TITLE: DISPOSITION OF SURPLUS EQUIPMENT, SUPPLIES AND MATERIALS

SECTION 1. GENERAL

1.1 Scope – Policy regarding disposition of surplus equipment, supplies, and materials.

1.2 Authority - West Virginia Code §18B-5-7

1.3 Filing Date:

1.4 Effective Date:

1.5 According to WV State Code, the Board of Governors has the authority to dispose of obsolete, surplus and unusable materials, supplies and equipment, either by transfer to other governmental agencies or institutions, by exchange or trade, or by sale as junk or otherwise.

1.6 The Chief Procurement Officer (CPO) or designee shall identify and inventory the institution’s obsolete, surplus and unusable materials, supplies and equipment and shall store these materials, supplies and equipment until such time as they may be disposed of in a manner consistent with state law and the rules, regulations, and procedures of the Board of Governors.

1.7 Under no circumstance shall any obsolete, surplus and unusable materials, supplies and equipment be sold, transferred or conveyed to any private person, firm or corporation other than at public auction or by sealed bid or as otherwise provided in WV Code §18B-5-7.

1.8 The funds received from the sale of obsolete, surplus and unusable materials, supplies and equipment shall be deposited in the institutional account originally used to purchase said materials, supplies and equipment if such account is readily ascertainable, minus any administrative costs associated with the disposal. If such account is not readily ascertainable or no longer exists, the net proceeds shall be deposited in an appropriate account as determined by the Chief Financial Officer.
SECTION 2. METHODS OF DISPOSAL

2.1 Disposal may be in one of the following manners:

2.1.1 Trade-in on replacement materials, supplies and equipment if the trade-in value is advantageous as determined by the CPO or designee;

2.1.2 Sale to the general public by sealed bid or at public auction;

2.1.3 Transfer to municipal, county, state and federal agencies and institutions;

2.1.4 Joining with Marshall University or West Virginia University at their surplus auction or sale;

2.1.5 Utilizing the Surplus Property Division of the Department of Administration; or,

2.1.6 Landfill or Scrap: Items having no value may be sent to the landfill or area scrap yard at the discretion of the CPO. (For items sent to the scrap yard see Section 5 Redeposit of Funds)

2.2 DISPOSAL METHOD: The disposal method used will be determined by the CPO which is the one that has the best prospect of yielding the greatest return or is the cheapest disposal method after the cost of the sale has been deducted from the revenue derived.

2.2.1 Transfers to other governmental agencies and institutions. Such transfers should cover those aspects that will enhance the public awareness in the local community. The CPO shall keep a record of such transfers containing the following information on each item:

   a. inventory tag number, if applicable
   b. description
   c. model number, if applicable
   d. serial number, if applicable
   e. present depreciated value of the materials, supplies and equipment
   f. name and address of the agency or institution receiving the materials, supplies and equipment
   g. date of transfer

2.2.2 The institution may take advantage of a trade-in on replacement materials, supplies and equipment if the trade-in value is advantageous to the institution as determined by the CPO or designee.
2.2.3 Sales by sealed bid or at public auction may be conducted twice a year or as need requires. Policies and procedures, in accordance with state law, are outlined below:

a. At least ten (10) days prior to the disposition, an advertisement of such sale shall be published as a Class II legal advertisement, as provided in West Virginia Code §59-3 (which means two (2) publications of a legal advertisement in a qualified newspaper occurring within a period of 14 consecutive days with at least an interval of six (6) full days within the period between the date of the first publication and the date of the second publication), in the county in which the equipment, supplies and materials are located.

b. A list of all available equipment will be provided to bidders that responded to the advertisement in the form of a bid package prior to the sale.

c. The following information will be provided:
   1. inventory tag number, if applicable
   2. description
   3. model number, if applicable
   4. serial number, if applicable

d. The equipment or supplies will be made available for inspection prior to the sale.

e. The procedures terms and conditions will be attached to all bid packages and also available to all who are interested in participating prior to the date for receipt of bids or the date of the auction.

f. That the institution has the right to reject all bids.

g. As part of the bid packages all bidders are informed that: all sales are final, the successful bidder is responsible for all labor needed to pick up all equipment after award and payment of bid price plus any applicable taxes, all items are sold as is with no warrantee or other form of guarantee, and all equipment must be removed from state property within five (5) business days of the sale.

2.3 At the discretion of the CPO, a preferred bidders list may be developed and maintained to facilitate the disposal of surplus property.

2.4 Original documentation of the sealed bid process or auction shall be kept by the institution for a period of one year. After that date, the documentation may be reproduced and archived on microfilm or other equivalent method of duplication for review or auditing purposes. These records shall be kept as a public record open to public inspection for a period of two (2) years. These items shall be removed from the institution’s inventory.
2.5 In order to help other agencies in the service area, the institution may transfer obsolete, surplus and unusable materials, supplies and equipment to municipal, county, state and federal agencies and institutions.

2.6 In order to dispose of surplus property the institution may join with Marshall University or West Virginia University at their surplus auction or sale.

2.6.1 When the CPO determines that it is in its best interest to join with either Marshall or WVU to dispose of obsolete, surplus and unusable materials, supplies and equipment, the institution shall:

a. Provide at least 90 days advance notification prior to the date of the upcoming public auction or sale to the university involved.
b. Deliver and unload the obsolete, surplus and unusable materials, supplies and equipment to the university involved.
c. Make arrangements with the university involved to obtain the services of a qualified auctioneer, if the sale is by public auction, and provide a physical description of the items being offered for sale for advertising purposes.
d. Reimburse the university involved for all expenses related to selling the institution’s obsolete, surplus and unusable materials, supplies and equipment at the university’s auction or sale.
e. Affix the institution’s identification on all items to be sold so as to assure fair allocation of the auction sale proceeds.
f. Send a representative to the public auction or sale to act on the institution’s behalf. Institutions shall have the right to refuse any bid.
g. Remove as scrap or otherwise any surplus items not sold during the public auction or sale.

2.7 The institution may also dispose of obsolete, surplus and unusable materials, supplies and equipment through the State of West Virginia Surplus Property Division of the Department of Administration. In such case, all of the rules and regulations of the Department of Administration shall be followed.

SECTION 3. REPORTING REQUIREMENTS

3.1 All inventories of surplus equipment, supplies and materials sold shall be kept as a public record open to public inspection for a period of two (2) years.

3.2 As provided WV Code §18B-5-7(b), the Board of Governors shall report biennially to the Legislative Auditor all sales of commodities made during the preceding biennium. The report shall provide the total sales with the total recorded net book value. The form and format of this report shall be as required
by the Vice Chancellor for Administration and/or the Legislative Auditor. This information will be supplied to the Board of Governors two weeks prior to these dates for reporting purposes.

SECTION 4.  SURPLUS REMOVAL CONTRACTS

4.1 In the event a formal need is determined for the removal of obsolete, surplus and unusable materials, supplies and equipment, a contract shall be issued by the CPO in accordance with state law and the policies, procedures and guidelines of the Board of Governors.

SECTION 5.  REDEPOSIT OF FUNDS

5.1 All monies derived from the sale of obsolete, surplus and unusable materials, supplies and equipment must be re-deposited as follows, provided the account originally used for the purchase is readily ascertainable, minus any administrative costs associated with such sale. If such account is not readily ascertainable or no longer exists, the net proceeds shall be deposited in an appropriate account as determined by the Chief Financial Officer.

5.1.1 Purchases made from general revenue funds must be deposited according to FIMS requirements for refunds into the general revenue fund.

5.1.2 Purchases made from special revenue funds must be re-deposited into the same fund from which the expenditure originally occurred.

5.1.3 A 25 percent administrative fee shall be charged by the Purchasing Office to cover administrative and advertising costs of the disposal.