



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

## Operating Policy and Procedure

**HSCEP OP:** 63.11, **Disposal of Surplus, Obsolete, or Uneconomically Repairable Inventory**

**PURPOSE:** The purpose of this Texas Tech University Health Sciences Center El Paso Operating Policy and Procedure (HSCEP OP) is to establish policy and procedures for the disposal of surplus, obsolete, or uneconomically repairable property at Texas Tech University Health Sciences Center El Paso (TTUHSCEP).

**REVIEW:** This HSCEP OP will be reviewed on November 1 of every odd numbered year (ONY) by the Director of General Services, the Director of Safety Services, the Property Manager, and the Director of Accounting Services or designees, with recommendations for revisions submitted to the Chief Financial Officer or designee by November 15.

### **POLICY/PROCEDURE:**

1. **Background.** As a state supported educational institution, TTUHSCEP must meet the requirements of Texas Government Code § 2175, SURPLUS AND SALVAGE PROPERTY. All surplus, obsolete, or uneconomically repairable property shall be disposed of at the discretion of the Surplus Property Manager in the best interest of the institution. An item is not considered surplus property until the department prepares the proper paperwork and it is verified and the item(s) accepted by the Surplus Property Manager. This includes all types of property, except abandoned personal property, carcinogens, hazardous waste, radioactive materials, and laboratory devices which are covered by other HSCEP OP's. Departments should contact Safety Services for the disposal of carcinogens, hazardous waste and radioactive materials.
2. **Definitions.** HSCEP OP 63.10, Property Management, item 2 contains definitions of the following: Computing Device, Confidential Information, Equipment, Property Custodian, Property Manager, Real Property, State of Texas Personal Property, Surplus Property, and Surplus Property Manager, which shall have the same meaning for purposes of this HSCEP OP.

**Political Subdivision** – local governments (city and county) and special districts such as school, parks, water, and airport districts in Texas. A volunteer fire department is considered a political subdivision per government code §2175.004.

### **Public Assistance Organizations:**

- a. A nonprofit organization that provides educational, health or human services or assistance to homeless individuals;
- b. A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
- c. A group, including a faith-based group, that enters into a financial or non-financial agreement with a health or human services agency to provide services to that agency's clients;)
- d. Any other agency that meets the requirements defined by Chapter 2175.001 of the Texas Government Code and approved by the Texas Facilities Commission to receive surplus redistribution (see application at <http://www.tfc.state.tx.us/divisions/supportserv/prog/statesurplus/AssistanceOrgApplication.pdf> and list of approved agencies at

3. **Declaration as Surplus - Department Responsibilities.**

- a. **Property Transfers.** Please refer to HSCEP OP 63.10, Property Management. Initiate the electronic transfer request.
- b. **Disposal of Abandoned Personal Property.** Please refer to HSCEP OP 76.05, Abandoned Personal Property.
- c. **Disposal of Computing or Data Devices.** Each department shall contact Information Technology Department (200 N. Concepcion, 915-215-4111 or submit the work order through TeamDynamics <https://ttuhscep.teamdynamix.com/TDClient/Home/>) to permanently remove all data, including confidential information from computer hard drives, electronic media, etc. Whenever a state-owned computer or equipment with data devices is transferred from one primary user to another, the hard drive or storage media shall be sanitized by Information Technology Department as soon as the previous user's data has been removed. Contact Information Technology Department (200 N. Concepcion, 915-215-4111) for policies and procedures governing this action. Disposing department shall complete a DEPARTMENTAL CERTIFICATION FOR SURPLUS OF AN INVENTORIED ITEM form (Attachment A).
- d. **Disposal of Property with Closed Storage Areas.** Each department shall check all storage areas (i.e. file cabinets, drawers, enclosed areas, etc.) and remove all items contained therein, including confidential information. Disposing department shall complete either attachment A or B. Confidential information certification must be completed prior to transfer of property.
- e. **Disposal of Radioactive Materials and Radiation Producing Devices.** Contact TTUHSCEP Safety Services Department for policies and procedures governing this action.
- f. **Disposal of Batteries, Paint, Chemicals or Other Hazardous Materials.** Contact TTUHSCEP Safety Services Department for policies and procedures governing this action.
- g. **Disposal of Refrigerator/Freezers.** Refrigerators and freezers may be sent to surplus only after meeting the requirements of HSCEP OP 75.05, Contaminated-Suspect Equipment. Refrigeration equipment may be scrapped only after an authorized technician has removed the refrigerant. The costs associated with the removal of the refrigerant from the device will be charged to the disposing department. Please provide a valid funding source when requesting pick-up of any equipment with refrigerant.
- h. **Disposal of Surplus Laboratory Devices.** The following laboratory devices must be disposed as indicated by the Memorandum of Understanding (MOU) between the Texas Department of Public Safety (DPS) and the Texas Higher Education Coordinating Board (THECB) and the Texas Health and Safety Code, Section 81.0621b:
  - 1) Condensers
  - 2) Distilling apparatus
  - 3) Vacuum dryers
  - 4) Three-necked flasks
  - 5) Distilling flasks
  - 6) Tableting machines
  - 7) Encapsulating machines
  - 8) Filter funnels, buchnar funnels and separatory funnels
  - 9) Erlenmeyer flasks, two-necked flasks, single-necked flasks round bottom flasks, thermometer flasks and filtering flasks

- 10) Soxhlet extractors
- 11) Transformers
- 12) Flask heaters
- 13) Heating mantles
- 14) Adapter tubes

Devices included on this list may only be sold to individuals or entities holding a DPS permit authorizing possession of such devices. Institutional or intra-agency transfers of laboratory apparatus are authorized for agencies or entities included under the MOU. All items being disposed of from the list above must be notated on the REQUEST FOR PICK UP OF SURPLUS PROPERTY (items not carried on Inventory) form (Attachment B). Chemical disposals must be facilitated through the Department of Safety Services.

- i. **Disposal of Vehicles.** Disposal of vehicles is subject to the requirements in this OP and the requirements in HSCEP OP 63.04, Disposal of Motor Vehicles.
- j. **Scrap.** Construction contracts/purchase orders should address the disposition of construction residue. All other saleable construction residue, scrap metal, plastics, etc. shall be reported to the Surplus Property Manager for determining the disposition method. Surplus property is not responsible for the removal of trash. Surplus property which is obsolete, unserviceable, in small amounts, or of little salvage value may be sold as scrap or disposed of prior to being placed in a public sale. The proceeds from any scrap sale must be deposited in the TTUHSCEP General Fund, less documented expenses for transporting.
- k. **Costs.** Any costs associated with preparing a surplus item for safe disposal is the responsibility of the department. For example, the costs associated with the removal of the refrigerant from a device, transportation, landfill, environmental or other fees directly related to the disposition of the property will be charged to the disposing department.
- l. **Disposal of Federal Surplus Property.** When work has been completed on a sponsored federal project, a request to transfer the title to government-furnished equipment to TTUHSCEP may be made to the cognizant Government Property Administrator. If the request is denied, the Property Administrator will advise the principal investigator (PI) on the disposal of the equipment. The PI will then prepare DOD Property Record, Form DD 1342, or DOD Inventory Schedule B, form DD 543, and forward them to the Property Manager for further action. These forms may be obtained from the Property Management Department. DEPARTMENTAL CERTIFICATION FOR SURPLUS OF AN INVENTORIED ITEM form (Attachment A) will be forwarded concurrently with either of these forms.
- m. **Controlled Assets.** Surplus equipment/items carried on Property Inventory are to be declared surplus by utilizing the DEPARTMENTAL CERTIFICATION FOR SURPLUS OF AN INVENTORIED ITEM form (Attachment A). Refer to HSCEP OP 63.10, Attachment I for more information concerning class codes/controlled assets. A separate form for each surplus item is required.
- n. **Other surplus Items.** Non-inventoried equipment/items are to be declared surplus by utilizing the REQUEST FOR PICK UP SURPLUS PROPERTY form (Attachment B). Please include a complete description of each item listed. NOTE: Lab equipment must be listed individually and reviewed for compliance with the Health and Safety Code, Section 81.0621b and the MOU (see item h, in this section).
- o. **Pick-up.** Completed surplus property forms shall be submitted to the Surplus Property Manager. Regional campuses should refer to HSCEP OP 63.06, Moving and Delivery Services, for contact information. Surplus Property will coordinate the removal of surplus items except in the case of specialized items, see item 5b. Surplus Property staff will verify that the form is signed and all items are listed properly. Failure to complete the forms

properly may result in a delay in removing the items from the area.

4. **Surplus Property Redistribution.**

- a. The disposing department shall check all storage areas (i.e. file cabinets, drawers, enclosed areas, etc.) and remove all items contained therein, including confidential information. Before processing, the Surplus Property Manager is responsible for implementing procedures to check and verify all storage areas (i.e. file cabinets, drawers, enclosed areas, etc.) are empty or remove any items found and notify the disposing department.
- b. Upon receipt of the surplus item(s), the Surplus Property Manager will verify the information listed on the DEPARTMENTAL CERTIFICATION FOR SURPLUS OF AN INVENTORIED ITEM form (Attachment A) or REQUEST FOR PICK UP OF SURPLUS PROPERTY (Attachment B). The Surplus Property Manager will then approve the electronic transfer request.
- c. Surplus item(s) should be available for viewing in person or online by other TTUHSCEP departments for a minimum of 4 days. When a department has a need for the property, the Surplus Property Manager will initiate the electronic request transfer on a non- reimbursable basis and arrange for delivery or pick-up of the items along with the TRANSFER FROM SURPLUS TO DEPARTMENT REQUEST (HSCEP OP 63.10 Attachment E).

If the property is not requested within 4 days, items will be available for a minimum of 10 days for redistribution to other state agencies, political subdivisions, and assistance organizations. A transfer to a state agency has priority over any other request for transfer during this period except for a transfer to a TTUHSCEP department.

- If not transferred, the remaining property will be sold or disposed of at the discretion of the Surplus Property Manager in the manner most advantageous to TTUHSCEP.
- All computers and related peripheral items not redistributed must be listed for Texas Correctional Industries (TCI) to accept in accordance with Government Code §2175.905.

5. **Sale of Surplus.**

- a. **Sale.** Surplus property which is not redistributed may be sold to the public. Each regional campus and remote satellite location is responsible for determining the method used for public sale. Any questions should be directed to the Surplus Property Manager.
- b. **Specialized Items.** Surplus property which is large in size, has substantial salvage value or is specialized in nature may require special provisions for disposition.
  - May be sold from other locations when it is not economically feasible to move surplus property from the department to the surplus sale holding area.
  - Any transportation, landfill, environmental, or other fees and expenses directly related to disposition of the property will be charged to the department disposing of the equipment or may be deducted from the proceeds.
  - Items may not be sold directly to an individual without giving other individuals the opportunity to bid.
  - The Surplus Property Manager may sell the property in the manner most advantageous to TTUHSCEP.

**Disclaimer.** When bids are solicited for sale of surplus property, TTUHSCEP shall, in all instances, reserve the right to reject any and all bids and to waive any or all formalities. All items are offered "WHERE IS - AS IS" and ALL SALES ARE FINAL WITH NO REFUND.

c. **Procedure for Public Sale of Surplus Property.**

- 1) Property is sold through the Public Surplus website: <http://www.publicsurplus.com>. Public Surplus handles all payments.
- 2) Acceptable forms of payment are: Wire Transfer or Credit Card. No cash, checks, or money orders will be accepted!
- 3) Payment for an awarded item must be received within 5 business days of close of auction.
- 4) TTUHSC El Paso will charge a sales tax of 8.25%. The tax rate will be calculated at the time of bidding on an item(s). When sales tax is included, the buyer shall add and include the sales tax amount when making payment. If the buyer is tax exempt, a tax exempt certificate must be received in the General Services main office prior to payment.
- 5) Buyers Premium: A Buyers Premium of 10% will be added to the final sale price with a \$1 minimum charge per auction for payment collections.
- 6) All sales are final. Public Surplus will notify buyer of receipt of payment via email. Buyer must remove auction item(s) from TTUHSC El Paso premises within 5 business days of notification by Public Surplus of receipt of payment. The payment receipt must be presented at the time of pick up or TTUHSC El Paso will not release the item.
- 7) Bid Deposits: TTUHSC El Paso may require bid deposits to ensure fairness and equity to all buyers as a way to decrease default bidding.
- 8) Pick-up hours by appointment only. Successful bidder will be responsible for removal of item.

6. **Disposition of Proceeds.** Funds from the sale of surplus property, less disposal expenses, will be credited to TTUHSC El Paso Educational and General Funds local income with the exception of property purchased with sponsored project funds and specific prearranged transfers according to HSCEP OP 63.10 section 10. Costs associated with preparing the item(s) for sale and costs associated with the sale itself may be recovered and deposited in the funding source FOP from the proceeds. If amount is more than 10% of the proceeds, receipts and proper documentation must be maintained. The sale of surplus property purchased with sponsored project funds must be in accordance with the applicable federal property management standard (OMB Circular A-110 or equivalent) which generally requires that proceeds be returned to the sponsoring agency.