

CHAPTER 1255
DEPARTMENT OF ADMINISTRATION
MATERIALS MANAGEMENT DIVISION
STATE SURPLUS PROPERTY SALES SECTION

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1255.0200 AUTHORITY AND SCOPE.

Pursuant to Minnesota Statutes, sections 16.02, 16.07, 16.08, 16.24, and 16.28, the State Surplus Property Sales Section, Division of Materials Management, Department of Administration, is responsible for managing a statewide surplus property sales program in order to ensure the effective ultimate disposition of all surplus personal property. Parts 1255.0200 to 1255.0700 govern the disposition of all such obsolete, surplus, and recyclable state property. Sales are conducted via public auction, sealed bid, or negotiation, as set forth below.

Statutory Authority: *MS s 16.02 subd 18; 16.05*

1255.0300 GENERAL TERMS AND REQUIREMENTS OF PURCHASE.

Subpart 1. Waiver of warranty. The state of Minnesota shall make no warranty as to the fitness, merchantability, or other condition of any item sold pursuant to these rules. The purchaser bidding shall agree to purchase said items, conditions "as is -- where is." This waiver includes, but is not limited to a waiver of any purchaser's claim pursuant to Minnesota Statutes, sections 336.2-312 to 336.2-315.

Subp. 2. Transfer requirements and costs. The purchaser shall assume all cost of title transfer and required vehicle registration fees, if any. Items shall not be removed from the premises until the full purchase price and sales tax have been paid, insurance information provided (insurance company and policy number or binder), and the required license plates are attached to the vehicles, where applicable.

Statutory Authority: *MS s 16.02 subd 18; 16.05*

1255.0400 AUCTION SALES.

Subpart 1. General. Pursuant to Minnesota Statutes, section 16.07, subdivision 10, surplus personal property may be sold by auction as follows.

Subp. 2. Notification of auctions. Persons wishing to be notified of state public auction sales shall contact the State Surplus Property Sales Section, 671 N. Robert, Saint Paul, Minnesota 55101, giving their name and complete address. All interested persons shall be placed on an auction mailing list and shall receive bulletins of all public auctions held by the state. State auctions shall also be advertised in news media at least seven days prior to the sale. News media used may include the Minneapolis and Saint Paul papers and/or local papers in the immediate vicinity of the sale.

Subp. 3. Auction terms and requirements. The full amount of the bid price shall be paid at the time of sale for each item selling for less than \$500. A minimum of ten percent of the bid price shall be paid at the time of the sale for each item selling for \$500 or more. All personal checks shall be accepted for the full amount or the ten percent down on the day of the sale. A successful bidder shall pay any balance due on the sale, including sales tax, within five days from the date of the sale. Such balance due payments shall be in the form of

cash, money order, certified check, or bank draft, made payable to the "Minnesota State Treasurer." Full payment shall be received prior to release of merchandise. Failure on the part of the purchaser to remit the balance due on the amount of the bid within five days shall constitute forfeiture of the amount paid at the time of the sale.

Subp. 4. Application for auctioneers. All auctioneers interested in providing their services to the state shall submit their name and address to the State Surplus Property Sales Section, 671 N. Robert, Saint Paul, Minnesota 55101. Sealed bid invitations for auctioneering services shall be mailed to all interested persons for each scheduled auction. Contracts for auctioneering services shall be awarded to a qualified, licensed auctioneer based on the bid requirements, and the lowest percentage fee of each sale's proceeds. In the event of tied commission fee bids, auctioneer shall be chosen on the basis of a draw or by bid negotiation.

Statutory Authority: *MS s 16.02 subd 18; 16.05*

1255.0500 SEALED BID SALES.

Subpart 1. General. Pursuant to Minnesota Statutes, sections 16.02, subdivision 18; 16.07, subdivisions 2 and 4; 16.08, and 16.24, surplus personal property may be sold by sealed bid as follows.

Subp. 2. Notification of sealed bid sales. Persons interested in bidding on the purchase of state surplus personal property shall contact the State Surplus Property Sales Section, 671 N. Robert, Saint Paul, Minnesota 55101, giving their name and complete address. All interested persons shall be required to indicate the types of property they desire to purchase and shall then be placed on mailing lists by commodity group(s). Applicants shall be advised by sealed bid invitation of all applicable commodities for sale in their respective commodity groups.

Subp. 3. Conditions for sealed bid sales. The estimated number or weight of the items listed for sale is for the general guidance of bidders and the state shall assume no responsibility for any variance therefrom. In accordance with the bid requirements, certified checks, cashier's checks, or money orders of successful bidders submitted with the bid may constitute liquidated damages for failure of bidder to enter into contract. Sealed bid sales shall be awarded to the highest responsible bidder.

Subp. 4. Removal from mailing lists. Applicants on sealed bid mailing lists who have not bid for the purchase of state surplus property for a period of two or more years may be removed from all applicable mailing lists. Applicants shall be reinstated upon written request.

Statutory Authority: *MS s 16.02 subd 18; 16.05*

1255.0600 NEGOTIATED SALES.

Subpart 1. Value limit. Pursuant to Minnesota Statutes, section 16.07, subdivision 4, surplus property sales estimated to be \$5,000 or less may be made either upon competitive bids or in the open market.

Subp. 2. Notification of negotiated sales. Persons wishing to be notified of a proposed negotiated sale of specific state surplus personal property shall contact the State Surplus Property Sales Section, 671 N. Robert, Saint Paul, Minnesota 55101.

Subp. 3. Conditions for negotiated sales. If the state is unable to secure sealed bids for the sale of property or it is deemed to be in the best interest of the state, sales may be negotiated with persons who have indicated an interest in the purchase of a specific commodity. So far as practicable, the sales shall be based on at least three competitive bids, shall be permanently recorded and awarded to the highest responsible bidder. The full amount of the purchase price shall be paid at the time of sale. All personal checks shall be accepted for

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the full amount of sale.

Statutory Authority: *MS s 16.02 subd 18; 16.05*

1255.0700 PUBLIC EMPLOYEE PURCHASE OF STATE SURPLUS PROPERTY.

Pursuant to Minnesota Statutes, section 15.054, employees of the state and its political subdivisions are permitted to purchase state surplus personal property including one motor vehicle within each 12-month period via public auction or sealed bid process. Public employees directly involved in the sales process shall not be eligible to purchase state surplus personal property for which they have specific disposition responsibility.

Statutory Authority: *MS s 16.02 subd 18; 16.05*