

**BLUEFIELD STATE COLLEGE
BOARD OF GOVERNORS
POLICY NO. CM-304**

TITLE: DISPOSITION OF OBSOLETE AND UNUSABLE EQUIPMENT, SURPLUS SUPPLIES AND OTHER UNNEEDED MATERIALS FOR BLUEFIELD STATE COLLEGE

SECTION 1. GENERAL

- 1.1 Scope: To establish the rules and policies governing the disposition of obsolete and unusable equipment, surplus supplies, and other unneeded materials.
- 1.2 Authority: West Virginia Code 18B-5-7
- 1.3 Effective Date: October 15, 2009
- 1.4 Responsible Office: Vice President Financial and Administrative Affairs

SECTION 2. POLICY

- 2.1 The Governing Boards and their institutions have the authority to dispose of obsolete and unusable equipment, surplus supplies and other unneeded materials, either by transfer to other governmental agencies or institutions, by exchange or trade, or by sale as junk or otherwise.
- 2.2 The Chief Procurement Officer (CPO) or Vice President of Financial and Administrative Affairs shall identify and inventory the institution's obsolete and unusable equipment, surplus supplies and other unneeded materials 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 Governing Board.
- 2.3 Under no circumstances shall any obsolete and unusable equipment, surplus supplies and other unneeded materials 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 West Virginia Code §18B-5-7.
- 2.4 The funds an institution receives from the sale of obsolete and unusable equipment, surplus supplies and other unneeded materials shall be deposited in the institutional account originally used to purchase said materials, supplies and equipment if such account is readily ascertainable, minus any fees reasonably related to the costs of care and handling with respect to the transfer, warehousing, sale and distribution of state property that is disposed of or sold. 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 Vice President of Financial and Administrative Affairs.

SECTION 3. METHODS OF DISPOSAL

3.1 Bluefield State College may dispose of obsolete and unusable equipment, surplus supplies and other unneeded materials in one or more of the following manners:

- 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 Vice President of Financial and Administrative Affairs;
- b. Sale to the general public by sealed bid or at public auction;
- c. Transfer to municipal, county, state and federal agencies and institutions;
- d. Joining with Marshall University, West Virginia University, or other state higher education institutions at their surplus auction or sale;
- e. Utilizing the Surplus Property Division of the Department of Administration;
- f. Otherwise, to include taking items that have no value to the landfill, recycling center or other appropriate facility.

3.2 Disposal Method: The disposal method will be determined by the CPO, Vice President of Financial and Administrative Affairs, or designee that has the best prospect of yielding the greatest return or is the least costly disposal method to the institution after the cost of the sale has been deducted from the revenue derived.

3.2.1 Transfers to other governmental agencies and institutions in institutions service area. Such transfers should cover those aspects that will enhance the public's awareness of the institution in the local community and in the interest of providing a needed service to the 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. The name and address of the agency or institution receiving the materials, supplies and equipment.
- g. Date of transfer.

3.2.2 Bluefield State College 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 Vice President of Financial and Administrative Affairs.

3.2.3 Sales by sealed bid or at public auction may be conducted by Bluefield State College as need requires. Bluefield State College shall, in accordance with state law and the rules, policies and procedures of its Governing Board per the guidelines as listed below.

- a. At least ten 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 (i.e. two publications of a legal advertisement in a qualified newspaper occurring within a period of fourteen consecutive

days with at least an interval of six 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. 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 warranty or other form of guarantee, and all equipment must be removed from state property within five (5) business days of the sale.

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

3.4. 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 years.

3.5 In order to help other agencies in the service area of Bluefield State College, Bluefield State College may transfer obsolete and unusable equipment, surplus supplies and other unneeded materials to municipal, county, state and federal agencies and institutions.

3.6 When the CPO determines that it is in its best interest, Bluefield State College may join with state institutions of higher education to dispose of obsolete, surplus and unusable materials, supplies and equipment. Any institution desiring to participate in other state institution's sale or auction shall:

- a. Provide at least 90 days advance notification prior to the date of the upcoming public auction or sale to the institution involved.
- b. Deliver and unload the obsolete, surplus and unusable materials, supplies and equipment to the institution involved.
- c. Make arrangements with the institution 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 institution involved for all expenses related to selling the institution's obsolete and unusable equipment, surplus supplies and other unneeded materials 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.

3.7 Bluefield State College may also dispose of obsolete and unusable equipment, surplus supplies and other unneeded materials 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 4. REPORTING REQUIREMENTS

- 4.1 All inventory lists 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.
- 4.2 As provided in West Virginia Code §18B-5-7(b), The Governing Board, shall report semiannually to the Legislative Auditor all sales of commodities made during the preceding six months. The report shall provide an itemized listing of each commodity sold and include the inventory tag number, a description of the commodity, the name of the buyer and the price paid by the buyer. The dates for these reports are February 1 for the period of July 1 through December 31 and August 1 for the period of January 1 through June 30. 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 Governing Board two weeks prior to these dates for reporting purposes.

SECTION 5. SURPLUS REMOVAL CONTRACTS

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

SECTION 6. REDEPOSIT OF FUNDS

- 6.1 All monies derived from the sale of obsolete and unusable equipment, surplus supplies and other unneeded equipment must be re-deposited as outlined in Section 2.4, 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 Vice President of Financial and Administrative Affairs.

- a. Purchases made from general revenue funds must be deposited according to FIMS requirements for refunds into the general revenue fund
- b. Purchases made from special revenue funds must be re-deposited into the same fund from which the expenditure originally occurred.
- c. A twenty five (25) percent administrative fee may be charged by the Purchasing Office related to costs of care and handling with respect to the transfer, warehousing, sale and distribution of state property that is derived from the monies collected from the sale.