

## **713 Disposal of Obsolete Equipment and Material**

### **I. Purpose**

The purpose of this policy is to provide guidelines for the director and business manager to assist in timely disposal of obsolete equipment and material.

### **II. General Statement of Policy**

Effective use of school building space, and consideration for the safety of personnel, will at times require disposal of obsolete equipment and material.

### **III. Definitions**

Contract: means an agreement entered into by the school district for the sale of supplies, materials or equipment.

Official newspaper: is a regular issue of a qualified legal newspaper.

### **IV. Manner of Disposal**

A. The Business Manager shall be authorized to dispose of obsolete equipment and materials by selling it at a fair price consistent with the procedures outlined in this policy. Any sale exceeding the minimum amount for which bids are required must first be specifically authorized by the school board. The Director shall be authorized to properly dispose of used books, materials and equipment deemed to have little or no value.

#### **B. Contracts Over \$35,000**

1. If the value of the equipment or materials is estimated to exceed \$35,000, sealed bids shall be solicited by two weeks' published notice in the official newspaper. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter. Additional publication in the official newspaper or elsewhere may be made as the school board shall deem necessary.
2. The sale shall be awarded to the highest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law.
3. A record shall be kept of all bids, with names of bidders and amounts of bids, and an indication of the successful bid. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the highest responsible bid shall less the alteration or erasure is corrected by being crossed out and the correction printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid.

4. In the case of identical high bids from two or more bidders, the school boards may, at its discretion, utilize negotiated procurement methods with the tied high bidders so long as the price paid does not go below the high tied bid price. In the case where only a single bid is received, the school board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not fall below the original bid. If no bid is received, the board may re-advertise.

5. All bids obtained shall be kept on file for a period of at least one year after their receipt. Every contract made without compliance with the foregoing provisions shall be void.

#### C. Contracts from \$10,000 to \$35,000

If the amount of the sale is estimated to exceed \$10,000 but not to exceed \$35,000, the contract may be made either upon sealed bids in the manner directed above or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding notice. All quotations obtained shall be kept on file for a period of at least one year after receipt.

#### D. Contracts from \$1,000 to \$10,000

If the amount of the sale is estimated to exceed \$1,000 but not to exceed \$10,000, the contract may be made either upon quotation or in the open market, in the discretion of the school board. The sale in the open market may be by auction. If the contract is made on quotation, it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after receipt.

#### E. Contracts Less Than \$1,000

If the amount of the sale is estimated to be less than \$1,000 the contract may be made at the discretion of the Executive Director.

#### F. Notice of Quotation

Notice of procedures to receive quotations shall be given by publication or other means as appropriate to provide reasonable notice to the public.

#### G. Sales to Employees

No officer or employee of the school district shall sell or procure for sale or possess or control for sale to any other officer or employee of the school district any property or materials owned by the school district unless sold to a school district employee after reasonable public notice, at public auction or by sealed response, where the employee is the highest bidder and is not directly involved in the auction or sale process. Reasonable notice shall include at least one week's published or posted notice. A school district employee may purchase no more than one motor vehicle from the school district in any 12-month period. This section shall not apply to the sale of property or materials acquired or produced by the school district in the ordinary course of business. Nothing in this section shall prohibit an employee of the school

district from selling or possessing for sale public property if the sale or possession for sale is in the normal course of the employee's duties.

#### H. Exceptions for Surplus School Computers

NSCS may bypass the requirements for competitive bidding and is not subject to any other laws relating to school district contracts if it is disposing of surplus school computer and related equipment by conveying the property and title to:

1. Another school district;
2. The state department of corrections;
3. The board of trustees of Minnesota State Colleges and Universities; or
4. The family of a student residing in the district whose total family income meets the federal definition of poverty.

#### I. Exceptions for Disposal of Equipment & Materials Purchased with Federal Special Education Funds

The school district acknowledges that equipment purchased with Special Education Federal Funds must be identified, labeled, and inventoried.

If such equipment is in need of disposal, the Business Manager shall be authorized to properly dispose of books, materials, and equipment deemed to have little or no value. Upon disposal, a form for disposal will be attached to the original purchase order. The disposal form will include but is not limited to: equipment description; inventoried number; signature of the school director/principal; and signature of a second staff member; disposal receipt, if available

If such equipment is no longer a need for the school, the Director shall be authorized to properly donate such equipment to another public school district. Upon donation, a form will be attached to the original purchase order. The donation form will include but not be limited to equipment description; inventoried number; signature of School Director's; and signature of the receiving director/principal.