

STATE & FEDERAL SURPLUS PROPERTY POLICY & PROCEDURES		
NUMBER: GSD-SFP-03	TITLE: Disposition by Sealed Bid, Sale, or Negotiation	APPROVAL: Amy Rice, Manager
EFFECTIVE DATE: May 08, 2006	REVISED DATE: April 7, 2017	REFERENCES: ORC 125.13 (E) (1) (f)

PURPOSE:

To define the policy of State and Federal Surplus Services (State Surplus) for selling excess or surplus property via sealed bid, sale, or negotiation.

POLICY:

In accordance with ORC 125.13 (E) (1) (f), State Surplus may sell excess or surplus property to the general public by auction, sealed bid, sale, or negotiation.

When employing sealed bid, sale, or negotiation to dispose of property, it is the policy of State Surplus to do so in a fair, ethical, and transparent manner. These methods of disposal may be used when State Surplus determines that their use will secure the most advantageous return for the State. Justification could include, but may not be limited to, references to State Surplus' historical sales data, the opinions of subject matter experts, and/or appraisals of property. In all cases, State Surplus shall document a minimum reserve price prior to conducting a sealed bid, sale, or negotiation process.

State Surplus shall maintain independent sales records regarding each type of disposition (i.e. separate records shall be kept for property disposed of via public auction, sealed bid, sale, or negotiation). Sales data shall be captured at the time of sale.

PROCEDURES:

State Surplus staff will use the following procedures to ensure sealed bids, sales, and negotiations are fairly and consistently conducted, processed, awarded, and picked up or delivered in a timely manner.

Sealed Bid

When State Surplus possesses property for which a minimum market price can be determined, but the potential maximum return on investment is hard to predict and prices offered could vary due to the presence of multiple prospective buyers, sealed bid may be an advisable method of disposition. Obtain applicable Turn-In documents, initiate the sealed bid paperwork, and within the prescribed timelines:

1. Process Bid Requests:

- Complete bid sheets: description, minimum reserve based upon a subject matter expert's appraisal, opening, closing, and removal dates;
- Post the bid information online; and
- Distribute bid information and pictures of the property to multiple potential bidders identified by State Surplus or the disposing agency.

2. Opening and Processing Sealed Bids:

- Date stamp bids as received;
- Invite at least one other person to be present when opening bids;
- Open bids as soon as possible after the closing date;
- Document bid responses, verify that the winning bidder is not employed by the disposing agency, and share with the Surplus Manager;
- Upon Surplus Manager's approval, prepare an award sheet and provide a copy to the winning bidder; also retain a copy for State Surplus' records;
- Notify all bidders of bid outcome; and
- Provide winning bidder copy of invoice.

Sale

When the market value of surplus property is well-understood, there is reasonable probability that such property would be desired by the general public, and there is confidence that such property could generate the most advantageous return on investment, sale to the general public may be an advisable method of disposition. Obtain applicable Turn-In documents, initiate sale paperwork, and within the prescribed timelines:

1. Process Sale Requests

- Prepare sale information: description, sale price based upon a subject matter expert's appraisal, and opening, closing, and removal dates (as applicable).

2. Conduct sale of property

- Advertise sale to the general public, in a fair and transparent manner; and
- Sell property to the general public if sale price is accepted by the prospective buyer on a first-come, first-served basis. Prices for surplus property disposed of via sale to the general public are not negotiable. Verify that the buyer is not employed by the disposing agency.

Negotiation

When State Surplus possesses property for which there is a set market price that will not significantly vary between different buyers, and a limited community of prospective buyers exist, negotiation may be an advisable method of disposition. Obtain applicable Turn-In documents, initiate sale paperwork, and within the prescribed timelines:

1. Process Sale Requests

- Complete sale sheet: description, minimum reserve price based upon a subject matter expert's appraisal, and opening, closing, and removal dates (as applicable);

2. Solicit multiple offers and maintain proof of each solicitation and offer received

- Document each solicitation made and each offer received;
- Obtain written and signed offers whenever possible; save as supporting

documentation.

3. Evaluate offers received

- Evaluate offers received and formulate award recommendation;
- Criteria for selecting a written offer:
 - Offeror is not employed by the disposing agency
 - Offer contains all required information from offeror;
 - Offer meets or exceeds minimum reserve; and
 - Offer exceeds all other offers received.
- Presents award recommendation to Surplus Manager on offers received;
- Surplus manager approves or denies recommendation;
- Surplus staff or Manager notifies awarded offeror.

Payment Processing and Property Pickup

For dispositions taking place via sealed bid, sale, or negotiation, the following procedures shall apply:

- Accept an appropriate form of payment;
 - Personal checks and cash cannot be accepted;
 - Checks must be made payable to "Treasurer, State of Ohio" for the amount of the winning bid;
- In accordance with Ohio Administrative Code 113-1-02 (A) (1) process all checks within three business days of receipt;
- Make a copy of check and create payment receipt;
- Notify bidder/buyer of item pickup/delivery timelines; and
- File completed sale documents.
- Bidder/buyer is required to present receipt in order to remove items; and
- Obtain bidder/buyer signature and date the receipt when all items are picked up.