

Policy 802 DISPOSITION OF OBSOLETE EQUIPMENT AND MATERIAL

I. PURPOSE

The School District, as a public trust, will manage and efficiently utilize its property, equipment, instructional materials, and fixed assets. Effective use of school building space, and consideration for safety of personnel, will at times require disposal of obsolete equipment and material. Equipment, instructional materials, and fixed assets of the School District which are obsolete, surplus or no longer useable or repairable will be disposed of in a fair and reasonable manner. Refer to the Fiscal Procedure Manual for the disposition of federally funded purchases.

II. DEFINITIONS

- A. “Obsolete” property, equipment, instructional materials and fixed assets are those materials which have been reviewed by District staff and deemed no longer usable for any District purposes.
- B. “Contract” means an agreement entered into by the school district for the sale of supplies, materials or equipment.
- C. “Official newspaper” is a regular issue of a qualified legal newspaper.

III. MANNER OF DISPOSITION

A. Authorization

The superintendent or designee is authorized to properly dispose of obsolete material. Disposition by sale will follow 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.

B. Priority for Disposition

The manner of disposition shall be:

1. Re-use
2. Sell
3. Donate
4. Recycle
5. Dispose

C. Contracts Over \$175,000

1. If the estimated value of the equipment or materials exceeds \$175,000, sealed bids shall be solicited by two weeks’ published notice in the official newspaper and via

electronic media. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

2. The sale shall be awarded to the highest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. Notwithstanding the foregoing, the School District shall have the right to reject all bids.
3. A record shall be kept of all bids for one year and shall include the names of bidders, amounts of bids, and an indication of the successful bid. All bids shall conform to the bidding practice of the School District.
4. In the case of identical high bids from two or more bidders, the school 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 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 satisfactory bid is received, the board may readvertise.
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.
6. 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 resolicitation 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 school district 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.

D. 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.

E. Contracts Less Than \$25,000

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, 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.

F. Electronic Sale of Surplus Supplies, Materials, and Equipment

Notwithstanding the other procedural requirements of this policy, the school district may contract to sell supplies, materials, and equipment which is 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.

G. 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.

H. 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 the property and materials are not needed for public purposes and are sold to a school district 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 school district employee may purchase no more than one motor vehicle from the school district at any one auction. This section shall not apply to the sale of property or materials acquired or produced by the school district for sale to the general public 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 ordinary course of business or the normal course of the employee's duties.

I. Exceptions for Surplus School Computers (Minn. Stat. § 123B.52, Subd.6)

1. A school district 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, including a tablet device by

conveying the property and title to:

- a. another school district;
 - b. the state department of corrections;
 - c. the board of trustees of Minnesota State Colleges and Universities;
 - d. the family of a student residing in the district whose total family income meets the federal definition of poverty, or
 - e. a charitable organization under section 501(c)(3) of the Internal Revenue Code that is registered with the attorney general's office for education use.
2. If surplus school computers are not disposed of as described in Paragraph 1., upon adoption of a written resolution of the school board, when updating or replacing school computers, including tablet devices, used primarily by students, the school district may sell or give used computers or tablets to qualifying students at the price specified in the written resolution. A student is eligible to apply to the school board for a computer or tablet under this subdivision if the student is currently enrolled in the school and intends to enroll in the school in the year following the receipt of the computer or tablet. If more students apply for computers or tablets than are available, the school must first qualify students whose families are eligible for free or reduced-price meals and then dispose of the remaining computers or tablets by lottery.

J. Transfer to Another Public Entity (Minn. Stat. § 471.85; Property Transfer; Public Corporations)

The school district may transfer its personal property for a nominal amount or without consideration to another public corporation for public use.

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School Board

INDEPENDENT SCHOOL DISTRICT 659

Northfield, Minnesota

Legal References: Minn. Stat. § 15.054 (Public Employees Not to Purchase Merchandise From Governmental Agencies; Exceptions; Penalty)
Minn. Stat. § 123B.29 (Sale of School Building at Auction)
Minn. Stat. § 123B.52 (Contracts)
Minn. Stat. § 471.345 (Uniform Municipal Contracting Law)
Minn. Stat. § 645.11 (Published Notice)
Minn. Stat. § 13.591 (Business Data)
Minn. Stat. § 471.85 (Property Transfer; Public Corporations)

Cross References: MSBA Service Manual, Chapter 13, School Law Bulletin "F" (School District Contract and Bidding Procedures)