

Texas A&M University Surplus Property Standard Procedures Manual

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1. DEFINITIONS

These definitions are sourced from the [Texas Administrative Code](#) or [Government Code 2175](#). The following words and terms, when used in this chapter, shall have the following meaning, unless the context clearly indicates otherwise.

(100) Assistance organization--

(A) A nonprofit organization that provides educational, health, or human services or assistance to homeless individuals; or

(B) A nonprofit food bank that solicits, warehouses, and distributes edible but unmarketable food to agencies that feed needy families and individuals; or

(C) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance office of the Agency for International Development; or

(D) 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; or

(E) a non profit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters; or

(F) The Texas Boll Weevil Eradication Foundation Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under §74.1011, Agriculture Code; or

(G) A local workforce development board created under §2308.253 of the Texas Government Code; or

(H) A nonprofit computer bank that solicits, stores, refurbishes, and redistributes used computer equipment to public school students and their families.

(I) A list of approved assistance organizations can be found [here](#). To apply as an assistance organization an organization must file an application with the Texas Facilities Commission found [here](#).

(101) Certificate of Acquisition

A form prescribed by the Surplus Property Office that verifies the qualifications of a qualified assistance organization or political subdivision as an entity entitled to receive state surplus or salvage property. A copy of the form can be found [here](#).

(102) Data processing equipment

Equipment as defined by Texas Government Code, §2054.003 to be information technology equipment and related services designed for the automated storage, manipulation, and retrieval of data by electronic or mechanical means to include:

(A) central processing units, front-end processing units, miniprocessors, microprocessors, and related peripheral equipment such as data storage devices, document scanners, data entry equipment, terminal controllers, data terminal equipment, computer-based word processing systems other than memory typewriters, and equipment and systems for computer networks;

(B) all related services, including feasibility studies, systems design, software development, and time-sharing services, provided by state employees or others; and

(C) the programs and routines used to employ and control the capabilities of data processing hardware, including operating systems, compilers, assemblers, utilities, library routines, maintenance routines, applications, and computer networking programs.

(103) Personal property--property that is lawfully confiscated and subject to disposal by a state agency. Personal property affixed to real property may be sold as surplus or salvage property if its removal and disposition is for a lawful purpose under Texas Government Code, Chapter 2175, Subchapter C or another law.

(104) Method of payment--A cashier's check, certified check, a money order, or any other approved method of purchase at the time of sale is acceptable payment under this section.

(105) Political subdivision—Each political subdivision of the state and volunteer fire departments.

(106) Salvage property--Any personal property which through use, time, or accident is so depleted, worn out, damaged, used, or consumed that it has no value for the purpose for which it was originally intended.

(107) State agency--

(A) A department, commission, board, office, or other agency in the executive branch of state government created by the state constitution or a state statute;

(B) The Supreme Court, the court of criminal appeals, a court of appeals, or the Texas Judicial Council;

(C) The Texas Civil Air Patrol; and

(D) Excluding those entities in Texas Government Code, §§2175.301, 2175.302, 2175.304.

(108) Surplus property--Personal property that exceeds a state agency's needs and is not required for the agency's foreseeable needs; including used or new property that retains some usefulness for the purpose for which it was intended or for another purpose.

2. GENERAL TERMS AND CONDITIONS

General terms and conditions of this subchapter are as follows:

(201) Method of disposal

A department that determines that it has surplus property or salvage property shall inform the Surplus Property Office of the property's kind, asset number, location, condition, original cost or value, and date of acquisition on the form [FDP-411A Property Transfers](#) . Additionally, based on the condition of the property, the Surplus Property Office shall determine whether the property is:

(A) Surplus property that should be offered for transfer under §2175.125 of the Texas Government Code and Section 3 of this code (relating to Direct Transfer, Priority, Reporting, and other Disposition); or

(B) Should be disposed of by competitive bidding, auction or direct sale under Section 4 of this code (relating to Disposition of Surplus and Salvage Property to the Public by Competitive Bidding, Auction, or Direct Sale); or is

(C) Salvage property.

(D) The Surplus Property Office will make this determination and shall inform the Property Manager of its determination.

(202) Notice of availability

The Surplus Property Office shall maintain a list of current surplus or salvage property and inform other state agencies, political subdivisions, and assistance organizations of the Surplus Property and make available for viewing Monday thru Friday during normal business hours. Customers browsing the warehouse will need to claim items by attaching a red tag for a departmental/agency claim and a yellow tag for a non departmental/agency claim. In either case the property must be removed from the Surplus Property Office within 5 business days. If in 5 business days items are not claimed they revert back to the Surplus Property Office.

(203) Priority for transfer to state agency

During the ten (10) business days after property is viewable and transferred to the Surplus Property Office, a transfer to another state agency/Texas A&M University Department has priority over any other type of transfer under this subchapter.

(204) Disposition of surplus or salvage data processing equipment

Surplus or salvage data processing equipment from state agencies, institutions or agencies of higher education, or eleemosynary institutions that is not disposed of pursuant to the Texas Government Code, §2175.125, §2175.184, or other law, shall be transferred by the state agency or institution to a school district or open-enrollment charter school in this state under Subchapter C, Chapter 32, of the Education Code, to an assistance organization specified by the school district or to the Texas Department of Criminal Justice. An eleemosynary institution, state agency or an institution or agency of higher education may not collect a fee or other reimbursement from the district, the school, the assistance organization specified by the school district or the Texas Department of Criminal Justice for the surplus or salvage data processing equipment. Pursuant to §2175.306, a state agency involved in health, human services or education, when disposing of state surplus or salvage data processing equipment, shall give a preference to a public school, school district or assistance organization specified by the school district. Pursuant to Texas Government Code, §2175.305, the Secretary of State shall give preference to transferring surplus computer equipment to counties for the purpose of improving voter registration technology in compliance with the Election Code, §18.063.

(205) Surplus Property fee's

The Texas A&M University Surplus Property Office disposes of surplus or salvage property under this subchapter shall assess and collect from the selling department a fee

of 10% from the sale of property, to recover the costs associated with the sale of property. The fee shall be set and reviewed annually by the Surplus Property Office and shall be at least two percent (2%) but not more than twelve percent (12%) of the sale proceeds. Property disposed of by direct transfer under section 3 of this title (relating to Direct Transfer, Priority, Reporting, and other Disposition) are not subject to this fee.

(206) Delegation of authority to a Texas A&M University department

If a department of Texas A&M University demonstrates to the Surplus Property Office its ability to dispose of its own surplus or salvage property to the public in a manner that results in cost savings to the state, the Surplus Property Office may authorize the department to do so. The department shall follow procedures provided by the Surplus Property Office at the time the delegation is granted and shall provide a report of the proceeds by assigned sale number no later than September 10th of each year for the prior fiscal year.

(A) Delegation of authority will be based on receipt of and concurrence by the Surplus Property Office of the department's projection of cost savings to the state.

(B) Criteria used to delegate authority to a department demonstrating cost savings to the state may include information about the property such as age, condition, limited use, size, volume, expected return and/or location; information about the department such as its ability to account for and report staffing, disposals, location, and/or specific knowledge about the property.

(207) Firearms

The purchaser of a surplus firearm must be a licensed firearm dealer.

(208) Rejection of bids

The Surplus Property Office reserves the right to reject any bid or part of a bid, and or waive minor technicalities.

(209) List of buyers

The Surplus Property Office shall maintain an annually updated list of qualified buyers of surplus and salvage property. The Surplus Property Office shall renew annually a list it maintains of

(A) [Assistance organizations](#) and individuals responsible for purchasing for political subdivisions who have requested information regarding available state surplus or salvage property; and

(B) Other prospective buyers of surplus and salvage property.

(C) Names may be deleted from lists maintained by the Surplus Property Office for failure to bid, failure to make a payment or failure to remove awarded items.

(D) A buyer who has been removed from the buyers list for failure to make a payment or to remove surplus or salvage property may not reinstated to the list until a written request has been presented to and approved by the Surplus Property Office.

3. Direct Transfer, Priority, Reporting, and Other Disposition

(300) Disposition of state surplus and salvage property by direct transfer

During the ten (10) business days after surplus or salvage property is viewable and transferred to the Surplus Property Office, a state agency, political subdivision, or assistance organization may coordinate directly with the Surplus Property Office for a transfer of property at a price, if applicable, established by the Surplus Property Office.

(301) Priority of claim

(A) The first state agency, political subdivision or assistance organization that agrees to the established price before the expiration of ten (10) business days shall be entitled to the property provided; however, a state agency shall have first priority over all other entities.

(B) In the event two competing and equivalent requests are received from parties of equal standing the Surplus Property Office shall award the property in the best interests of the state. Two or more requests shall be considered "competing and equivalent" for purposes of this rule if each meets the price established by the Surplus Property Office or reporting department on the same business day, and within the ten (10) business day period following the transferring to the Surplus Property Office.

(302) Reporting requirements

(A) Reporting by Surplus Property Office. If a transfer is made to a state agency, the Surplus Property Office shall report the transaction to the Texas A&M University Property Manager as provided by law. The Property Manager shall then debit and credit the proper appropriations within the systems maintained by the Texas A&M University.

(B) Reporting by other entities. A political subdivision or assistance organization acquiring surplus or salvage property from a state agency must in conjunction with the state agency complete a "[Certificate of Acquisition](#)". A political subdivision or assistance organization must certify its qualification and an assistance organization must additionally provide documentation as required. "[Certificate of Acquisition](#)" is to be retained by the state agency and documentation of the transaction is to be entered into the Comptroller's State Property Accounting System. Political subdivisions and assistance organizations must provide Texas A&M with a letter (on official letterhead) requesting the acquisition of surplus property from Texas A&M and listing the personnel designated to screen and pickup surplus property. Assistance organizations are required to indicate under what part of the definition they qualify, and, if other than the Texas Partners of the Americas, must furnish Texas A&M with one of the following:

- (1) If a nonprofit organization, proof of their nonprofit status either
 - Letter from the Internal Revenue Service designating nonprofit status
 - Letter from the Texas Comptroller of Public Accounts granting tax exempt status
- (2) If a group that provides services to the clients of a health or human services agency, a letter from the health or human services agency identifying group as having such an agreement and the period of time for the agreement

(303) Other disposition

If a direct transfer of the property is not arranged within ten (10) business days after the transfer of the property to the Surplus Property Office in subsection 300 of this section, the Surplus Property Office shall, with the exception of data processing equipment, dispose of the surplus or salvage property to the public in accordance with Section 4 of this title (relating to Disposition of Surplus and Salvage Property to the Public by Competitive Bidding, Auction, or Direct Sale).

(304) Terms

A state agency who claims state property and a transfer completed is non-transferable for a minimum period of 1 year unless it is transferred to the Surplus Property Office.

4. Disposition of Surplus and Salvage Property to the Public by Competitive Bidding, Auction, or Direct Sale

(400) Generally

If no state agency, political subdivision, or assistance organization desires to receive any property reported as surplus or salvage, the Surplus Property Office may dispose of the property, with the exception of data processing equipment, in a method that is most advantageous to the state and the reporting agency under the circumstances.

(A) Disposal. Property not disposed of under Section 3 of this title (relating to Direct Transfer, Priority, Reporting, and other Disposition) may be disposed of by sealed bids, auction, or direct sale to the public, including a sale using an internet auction site.

(B) Method of Sale. The Surplus Property Office will consider the following criteria for determining the method of sale for surplus and salvage property:

- (1) Geographic location;
- (2) Cost of transportation if applicable;
- (3) Sales history for similar property;
- (4) Type of property; and
- (5) Condition of property.

(C) Delegation of disposal authority. The Surplus Property Office may delegate its authority to dispose of property not disposed of under Section 3 of this code (relating to Direct Transfer, Priority, Reporting, and other Disposition) to a department having possession of the property by any method listed in subsection (400.A) of this section, so long as the method of sale disposal is most advantageous to the state under the circumstances, and the delegation is approved by the Surplus Property Office. Any delegation under this section shall be subject to the procedures and reporting requirements in subsection 205 of this title (relating to General Terms and Conditions).

(D) Requirement to advertise. If the value of any lot of property to be disposed of under this section is estimated to be worth more than \$5,000, the sale shall be advertised at least one time in at least one newspaper/periodical of general circulation in the vicinity in which the property is located.

(401) Disposition by competitive sealed bids

(A) Bid deposits. A 10% bid deposit is required; the deposit must be in the amount specified in the bid invitation. Only the following will be considered as meeting the bid

deposit requirements: a cashier's check, a certified check, a money order, or cash in the amount specified in the bid invitation. Failure to include a bid deposit in the proper amount will automatically disqualify a bid.

(B) Notice of award. The Surplus Property Office will notify the successful bidder or bidders, on a sealed bid sale of surplus or salvage property, that an award has been made to them and specify a period of time for payment. In the event that a successful bidder fails to make payment within the specified time, the Surplus Property Office may retain the bid deposit and consider it forfeited. Furthermore, the bidder forfeits his rights to the property and ownership of the property remains with the Texas A&M University.

(C) Transfer of property and forfeiture. When a successful bidder has paid the full amount due for the purchase of surplus or salvage property obtained through a sealed bid sale, the Surplus Property Office shall notify both the successful bidder and the department holding the title of the surplus or salvage and authorize the transfer of possession. In the case of vehicles or other items which require title transfer, it shall be the responsibility of the Surplus Property Office to complete the transfer of title to the successful bidder. In the event a bidder pays for the property but fails to remove the property within the time specified, the bidder forfeits his rights to the property and ownership of the property reverts to the state.

(402) Request for Sale

(A) The Surplus Property Office will prepare a request for sale memo regarding the proposed special sale for the Director of Logistics on any auction where the residual value is less than \$100,000. The additional approval to an auction of \$100,000 or greater residual value will include the approval of the Associate Vice President for Business Affairs as well as the Senior Vice President and Chief Financial Officer. The following signature approval lines must be included in the request for sale:

1. Surplus Property Supervisor
2. Texas A&M University Property Manager
3. Director of Logistics Services
4. Associate Vice President of Business Affairs(\$100,000 or greater)
5. Senior Vice President and Chief Financial Officer(\$100,000 or greater)

(B) Request for sale through auction can only be requested in three week intervals; Requests for sale by means other than scheduled auction (i.e. transfers) may be approved outside three week intervals as needed.

(403) Disposition by live auctions

Surplus or salvage sold through the live auction method shall be accompanied by an auctioneer's paid receipt. The auctioneer's paid receipt will serve as the authorization of the Surplus Property Office that the purchaser has in good faith complied with the conditions of the sale. In the case of vehicles or other items carrying titles, the Surplus Property Office shall be responsible for the transfer to the successful bidder. In the event that a successful bidder fails to make payment or remove the property within the specified time, the bidder forfeits his rights to the property and ownership of the property remains with the state.

(404) Disposition by direct sale to the public

(A) Generally. If the Surplus Property Office or a department which has been delegated authority under subsection (400.C) of this section or under (205.A), determines that selling the property by competitive sealed bid or auction, would not maximize the resale value of property to the state, the Surplus Property Office or department may sell surplus or salvage property directly to the public.

(B) Fixed price. The Surplus Property Office, in cooperation with the selling department that declared the property as salvage or surplus, or a department which has delegated authority under subsection (400.C) of this section or under (205.A) of this title, shall set a fixed price for the property.

(C) Location and method of direct sales. Direct sales operations may be conducted at designated state facilities or warehouses approved by the Surplus Property Office, or by Internet auction.

(1) Access. The general public and assistance organizations will have equal access.

(2) Payment. A purchaser under this section must pay for the property by an approved method at the time sale and prior to obtaining possession or actual title to the property.

(3) Forfeiture. In the event a purchaser pays for property but fails to remove it with the time specified at sale under the Surplus Property Office terms and conditions, the purchaser forfeits any ownership rights and subsequently, ownership reverts to the Texas A&M University without recourse.

(4) Internet auction. The Surplus Property Office may contract with one or more commercial Internet auction sites for sale of state surplus or salvage property. Property on the Internet auction site shall be posted for at least ten (10) calendar days.

(405) Disposition of property with no resale value (salvage)

If the Surplus Property Office or a state agency with delegated authority under subsection (400.C) of this section or under (205.A) of this code (relating to General Terms and Conditions) does not dispose of property under another method in this subchapter, and has advertised the property for sale and received no bids, or has determined that the property has no resale value, the Surplus Property Office with coordination with the Texas A&M University Property Manager may delete the property on the State Property Accounting System and dispose of the property in a manner that best serves the interests of the state in accordance with Gov't Code, §2175.193.

(406) Purchaser's title

A purchaser of surplus or salvage property at a sale conducted under this section obtains good title to the property if the purchaser in good faith has complied with all the terms and conditions of the sale.

(407) Reporting of sale

(A) On a sale by the Surplus Property Office of any property under this section, the Surplus Property Office shall report the property sold to the Texas A&M University Property Manager and the sales price to the department that declared the property surplus or salvage.

(B) The Surplus Property Office or a department with delegated authority under this subchapter shall report the sale and the amount of the sale proceeds to the Texas A&M

University Property Manager. The Texas A&M University Property Manager by law shall remove the property from the State Property Accounting System.

5. PROCEEDS

(500) PROCEDURES

The proceeds from the sale of any surplus or salvage property, less the costs of advertising, selling, auctioneer services, if any, and any fee collected under subsection 205 of this code (relating to Surplus Property fees), shall be deposited into the selling department general fund notated during the approval to sell surplus or salvage property. The portion of the proceeds from the sale of any surplus or salvage property equal to the costs of advertising, the sale and the costs of auctioneer services, if any, shall be deposited with the Surplus Property Office account to the credit of the item of appropriation to the Surplus Property Office from which such costs were expended. The fee collected under subsection 205 of this code shall be deposited with the Surplus Property Office accounts to the credit of its general revenue fund.

6. PURCHASE OF CHAIRS

(600) FAIR MARKET VALUE

(A) The Surplus Property Office shall determine the fair market value of the chair which an appointed or elected official or executive head of an executive or legislative agency other than the legislature used during his or her tenure of service and which the official desires to purchase upon vacation of office or termination of service.

(B) The Surplus Property Office will determine the fair market value of the chair and notify in writing the property manager of the department requesting the determination. Upon payment of the determined fair market value of the chair, the property manager may transfer the chair to the state official and remove the chair from any inventory of personal property.

(601) SUBMISSION OF REQUEST TO SELL

(A) The property manager of the state agency shall submit the following information concerning the chair to the Surplus Property Office:

- (1) Acquisition date;
- (2) Original cost;
- (3) Inventory number, if applicable;
- (4) Description of chair including brand and model number;
- (5) Current condition;
- (6) Current estimated value; and
- (7) Name of the appointed or elected official or executive head of the department and the date of vacation of office or termination of service.

7. PURCHASE OF A FIREARM

(700) PURCHASE OF FIREARM BY HONORABLY RETIRED PEACE OFFICER

(A) An individual may purchase a firearm from a state agency if:

- (1) The individual was a peace officer commissioned by Texas A&M University;
- (2) The individual was honorably retired from the individual's commission by the

state;

(3) The firearm had been previously issued to the individual by Texas A&M University; and

- (4) The firearm is not a prohibited weapon under Section 46.05, Penal Code.

(B) An individual may purchase only one firearm from a state agency under this section.

(701) PURCHASE OF FIREARM BY SURVIVING SPOUSE, CHILD, OR PARENT OF DECEASED PEACE OFFICER

(A) An individual listed under Subsection (700.A) may purchase a firearm from Texas A&M University if:

(1) the firearm had been previously issued by the Texas A&M University to a peace officer commissioned by the Texas A&M University who died while commissioned, without regard to whether the officer died while discharging the officer's official duties; and

- (2) The firearm is not a prohibited weapon under Section 46.05, Penal Code.

(B) Individuals who may purchase the firearm under Subsection (701) are, in order of precedence:

- (1) The surviving spouse of the deceased peace officer;
- (2) A child of the deceased peace officer; and
- (3) A parent of the deceased peace officer.

(702) PURCHASE PRICE OF FIREARM.

Texas A&M University shall establish the amount, which may not exceed fair market value, for which a firearm may be purchased under this subchapter. Purchase price is typically determined by gathering at minimum 2 appraisals from certified professionals.

(703) WHEN FIREARM MAY BE PURCHASED FROM STATE AGENCY; DELAY OF SALE BY AGENCY

(A) Except as provided by Subsection (701.A), an individual must purchase a firearm under Section 7 before the second anniversary of the date of the person's retirement or under Section 7 before the second anniversary of the date of the officer's death.

(B) If Texas A&M University cannot immediately replace the firearm Texas A&M University may delay the sale of the firearm until the agency can replace the firearm.

8. FACULTY TRANSFER

(800) Request for Special Sale

(A) In the event of a transferring professor a Department Head or Dean may in writing request authority from the Director of Logistics thru the Texas A&M University Property Manager to transfer equipment to the designated institution. The letter should include the following:

- (1) Professor's Name;
- (2) Department;
- (3) Transferring Institution;
- (4) Brief description;
- (5) Total Value of Assets; This can be the proposed offer from institution;
- (6) Fund Allocation;
- (7) Method of removal;

(B) The Department Head or Dean shall submit the following information concerning the property to the Surplus Property Office:

- (1) Quantity of Items
- (2) Description of equipment;
- (3) Inventory number, if applicable;
- (4) Acquisition date or years possessed;
- (5) Itemized Original cost;
- (6) Total Cost
- (7) Proposed itemized purchase offer from purchasing institution

(C) The Department Head or Dean should also include any pertinent information that will help facilitate the authorization process.

(801) Authorization

(A) The Director of Logistics having considering all pertinent information, such as but not limited to the following will authorize or recommend the selling of equipment under subsection 402.A

- (1) Value of equipment;
- (2) Research needs;
- (3) Usage to Texas A&M University;
- (4) Age of the equipment;
- (5) Specialization

(B) Terms and Conditions

(1) The Texas A&M University Department requesting the authorization to sell provides the Surplus Property Office with the [FDP-414 Property Additions and Deletions](#) for each of the items prior to the equipment's transfer.

(2) The transferring institution submits to the Surplus Property Office payment for the equipment being removed from Texas A&M University facilities.

(3) Proceeds from the sale are deposited according to subsection 802 of this code.

(802) Proceeds

The Texas A&M University Surplus Property Office authorizes the removal of property under this subchapter and shall assess and collect from the selling department a fee of 3% from the sale of property if the negotiated price is determined by the department and 5% if the purchase price is to be negotiated by the Surplus Property Office, to recover the costs associated with the sale of property. The fee shall be set and reviewed annually by the Surplus Property Office and shall be at least two percent (2%) but not more than twelve percent (12%) of the sale proceeds.