

1260.0800 PROPERTY SALES.

Subpart 1. **General.** All obsolete, surplus, and recyclable personal property which no longer provides any utility value to the federal surplus property program shall be sold. Local sale of personal property may be authorized, in writing, by the FSP activity or sales shall be conducted centrally by the state Surplus Property Sales Section pursuant to parts 1255.0200 to 1255.0700.

Subp. 2. **Procedure.** Personal property sales may be transacted via the sealed bid process, public auction, or on a negotiated basis. All local personal property sales shall be authorized in writing, by the FSP activity, Division of Materials Management. Application forms for local sale shall be provided by the FSP activity.

Subp. 3. **Reimbursement.** The FSP activity shall determine the maximum amount of reimbursement allowed the donee selling the property pursuant to part 1260.0500, subpart 1, item E. Any revenue from such sale in excess of the authorized reimbursement amount, shall be submitted to the FSP activity, accompanied by a copy of the forms required by the FSP activity for reporting disposition results, a buyer-acknowledged (signed) copy of the sales receipt, and a copy of the donee deposit form. Reimbursement to donee shall be on a prorated basis for the following expenses:

- A. service charge paid to the FSP activity;
- B. transportation charges paid by the donee in initially acquiring the property;
- C. initial costs of repair required to make the items usable; and
- D. administrative costs incurred in the sale or transfer of such property.

Subp. 4. **Sealed bid sales.** Locally authorized bid sales may be used by all donees in the sealed bid sale of federal surplus property when authorized, in writing, by the FSP activity pursuant to subpart 2.

Whenever practicable, at least three competitive bids shall be solicited in the sale of federal surplus personal property via the sealed bid process.

Sealed bid sales which are not authorized locally shall be processed by the FSP activity pursuant to part 1255.0500.

Any employee directly involved in the sales process shall not be eligible to purchase surplus property for which they have specific responsibility.

Subp. 5. **Auction sales.** The FSP activity shall coordinate all federal surplus personal property auction sales for all donees of the state.

When a donee has reported property, pursuant to subpart 2, to the FSP activity, which cannot be transferred to another donee, the FSP activity shall determine the most effective

means of disposal. If an auction sale is warranted, the auction sale shall be processed pursuant to part 1255.0400.

Subp. 6. **Negotiated sales.** Pursuant to Minnesota Statutes, section 16B.07, subdivision 7, sale of federal surplus personal property estimated to be \$5,000 or less may be made either upon competitive bids or in the open market. All negotiated sales shall receive prior approval, in writing, from the FSP activity.

Whenever practicable, at least three competitive bids shall be solicited in the sale of federal surplus personal property via the negotiated process.

No employee of any donee organization may purchase federal surplus property via the negotiated sale process.

The disposition of all negotiated sales shall be reported to the FSP activity on the form provided by the FSP activity, accompanied by a buyer acknowledged (signed) sales receipt and a copy of the donee deposit form.

A copy of the buyer-acknowledged signed sales receipt shall be maintained in the donee(s) files for seven years from the date the sales transaction was consummated.

Statutory Authority: *MS s 16B.04*

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