



DISPOSAL HANDBOOK:
A Guide to Tangible and Intangible Asset Disposals
in the Government of British Columbia

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1 INTRODUCTION

The Ministry of Labour and Citizens' Services is responsible for disposing of tangible and intangible assets, on behalf of ministries, in a manner that is consistent with policy, applicable legislation, and contract law. This authority has not been delegated to ministries. Under the authority of the [Procurement Services Act](#), the Minister of Labour and Citizens' Services may also provide disposal services to other public sector organizations, such as the federal government, municipalities, schools, hospitals, and Crown corporations.

This handbook has been developed to help ministry employees understand the objectives of government's centrally managed disposal processes, and the role and responsibility of ministries in supporting the effective management of government's surplus assets and intellectual property rights. It also identifies who has the authority to dispose of surplus tangible assets and intellectual property owned by the Province. Links to other sites where additional guidance is available are presented throughout this document.

The Province's policy framework, as it applies to disposal opportunities, is designed around five principles that balance the objectives of obtaining good value for money with a process that is fair to both ministries and vendors.

Competition	Disposals of surplus tangible assets and intellectual property are competed, wherever practical.
Aggregation	Government selling power is leveraged through centrally managed disposal activities.
Value for Money	Surplus government assets and intellectual property rights are disposed of in a coordinated manner to maximize the value to government.
Transparency	Vendors have fair access to information regarding disposal opportunities, processes, and results.
Accountability	Ministries are accountable for the results of their decisions to dispose of the Province's personal property (tangible and intangible assets) and for complying with government disposal policies.

2 DISPOSAL ENVIRONMENT

The [Procurement Services Act](#) provides the legal authority for the Minister of Labour and Citizens' Services to dispose of government's personal property on behalf of ministries. This authority has been delegated to Common Business Services (CBS) in the Ministry of Labour and Citizens' Services. Within CBS, specific authority has been delegated to the Asset Investment Recovery (AIR) Branch for tangible asset disposals and to the Intellectual Property Program (IPP) for intangible asset disposals (intellectual property). The *Procurement Services Act* also provides the Minister of Labour and Citizens' Services with the authority to dispose of surplus tangible assets of other government organizations, including the federal government.

Tangible Assets

Government's core policy states that CBS is responsible for disposing of all tangible assets that are surplus to the needs of the government. CBS is also responsible for determining the appropriate method of disposal and for ensuring tangible assets are disposed of at fair market value. The Asset Investment Recovery Branch of CBS is responsible for tangible asset disposals, unless a ministry has the specific legislative or Treasury Board authority for the disposal.

In addition to complying with government policy as set out in the [Core Policy and Procedures Manual](#), any disposal of government surplus tangible assets must also comply with the requirements of contract law.

Intangible Assets

Core policy requires that IPP approve all intellectual property disposals undertaken under section 2 (1) (f) of the *Procurement Services Act*. Although the majority of intangible asset disposals are done under the authority of the *Procurement Services Act*, disposals may also be authorized by a Treasury Board directive under section 46 of the [Financial Administration Act](#). When intangible assets are disposed of under the authority of a Treasury Board directive, IPP is still consulted to provide assistance and expertise with the disposal process.

Disposals of intellectual property are governed by government policy as set out in the [Core Policy and Procedures Manual](#), the federal [Copyright Act](#), and the requirements of contract law.

3 SURPLUS ASSETS

3.1 Disposal of Surplus Assets

What are surplus assets?

The term 'surplus assets' refers to tangible assets that have become surplus to the needs of the provincial government and other public sector organizations. These assets include office furniture and equipment, computers, audio-visual equipment, marine and industrial equipment, lighting and tools, vehicles, portable classrooms, and buildings.

Where do surplus assets come from?

The surplus tangible assets managed by the Asset Investment Recovery (AIR) Branch come from provincial ministries and a number of other public sector organizations, including the federal government, municipalities, schools, hospitals and Crown corporations.

Who has the authority to transfer or dispose of surplus assets?

AIR is responsible for the disposal of surplus tangible assets of the Province of BC. The administrative authority comes from section 6.3.4 of government's [Core Policy and Procedures Manual](#) and the legal authority comes from section 2 (1) (f) of the [Procurement Services Act](#).

In managing government's surplus assets, AIR supports redistribution of office furniture and other equipment among ministries as a cost-effective alternative to purchasing new capital assets. AIR staff attempt to redistribute provincial assets from one ministry to another before receiving them at the warehouse. This avoids transportation, storage, and inventory handling costs. Alternatively you may also purchase assets being sold for other levels of government prior to public sales. See 3.3 for details of redistribution.

In the event that a ministry has authority under its own legislation or through a Treasury Board directive to dispose of surplus assets, core policy requires that AIR be advised prior to initiating the disposal to ensure that there are no issues that may arise in relation to other pre-existing disposal arrangements.

Who determines when assets are surplus?

Ministries are responsible for determining when assets have become surplus to their needs.

Can AIR assist me if I have assets that are surplus to my current needs but may be needed in the near future?

AIR provides a range of warehousing and storage services (see [Warehousing Services](#) in this document) that are available to ministries and other public sector organizations. Use of these services is optional and a fee is levied based on the specific requirements identified.

Where can I find more information on the services provided by AIR?

Additional information on the services provided by AIR, including key contacts, is available on the [AIR website](#).

3.2 Declaration of Surplus Assets

How do ministries get rid of surplus assets?

When ministries identify assets that are surplus to their needs, an Asset Disposal Report, or an alternate form approved by AIR, should be completed with a description of the assets and forwarded to AIR. You can access an electronic version on the [government e-forms website](#).

Ministries declaring assets as surplus are responsible for ensuring the assets are 'dock ready' at the time of declaration. 'Dock ready' means that the assets have been disconnected from all foundations and utilities, properly secured (in the case of hazardous materials), and are inside the building, ready to be picked up from a main point of entry.

How do ministries get rid of IT assets?

[Recommended IT Asset Disposal Management Process](#)

Media devices and other computer technology items that may be capable of storing data including but not limited to: personal computers, laptops, personal data assistants (PDAs) such as Blackberries, servers, multi-function devices, fax machines, data backup tapes and tape drives, memory sticks, floppy disks, hard drives, paper records, cdr r/w, dvd r/w and cell phones must be declared separately from other commodities. Please ensure you comply with security policy as issued by the Office of the Chief Information Officer of the Province. For further information regarding records management and security of data on media devices please reference IT policies and standards at <http://www.cio.gov.bc.ca/>, and the Core Policy Manual at <http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm>.

Ministries are responsible for all costs associated with the foregoing policies and compliance with the approved IT Asset Disposal Management process. Related costs incurred by AIR will be charged back to IT Asset owners and declaring agencies.

Ministries are responsible for all costs incurred to prepare surplus assets for collection. AIR will arrange for removal of the surplus assets from ministry premises within 15 working days of notification or another time frame mutually agreed to by AIR and the declaring ministry.

In support of the Province’s carbon neutral 2010 goal and environmentally sustainable practices, ministries who ask that their surplus assets be removed rather than being sold from site and picked up by the buyer will be charged for the costs related to this removal. Where it is determined by AIR’s Disposal Agent that the assets should be moved, freight and handling costs will be waived. Where ministries are receiving a return of funds to be credited to the asset booked value, the funds returned will not be charged freight/handling fees if they permit viewing by prospective buyers and pick up by the successful bidder but will be charged costs associated with the surplus asset sale processes.

Redistributing Surplus Assets

How do ministries find suitable used assets in government?

Prior to purchasing new capital assets, ministries should consider whether a suitable asset already exists in their ministry. Ministry employees can consult with their ministry Asset Control Officer, or designated official, to determine whether the asset, or a suitable substitute, already exists within the ministry.

If the asset is not available within the ministry, the next step is to contact AIR to determine whether a suitable asset has been declared surplus by another ministry or whether it is sitting in the surplus asset inventory maintained by AIR. To forward a request to AIR, ministry employees must complete a Requisition for Asset Redistribution form (OPC 7530951004), identifying the asset they require, and forward the requisition to AIR. You can access an electronic version on the [government e-forms website](#). Upon receiving the requisition, AIR will determine whether the requested asset is available through AIR or another ministry.

Who pays the costs of redistributing assets in government?

The following table summarizes the responsibility for costs when ministries declare or receive surplus assets.

	AIR	Ministry Declaring Surplus Asset	Ministry Receiving Surplus Asset
Declaring ministry provides minimum of 15 working days’ notice for removal of		Costs to get asset dock ready for transportation	Freight costs to receive assets from declaring ministry and costs

	AIR	Ministry Declaring Surplus Asset	Ministry Receiving Surplus Asset
<p>surplus asset.</p> <p>AIR identifies another ministry in need of this asset.</p> <p>(Best option as transportation costs minimized)</p>		to receiving ministry.	to reconnect asset (foundation, utilities, etc.)
<p>Declaring ministry provides minimum of 15 working days' notice for removal of surplus asset.</p> <p>No receiving ministry identified.</p>		Costs to get asset dock ready and transport to AIR site	
<p>Declaring ministry provides <i>less than 15</i> working days' notice for removal of surplus asset</p>		Costs to get asset dock ready for transport to AIR site	
<p>Receiving ministry requires asset in AIR inventory that came from another ministry</p>			<p>Freight and handling costs from AIR to ministry</p> <p>Costs to reconnect asset (foundation, utilities, etc.)</p>
<p>Receiving ministry requires asset in AIR inventory that was declared surplus by a public sector organization outside of government</p>			<p>Freight and handling costs from AIR to ministry</p> <p>Cost to reconnect asset (foundation, utilities, etc.)</p> <p>Fair market value of the asset</p>

3.3 Trade-In of Surplus Assets

Can ministries trade-in assets?

Ministries do not have the authority to negotiate trade-ins on surplus assets as a trade-in involves the disposal of a government asset. Where an opportunity exists for a ministry to replace an outdated asset with a similar asset, government policy requires ministries to forward the details of the potential trade-in to the Purchasing Services Branch (PSB), Common Business Services (CBS). PSB will consult with AIR to conduct an analysis of the potential trade-in to determine the best overall value to government.

To initiate a trade-in opportunity, ministries prepare a Purchase Requisition via CAS iProcurement for the new item, which includes the details of the trade-in opportunity. Ministry staff may research a trade-in opportunity, including obtaining quotes, but they are not to enter into any negotiation with vendors. The Purchase Requisition is forwarded to PSB along with a completed Asset Disposal Report for the asset that is being replaced. You can access the Asset Disposal Report form through the [government e-forms website](#), and route it electronically to the Expense Authority for approval.

Once PSB receives the appropriate documentation, they pass the information to AIR staff to complete a cost benefit analysis of the value to government of the potential trade-in. AIR will approve or reject the trade-in proposal within three working days. AIR's review includes obtaining, or ensuring the ministry has obtained, at least three quotes for the new asset, both with and without the trade-in value.

Who pays the GST on trade-ins?

Ministries are responsible for collecting GST from the vendor accepting an asset as trade-in. The GST is based on the value of the trade-in and the tax collected must be remitted to the Canada Revenue Agency through the applicable ministry's GST account. Questions regarding the collection of GST on traded-in assets, and the accounting treatment, should be directed to the [Financial Management Branch](#), Office of the Comptroller General.

4 WAREHOUSING SERVICES

What warehousing services are available in government?

The Asset Investment Recovery (AIR) Branch provides a range of warehousing and storage services that are available to government ministries, Crown corporations, and other public sector organizations to accommodate seasonal demands, facility moves, or emergencies. AIR provides advice on cost saving opportunities with respect to the establishment and management of storage depots, warehouses, or distribution centers. AIR can also provide cost-benefit analyses and efficiency reviews to assist customers in determining requirements to optimize program objectives. Consolidation of program requirements will be undertaken only at the request of, and with the express approval of, AIR customers.

Several government programs maintain stocks of items for future use. AIR can assist ministries with stock management, including the planning, control, and record-keeping required to maintain an effective warehouse operation. AIR can also help ministries establish appropriate stock levels and schedules for ordering and rotating stock, and can act as a supply source for ministry warehouses. With the existence of the distribution centres operated by Common Business Services (CBS) and the ability to provide 'just-in-time' delivery to ministries, the need to invest in warehousing resources is reduced. 'Just-in-time' delivery means that supplies are delivered to ministries soon after they are ordered, which eliminates the need for ministries to store inventories of office supplies for possible future requirements. Ministries are encouraged to explore services available from these distribution centres before investing in warehousing resources.

AIR has developed a partnership with Accommodation and Real Estate Services (ARES) for the provision of warehouse space on behalf of ministries. Under this partnership, AIR has the ability to secure short-term warehouse space of up to 464.5 square meters on behalf of the ministries. All requirements for warehouse space should be initially directed to AIR for review. AIR will discuss alternatives with ministries and coordinate with ARES as appropriate. Special facility requirements or requests for space that cannot be met by AIR will be referred to ARES.

How do ministries request warehouse services?

Ministries requiring warehouse services will:

- initiate the request by contacting CBS staff directly at 250-952-4425 or by documenting the details of their requirements on a Warehouse Service Agreement to AIR. You can access the [Warehouse Service Agreement](#) online and forward it to AIR at the address on the agreement.

The staff at AIR will:

- help ministry staff complete the relevant sections on the Warehouse Service Agreement.
- use the information provided to complete space requirement and cost estimates, which will be documented on the Warehouse Service Agreement. In addition, AIR staff will confirm the warehouse location and any special handling requirements.
- forward the completed Warehouse Service Agreement to the ministry Expense Authority for approval.
- arrange to have goods shipped to a warehouse location on receipt of the signed Warehouse Service Agreement.
- confirm storage requirements or advise if an adjustment (either an increase or decrease) is required. Any revision must be approved by the applicable ministry Expense Authority.
- electronically charge or issue an invoice on a monthly basis, as appropriate, and provide a semi-annual report or statement of account to the ministry contact.

Is there a cost to ministries?

The warehousing services provided by AIR are optional and a fee is levied based on the specific requirements identified.

5 INTELLECTUAL PROPERTY AND CROWN COPYRIGHT

5.1 Intellectual Property

What is intellectual property?

Intellectual property refers to intangible (non-physical) property, which includes copyright, moral rights related to copyrighted materials, trademarks, official marks, domain names, patents, and industrial designs.

Although intellectual property rights are associated with a wide range of products of the human intellect, such as training manuals, publications, map products, videos, and computer software, they are distinct from the physical medium on which these products are produced. The intellectual property is the set of rights arising from the creation and development of these products. For example, if a physical book is produced, the author's copyright in that book is the intellectual property.

What does a disposal of intellectual property involve?

Disposal of intellectual property involves the sale, transfer, or licensing of provincially owned intellectual property.

What can go wrong in a disposal of intellectual property?

If a disposal of intellectual property is not well managed, the Province can find itself giving up intellectual property of significant value or disposing of intellectual property to which it does not have full ownership rights.

If the Province does not protect its rights to intellectual property developed by its employees and contractors, it can lose ownership of its intangible personal property and the right to the value it can generate. If the Province does not enter into and enforce its rights in agreements governing the disposal of intellectual property, it can find itself responsible for financing the updating of intellectual property for the benefit of other parties. For example, the Province could find itself buying back intellectual property that it paid to have developed, or paying for updates to materials for the benefit of others in the absence of an agreement that requires the licensee to provide free updates.

If the Province does not have full ownership rights to any intellectual property that a ministry undertakes to sell, transfer, or license, a legal liability can result. If another party has ownership rights to all or a portion of the intellectual property, or if third party materials are included in the property being disposed of, the Province might become liable for losses incurred by those parties, or damages imposed by certain intellectual property legislation.

What is the Intellectual Property Program?

The Intellectual Property Program (IPP) provides a comprehensive set of innovative and integrated intellectual property management services and solutions to all ministries. In addition to providing general consulting services on intellectual property issues, and administering Crown copyright on behalf of ministries, IPP is the licensing body for provincially owned intellectual property. The program's mandate is to manage the licensing of rights in the Province's intellectual property in a manner that:

- facilitates fair and open access to intellectual property owned by the Province;
- encourages ministries to make Province-owned intellectual property available to the private sector, particularly where it supports economic development and job creation in British Columbia;
- protects the Province's ownership of intellectual property that is developed by employees or by contractors; and
- provides new non-tax revenue to the government.

IPP provides a number of services to ministries, including:

- assistance in identifying intellectual property for disposal;
- assistance in selecting a private sector licensee through a competitive process;
- assistance in drafting complex assignments of copyright and waivers of moral rights;
- negotiation of license agreements;
- administration of license agreements, including collecting revenue and sales information, as well as monitoring compliance with the terms of agreements;
- liaising with Legal Services Branch to obtain advice and assistance related to patents, trade-marks, copyright protection, negotiations, drafting of license agreements and amendments, intellectual property provisions in contracts, bills of sale, and contract administration;
- processing of copyright permissions, including granting rights to third parties to reproduce provincially owned works and obtaining rights of government to reproduce works owned by third parties;
- provision of intellectual property policy information and advice to government; and
- liaising with Risk Management Branch to obtain advice on risk issues related to contractual arrangements and indemnities provided by the Province.

Additional information about IPP is available [online](#). Responses to a list of [frequently asked questions](#) are also available.

Who has the authority to dispose of intellectual property?

IPP is responsible for managing the disposal of government's intellectual property, including the licensing and sale of these government-owned intangible assets. Generally, any disposal of the Province's intellectual property must be approved by IPP or Treasury Board. However, there are rare occasions where ministries may obtain specific legislative authority to dispose of intellectual property.

Disposals of intellectual property can take place only under the following legal authority:

- IPP operating under section 2 (1) (f) of the [Procurement Services Act](#); or
- Treasury Board directive(s) under section 46 of the [Financial Administration Act](#); or
- Ministry specific legislative authority.

Even where intellectual property is to be disposed of by a ministry under specific legislative authority or under a Treasury Board directive, IPP must be notified prior to initiating the disposal in order to ensure there are no issues that may arise from the disposal in relation to other pre-existing intellectual property licensing agreements.

Do ministries have any responsibility with respect to the intellectual property of the Province?

Ministries entering into contracts on behalf of the Province have a responsibility to be aware of potential intellectual property rights associated with a product developed under a contract. Each service contract that a ministry prepares must include a provision that copyright in any material produced under that contract belongs exclusively to the Province, unless ministries have been advised otherwise by legal services. The standard contract template available to ministry employees includes standard wording to protect the interests and rights of the Province. Use of the standard contract template, the [General Service Agreement](#), is discussed in the Purchasing Handbook.

The wording required in government contracts (and which is included in the General Service Agreement) identifies that the Province exclusively owns all intellectual property rights, including copyright in all materials provided to the contractor and in all materials produced by the contractor under the contract. The wording also ensures the Province has the right to use, reproduce, modify, and distribute any contractor or third party materials that have been imbedded in the materials produced under the contract, as long as they remain imbedded in the produced materials. This includes contractor materials that existed prior to the

contract and materials developed independently to the contract that have been incorporated or imbedded into the newly produced materials.

In addition to including contract language that ensures the Province's ownership of all intellectual property rights, ministry contract managers have an obligation to obtain waivers of moral rights from all individuals who worked under contract to develop new materials. To be valid, these waivers must be obtained after the materials have been created. The federal [Copyright Act](#) defines the moral rights of an individual who has authored a work, or a portion of a work, as: "the right to the integrity of the work and the right to be associated, or not, with the work as its author." Generally, intellectual property rights should not be licensed unless all individuals substantially involved in the development of the materials that give rise to the intellectual property have waived their moral rights. If you have specific questions on your circumstances, contact [IPP](#).

Should ministry staff be looking for opportunities to create marketable intellectual property?

Ministries must not go beyond their program mandate and vote description when engaging in activities that create intellectual property (e.g., establish offices outside British Columbia or expand resources to enhance materials beyond what is required for program delivery). In addition, materials or works developed by employees or contractors must be developed solely to meet the program needs of government, rather than to create marketable products. If an entity in the private sector wishes to license a product, it is up to that entity to make it marketable. Government will not invest public resources specifically for the purpose of creating marketable intellectual property.

5.2 Crown Copyright

What is Crown copyright?

Crown copyright defines the rights of the Crown (the Province of British Columbia) to the intellectual property rights associated with works developed by provincial employees or by contractors working under contract with the Province. Copyright in provincial works arises in two ways under the federal *Copyright Act*. The Province has rights as the creator of a work, or assignee of a work, the same as any other copyright owner. In addition, section 12 specifically provides for Crown copyright for any work that is, or has been, prepared or published by or under the direction or control of Her Majesty or any government department. In practice and in the guidance provided in this handbook, Crown copyright is viewed as all of the Province's rights in a work, by virtue of the *Copyright Act*.

Crown copyright of any work (e.g., documents, websites, and software) means the work belongs to the Province of BC, and not to individual ministries or other government agencies. Unless there is a written agreement to the contrary, including terms of a collective agreement, the copyright for any work that has been prepared or published by provincial employees in the course of their employment belongs to the Province. Similarly, standard government contracts contain provisions that ensure the copyright for any work created under contract is assigned to the Province.

Crown copyright, in relation to a provincial work, refers to the right to produce or reproduce the work or any substantial part of the work, or to publish the work or any substantial part of the work. For advice on when a reproduction moves into the realm of selling, transferring, or licensing the work to an outside entity, contact [IPP](#) staff.

Do ministry employees have any responsibility with respect to the federal *Copyright Act*?

Policy 6.3.4 requires all government employees to perform their duties in compliance with the federal *Copyright Act*. This means that ministry employees must consider the ownership of any work they reproduce, in full or in part, and ensure that any reproduction is in compliance with the *Copyright Act*.

Under the federal *Copyright Act*, it is illegal to copy most published materials without permission. Such actions are considered an infringement of copyright. The 'fair dealing' sections of this *Act* list specific circumstances where copyrighted materials may be reproduced without infringing copyright. These circumstances include taking a single copy for the purpose of research, private study, criticism, review, or news reporting. In addition, provincial employees may copy, in the course of their employment, works produced by the government of British Columbia; works whose author(s) died more than 50 years ago; and works where the copyright owner has given express permission to copy.

IPP has prepared a 'Copyright Compliance Notice' to communicate provincial Crown copyright policy to ministry employees, including their responsibility with respect to copyright issues and the requirements of the *Copyright Act*. This notice must be posted near every photocopier in use in the Provincial government. Any questions regarding copyright compliance should be forwarded to [IPP](#).

When can third parties copy material that is protected by Crown copyright?

Unless ministries have Treasury Board approval or specific legislative authority, any request from a third party wishing to reproduce a work or a portion of a work that is subject to Crown copyright must be approved by IPP. If the reproduction is to be used for commercial purposes or the requestor will be modifying the work, a license agreement will need to

be obtained through IPP. If the purposes of the reproduction are non-commercial, a [Copyright Permission Request](#) must be submitted to, and approved by, IPP.

Copyright requests and license agreements are not necessary if the work to be reproduced is to be used for purposes set out in the 'fair dealing' sections of the federal *Copyright Act*, as discussed above.

How does someone get permission to reproduce part or all of a Province-owned work?

Information on how to get permission to reproduce provincial works can be found on the [Frequently Asked Questions](#) page of the IPP website.

5.3 Reviewing Potential Disposal Initiatives

Who determines when a disposal initiative is in the Province's best interest?

Not all intellectual property rights represent disposal opportunities for the Province. The private sector may not be interested in purchasing access to certain intellectual property rights, and in other cases, it may not be cost-effective to sell, transfer, or license rights to the Province's intellectual property.

In reviewing potential disposal initiatives, the key consideration is whether the disposal will provide best value to the Province. Best value may be more than new revenues. The potential for economic development, job creation, future cost-savings, and other benefits that may arise from the licensing of intellectual property are all considered when assessing the value of a disposal opportunity.

IPP is available to help ministry programs identify intellectual property rights that may have value—from both a commercial and non-commercial perspective. Part of this assistance involves a cost-benefit analysis that compares the estimated total costs associated with entering into license agreements with the potential value of the disposal to the Province.

The potential revenue from disposals of intellectual property is normally expected to cover all expenses arising from the disposal and, to the extent possible, should contribute toward the initial costs of development of the intellectual property. However, the Province may choose to incur the costs associated with a non-commercial disposal to achieve other benefits, such as economic development or job creation. In addition, license agreements will ensure that any enhancements to licensed materials or works for the purpose of creating a commercial product will be done at the licensee's expense. In most cases, the

Province will obtain ownership or usage of these updated or enhanced materials at no cost.

5.4 Fair and Open Access to Disposal Opportunities

Where the disposal of intellectual property involves a sale, transfer, or a license that provides exclusive rights, core policy requires the disposal be done through a competitive bidding process. If the Request for Proposals process that resulted in the development contract fully disclosed that the opportunity for intellectual property rights would be part of the contract, no further competitive process is required.

Where intellectual property rights were not included as part of the original Request for Proposals process and a private entity is requesting exclusive rights, the opportunity should be competed as appropriate to the circumstances. Government's policy for directly awarding contracts also applies to disposal opportunities. Therefore, if only one party is identified as capable of engaging in a disposal opportunity of substantial potential value, a Notice of Intent must be posted on BC Bid to advise other parties of the intent to directly award the license. If other parties express interest, the disposal opportunity will need to be investigated and may move to a Request for Proposals process. Guidance on direct awarding of contracts is available in the [Purchasing Handbook](#).

IPP is available to provide advice and assistance in competing disposal opportunities in a manner that reflects the complexity and value of the disposal. IPP staff can also help ministries estimate the potential commercial value of exclusive rights, which may influence decisions on how best to compete the opportunity.

5.5 Agreements Governing Intellectual Property Disposals

The Minister of Labour and Citizens' Services has assigned authority to IPP to sign, on behalf of ministries, all license agreements covering disposals of intellectual property undertaken pursuant to the *Procurement Services Act*. However, where ministries are required to perform duties or they have obligations under the agreement, they will sign the license agreements jointly with IPP. Ministries may sign disposal agreements, without IPP, only if they have specific legislative authority or a Treasury Board directive.

Agreements governing intellectual property disposals are prepared with advice from Legal Services Branch and are customized to reflect the

unique circumstances of each disposal transaction. Most commercial agreements are for a five-year term, with a renewal option. These agreements generally include a licensing fee or an annual payment, as well as a percentage of sales. Non-commercial agreements may provide only for payment of a licensing fee and may have either minimal or no revenue provisions.

Where ministries use ad hoc counsel to assist with the preparation of license agreements, the agreements must be approved or reviewed by Legal Services Branch prior to execution. In addition, Risk Management Branch must review, and approve in writing, any indemnities to be provided by the Province to licensees.

Additional information on licensing of the Province's intellectual property can be found at [Licensing Intellectual Property](#).

5.6 Revenues from Intellectual Property Disposals

Who receives the revenues from disposals of intellectual property?

All revenues from disposals of intellectual property, including annual license fees, are received by IPP. A portion of these revenues may be distributed to the ministry with responsibility for the licensed material (the source ministry). Traditionally, the source ministry has received up to 50% of the net revenue. The accounting for the source ministry's share of the net revenue must comply with government's [Revenue Management Policy](#).

Do ministries pay for the services of IPP?

Expenses incurred by IPP are normally paid from the license and/or royalty fees received from disposals of intellectual property. However, as IPP operates on a cost recovery basis, ministries must pay for the program's services when revenues from the disposal transactions are not sufficient to cover the program's costs.

For most commercial transactions, the sale, transfer, or license of rights to a work is normally undertaken only where the revenues will substantially offset the costs. These transactions result in sufficient revenues to cover the costs incurred by IPP and still provide for net revenues, which may be shared with the source ministry.

However, for many non-commercial transactions, such as licensing intellectual property rights to other public sector organizations, the license fees can be waived. In these situations, the source ministry is responsible for the costs incurred by IPP to negotiate the agreement. In addition, in situations where a disposal transaction is not successfully concluded, the source ministry is responsible for costs incurred by IPP.

5.7 Unsolicited Intellectual Property Disposals

What actions should a ministry take if they receive a proposal from the private sector to license intellectual property?

If a ministry receives an unsolicited proposal to license, sell, or transfer intellectual property rights of the Province, they should forward the proposal to IPP.

What does IPP do with unsolicited proposals?

Upon receipt of an unsolicited proposal, whether received from a source ministry or received directly from a third party, IPP will investigate whether pursuing the proposed licensing opportunity is in the best interest of the Province. If the licensing opportunity is judged to be worth pursuing, IPP will work with the source ministry to fairly compete the licensing opportunity and help the source ministry negotiate a license agreement that is in the best interests of the Province.

5.8 Ministry Compliance with Intellectual Property Program Policies

In conjunction with the Procurement Governance Office, IPP has the right to audit ministry compliance with government policy and procedures related to the disposal of intellectual property, as well as ministry effectiveness in managing and protecting the Province's intellectual property.

6 RECOMMENDED IT ASSET DISPOSAL MANAGEMENT PROCESS

Each Ministry is required to document their Asset Management process as per:

Core Policy Manual:

<http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm>

- Chapters 8, 12.3.2, 15.3.3 – 15.3.5 and 15.3.9

Information Security Policy:

<http://www.cio.gov.bc.ca/services/security/ISP.asp>

- Chapters 3, 6.7 and 11.1.3a (Records Management).

Refer to the Recommended IT Asset Disposal Process Flow Diagram.

<u>Steps and Controls</u>	<u>Responsibility</u>
<p>A. IT Asset identified for disposal. Owner removes records.</p>	<p>Owner of IT Asset</p> <p>The Ministry has determined the IT Asset is no longer required.</p> <p>Owner of the electronic records or information on the IT Asset is responsible for:</p> <ul style="list-style-type: none"> • <i>Classification (ARCS/ORCS) and filing of electronic records or information.</i> • <i>Removal of the electronic records or information from the IT Asset.</i> • Confirms IT Asset(s) belong to Ministry or not and <u>approval for disposal</u> has been provided. (i.e.: FIN 53 Approval for Disposal of Information Storage Devices – Ministry of Finance) • Securely storing the IT Assets until pick up to prevent loss. <p>IT Assets must be inventoried, ensuring there is no sensitive data or non-transitory electronic records or information remaining on the IT Assets.</p> <ul style="list-style-type: none"> • <i>If sensitive or non-transitory electronic records or information remain, they must be handled through Record Management - ARC/ORCs process.</i> • <i>When electronic records or information have been removed, then complete the Information Security Classification (High, Medium or Low)</i>

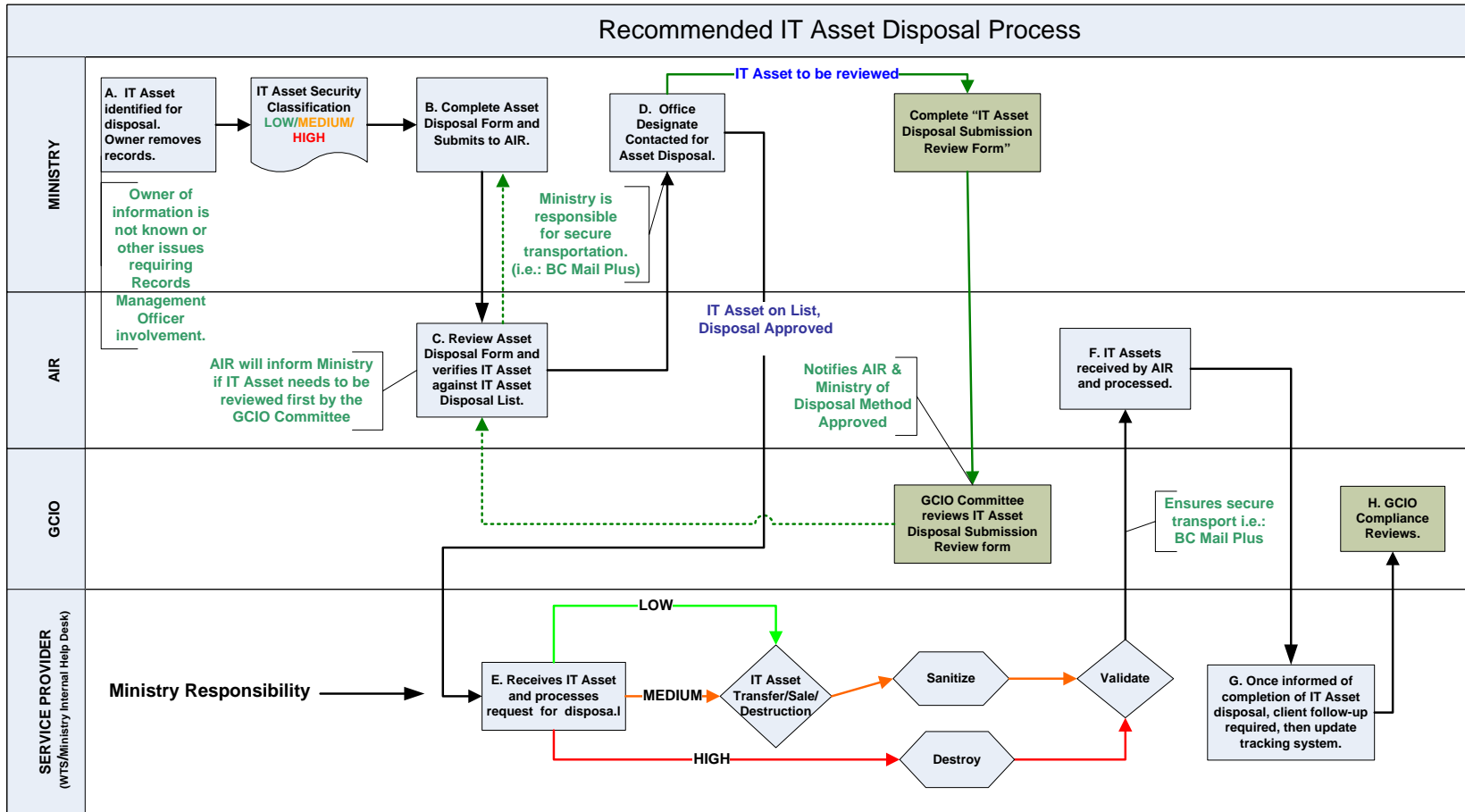
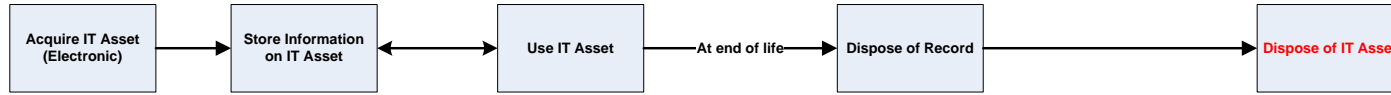
<u>Steps and Controls</u>	<u>Responsibility</u>										
	<table border="1"> <tr> <td data-bbox="391 296 695 443"> Information Security Classification </td> <td data-bbox="695 296 1404 359"> July 27, 2006 </td> </tr> <tr> <td data-bbox="391 443 695 464"></td> <td data-bbox="695 443 1404 464"> Description </td> </tr> <tr> <td data-bbox="391 464 695 919"> High </td> <td data-bbox="695 464 1404 919"> <p>high requirement for a combination of confidentiality, integrity or availability. This information:</p> <ul style="list-style-type: none"> • is of the highest value to the government • is intended for use by named individuals or positions only • must be protected from unauthorized manipulation • must continuously be available during regular business hours. </td> </tr> <tr> <td data-bbox="391 919 695 1304"> Medium </td> <td data-bbox="695 919 1404 1304"> <p>intermediate requirement for a combination of confidentiality, integrity or availability. This information:</p> <ul style="list-style-type: none"> • is sensitive within the government • is intended for use by named individuals or positions only • must be protected from unauthorized manipulation • must not be unavailable beyond 24 hours </td> </tr> <tr> <td data-bbox="391 1304 695 1843"> Low </td> <td data-bbox="695 1304 1404 1843"> <p>lesser requirement for a combination of confidentiality, integrity or availability. This information:</p> <ul style="list-style-type: none"> • may be available to the public or would be generally available to the public upon request, employees and approved non-employees (i.e., consultant or vendor, ASD or interjurisdictional partners) • should be protected from unauthorized manipulation • would not be severely impacted if the information system down for seventy two hours (i.e. not a mission critical system) </td> </tr> </table>	Information Security Classification	July 27, 2006		Description	High	<p>high requirement for a combination of confidentiality, integrity or availability. This information:</p> <ul style="list-style-type: none"> • is of the highest value to the government • is intended for use by named individuals or positions only • must be protected from unauthorized manipulation • must continuously be available during regular business hours. 	Medium	<p>intermediate requirement for a combination of confidentiality, integrity or availability. This information:</p> <ul style="list-style-type: none"> • is sensitive within the government • is intended for use by named individuals or positions only • must be protected from unauthorized manipulation • must not be unavailable beyond 24 hours 	Low	<p>lesser requirement for a combination of confidentiality, integrity or availability. This information:</p> <ul style="list-style-type: none"> • may be available to the public or would be generally available to the public upon request, employees and approved non-employees (i.e., consultant or vendor, ASD or interjurisdictional partners) • should be protected from unauthorized manipulation • would not be severely impacted if the information system down for seventy two hours (i.e. not a mission critical system)
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<u>Steps and Controls</u>	<u>Responsibility</u>
<p>Owner of information is not known or other issues requiring Records Management Officer involvement.</p>	<p>Records Management Officer (RMO) or Ministry Designate:</p> <p><i>Reference: CPPM Chapter 12.3.2; Chapter 8 Destruction of Record - 8.3.2 #6</i></p> <p><i>The disposal of a medium with information capacity must be done in a manner to protect the stored information in accordance with information and records disposal policy:</i></p> <ol style="list-style-type: none"> 1. Chapter 12.3.2 Destruction of Records and the Recorded Information Management Manual; and 2. Chapter 15 Security and the Security Standards and Guidelines (government access only). <p>RMO shall verify:</p> <ul style="list-style-type: none"> • IT Asset does not contain sensitive or non-transitory electronic records or information if the primary owner of the records is not known. • Electronic records or information are classified for ARCS/ORCS and filed. • Information Security Classification completed (High, Medium or Low). • Records Manager has signed off for disposal of records on IT Asset.
<p>B. Complete Asset Disposal Form and Submits to AIR.</p>	<p>Office Designate:</p> <p><i>If the IT Asset is owned by WTS, then contact the WTS Service Desk to initiate the disposal process.</i></p> <p>Office Designate should:</p> <ul style="list-style-type: none"> • Complete the 'Asset Disposal Form' form for disposing of Ministry owned assets, ensuring under the description data field appropriate Model and Serial numbers are entered. Review of Asset Disposal List is made available by GCIO Information Security Branch. <p>Note: IT Assets must be declared on a separate Asset Disposal Form from non-IT Assets (i.e.: desks).</p>
<p>C. (AIR) Reviews Asset Disposal Form and verifies IT Asset against IT Asset Disposal List.</p>	<p>AIR</p> <p>AIR has final review of the Asset Disposal Form to verify the IT Assets are on the approved IT Asset Disposal List.</p> <ul style="list-style-type: none"> • If no discrepancy: the Ministry will be contacted by AIR with instructions on how to proceed with the disposition of their IT Assets. • If there is a discrepancy: due to the IT Assets not being on the approved IT Asset Disposal List, AIR will have the Ministry complete the <u>IT Asset Disposal Submission Review Form</u> and submit the form to the GCIO Committee for their review. The form will be made available through GCIO Information Security Branch. <p>Once the Office of the Chief Information Officer (GCIO) Committee has reviewed the</p>

<u>Steps and Controls</u>	<u>Responsibility</u>
	Ministries submission, they will contact AIR and the Ministry with instructions on how to proceed with the disposition of their IT Assets.
<p>D. Office Designate Contacted for Asset Disposal.</p>	<p>Office Designate: <i>For IT Asset disposal approved</i> contact your Service Provider to process IT Asset disposition. (This may be WTS, Ministry IMB or other provider). <i>Ministry to ensure arrangements for secure transportation have been made.</i> <i>For IT Assets not approved for disposal;</i> complete the IT Asset Disposal Submission Review Form and submit to the GCIO Committee.</p> <p>GCIO Committee: To review all IT Asset Disposal Submission Review Forms and notifies AIR and Ministry of decision on how to proceed.</p> <p>Ministry provides:</p> <ul style="list-style-type: none"> • <i>Information on the IT Asset Disposal Submission Review Form. The submission from the Ministry should contain all relevant information (i.e.: technical background/research) necessary to make a decision.</i> • <i>Electronic records or information on IT Asset have been handled as per policy.</i> • <i>Send completed form to the GCIO Committee.</i> • <i>Ministry to ensure arrangements for secure transportation of IT Asset have been made (i.e.: BC Mail Plus, provides signature confirming the IT Asset has been received at the destination. If BC Mail Plus cannot serve your area contact AIR).</i>
<p>E. Receives IT Asset and processes request for disposal.</p>	<p>Service Provider (WTS/Ministry Internal Help Desk): Obtain IT Asset Disposal services::</p> <ul style="list-style-type: none"> • Ministry owned or leased IT Assets contact AIR. <p>If a Ministry requires assistance with IT Asset disposal (i.e. rendering IT Assets inoperable/sanitizing prior to IT Asset being transported from the Ministry), these services are available through AIR or 3rd party contractor.</p> <ul style="list-style-type: none"> • WTS owned IT Assets contact WTS. <p>Ministry Service Provider:</p> <ul style="list-style-type: none"> • opens Ticket (ITIM or internal ticketing system) • <i>Verifies IT Asset information (i.e.: MAC address for networked devices, serial number for non-networked devices).</i>

<u>Steps and Controls</u>	<u>Responsibility</u>
	<ul style="list-style-type: none"> • Ensures appropriate authorisation from Ministry management and Records Management has been received for asset and records/information disposal. • Verifies IT Asset containing media have been rendered inoperable. • Verifies IT Asset Inventory/Tag is recorded. • Ensures IT Asset labelled for destruction/sale as per AIR's instructions. • Verifies destruction method either on site or off site confirmed. • Ensures IT Asset secured (dock ready) for transport and separated from other types of assets until pickup as per AIR's instructions to prevent loss. • Monitors handoff of IT Asset to shipping agent (i.e. BC Mail Plus). <p>If the IT Asset security classification is Low or Medium and whether or not the IT Asset is leaving the ministry; then the IT Asset is to be wiped of all data.</p> <p>If the IT Asset security classification is High the media in the IT Asset is to be destroyed. (i.e. digital camera requires that the sim card (memory) be destroyed).</p>
<p>F. IT Assets received by AIR and processed.</p>	<p>AIR:</p> <p>Verifies all IT Assets delivered against the IT Asset Disposal Form.</p> <p>If there is a variance between the declared and received IT Assets, AIR will immediately contact the declaring Agency or Ministry considering time to be of the essence. AIR will also report the variance to the GCIO Committee, who will review the variance and make recommendations to the GCIO office.</p>
<p>G. Once informed of completion of IT Asset disposal, client follow-up required, then update tracking system.</p>	<p>Service Provider (WTS/Ministry Help Desk):</p> <p>Service Provider shall:</p> <ul style="list-style-type: none"> • <i>Notifies all appropriate Help Desks to confirm disposal has been completed as requested and to update and close all Tickets.</i> <p>Updating tickets will force notification of all relevant personnel.</p>
<p>H. GCIO Compliance Reviews.</p>	<p>Ministry and GCIO Information Security Branch will provide periodic reviews of the IT Asset disposal process to confirm compliance to policy.</p>

This document has been provided as a template to assist Ministry's in documenting their IT Asset Management process.
 Refer to Recommended IT Asset Disposal Management Process



Version 1.0

18/10/2006

The following checklist will help you determine your compliance to the Asset Management policy and whether or not your asset disposal process has been adequately performed.

<u>Quick Check List for Asset Disposal</u>	<input type="checkbox"/> ✓
1) Ministry approval obtained for disposal of Ministry owned IT Assets. Contact WTS Service Desk for WTS owned assets.	<input type="checkbox"/>
2) Remove non-transitory or sensitive electronic records or information as per ARCS/ORCS. Ensure Records Management personal have authorized the records contained on IT Asset for disposal. Classify IT Asset according to Information Security Classification System (27 July 2006). Classify records as to the most sensitive records that were contained on that IT Asset.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3) Complete and submit the Asset Disposal Form for Ministry owned assets.	
4) Ensure IT Asset (media) has been processed (sanitized) in a controlled area and has this been verified as per Ministry Policy. Ensure Ministry destruction/sanitization processes have been followed. <i>Sanitization process (media erased or asset rendered inoperable) to be conducted within the ministry or outsourced.</i>	<input type="checkbox"/> <input type="checkbox"/>
5) Ensure IT Asset has been inventoried and labeled for destruction/sale.	
6) Ensure IT Asset (media) has been secured (dock ready) and stored in a controlled area prior to pickup.	<input type="checkbox"/>
7) Ensure Ministry representative signed off on the release of IT assets to shipping agent. <i>(i.e. BC Mail Plus, WTS)</i>	<input type="checkbox"/>
8) Verify the shipping agent signed off on receiving assets for pick up.	<input type="checkbox"/>
9) Verify with shipping agent that IT assets have been received at the warehouse.	<input type="checkbox"/>
10) Confirm the Ministry has been informed by the contractor (WTS/AIRS/RECALL) IT assets have been disposed of (destroyed or sold).	<input type="checkbox"/>

Completed By: _____ Date: _____

Policy requirements for records management are in Core Policy and Procedures Manual 12.3.3 – Information Management, and the Recorded Information Management Manual.

Standards:

[Administrative Records Classification System](#)

[Operational Records Classification System](#)

[Recorded Information Management Manual](#)

Disposal Handbook:
A Guide to Tangible and Intangible Asset Disposals in Government

7 CONTACTS

The two branches within Common Business Services (CBS) with responsibility for managing disposals of provincial personal property are: Asset Investment Recovery for tangible property and Intellectual Property Management for intangible property.

Asset Investment Recovery Branch

Phone: 250 952 4439 (Victoria)
Facsimile: 250-952-4224
Phone: 250 565-4201 (Prince George)
Facsimile: 250-565-4320
Phone: 604 501 8216 (Surrey)
Facsimile: 604-501-8222
Website: www.pss.gov.bc.ca/air

Intellectual Property Management Branch

Phone: 250 356 5055
Website: www.bcsolutions.gov.bc.ca/ipp/cont/

In competing disposal opportunities and entering into contracts with vendors, ministries may also want to obtain specific advice from staff at Purchasing Services Branch, Legal Services Branch or Risk Management Branch. The Procurement Governance Office can also provide advice on the expectations of government procurement policy.

Purchasing Services Branch, Ministry of Labour and Citizens' Services	250 387 7300 (Victoria) 250 828 4322 (Kamloops)
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Legal Services Branch, Ministry of Attorney General	Contact your Client Service Coordinator
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Risk Management Branch, Ministry of Finance	250 356 1794
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Procurement Governance Office, Ministry of Finance	250 356 8331
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8 GLOSSARY AND DEFINITIONS

Crown Copyright

Refers to the Crown's ownership of any intellectual property rights associated with any works developed by provincial employees or by individuals under contract with the Province.

Intangible Personal Property/Intangible Assets

Any personal property that is not a tangible asset but has value, usually in the rights conveyed. Examples include trademarks and copyrights.

Intellectual Property

Refers to intangible personal property, which includes copyright, moral rights, trademark, patent, and industrial design.

Moral Rights

Defined to be the moral rights of an individual who has created a work, or a portion of a work, and include the right to the integrity of the work and the right to be associated with the work, or not, as its author.

Personal Property

Any property that is not real property. Real property is a general term meaning land and the buildings on that land. Personal property includes both tangible and intangible personal property.

Public Sector Organizations

Those public sector organizations, in addition to ministries, whose personal property may be disposed of by the Minister of Labour and Citizens' Services, under the authority of the *Procurement Services Act*. These organizations, which are defined in the *Act* to be government organizations, local public bodies, and participating jurisdictions, include the federal government, municipalities, schools, hospitals, and Crown corporations.

Tangible Personal Property/Tangible Assets

Personal property that has a physical existence and an intrinsic value, including office equipment and supplies, tools, and vehicles.

Trade-In

A transaction where an older tangible asset is given in part payment for a new, replacement asset. This transaction represents a disposal of the old asset and a purchase of the new asset through the same vendor.

9 QUICK LINKS

Asset Investment Recovery (AIR) website

<http://www.pss.gov.bc.ca/air>

Copyright Act

<http://laws.justice.gc.ca/en/C-42/>

Copyright Permissions – Information

<http://www.bcsolutions.gov.bc.ca/ipp/popt/faq.htm>

Copyright Permission Request Form

<http://www.prov.gov.bc.ca/com/copy/req/>

Core Policy and Procedures Manual

http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/06_Procurement.htm

Distribution Centre – Victoria (DC-V) website

<http://www.pss.gov.bc.ca/dcv/>

Financial Administration Act

http://www.qp.gov.bc.ca/statreg/stat/F/96138_01.htm

Financial Management Branch, Office of the Comptroller General

<http://www.fin.gov.bc.ca/ocg/fmb/fmb.htm>

General Service Agreement

http://www.pc.gov.bc.ca/psb/GSA/GSA_index.htm

Government e-forms website

<http://gwww.eforms.gov.bc.ca/>

OCIO Information Security Branch

<http://gwww.cio.gov.bc.ca/services/security/default.htm>

OCIO Information Security Branch IT Asset Disposition SharePoint Site

<https://infosecurity.gov.bc.ca/ITAssetDisposition/default.aspx>

Intellectual Property Program (IPP) website

<http://www.bcsolutions.gov.bc.ca/ipp/default.htm>

Intellectual Property Program (IPP) – Contacts

<http://www.bcsolutions.gov.bc.ca/ipp/cont/>

Intellectual Property Program (IPP) – FAQ

<http://www.bcsolutions.gov.bc.ca/ipp/popt/faq.htm>

Licensing Intellectual Property

http://www.bcsolutions.gov.bc.ca/ipp/popt/B4_1_Licensing_Int_Prop.htm

Office of the Chief Information Officer – IT Policies and Standards

Disposal Handbook:

A Guide to Tangible and Intangible Asset Disposals in Government

<http://www.cio.gov.bc.ca>

Procurement Services Act

http://www.qp.gov.bc.ca/statreg/stat/P/03022_01.htm

Purchasing Handbook

<http://www.pss.gov.bc.ca/psb/pdfs/PurchasingHandbook.pdf>

Purchase Requisition

<http://www.cas.gov.bc.ca>

Revenue Management Policy

http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/07_Revenue_Mgmt.htm

Warehouse Service Agreement

http://www.pss.gov.bc.ca/air/pdfs/Warehouse_Service_agreement.pdf