

*Adopted MSBA/MASA Model Policy 802*

*Revised: 2022 (Originated 1995)*

## **802 DISPOSITION OF OBSOLETE EQUIPMENT AND MATERIAL**

[Note: The provisions of this policy substantially reflect statutory requirements.]

### **I. PURPOSE**

It is the policy of BrightWorks, the service cooperative, to provide guidelines for the executive director to assist in timely disposition of obsolete equipment and material.

### **II. GENERAL STATEMENT OF POLICY**

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

### **III. DEFINITIONS**

- A. "Contract" means an agreement entered into by the service cooperative for the sale of supplies, materials, or equipment.
- B. "Official newspaper" is a regular issue of a qualified legal newspaper.

### **IV. MANNER OF DISPOSITION**

#### **A. Authorization**

The executive director 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 BrightWorks board. The executive director shall be authorized to properly dispose of used books, materials, and equipment deemed to have little or no value.

#### **B. Contracts Over \$175,000**

If the value of the equipment or materials is estimated to exceed \$175,000, sealed bids shall be solicited by posting for two weeks' a 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 BrightWorks board shall deem necessary.



The sale shall be awarded to the highest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law.

1. 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 be rejected unless 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.
2. In the case of identical high bids from two or more bidders, the BrightWorks board 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 BrightWorks 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 satisfactory bid is received, the BrightWorks board may readvertise.
3. 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.
4. Data submitted by a business to a school in response to a request for bids are private until opened. Once opened, the name of the bidder and the dollar amount specified become public; all other data are private until completion of the selection process, meaning the school has completed its evaluation and ranked the responses. After completion of the selection process, all data submitted by all bidders are public except trade secret data. If all responses are rejected prior to completion of the selection process, all data remain private, except the name of the bidder and the dollar amount specified which were made public at the bid opening for one year from the proposed opening date or until re-solicitation results in completion of the selection process or until a determination is made to abandon the purchase, whichever occurs sooner, at which point the remaining data becomes public. Data created or maintained by the service cooperative as part of the selection or evaluation process are protected as nonpublic data until completion of the selection or evaluation process. At that time, the data are public with the exception of trade secret data.

### **C. Contracts From \$25,000 to \$175,000**

If the amount of the sale is estimated to exceed \$25,000 but not to exceed \$175,000, 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 \$25,000 or Less**

If the amount of the sale is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, at the discretion of the BrightWorks 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. Electronic Sale of Surplus Supplies, Materials, and Equipment**

Notwithstanding the other procedural requirements of this policy, the service cooperative may contract to sell supplies, materials, and equipment which are surplus, obsolete, or unused through an electronic selling process in which purchasers compete to purchase the supplies, materials, or equipment at the highest purchase price in an open and interactive environment.

**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 service cooperative shall sell or procure for sale or possess or control for sale to any other officer or employee of the service cooperative any property or materials owned by the service cooperative unless the property and materials are not needed for public purposes and are sold to a service cooperative employee after reasonable public notice, at a public auction or by sealed response, if the employee is not directly involved in the auction or sale process. Reasonable notice shall include at least one week's published or posted notice. A service cooperative employee may purchase no more than one motor vehicle from the service cooperative at any one auction. This section shall not apply to the sale of property or materials acquired or produced by the service cooperative for sale to the general public in the ordinary course of business. Nothing in this section shall prohibit an employee of the service cooperative from selling or possessing for sale public property if the sale or possession for sale is in the ordinary course of business or the normal course of the employee's duties.

## **H. Exceptions for Surplus School Computers**

A service cooperative may bypass the requirements for competitive bidding and is not subject to any other laws relating to service cooperative contracts if it is disposing of surplus school computer and related equipment, including a tablet device, by conveying the property and title to:

- a. another service cooperative or school district;
- b. the state department of corrections;
- c. the board of trustees of Minnesota State Colleges and Universities;
- d. a charitable organization under section 501(c)(3) of the Internal Revenue Code that is registered with the attorney general's office for educational use.

**Legal References:** Minn. Stat. § 13.591 (Business Data)  
Minn. Stat. § 15.054 (Sale or Purchase of State Property; Penalty) Minn. Stat. § 123B.29 (Sale at Auction)  
Minn. Stat. § 123B.52 (Contracts)  
Minn. Stat. § 471.345 (Uniform Municipal Contracting Law) Minn. Stat. § 645.11 (Published Notice)

**Cross References:** MSBA School Law Bulletin "F" (service cooperative Contract and Bidding Procedures)