

Surplus Property Policy

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Issued by: Finance & Administration
Contact: Purchasing Office, 814-393-2166

Purpose:

The purpose of the Surplus Property Policy and Procedure is to provide a clear and concise guideline for the disbursement/disposal of all Clarion University surplus property. This policy provides the University with a clear understanding that we use property to its best advantage, and realize the maximum value possible for any piece of equipment and/or furniture. Surplus disbursement/disposal procedures, as followed, will ensure that University property has provided a value beyond its worth, and that its disbursement/disposal will be conducted in an equitable, efficient, and cost effective manner.

Policy:

It is the University's policy to receive the maximum amount of value from a piece of equipment or furniture. When it has been determined that no further value is to be realized by the University through utilization of a particular piece of equipment or furniture, said item shall be declared surplus. Once declared surplus, items will be disposed of as set forth in the following procedures. The University's Director of Procurement Services has the primary responsibility to monitor compliance with this policy.

Procedure:

A. Surplus Declaration Process

When it is determined by the user department that an item has served its original purpose and no longer provides value to the original department, this item shall be slated for determination of its eligibility for the Surplus disbursement/disposal program.

The decision to designate an item for the surplus program must be made by the person with purchasing authority for the department in which the furniture/equipment is located.

Should a circumstance present itself where no one is in a position to make a surplus determination that decision will be made by the Director of Procurement Services.

B. Surplus Disbursement/Disposal Program

1. Campus Notification Process

If the decision has been made that an item will be surplus, the parties are encouraged to advertise, through e-mail, the availability of an item for campus use. The item may be transferred to another department at the discretion of the head of the former user's department.

If this method fails to redistribute the property, the department head will contact the Director of Procurement Services, making them aware of the surplus declaration. Contact (preferably by e-mail) should describe the item (i.e., make, model, serial number, bar code tag number), location and condition of the item, and the name and phone number of a contact person.

Upon receipt of this notification, the Director of Procurement Services will create a list of surplus material. Preference will be given to reuse of this property by other campus departments. Interested parties will declare their desire for an item to the Director of Procurement Services and the material will be awarded on a "first request-first award" basis. The only thing that the department must do is arrange for transfer of the item. That can be accomplished by filling out a "Work Order Request" on-line at the Facilities Management website. The items will be moved to surplus storage if not claimed or scrapped.

If the condition of an item is listed as poor, broken, not working, or cannibalized then at the discretion of the department head and Director of Procurement Services an item may be declared as "scrap." At that point the item will be labeled as such and disposed of accordingly.

2. Sale Process

(1) Sealed Bid

As needed, notification of the University's intent to sell surplus items will be advertised locally for a period of three days. Appropriate dates, applicable terms and conditions, and a description of the items available for sale will be included in the notice.

Staffing will be available to provide viewing access, information, and to accept sealed bids.

As each sealed bid is received, the date and the time are recorded on the envelope and the bids are put in a locked file. Immediately after the sale concludes, the sealed bids will be opened and the items awarded by the Director of Procurement Services or his/her designee. The highest qualified bid received will be successful. If the amount bid on an item is the same, the earliest received bid shall be awarded the item.

Items must be removed immediately after notice of successful bid is received by the

party. All items must be paid for and removed from 1:00-4:00 pm following the bid opening. Payment must be made by regular certified check or money order.

All checks and money orders shall be kept safe overnight and presented to the Cashier the following morning for deposit.

(2) Public Auction

At the discretion of the University it may choose to hire an auctioneer and conduct a public auction of goods.

(3) Penalties/Actions

If items are not removed within the time limits allowed, one of three actions will take place:

- (a) The affected items may be re-awarded to the next highest bidder.
- (b) The original awardee will be charged an additional \$20 for extra handling.
- (c) If neither of the aforementioned methods works to remove these items from campus, the items will be declared as scrap and disposed of accordingly. The original awardee may be invoiced for the charges incurred for the disposal of these items, including labor of University personnel, and the fees charged by the disposal company for removal.
- (d) If no bids are received on any item or lot of items, these items may be scrapped and hauled away. Costs associated with this disposal will be paid from the Surplus Property Account.

(4) Bidding Eligibility

University employees, eligible to bid on surplus items for sale, will be only those employees who are completely removed from the decision to surplus the item of interest. No Purchasing Department employees will be allowed to bid. This procedure maintains the integrity of the sale process. Anyone involved with the use of an item for surplus is not eligible to submit a bid or purchase that item. Barring the above exceptions anyone 18 years of age or older is eligible to submit a bid for a surplus item.

(5) Acceptance or Rejection of Bids

The University reserves the right to accept or reject any or all bids for the disbursement of surplus property. All monies received from the sale/auction of surplus goods will be deposited into the Surplus Fund.

(6) Property Control Notification

It is the responsibility of the Director of Procurement Services, or his/her designee, to notify property control personnel of the removal, or relocation of, surplus property. The asset bar code number will be recorded and reported to property control.

(7) Computer Related Equipment

The Center for Computer Services must be contacted prior to the transfer/surplus declaration of any computer, printer or other network related equipment. To initiate this process, email or call the Computing Services' Help Desk (Ext. 2640) stating that the department has equipment to be evaluated. If applicable, Computing Services' Staff will clean the hard drive and erase all user data files. If it is determined that the item has further use to the University, the department can advertise (by email) the item's availability. If it is determined that the item has no further value, the department will make arrangements with Facilities Management to have the equipment removed to surplus storage.

Computer equipment that has no further value to the University and/or that Computing Services will no longer support can be disposed of by one of the following methods:

- (a) Donation to a local not-for-profit organization that has provided a written request for computer equipment. The requesting not-for-profit agency will be responsible for removing donated computer equipment from surplus storage.
- (b) An appropriate method of recycling/disposal that will not expose the University to environmental risk or violate Federal, State, or local restrictions.

(8) Hazardous Material

A University department may not declare surplus any materials that have hazardous chemical compounds contained therein. Materials that exhibit the characteristics of ignitability, corrosiveness, reactivity, toxicity or are on any Federal or State hazardous waste lists are considered to be hazardous. When it is determined that a product which contains hazardous chemical compounds is no longer needed or of use the item must be immediately reported to the Safety Inspector. They will then decide the need for, and disposal method of, the product. The department declaring the material surplus will not be charged for the cost of properly disposing of the products.

(9) Exceptions to the Surplus Disposal Program

Experience, foresight, product knowledge and other factors will lead one to understand that a particular item which is no longer useful to the University may have further value to other not-for-profit organizations.

Examples of situations which may lend themselves to this idea would be, but are not limited to, computer equipment, microscopes, lighting systems, lab furniture, dormitory furniture, etc. Disposal of these items, which are considered to be too good for the surplus program yet outdated for campus use, may be accomplished in one of several ways.

1. Trade-in

Often a manufacturer will provide a trade-in value for old equipment when a new purchase of similar equipment is considered. The value of the trade-in offer may be questioned by those in the field and if it is determined by the involved parties and the Procurement Services Director, that equitable value is being provided then an agreement may be reached. The traded equipment's model, serial numbers and bar coded numbers will be listed on the purchase order designated for acquisition of the replacement items. Credit for these items will be an integral part of the overall purchase price of the new equipment order. From the receiving copy of the purchase order, Property Control personnel will then slate the traded equipment for removal within the property control system.

2. Goodwill Offerings

At the discretion of the University's Director of Procurement Services, it may be decided that a goodwill offering will be made to another educational or not-for-profit organization as simply a donation. Notice of the availability will be made to the organizations that have expressed an interest (and are included on a list of organizations kept by the Purchasing Department) by letter, e-mail, or fax. Awards will be made on a "first interested, first claimed" basis.

First Preference will be given to other not-for-profit educational institutions in our geographic region (contiguous counties). These goodwill offerings are meant to advance further the University's educational mission.

3. Cannibalization

For some items it may be considered advantageous to use components of one unit to help reconstruct another. This process may leave nothing more than an empty shell of absolutely no value. Disposing of an item that has been cannibalized in a University dumpster is the most cost-effective method of disposal.

The decision to use this process belongs to the supervisor of those involved in the reconstruction process. The Director of Procurement Services must be notified when equipment is cannibalized and before it is discarded. In all

instances, if the item has a bar code tag number, it is necessary to report the status of the item to property control personnel for the recording of the transfer of disposal.

4. Sentimentality Sale

The Vice President for Finance & Administration and/or the University's President may choose to recognize meritorious and exceptional service by providing the possibility for an individual who is/has retired to purchase at fair market value an item deemed to have more sentimental worth to the individual than value to the University. The individual may be given the opportunity to provide a fair market price, determined through communications with dealers in the same field, for said item. Upon payment of the agreed upon price, the individual will be permitted to remove the item from campus.

This procedure is not to be used indiscriminately and will only be invoked after careful attention has been given to the circumstances.

5. Special Value

Items that are perceived to have a potential special value (i.e., antiques, artwork, memorabilia) will be handled separately. At the discretion of the Vice President for Finance & Administration and/or the President, the items will be auctioned to the highest bidder. Said auction will be held locally if appropriate, on-line (internet auction site) or items will be sent to a regional or national auction house if necessary.