the orderly clearance of property with minimum detrimental effect on the community. All improvements and personal property are carefully inspected to determine whether the improvements should be sold, demolished, or removed. Major factors governing the sale or demolition decision are:

- Structural condition of the improvements.
- Area in which improvements are located.
- Local ordinances affecting movement and rehabilitation of improvements.

If it is economically justifiable and the project schedule permits sufficient time to move and rehabilitate the improvements, the improvements are sold. Otherwise, the improvements are removed through the demolition process.

12.01.02.00 Approval Authority

Approval is in accordance with the delegations discussed in Chapter 2, Policy, and shown in the Exhibit section. Any approvals not specifically delegated are retained in the DORW.

12.01.03.00 Federal Participation in Revenue and Expenses

Federal funds may be used to cover costs for the disposal of improvements and clearance of real property, per 23 CFR Section 710.304(d)(1). Right of Way must provide Accounting with information to identify and bill Federal participating revenue and expenses accurately. Instructions for completing accounting documents are included on the documents. District Planning and Management (P&M) staff can provide additional information.

12.01.04.00 Other Applicable Federal Regulations

Policies and procedures for the management of real property acquired in connection with a Federal-aid transportation project are contained in 23 CFR Subpart A Sections 713.101 through 713.103. The policies are applicable to all State and political subdivisions that manage real property acquired for transportation projects in which Federal funds are used for any right of way costs.

12.01.05.00 File Content

The District maintains a file with the following information for each improved property :

- **Inventory** - of all improvements acquired as a part of the right of way. (See 12.01.10.00)
- **Accounting** - of the disposition of improvements and the recovery payments received.
- **Methods** - used to clear the right of way and dispose of improvements through resale, salvage, owner retention, demolition, or other means.

12.01.06.00 Right of Way vs. Construction Item

Clearing acquired improvements is considered a right of way item when performed separately from the construction contract. The provisions of 23 CFR 713.103(e) apply for the requirement of wage determinations.

Clearing is a construction item when performed as part of the project construction contract.

12.01.07.00 Inventory Disposal Record

The Acquisition Agent provides all the information required by the Inventory Disposal Record (IDR), Form RW 12-1, as part of the Memorandum of Settlement (MOS) on properties that include the purchase of improvements or personal property. The IDR is prepared and a Register Number is assigned when the MOS is prepared. (See Acquisition

Chapter and Property Management Chapter for additional information.)

12.01.08.00 **Improvement Disposal Authorization**

The Improvement Disposal Authorization (IDA), Form RW 12-2, is a formal request to the District Director (DD) or authorized delegate for permission to dispose of State-owned improvements or personal property. Approval of the IDA is authority to proceed with disposition of the improvements as specified. No property shall be disposed of in a manner at variance with the approved IDA without prior approval of the DD or authorized delegate. (See Section 12.04.05.00.)

12.01.09.00 **Improvement and Personal Property Definition**

For purposes of this inventory procedure, "improvements and personal property" means those structures, improvements, or personal property (such as furniture) whose disposal requires an IDA, Form RW 12-2. Miscellaneous items purchased as part of the real estate, such as air coolers, carpets, gasoline pumps, compressors, weigh scales, and underground tanks, are listed on the IDA. This applies whether the items are to be marketed, demolished, or transferred to another department or agency. Improvements such as landscaping and driveways that normally are destroyed in right of way cleanup contracts or by the road contractor as part of clearing and grubbing need not be listed.

12.01.10.00 **Improvement and Personal Property Inventory**

The Clearance Agent specifies the reason and manner of disposal on the IDA, Form RW 12-2.

The IDR and Register, Forms RW 12-1 and RW 12-3 respectively, record the disposition of improvements and personal property and provide accountability during State's ownership.

12.01.11.00 **Numbering of IDAs and IDRs**

IDAs and IDRs carry the Parcel Number, Improvement Register Number, Expenditure Authorization Number, Co. Rte. and KP/PM, and Federal-aid Project Number. District filing is by Parcel Number.

12.01.12.00 **Active Inventory of Improvements File**

The District should maintain a file of active IDRs. A copy of the IDA for a parcel is placed in the file when the IDR file is setup. When all improvements have been disposed of in accordance with the IDA and the "Disposal Record" section (back) of the IDR has been completed, these two documents are transferred to the parcel file.

When multiple IDAs are required to dispose of improvement items carried under one Register Number, the disposal information should be transcribed from the multiple reports to the original form. The original is filed in the permanent District records.

12.01.13.00 **Lost or Stolen Property**

The Clearance Agent reports all cases of lost or stolen properties as follows:

- **Salvage or contributory value less than \$100** - no action necessary.
- **Salvage or contributory value more than \$100, less than \$1,000** - send notice to the District Security Coordinator with a courtesy copy to the Departmental Security Coordinator in Headquarters Office of Audits and Internal Security (see Exhibit 12-EX-01). Notification of local law enforcement is at the discretion of the District.
- **Salvage or contributory value more than \$1,000** - send notice to the District Security Coordinator with a courtesy copy to the Departmental Security Coordinator and report to local law enforcement agency.

Notification to the District Security Coordinator should be sent no later than the first work day following discovery of the incident.

The IDR should be properly annotated concerning lost, stolen, or destroyed property.

No adjustments should be made to the Notice of Sale for property that is lost or stolen prior to the

date of sale but subsequent to the Notice. The Notice and any contracts should specifically state that the items are "AS IS, WHERE IS" and no warranties are made as to missing items.

NOTES:

**12.02.00.00 - TRANSFERRING PROPERTIES FROM RENTAL
STATUS TO CLEARANCE STATUS**

12.02.01.00 General

All property held for future projects shall be rented and later cleared of improvements in such a manner that the State receives maximum economic return. The retention of improvements and availability of rentable property are controlled by the date the property is needed. Disruption of a community shall be minimized by scheduling clearance in an orderly manner.

- Run-down or dilapidated.
- On rescinded routes.
- On excess land.

A qualified person prepares a financial analysis, which is approved by the DDD-R/W and attached to the IDA, for any advanced disposal of residential improvements. The project must be environmentally cleared or the financial analysis must contain a justification as to the emergency nature of the removal. (See Section 12.04.01.00.)

**12.02.02.00 Advanced Transfers to
Clearance Status**

Occasionally it is necessary to remove improvements prior to normal clearance scheduling when the improvements are:

NOTES:

12.03.00.00 - HAZARDOUS WASTE AND HAZARDOUS MATERIALS

12.03.01.00 Policy

The Department's policy is to consider fully all aspects of potential hazardous waste sites ensuring that adequate protection is afforded to employees, workers, and the community prior to, during, and after construction. District Property Management must be aware of all potential and confirmed sites and any use of hazardous materials on future rights of way. The District must monitor these sites, terminate leases where required, and consider potential clearance of wastes when planning for right of way certification dates.

12.03.02.00 Definition

A material is hazardous if it poses a threat to human health or the environment. Hazardous materials may be any of a large group of the products listed below. (A partial list is contained in the California Code of Regulations, Title 22, Section 66261.126, Appendix X.)

- Flammable
- Reactive (subject to spontaneous explosion or flammability)
- Corrosive
- Toxic
- Radio-active

The term hazardous waste applies to the storage, deposit, contamination, etc., of a hazardous material that has escaped or been discarded or abandoned and that may be defined in general terms as being any of the above.

12.03.03.00 General

The Department strives to identify, investigate, and cleanup sites at the earliest opportunity during the project development process. Occasionally these activities may not be accomplished prior to Property Management involvement.

Under a normal project development sequence, the entire process is completed in accordance with governmental hazardous waste requirements. Project Development is the lead unit for the

identification, investigation, and cleanup process. Right of Way assists by obtaining necessary rights to enter for testing purposes and by negotiating cleanup agreements prior to acquisition.

On projects where the normal sequence cannot be followed, Right of Way assists in identifying potential hazardous waste sites and initiates the cleanup process for all **MINOR** hazardous waste problems not requiring a Hazardous Waste Management Plan, such as underground tanks or hazardous material businesses. All investigative work is done under the administrative and technical control of the District Hazardous Waste Coordinator (HWC) with concurrence of the Department's Hazardous Waste Management Branch, Office of Project Planning and Design. If at any time a formal Hazardous Waste Management Plan is required, Project Development assumes the lead role.

12.03.04.00 Inventory

Property Management must inventory all properties under its control that have been identified as potential hazardous waste sites, including those with underground tanks. The District HWC should maintain a tracking system for all District sites. Until the properties are cleared and the projects are certified for construction, Property Management must monitor all acquired properties, specifically any that have a potential for becoming hazardous waste sites.

12.03.05.00 Underground Tanks

The State Underground Storage Tank Law is contained in Chapter 6.7, Division 20, Health and Safety Code, and Underground Tank Regulations, Subchapter 16, Chapter 3, Title 23, California Administrative Code. The following discussion pertains to R/W Clearance and Demolition units only.

All underground tanks must be covered by permits issued by the local regulatory agency, and the owner of the property is responsible for obtaining the permits. Examples of such permits are "permit to store a hazardous material" and "permit to operate a hazardous material storage tank."

12.03.06.00 Tank Removal Procedures

Underground tanks on State property should be removed as soon as possible.

The HWC will obtain the name of the local official responsible for underground tanks. Since the contractor must obtain the required permits for operating or closing all existing tanks from the local permitting agency, this information must be included in the removal contract. Also, any contract for tank removal **MUST** include provisions for barricades and cleanup.

Prior to any tank removal, Right of Way must initiate an agreement with the tenant in occupancy and the owner of the property. While Project Development and the project manager have basic responsibility for removal of all tanks, those which have no or only minor leakage can be removed under contracts initiated by Right of Way. These contracts must be approved by the HWC and must contain all the clauses approved by the Departmental Contract

Office. Non-leaking tanks may have a minor deposit of product under the tank that can be cleaned up during a tank removal contract. If the leak is major, a Hazardous Waste Management Plan may be required and will be prepared under the direction of Project Development.

12.03.07.00 Potential Surface Contamination

Many properties have the potential for hazardous waste contamination. Examples include service stations and bulk plants, paint companies, machine shops, plating companies, light and heavy industrial manufacturing, dry cleaning establishments, fertilizer companies, junkyards, auto wrecking yards, and muffler shops. Right of Way must notify the HWC in writing when a property containing either hazardous waste or asbestos containing materials is to be cleared and must coordinate clearance with the HWC. Special clauses are required in the clearance contract, and the contractor or subcontractor must have the proper licenses to handle such materials.

12.04.00.00 - CLEARANCE PROCEDURE

12.04.01.00 Initial Clearance Procedures

Prior to environmental clearance, improvements must not be removed except in cases of emergency. An emergency is defined in the 1976 Caltrans Environmental Regulations (amended February 1977) as follows:

“A sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property or essential public services. Emergency includes such occurrences as fire, flood, earthquakes or other soil or geologic movements, as well as such occurrences as riots, accidents or sabotage.”

After environmental clearance, a no re-rent policy is established on vacant units when the project is in the STIP and funds for normal right of way activities have been programmed. Vacated improvements on such projects are immediately cleared.

If rehabilitation is not economically feasible, improvements may be removed from the right of way prior to normal clearance scheduling when one or more of the following conditions exist:

- Retention of the improvements will result in a health and safety hazard.
- Improvements have been vandalized to the point that it is no longer economically feasible to restore them to rentable standards.
- A local governmental agency has condemned the improvements.

When improvements are to be removed for the above reasons, the reasons shall become part of the IDA. For all residential improvements, a qualified person shall prepare a financial analysis (disposal vs. rehabilitation), which is approved by the DDD-R/W and attached to the IDA. A copy of the financial analysis is sent to HQ R/W for information and review.

The above criteria apply to the removal of improvements from excess land in most cases, except that HQ R/W and FHWA approval must be obtained before such removal.

The Department's "no re-rent" policy and its exceptions are discussed in Property Management Section 11.01.00.00.

Factors the District should analyze in determining clearance schedules are:

- **Loss of Revenue** - to local governmental agencies if rental income to the Department of Transportation (Department) ceases and the local 24% share of such income ceases.
- **Increased Costs** - for debris pickup and weed abatement as improvements are removed.
- **Attractive Nuisance** - increased exposure to personal injury liability as neighborhood children, the homeless, and other individuals are attracted to cleared right of way.
- **Temporary Use Requests** - increased requests by local agencies and others to use cleared right of way temporarily for gardens, parks, and other quasi-public purposes that might result in complications when the Department prepares to construct the project.
- **Rental Income Balanced Against the Cost of Upkeep of the Rental Units** - such items as roof, sewer, plumbing, and heater repairs and management costs such as rent collections and delinquencies are to be considered.

In addition, the District shall issue Notices to Relocate to residential tenants in an orderly manner so the private housing market is not overwhelmed by a large number of households seeking replacement housing at the same time. An orderly relocation of households is imperative to avoid court-mandated replacement or replenishment housing programs.

When a parcel is transferred to clearance status for removal of acquired improvements and/or personal property, the Clearance Agent shall immediately schedule and process the items for clearance by preparing an IDA.

12.04.02.00 Historic Structures

All Department-owned historic structures are subject to the provisions of Public Resources Code 5024. No clearance or transfer of a historic structure shall occur until a formal historic evaluation is completed. District Clearance coordinates all activities involving structures over 50 years of age with the District Environmental Branch.

Prior to right of way clearance, the Agent annotates the file with the appropriate documentation as follows:

- The historic structure was included on historic preservation documentation in compliance with Federal or State regulations and all required mitigation work has been completed.
- The sale or transfer is pursuant to the terms of a historic preservation compliance agreement.
- The historic structure was not previously cleared on a project basis; the views of the State Historic Preservation Officer will be sought prior to clearance.

12.04.03.00 Improvements With Asbestos Containing Construction Materials (ACCM)

All improvements shall be inspected for the presence of ACCM, and a copy of the report placed in the permanent parcel file. District Clearance staff coordinates ACCM inspection and removal activities with the HWC. All activities must comply with the Environmental Protection Agency regulations and all State and local government laws, rules, statutes, and legislation (see 40 CFR Section 61.145).

If the improvements were not inspected at the appraisal or acquisition stage, the Clearance Agent must ensure that a licensed person completes an inspection prior to sale or demolition. Sale for relocation is considered the same as demolition.

The Clearance Agent ensures that any improvements containing ACCM will have the ACCM handled prior to demolition in accordance with applicable laws, regulations, and ordinances and the recommendations of the asbestos inspector. Removal of ACCM may be by separate contract or through the demolition process outlined below. License requirements of the local air pollution control district must be strictly followed.

12.04.04.00 **Rodent Control**

To prepare the structure for clearance, the Clearance Agent must have the structure inspected for rodents and document the inspection in the diary. Structures shall not be cleared if doing so will disseminate the rodents into neighboring properties. Extermination must be performed prior to clearance.

12.04.05.00 **Preparing the IDA**

The Agent includes an explanation and reason for sale or demolition in the IDA. Typical examples are:

- To clear for construction (specifying proposed project certification date).
- Not rentable due to poor condition and not warranting repair.
- To prevent theft and acts of vandalism.
- Moving and rehabilitating is not economically feasible.
- Substandard construction.

A financial analysis, prepared by a qualified person and approved by the DDD-R/W, must be attached to the IDA for any disposal of improvements, except when the purpose is to clear for construction. Comments and recommendations must indicate the project is environmentally cleared or must justify the emergency nature of the removal.

A recommended minimum acceptable bid is included in IDAs covering disposal of items such as buildings, furniture, and equipment by public sale. The bid is a designated percentage of the estimated market value of the improvements and is set forth in the IDA. Any large difference between the estimated market value and the recommended minimum bid must be explained.

The Agent who prepared the IDA and the individual in charge of Property Management or Improvement Clearance sign the IDA; the DD or authorized delegate approves it.

12.04.06.00 **Sale of Tools and Machinery to the Office of Equipment**

Right of Way should advise the Office of Equipment of the proposed sale of any usable tools and shop equipment that are reasonably new or are repairable. Of particular interest are lathes, drill presses, milling machines, metal brakes, metal shears, and automotive tools such as wheel balancers, brake drum lathes, tire truers, and lubrication equipment.

Such items are covered by an IDR and IDA. The Agent limits the IDR to items of possible interest and includes a statement that the items qualify for transfer to the Office of Equipment. A duplicate copy of the IDR is sent to the Office of Equipment with a statement that the IDA will be approved and the items disposed of by usual procedures unless a response requesting reservation of an item is received within two weeks.

It is not necessary for the District to consult the various shop superintendents. The decision to accept or reject tools and equipment lies exclusively with the Office of Equipment. Should they wish to acquire any items, the Office of Equipment will notify the District.

Transfers are documented as shown on the table entitled "Documentation of Transfer." If coding is required, the Agent should check with P&M for correct coding.

DOCUMENTATION OF TRANSFER			
Funding	Documents	Value	Process
Federal Participation	<ul style="list-style-type: none"> • A memo to Accounting detailing the transaction • A Shipping Record (Form ADM-0245) prepared by R/W • A Receiving Record (Form FA1226A) prepared by Office of Equipment 	Dollar amount is established by the minimum acceptable bid.	Accounting performs the transaction and returns copies along with the TRAMS posting tag to be placed in the Inventory Disposal File in R/W for audit purposes.
State Only Funds	<ul style="list-style-type: none"> • A memo to Accounting detailing the transaction if a fund transfer is made • A Shipping Record prepared by R/W • A Receiving Record prepared by Office of Equipment • These records need not be coded for Accounting if no fund transfer takes place. 	<p>It is at District R/W's discretion whether to charge for transfer of equipment. Consideration can be given to current market value of equipment versus salvage value and to clearance schedule. (For salvage value definition, see 7.08.05.00.)</p> <p>Whether or not fund transfer occurs, the documents must be in the Inventory Disposal File for audit purposes.</p>	

12.04.07.00 Sale of Personal Property

State-owned personal property may be disposed of separately or in conjunction with other improvements. If a stripping sale of fixtures is held on a major improvement that must be demolished, the Agent should take care to assign each fixture, or group of fixtures, an item number on the IDR. A separate list may be prepared, attached, and referenced on Form RW 12-1.

12.04.08.00 **Public Notification of Proposed Sale**

The Agent prepares a Notice of Sale describing the property to be sold and stating the time, place, and manner of sale. Copies are sent to anyone who might be interested in the sale, such as local real estate dealers, house movers, and wreckers. Copies are also mailed to local agencies with a request that they be posted in places commonly used for posting legal notices. Posting of the Notice on each improvement to be sold should also be considered.

12.04.09.00 **Content of the Notice of Sale**

The Notice of Sale is prepared as shown on Forms RW 12-4, RW 12-5, and RW 12-6. Proposal Form RW 12-7 is attached to the Notice for sealed bids. P&M must approve the Proposal Form prior to distribution to verify it has been coded properly. (See Exhibit 12-EX-02 for coding instructions.)

When a surety bond is necessary to ensure the removal of property, a reasonable amount covering faithful performance may be demanded from the successful bidder with DD approval. The Notice must provide that such bond is required and state the amount thereof.

12.04.10.00 **Advertising the Sale**

Sales are advertised as appropriate. The amount spent for advertising should reflect sound business judgment and be in relation to the value of the property.

12.04.11.00 **Terms of Sale - Furniture and Bedding**

The following conditions are included in the terms of sale when used or secondhand upholstered furniture and bedding are involved:

“The purchaser represents, warrants and certifies that he/she will undertake to procure and affix tags and labels, as required by law, and otherwise comply with the State laws pertaining to sterilization, resale, and reuse of articles of upholstered furniture, bedding and filling material, as defined in the California Business and Professions Code, Division 8, Chapter 3, Articles 1 to 10, inclusive.”

Copies of the terms of sale and the name and address of the successful bidder are forwarded to the Bureau of Home Furnishings.

12.04.12.00 **Post-Sale Field Inspections**

Clearance staff must inspect all properties sold to verify the purchaser has removed the improvements and conformed with all contractual obligations in the Notice of Sale and the executed proposal or bid form. The purchaser must immediately correct any unfulfilled contractual obligations. This will ensure that no difficulties arise in clearing the right of way and no dangerous conditions exist that could result in accidents. Special care should be exercised to avoid creating any hazardous conditions to neighborhood children, other individuals, or pets and other animals.

12.04.13.00 **Annual Purge of Mailing Lists**

The District must perform an annual review of mailing lists per Government Code Section 14911 to determine if current recipients wish to continue receiving notices. A return-addressed verification card should be attached to the material mailed. The card should provide a space on which the recipient can affix postage when returning the card to indicate a desire to remain on the mailing list.

The card should contain a statement similar to the following that states the mailing list is reviewed annually in accordance with State law:

“Your name is on our mailing list to receive notices for public sales of property. If you wish to continue receiving these notices, please sign and return this card. If this card is not returned by (specify date), your name will be removed from our list. This notice is required annually by Section 14911, Government Code. Please correct the address shown, if necessary; be sure to include zip code.”

12.04.14.00 **Conduct of Sale**

12.04.14.01 **Sale by Sealed Bid**

Representatives of Accounting and Right of Way open the bids at the District Office at the time prescribed in the Notice in the presence of the bidders. The Right of Way representative shall tabulate all bids and shall immediately turn over bidder’s deposits to the Accounting representative.

The Accounting representative must have accurate information (Parcel No., Expenditure Authorization, Federal Aid Project No., and Object Code) to ensure proper coding of all documents. P&M must verify all coding information before it is given to Accounting.

If the highest bidder defaults in a sealed bid sale, the District may sell to the second highest bidder.

12.04.14.02 **Sale by Public Auction**

A public auction to dispose of property is conducted on the premises whenever possible. Representatives of Accounting and Right of Way, or a minimum of two representatives of Right of Way, attend the auction. A Right of Way representative shall be in charge of the auction.

Improvements to be sold should be opened for general public inspection immediately prior to the auction. The person conducting the auction should have enough copies of the Notice of Sale for people attending the auction. The auctioneer reads all the terms and conduct of the sale, including the minimum bid acceptable, preceding each sale. Adequate time is allowed for bidding before closing the sale.

The Right of Way representative must secure all necessary signatures on Proposal Form RW 12-7. The successful bidder signs the original proposal sheet and fills in their address and telephone number. The Accounting representative accepts the deposit in cash, cashier’s check, money order, or certified check and delivers a receipt and a duplicate proposal sheet to the buyer. Accounting retains a copy of the proposal sheet to ensure the Department accounts for the revenue properly. Funds are placed in the special deposit account.

If the highest bidder is not prepared at the auction to furnish the required deposit in the manner prescribed by the Notice, the bidding may immediately be reopened and the property sold to the subsequent highest bidder. Alternatively, the sale may be rescheduled at the discretion of the Right of Way representative.

12.04.15.00 **Deposits**

The following deposits are required for sealed bid or auction sales. The deposits shall be based on the estimate of the market value of the items offered for sale, not on the minimum bid recommended in the IDR.

- | |
|---|
| <ul style="list-style-type: none">• Under \$1,200.00 Market Value - \$300.00 or full amount of the bid if less than \$300.00• Over \$1,200.00 Market Value - 25% of stated market value. |
|---|

12.04.16.00 **Deposit Return - Unsuccessful Bidders - Sealed Bid**

Immediately after the bid opening and upon written request of Right of Way, Accounting returns unsuccessful bidders' deposits by certified mail, return receipt requested. Except, the deposit furnished by the second highest bidder shall not be returned until the highest bidder has paid the total amount due the State. If an unsuccessful bidder is present when the deposits are released, the check may be delivered to the bidder and a receipt obtained.

12.04.17.00 **Bill of Sale**

The Bill of Sale must reflect the item number and description shown on the IDR. The DD or authorized delegate shall execute the Bill of Sale (Exhibit 12-EX-03) after the purchaser has paid the total amount due. The purchaser **SHALL NOT REMOVE ANY SALE ITEMS** until the District has received full payment.

12.04.18.00 **Breach of Contract**

The Notice of Sale and Terms of Sale contain provisions whereby the State shall retain all money paid to it up to the time the purchaser breaches the contract to offset actual damages sustained by the State as a direct result of the breach. Ordinarily, actual damages are determined by resale of the property that is subject to default. Sections 12.04.19.00 through 12.04.23.00 are based on the premise that, in the absence of proof to the contrary, the original sale price represented market value at the time of the breach of contract. The actual damages sustained are, therefore, the difference between the first and second sale prices, plus expenses.

The procedures detailed below are not applied to those cases where the bidder, after completing payment and furnishing surety bond, does not complete improvement removal in accordance with the agreed-upon obligations stated in Paragraph (1) of Forms RW 12-4, 12-5, or 12-6 or in the performance of any other agreed-upon obligation. In these cases, the State completes the work and bills the bonding company for the additional cost of completing the bidder's work. No refunds are made to the bidder.

12.04.19.00 **Defaults Not Fault of Bidder**

If the successful bidder defaults because of State's inability to convey title or any other cause not the fault of the bidder, the bidder's money shall be refunded pursuant to Division of Accounting instructions.

12.04.20.00 **Refunds**

The DDD-R/W or delegate of R/W notifies the Accounting Office by memorandum to prepare refund documents, fully itemizing the transaction per Section 12.04.23.00.

12.04.21.00 **Notification to Defaulted Bidder**

If there is a breach of contract, the Clearance function must immediately notify the defaulted bidder in writing, including the following information:

- **Nature of Breach of Contract** - e.g., failure to pay the balance due or provide the required bond.
- **Determination of Damages** - the bidder's money is retained pending determination of actual damages sustained by the State as a result of the breach.
- **Refundable Balance** - any refundable balance after deduction of actual damages sustained is remitted with an accounting of said money.

No money is to be returned to the defaulted bidder, whether the money is the required deposit only or the entire purchase price, except as provided in Section 12.04.23.00.

12.04.22.00 Resales to Determine Damages Sustained

The Clearance function schedules a resale of the subject property as promptly as practicable after the breach of contract. Timeliness is necessary to demonstrate good faith and to avoid any undue hardship a delay might cause a bidder whose money cannot yet be released. Actual damages are determined as follows:

ACTUAL DAMAGES	
Condition	Amount
Property sells for less than the original sales price	Difference between the two sales prices, plus all expenses for resale.
Property sells for an amount equal to or more than original sales price plus expenses	Zero.
Building cannot be resold, due to lack of interested bidders or impending project certification date	The demolition cost.
Highest bidder defaults on sale by sealed bid and the District sells to the second highest bidder	Difference between the two bids.
Demolition to be done by the State's highway contractor at a later date	An estimate of cost may be used to determine actual damages sustained by the State. If demolition is in the near future, Right of Way asks the resident engineer to document the actual cost.

12.04.23.00 Statement of Damages Sustained

After determining actual damages, the District provides the defaulted bidder with an accounting statement showing:

- Total amount paid to State on purchase of the property.
- Deduction for actual damages, if any.
- Refundable balance, if any.

If the actual damages sustained exceed the money on deposit, the District retains the entire amount and furnishes an accounting statement to the defaulted bidder.

The defaulted bidder is not billed for losses exceeding moneys paid up to the time of breach unless State has performed, or caused to be performed, work under Section 12.04.18.00. Then, all costs are to be recovered.

The Accounting Office schedules payment to the defaulted bidder when a refund is due.

12.05.00.00 - CLEARANCE CONTRACTS

12.05.01.00 General

Where the State is obligated under Right of Way Contract to move, relocate, reconstruct, or remove improvements (including ACCM) to clear proposed right of way, the work may be done by right of way clearance contract as authorized by S&H Code Sections 135 and 136.5. A clearance contract provides for the removal or relocation of improvements and possibly the removal of ACCM from State property.

Posting notice to bidders and bond requirements set forth in the law (S&H Code Section 136.5) are minimum requirements that must be met. Additional bond or insurance protection may be specified at the discretion of the DDD-R/W. The bond is filed in the official file in the District Contract Office.

The two types of right of way clearance contracts are demolition clearance contracts and relocation clearance contracts. Information on contract preparation and bond requirements is contained in the Service Contracts Manual, Chapter 10, Section 10.1.

12.05.02.00 Clearance Contracts Not Used

Clearance contracts are not used for repairing houses, constructing new fences, renting equipment, or performing work within the right of way limits. Clearance contracts are used only for moving improvements or obstructions.

12.05.03.00 Contract Request

The Clearance Agent submits the completed contract request to P&M. P&M verifies coding and forwards the contract request to the District Contract Office. (See Exhibit 12-EX-02 for coding instructions.)

12.05.04.00 Demolition Clearance Contracts

Demolition clearance contracts are used for the removal of improvements that cannot be sold for relocation. Where possible, improvements should be grouped so demolition is accomplished in the most efficient manner.

The District Contract Office assigns a contract number and prepares the bid package, which includes the date and time for receipt of bids and copies of Special

Provisions, Proposal, and Contract for Demolition and Removal of Improvements.

Demolition contractors must be licensed in accordance with Business and Professions Code, Chapter 9, Division 3.

12.05.05.00 Relocation Clearance Contracts

Relocation clearance contracts are used for moving, severing, reconstructing, or relocating structures to clear proposed right of way. Minor amounts of incidental new construction may be included. This type of contract is necessitated by a R/W Contract obligation.

The District Contract office assigns a contract number and prepares the bid package and contract.

12.05.05.01 Extra Work

Certain conditions may arise during a relocation clearance contract that were not anticipated or called for in the original plans. When this work is essential to fulfillment of the State's obligations, such work is classed as extra work and payment is made in accordance with contract provisions. The need for extra work shall be fully documented and approved.

The Clearance Agent submits a request to the District Contract Office to prepare an amendment to the original contract to cover the extra work. The amendment should define the work and the agreed-upon price and set forth any time extension required because of the additional work. The description should limit the extra work to the work involved on a specific property.

12.05.05.02 State's Obligation and Responsibility

The Agent should pay careful attention to the extent of the State's obligation and responsibility for the work to be done on any particular project. Legally, the extent of the State's obligation is set forth in the Right of Way Contract. Since it is not practical to embody lengthy and detailed specifications in that document, the Agent must exercise great care in interpreting the Right of Way Contract clauses.

In general, the owner's improvements to be relocated or reconstructed shall be left in as good a condition as

found and all facilities previously enjoyed shall be replaced. The State shall not repair or correct damage or impaired conditions in existent prior to work on the property by the State that are not changed or aggravated by the relocation work. Although some repair work is unavoidable, it should be kept to a minimum. Also, the State cannot assume costs of betterment in relocation of owner's improvements. The Agent must exercise careful judgment to avoid involving the State in costly and unjustified expenditures.

12.05.05.03 Inventory of Impaired Conditions

Before the contractor undertakes any work, the Agent should thoroughly inspect, with the owner present, all improvements to be relocated or reconstructed to determine existing conditions. The Agent should make appropriate written notes of existing conditions and call them to the owner's attention. This will avoid later misunderstanding about responsibility for correcting such conditions. Photographs may be useful in documenting conditions.

12.05.05.04 Changes Requested by Owner

If the owner requests changes to the original work, the Resident Engineer shall have the owner and contractor sign a change order agreement before authorizing the contractor to proceed with such changes. This agreement shall completely define the proposed changes and should be numbered with the contract number and kept in the file. If the agreement changes the contract amount or significantly revises the scope of work, the District Contract Office should be consulted to determine if a contract amendment is required.

12.05.05.05 Liability for Correcting Structure Deficiencies

Any new work incidental to the relocation or reconstruction of an improvement, such as new foundations and utility extensions and connections, shall be done in accordance with applicable building, safety, and health ordinances. Such obligation shall not be construed to impose on the State any liability for correcting an existing condition of an improvement in nonconformity to local building ordinances when such condition is not caused, affected, or aggravated by the proposed work.

When a relocation project involves an improvement having nonconforming conditions, it is advisable to contact the local building department. The Agent

should state the Department's policy with respect to pre-existing nonconforming conditions. The Agent should explain that the proposed relocation work is being done with public funds to clear an area for a public improvement.

Although the State is not attempting to avoid legal responsibility for replacing the privately-owned improvements in as good condition as found, the State shall not be placed in the position of spending public funds unnecessarily to improve private property. Such would be the case if the State attempted to correct existing nonconforming conditions not caused by the proposed relocation operations.

Hazardous nonconforming conditions may exist that will be impossible for the building department to overlook. The Agent should point out that the building department has authority at any time to condemn and demand correction by a property owner, who has actual liability, and that correction could be required whether or not the State proposes to relocate the improvements. In such cases, the building department may require correction made at the owner's expense at the time of, or immediately after, the State's relocation work. The building department should clearly set forth the above-mentioned facts to limit future misunderstandings.

12.05.05.06 Letters of Acceptance From Property Owners

The Agent should obtain a letter of acceptance from the owner for work performed. In some cases the owner may make unreasonable demands for work over and above that to which legally entitled. The District is authorized to accept the work for the State if it has maintained a careful check to ensure the work performed conforms with the understanding reached with the owner at the time of the clearance contract.

12.05.06.00 **Notice of Completion**

The District should file and record a Notice of Completion on clearance contracts within 10 days after completion only if it has cause to believe a contractor is in financial difficulty and there is a possibility of claims being made or liens filed. This reduces the time limit for filing liens or claims. Documents should be letter-size to facilitate filing.

If more than one unit (work on one property) is included in a contract, a separate Notice for each unit should be filed and recorded within 10 days after completion of work, even though work on other items under the same contract may still be in progress.

If requested by the Accounting Office at the time the approved clearance contract is forwarded, a copy of the Notice of Completion and transmittal letter to the County Recorder shall be forwarded to Accounting.

12.05.07.00 **Certificate of Completion and Final Report**

The Resident Engineer or other personnel assigned to field inspection of clearance contracts certifies in a final report that the items of work have been completed. The report includes, but is not limited to, the following:

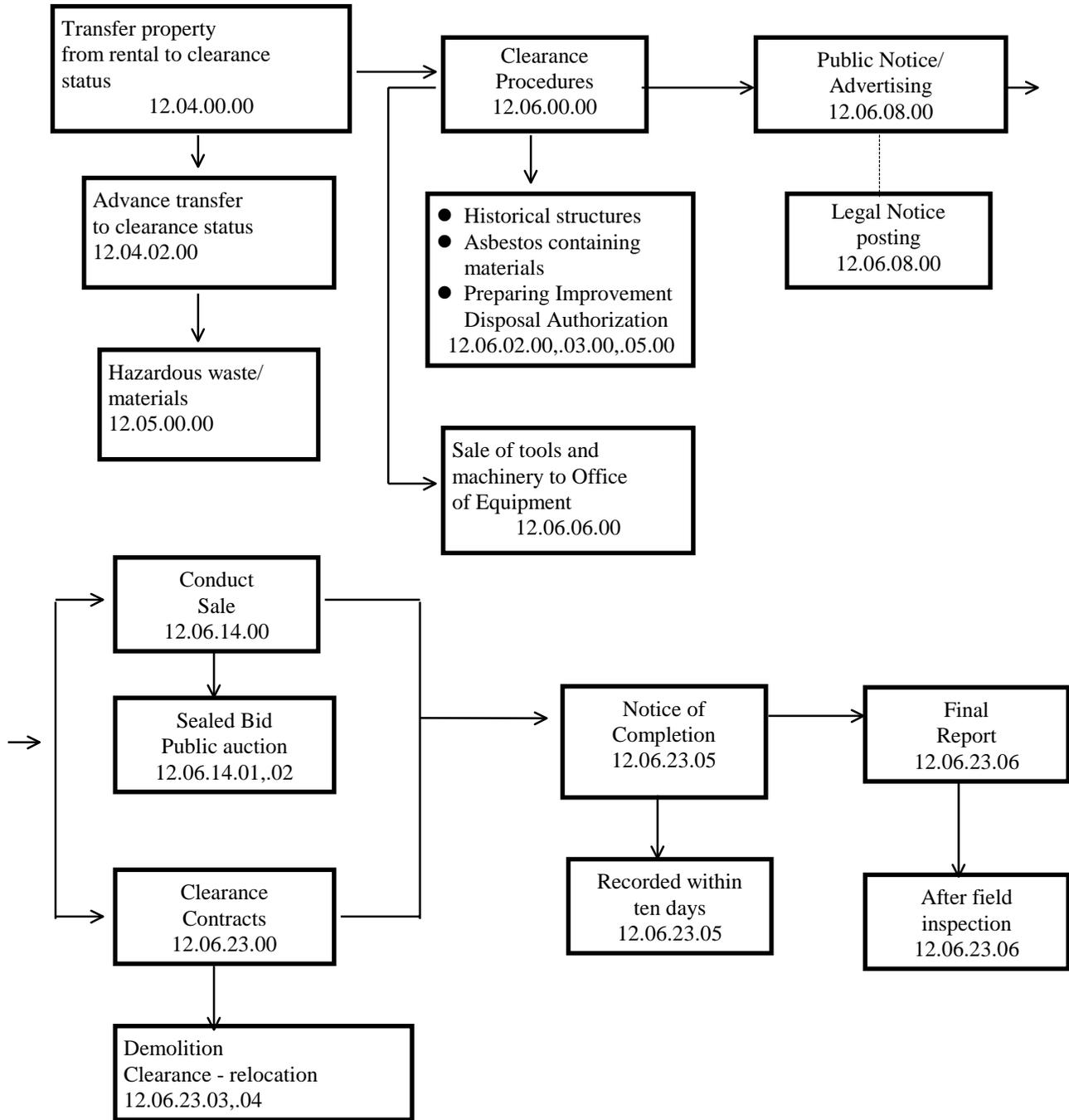
- Performance by the contractor as to compliance with the contract requirements.
- Adequacy and condition of equipment and/or materials used.
- Conformance with State and Federal requirements for payment of minimum wages, nondiscrimination practices, and any other applicable regulations or ordinances.

The report is submitted to the Accounting Office with the bill for final payment.

When bills/invoices are received from the contractor, the Clearance function prepares a Receiving Record (Form FA1226A) and forwards it to P&M. P&M ensures that the document has been coded properly and forwards the document to Accounting for payment.

NOTES:

**12.06.00.00 CLEARANCE AND DEMOLITION
FLOW CHART**



NOTES:

CHAPTER 12
Clearance and Demolition
Table Of Contents

FORMS

<u>Form No.</u>	<u>Title</u>
RW 12-1	Inventory Disposal Record
RW 12-2	Improvement Disposal Authorization
RW 12-3	Register
RW 12-4	Notice of Sale – Verbal Bid
RW 12-5	Notice of Sale – Sealed Bid
RW 12-6	Notice of Sale – Sealed Bid (Accompanied by Deposit)
RW 12-7	Proposal

State of California

Business, Transportation and Housing Agency

Memorandum

To :

Date:

File No.:

From : **DEPARTMENT OF TRANSPORTATION**

Subject : IMPROVEMENT DISPOSAL AUTHORIZATION

It is necessary to dispose of the following improvements and/or personal property:

PARCEL NO.

RW 12-1 ITEM NOS.

REASON FOR DISPOSAL

- 1. To clear for construction. Project Cert. Date is _____.
- 2. Not rentable due to poor condition and not warranting repair.
- 3. To prevent theft and acts of vandalism.

METHOD OF DISPOSAL

- 1. PUBLIC SALE. Minimum acceptable bid shown on attached forms represents ____% of items' market value. This will ensure our sale of the items on first sale attempt, expedite clearance and avoid any unnecessary exposure, theft and liability.

If unsuccessful in selling, items will be demolished at the estimated corresponding cost set forth on the attached forms RW 12-1.

- 2. DEMOLITION.
REASONS FOR DEMOLITION INSTEAD OF SALE:
 - 1. Moving and rehabilitation not economically feasible.
 - 2. Substandard construction.
 - 3.

Disposal of improvements, whether by sale or demolition, will be in accordance with procedures prescribed in the Right of Way Manual.

APPROVED: _____
Right of Way

Senior Right of Way Agent

Date

NOTICE OF SALE - VERBAL BID

RW 12-4 (Rev. 7/98)

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
(Address)

PUBLIC AUCTION WILL BE HELD BY THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION, for the sale of the following improvements:

Beginning at _____ M., _____, at the site and in order listed.
(time) (day and date)

(County, Rte., K.P./P.M., IDR #)

<u>ADDRESS</u>	<u>TYPE OF IMPROVEMENT</u>	<u>REMOVAL DATE</u>	<u>MINIMUM BID</u>	<u>AMOUNT OF DEPOSIT</u>
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TERMS OF SALE

Deposit of *Cash, Cashier's Check or Certified Check*, in the amount of the deposit will be required to be made at the time of the auction, the balance in *Cash, Cashier's Check or Certified Check*, together with sales tax, unless exemption is claimed, must be paid within _____ () days, Saturdays, Sundays and holidays excluded.

Successful bidder will be required to execute a contract with the Department of Transportation agreeing:

- (1) A. To remove the improvements within the specified time.
 - B. Within ten (10) days after removal of improvements, remove all combustible materials and other rubbish including shrubbery and trees which have been cut or uprooted during moving, leaving only concrete foundations and concrete flatwork on the premises.
 - C. All mudsill bolts and reinforcing steel left protruding shall be bent over or sheared at all exposed surfaces.
 - D. In the event there are basements under any of the buildings, upon completion of moving operations Buyer shall construct a temporary safety barricade fence around the basements to the satisfaction of the Department of Transportation, and in all other respects Buyer shall leave the premises in a reasonably safe condition.
 - E. If any utility service lines to other buildings or improvements are disconnected, destroyed or otherwise impaired during removal of said improvements, Buyer, at his own cost and expense, shall provide such other buildings or improvements with adequate substitute utility service lines in lieu of those affected.
 - F. Buyer, at his own cost and expense, shall either cap or cause to be capped by others (as State may elect) any sewer serving the improvements. Such capping shall be done in a manner satisfactory to the State.
 - G. To open any cesspools and/or septic tanks, pump out and dispose of contents, break bottom and backfill, all in accordance with local ordinances or regulations. Cesspools and/or septic tanks shall be backfilled only after the State's Representative has inspected the open cesspools and/or septic tanks.
 - H. Should Buyer fail to comply with any of the provisions of A through G, inclusive, above, the State shall have the right to complete all operations therein described at Buyer's expense.
 - I. All underground tanks must be removed under permit from the local Fire Department.
 - J. If Buyer is an owner or purchaser of land immediately adjacent to the State right of way, improvements purchased must be set back from the said right of way line at least 15 meters.
- (2) Buyer shall only have the right to remove the improvements as specified and shall enjoy no other rights upon the premises.
- (3) To supply a satisfactory Faithful Performance Surety Bond in the Amount of \$_____ on each item within 10 (ten) days from date of sale, Saturdays, Sundays, and holidays excluded. The necessary bond forms for execution by Bonding Company will be given to successful bidder by the Department of Transportation.
- (4) If Buyer fails to deposit the money, pay the balance due, or furnish the Department with a Faithful Performance Surety Bond, the State shall have the right at its option, to terminate or cancel the contract. Upon the exercise of such right, all rights of Buyer in the subject property granted by the contract shall cease and all monies paid to State under the subject contract terms up to the time of the breach *shall be retained to offset actual damages sustained by State* as a direct and proximate result of said breach of contract. Upon cessation of Buyer's right, title, and interest in the subject property, title to such property shall revert to State and State may resell or dispose of such property as it sees fit without recourse by Buyer.
- (5) Buyer shall not remove any property until full payment is made, bond is furnished, and the necessary Bill of Sale is issued.
- (6) If Buyer defaults in the (a) payment of the balance due; (b) furnishing the required Faithful Performance Bond; (c) performance of any of the agreed-upon obligations stated in Paragraph (1) of these Terms of Sale; or (d) in the performance of any other agreed-upon obligation of the said Buyer pursuant to the subject contract, State may demolish or remove the improvements at Buyer's expense and Buyer will reimburse State for any and all expenses incurred for demolition, removal, and site clearance. Because of the necessity of having the real property of State cleared on or before the due date agreed upon in the contract, and for other good cause, time is specifically made of the essence of the contract.

NOTICE OF SALE - VERBAL BID (Cont.)

RW 12-4 (Rev. 7/98)

Page 3 of 3

(7) The successful bidder may either remove the improvements himself or cause it to be done by others. While no State Contractor's License is required to purchase these improvements and to cause them to be removed by others, the person or company or successful bidder who performs the work of removing the building must be a licensed State contractor under Chapter 9, Division 3, of the Business and Professions Code, unless the total net remuneration received by the successful bidder, including cash and value of the removed improvements, is less than \$200.

(8) The State of California makes no guarantee that any buildings sold will be movable or that permits will be granted to place them in any specific location. The purchaser of the building or buildings assumes all risk and responsibility in the wrecking and/or moving operations, including any loss by reason of vandalism after acceptance by State of the deposit as above provided.

(9) Purchaser shall secure all necessary permits and certificates required in connection with the wrecking or removal of any building, and shall comply with all pertinent local ordinances.

(10) The State reserves the right to reject any and all bids.

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

NOTICE OF SALE - SEALED BID

RW 12-5 (Rev. 7/98)

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
(Address)

PUBLIC AUCTION WILL BE HELD BY THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION, for the sale of the following improvements:

Beginning at _____ M., _____, at the site and in order listed.
(time) (day and date)

(County, Rte., K.P./P.M., IDR #)

<u>ADDRESS</u>	<u>TYPE OF IMPROVEMENT</u>	<u>REMOVAL DATE</u>	<u>MINIMUM BID</u>	<u>AMOUNT OF DEPOSIT</u>
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TERMS OF SALE

Prospective bidders will be furnished a written Bid Proposal at the site. All bids to be considered must be made upon said Bid Proposal and submitted in sealed envelopes (to be furnished) to State's representative at time of sale and prior to close of sale. Bidders or their duly authorized representatives are required to be personally present at the time of sale.

Immediately upon conclusion of sale, State's representative will open sealed bids and publicly announce highest amount bid.

Tie Bids: Bid forms will be numbered serially; in event of identical highest bids, the lowest numbered bid will be considered the successful bidder.

Deposit of *Cash, Cashier's Check or Certified Check*, for the amount of the deposit as shown on Sheet 1 of this notice will be required to be made at the time of the opening bids, the balance in *Cash, Cashier's Check or Certified Check*, being due within _____ () days, Saturdays, Sundays and holidays excluded.

The successful bidder will be required to pay retail sales tax on the improvements unless he holds a valid retailer's permit from the State Board of Equalization.

Successful bidder will be required to execute a contract with the Department of Transportation agreeing:

- (1) A. To remove the improvements within the specified time.
 - B. Within ten (10) days after removal of improvements, remove all combustible materials and other rubbish including shrubbery and trees which have been cut or uprooted during moving, leaving only concrete foundations and concrete flatwork on the premises.
 - C. All mudsill bolts and reinforcing steel left protruding shall be bent over or sheared at all exposed surfaces.
 - D. In the event there are basements under any of the buildings, upon completion of moving operations Buyer shall construct a temporary safety barricade fence around the basements to the satisfaction of the Department of Transportation, and in all other respects Buyer shall leave the premises in a reasonably safe condition.
 - E. If any utility service lines to other buildings or improvements are disconnected, destroyed or otherwise impaired during removal of said improvements, Buyer, at his own cost and expense, shall provide such other buildings or improvements with adequate substitute utility service lines in lieu of those affected.
 - F. Buyer, at his own cost and expense, shall either cap or cause to be capped by others (as State may elect) any sewer serving the improvements. Such capping shall be done in a manner satisfactory to the State.
 - G. To open any cesspools and/or septic tanks, pump out and dispose of contents, break bottom and backfill, all in accordance with local ordinances or regulations. Cesspools and/or septic tanks shall be backfilled only after the State's Representative has inspected the open cesspools and/or septic tanks.
 - H. Should Buyer fail to comply with any of the provisions of A through G, inclusive, above, the State shall have the right to complete all operations therein described at Buyer's expense.
 - I. All underground tanks must be removed under permit from the local Fire Department.
 - J. If Buyer is an owner or purchaser of land immediately adjacent to the State right of way, improvements purchased must be set back from the said right of way line at least 15 meters.
- (2) Buyer shall only have the right to remove the improvements as specified and shall enjoy no other rights upon the premises.
- (3) To supply a satisfactory Faithful Performance Surety Bond in the Amount of \$_____ on each item within 10 (ten) days from date of sale, Saturdays, Sundays, and holidays excluded. The necessary bond forms for execution by Bonding Company will be given to successful bidder by the Department of Transportation.
- (4) If Buyer fails to deposit the money, pay the balance due, or furnish the Department with a Faithful Performance Surety Bond, the State shall have the right at its option, to terminate or cancel the contract. Upon the exercise of such right, all rights of Buyer in the subject property granted by the contract shall cease and all monies paid to State under the subject contract terms up to the time of the breach *shall be retained to offset actual damages sustained by State* as a direct and proximate result of said breach of contract. Upon cessation of Buyer's right, title, and interest in the subject property, title to such property shall revert to State and State may resell or dispose of such property as it sees fit without recourse by Buyer.
- (5) Buyer shall not remove any property until full payment is made, bond is furnished, and the necessary Bill of Sale is issued.

NOTICE OF SALE - SEALED BID (Cont.)

RW 12-5 (Rev. 7/98)

Page 3 of 3

(6) If Buyer defaults in the (a) payment of the balance due; (b) furnishing the required Faithful Performance Bond; (c) performance of any of the agreed-upon obligations stated in Paragraph (1) of these Terms of Sale; or (d) in the performance of any other agreed-upon obligation of the said Buyer pursuant to the subject contract, State may demolish or remove the improvements at Buyer's expense and Buyer will reimburse State for any and all expenses incurred for demolition, removal, and site clearance. Because of the necessity of having the real property of State cleared on or before the due date agreed upon in the contract, and for other good cause, time is specifically made of the essence of the contract.

(7) The successful bidder may either remove the improvements himself or cause it to be done by others. While no State Contractor's License is required to purchase these improvements and to cause them to be removed by others, the person or company or successful bidder who performs the work of removing the building must be a licensed State contractor under Chapter 9, Division 3, of the Business and Professions Code, unless the total net remuneration received by the successful bidder, including cash and value of the removed improvements, is less than \$200.

(8) The State of California makes no guarantee that any buildings sold will be movable or that permits will be granted to place them in any specific location. The purchaser of the building or buildings assumes all risk and responsibility in the wrecking and/or moving operations, including any loss by reason of vandalism after acceptance by State of the deposit as above provided.

(9) Purchaser shall secure all necessary permits and certificates required in connection with the wrecking or removal of any building, and shall comply with all pertinent local ordinances.

(10) The State reserves the right to reject any and all bids.

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

NOTICE OF SALE - SEALED BID (ACCOMPANIED BY DEPOSIT)

RW 12-6 (Rev. 7/98)

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

(Address)

Sealed Bids will be received by the State of California, Department of Transportation, _____
_____, California, until ____M. on _____

(address)

(day and date)

_____ at which time they will be publicly opened and read for the purchase of property of said

Department of Transportation located in _____, California.

(County, Rte., K.P./P.M., IDR#)

<u>ADDRESS</u>	<u>TYPE OF IMPROVEMENT</u>	<u>REMOVAL DATE</u>	<u>MINIMUM BID</u>	<u>AMOUNT OF DEPOSIT</u>
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TERMS OF SALE

All Bids shall be presented as aforesaid under sealed cover and should be plainly marked, "BID FOR STATE PROPERTY IN _____ TO BE OPENED AT ____M., _____, 19__," and should be accompanied by *cash, cashier's check or certified check* made out to the order of the Department of Transportation in the amount of the required deposit, and no bid shall be considered unless such *cash, cashier's check or certified check* is enclosed therewith as a proposal of guarantee. Personal checks will not be accepted.

On or before _____, 19__, the successful bidder is hereby required to deposit with said Department of Transportation at the above address *cash, cashier's check or certified check* in the amount of the unpaid balance of the bid, together with ___% sales tax unless exemption is claimed.

Successful bidder will be required to execute a contract with the Department of Transportation agreeing:

- (1) A. To remove the improvements within the specified time.
 - B. Within ten (10) days after removal of improvements, remove all combustible materials and other rubbish including shrubbery and trees which have been cut or uprooted during moving, leaving only concrete foundations and concrete flatwork on the premises.
 - C. All mudsill bolts and reinforcing steel left protruding shall be bent over or sheared at all exposed surfaces.
 - D. In the event there are basements under any of the buildings, upon completion of moving operations Buyer shall construct a temporary safety barricade fence around the basements to the satisfaction of the Department of Transportation, and in all other respects Buyer shall leave the premises in a reasonably safe condition.
 - E. If any utility service lines to other buildings or improvements are disconnected, destroyed or otherwise impaired during removal of said improvements, Buyer, at his own cost and expense, shall provide such other buildings or improvements with adequate substitute utility service lines in lieu of those affected.
 - F. Buyer, at his own cost and expense, shall either cap or cause to be capped by others (as State may elect) any sewer serving the improvements. Such capping shall be done in a manner satisfactory to the State.
 - G. To open any cesspools and/or septic tanks, pump out and dispose of contents, break bottom and backfill, all in accordance with local ordinances or regulations. Cesspools and/or septic tanks shall be backfilled only after the State's Representative has inspected the open cesspools and/or septic tanks.
 - H. Should Buyer fail to comply with any of the provisions of A through G, inclusive, above, the State shall have the right to complete all operations therein described at Buyer's expense.
 - I. All underground tanks must be removed under permit from the local Fire Department.
 - J. If Buyer is an owner or purchaser of land immediately adjacent to the State right of way, improvements purchased must be set back from the said right of way line at least 15 meters.
- (2) Buyer shall only have the right to remove the improvements as specified and shall enjoy no other rights upon the premises.
- (3) To supply a satisfactory Faithful Performance Surety Bond in the Amount of \$_____ on each item within 10 (ten) days from date of sale, Saturdays, Sundays, and holidays excluded. The necessary bond forms for execution by Bonding Company will be given to successful bidder by the Department of Transportation.
- (4) If Buyer fails to deposit the money, pay the balance due, or furnish the Department with a Faithful Performance Surety Bond, the State shall have the right at its option, to terminate or cancel the contract. Upon the exercise of such right, all rights of Buyer in the subject property granted by the contract shall cease and all monies paid to State under the subject contract terms up to the time of the breach *shall be retained to offset actual damages sustained by State* as a direct and proximate result of said breach of contract. Upon cessation of Buyer's right, title, and interest in the subject property, title to such property shall revert to State and State may resell or dispose of such property as it sees fit without recourse by Buyer.
- (5) Buyer shall not remove any property until full payment is made, bond is furnished, and the necessary Bill of Sale is issued.

NOTICE OF SALE-SEALED BID (ACCOMPANIED BY DEPOSIT) (Cont.)

(6) If Buyer defaults in the (a) payment of the balance due; (b) furnishing the required Faithful Performance Bond; (c) performance of any of the agreed-upon obligations stated in Paragraph (1) of these Terms of Sale; or (d) in the performance of any other agreed-upon obligation of the said Buyer pursuant to the subject contract, State may demolish or remove the improvements at Buyer's expense and Buyer will reimburse State for any and all expenses incurred for demolition, removal, and site clearance. Because of the necessity of having the real property of State cleared on or before the due date agreed upon in the contract, and for other good cause, time is specifically made of the essence of the contract.

(7) The successful bidder may either remove the improvements himself or cause it to be done by others. While no State Contractor's License is required to purchase these improvements and to cause them to be removed by others, the person or company or successful bidder who performs the work of removing the building must be a licensed State contractor under Chapter 9, Division 3, of the Business and Professions Code, unless the total net remuneration received by the successful bidder, including cash and value of the removed improvements, is less than \$200.

(8) The State of California makes no guarantee that any buildings sold will be movable or that permits will be granted to place them in any specific location. The purchaser of the building or buildings assumes all risk and responsibility in the wrecking and/or moving operations, including any loss by reason of vandalism after acceptance by State of the deposit as above provided.

(9) Purchaser shall secure all necessary permits and certificates required in connection with the wrecking or removal of any building, and shall comply with all pertinent local ordinances.

(10) The State reserves the right to reject any and all bids.

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

CHAPTER 12

CLEARANCE AND DEMOLITION

Table of Contents

EXHIBITS

Exhibit No.

Title

12-EX-01	Notice of Lost or Stolen Property
12-EX-02	Coding Chart for Key Property Management Activities
12-EX-03	Bill of Sale

NOTICE OF LOST OR STOLEN PROPERTY

(Form #)

1. To Whom
2. Description of Property
3. Date
4. Location
5. Under What Circumstances
6. Original Cost
7. Replacement Cost (include labor)
8. Action Taken to Prevent Recurrences
9. Reported To
10. From Whom

SAMPLE

1. E. J. White, District Security Coordinator
2. 4 Rainbird Sprinklers, Couplers, and Risers
3. 8/13/93 1300 Hours Notified
4. Landscaped areas on Route ALA-680 between Scott Creek Road
U.C./P. 0.1/ and the 230/680
5. Unobserved Theft - Rainbirds Unscrewed
6. \$25 Each \$100 Total
7. \$30 Each \$120 Total
8. Rainbirds are being branded.
9. State Police and Fremont Police
10. A. B. Smith

cc: Departmental Security Coordinator

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
**CODING CHART FOR KEY PROPERTY
MANAGEMENT ACTIVITIES**

EXHIBIT
12-EX-02

Item	Property Management Document or Transaction (F.A. = Federal Aid)	Account Number or Parcel Number		**Expenditure Authorization		Class Code		Federal Prorate Percentage		Agency Object Code	
		F.A. Projects	*Non-F.A. Projects	F.A. Projects	*Non-F.A. Projects	F.A. Projects	*Non-F.A. Projects	F.A. Projects	*Non-F.A. Projects	F.A. Projects	*Non-F.A. Projects
A.	Property — Tenant Masters For Income and Expenditure	Account No.	Account No.	Multi-Phase R	None	1 & 4	2	Required	Not Required	None	None
B.	Maintenance Expenditures: <ul style="list-style-type: none"> ● Receiving Records ● Confirming Service Contracts ● Cash Expenditure Vouchers ● Draft Purchase Orders ● Bill and Invoices 	Not Required	Not Required	Multi-Phase R	911034	None	None	None	None	6058	7058
		"	"	"	"	"	"	"	"	"	"
		"	"	"	"	"	"	"	"	"	"
		"	"	"	"	"	"	"	"	"	"
C.	Rental Offsets: <ul style="list-style-type: none"> ● Revision of Rental Agreement ● Rent Adjustment Slip 	Account No.	Account No.	None	None	None	None	None	None	None	None
		"	"	"	"	"	"	"	"	"	"
D.	Utility Charges: <ul style="list-style-type: none"> ● Receiving Record 	Not Required	Not Required	Multi-Phase R	911034	None	None	None	None	7002	7002
E.	Rodent Control	Not Required	Not Required	Multi-Phase R	911034	None	None	None	None	6058	7058
F.	District Maintenance Office Charges	Not Required	Not Required	Multi-Phase R	911034	None	None	None	None	Activity Code 1038	Activity Code 1038
G.	Revenue From Sale of Improvements, Equipment, Furniture and Other Personal Property: <ul style="list-style-type: none"> ● Improvement Disposal Report ● Inventory Disposal Record ● Register of Right of Way Improvements and Personal Property Inventory Disposal Record ● Proposal ● Bill (of sale) ● Shipping Record 	Parcel No.	Parcel No.	Multi-Phase 9	911034	None	None	None	None	None	None
		"	"	F.A.No.	None	"	"	"	"	"	"
		"	"	None	None	"	"	"	"	"	"
		"	"	Multi-Phase 9	911034	"	"	"	"	6086	7086
		"	"	"	"	"	"	"	"	"	"
		"	"	"	"	"	"	"	"	"	"
H.	Clearance Contracts	Not Required	Not Required	Multi-Phase 9	None	None	None	None	None	6056	7056

● Includes excess land acquired on Federal-aid projects.
●● For properties classified other than Class 1, 2, or 4, use Expenditure Authorization set forth in most recent Right of Way MSA Code Instructions for MSA CODE 671.

BILL OF SALE

(Form #)

Bill of Sale

Parcel No. _____
Co-Rte PM _____

State of California, Department of Transportation, of _____ [address of District] _____, in consideration of \$ _____ paid and delivered by _____ [name of buyer] _____ of _____ [address of buyer] _____, the receipt of which is hereby acknowledged, does hereby sell, assign, convey, transfer and deliver to _____ [name of buyer] _____ the following improvements and/or personal property:

Inventory Disposal Record (IDR) Item No. _____
Description _____

Inventory Disposal Record (IDR) Item No. _____
Description _____

To Have and to Hold the same unto the said buyer and the heirs, executors, administrators, successors and assigns of the buyer forever.

Dated this _____ [date] _____.

State of California
Department of Transportation

[Type name of DD or Authorized Delegate]