



STATE OF RHODE ISLAND
Department of Administration
**DIVISION OF CAPITAL ASSET MANAGEMENT
AND MAINTENANCE**
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DCAMM – RECEIPT, DISPOSAL AND/OR SALE OF STATE SURPLUS PROPERTY – 2022

Division of Capital Asset Management & Maintenance

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Disposal/Sale of State Surplus Property Policy

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1. Purpose

The purpose of this policy is to govern the redistribution, sale, and/or disposal of State surplus property from Executive Branch agencies. This centralized approach to the transfer or disposal of state surplus property in a transparent manner in a centralized data base is designed to maximize the financial benefit to the State and to support the operational needs of State agencies through the redistribution or sale of surplus property.

2. Applicability

The Director, Department of Administration, is authorized to conduct a surplus property program as outlined in the General Laws of the State of Rhode Island, Title 37, chapter 37-2, section 37-2-54. All Executive Branch agencies are required to follow this policy for the redistribution, sale, or disposal of surplus property. The Director of Administration has designated the Director, DCAMM to administer a State surplus property program.

3. Definitions

- i. The Division of Capital Asset Management and Maintenance “DCAMM” refers to the state agency responsible for the administration of the State’s Surplus Property Program, which includes the storage, transfer, or disposal of surplus property.
- ii. “Donor” means a person/entity that gives, donates surplus property without receiving compensation in exchange.
- iii. “Excess Property” means state property that is no longer needed by the controlling Agency who owns the property in question.

- iv. “Salvage Property” means any property that through use, time, or accident is so damaged, worn, or consumed that it is no longer of value for the controlling agency. Upon approval by DCAMM, agencies are authorized to properly destroy property items considered to be worthless via state-approved methods.
- v. “Scrap” means property that consists of recyclable materials left-over from product manufacturing and consumption, such as building supplies, and surplus materials. Unlike salvage, scrap has monetary value, especially recovered metals, and nonmetallic materials, which are also recovered for recycling. It may not be used for private benefit or profit. Scrap may be sold by the State as is individually or as a “lot” to interested parties via public auction.
- vi. “Surplus Property” means property that no longer meets a state agency's needs and is not required for the agency's foreseeable needs. The term includes used or new property that retains some usefulness for the purpose for which it was intended or for another purpose. All state agency-owned personal property (e.g. furniture, office machines) excluding land and buildings, acquired with appropriated funds.
- vii. “Total Loss” in the case of a vehicle means a vehicle has been appraised as a total loss due to the extent and cost of damages that exceed 75% of the vehicle’s value.
- viii. “Lot” means a grouping of similar or dissimilar surplus property disposed of as a single item when referring to sale or auction of said property.

4. Procedures for the Redistribution, Sale, and/or Disposal of State Surplus Property.

- i. Reporting Surplus Property.
 - a. An agency must report property that is no longer needed to DCAMM by completing a FA-70 Report of Fixed Asset Form to receive authorization for disposition and/or disposal.
 - b. Once a request has been received, DCAMM will assign a reference number and confirm authorization of disposition and/or disposal by the requesting agency.
 - c. If the requesting agency is unable to surplus their property from its present location, usable surplus items will be transported to a DCAMM surplus storage location for eventual disposition. DCAMM will facilitate the transfer of the surplus property with a moving vendor, MPA 532. In the case of a vehicle, if it can be operated safely, the requesting agency will transport the vehicle to the State surplus lot or transport it via a moving vendor or Correctional Industries as described above. If deemed more appropriate by

DCAMM and the requesting agency, surplus property pending sale or disposal may be left onsite at the requesting agency until sold or transferred to a landfill.

- d. Once usable surplus property is received by DCAMM, it will be inventoried and recorded in an electronic log identifying date received, agency received from, description of property received, condition of property received, photograph, and then uploaded and databased in Govdeals for disposition. Property will be identified for either short-term storage (up to 90-days) or long-term storage (up to 6-months). A dispose by date will be annotated in the electronic log. If not transferred to another State agency and upon reaching the dispose by date, surplus property will be sold at auction or disposed at a landfill as a salvaged item.
- ii. Transfer of Usable Surplus to Another State Agency.
 - a. The agency (owner) must complete the FA-80 Form (Report of Fixed Assets Transfers) and submit it via email to the Office of Accounts & Control and DCAMM. FA-80 Form Instructions.
 - iii. Disposal of Scrap Surplus Items.
 - a. In the case of a vehicle where the loss/damage is covered by insurance, the insurance company may take possession of the vehicle upon rendering payment. If no party is at-fault and the vehicle is a total loss, the vehicle will be sold/auctioned as scrap. If an agency recommends repairing a vehicle deemed to be a total loss, it must receive written approval from State Fleet and ensure compliance with RIGL 31-46-7.
 - iv. Electronic and Computer Items.
 - a. Agencies must coordinate the disposal of electronic equipment in advance with the Division of Information Technology (DoIT).
 - b. Agencies are responsible for ensuring that any confidential or sensitive data is removed from surplus property prior to disposing.
 - c. Each agency or department is responsible to transport and dispose of all electronic equipment.
 - d. DCAMM can be contacted for information regarding vendors that provide E-Waste disposal services.

- v. Salvage Property must be Disposed at the Landfill/Dumpster.
 - a. The agency disposing property will arrange for the disposal of salvage property with a moving vendor, Master Price Agreement (MPA) 532.
- vi. Sale of Property.
 - a. DCAMM will manage the sale of surplus property through a web-based, public auction platform (Govdeals or equivalent) following the three-tiered process below, beginning with tier one:

Tiers	Auction Notes	Response Timeframe
Tier One (1)	State agencies receive notice that surplus property has been identified for disposal by (Fleet/Furniture, Fixtures or Equipment (FFE) - Surplus).	Agencies will be given one (1) week to respond to (Fleet/FFE - Surplus) with a request for the property to be transferred to requesting agency for its own use.
Tier Two (2)	If no response is received from a state agency, then municipalities, school districts, non-profit health and education entities will be given notice of surplus property identified for disposal.	Tier two agencies will be given one (1) week to purchase state surplus property at a preset price set at the discretion of (Fleet/FFE - Surplus), determined by appraisal + appraisal cost, comparative analysis, scrap rate, or book value. The applicable FA70 form will be appended to the listing notice.
Tier Three (3)	If there is no interest from either tier one or two-agencies, the surplus property will be made available for general auction to the public.	The length of the auction, number of times posted for auction, starting bid or reserve bid will be set at the discretion of the (Fleet/FFE - Surplus) administrator.

- b. DCAMM will upload pictures and a description of the property to an internet-based auction site for property, equipment and/or scrap to be sold.
 - c. DCAMM reserves the right to have surplus property appraised by a qualified vendor listed on the MPA. DCAMM may also use comparative analysis, use scrap value, or use book value, whichever value is most advantageous to the State. When an appraisal is utilized to determine value, the appraisal fee will be incorporated into the set price. Appraisers must be an independent and disinterested party when valuating State surplus property or must reclude themselves. Appraisers are required to avoid and report any contact and/or relationship with interested parties or individuals trying to exhort influence over their valuation. In the instance where this occurs the appraisal will be reassigned. DCAMM will cover the cost of appraisal fees out of the administrative fee referenced below.

- d. DCAMM reserves the right to define or establish a “lot” or quantity of surplus property in each auction listing.
- e. DCAMM reserves the right to post or withhold surplus from public auction (Tier Three) as deemed necessary, for purposes of capturing the largest amount of profit from the sale.
- f. Proceeds from the sale of surplus property will be deposited to the general fund, less a ten percent (10%) administrative fee to be retained by DCAMM in the Surplus Property internal service fund. If an agency can document to DCAMM that the surplus property was originally purchased with non-general revenue funds (i.e. federal, restricted, or other), sale proceeds will be returned to the respective agency, less the ten percent (10%) administrative fee.
- g. Govdeals or equivalent will furnish a receipt indicating a winning bidder, contact information and winning bid. DCAMM will retain a copy for each item of surplus property sold and will furnish a copy to DCAMM Finance and to the corresponding agency for whom the property was sold.
- h. DCAMM will make copies of a photo ID and a copy of the corresponding winning bidder’s receipt for verification prior to releasing state-owned surplus property. This documentation will be maintained by Fleet or FFE - Surplus.
- i. Winning bidders are responsible to load, move and handle all surplus property awarded through the auction process. To ensure the bidding process remains equitable to all bidders and to maintain the integrity of the auction process, bid retractions/defaults are strongly discouraged during Tier (2) and will not be permitted during public auctions in Tier (3). During Tier (2) auctions, individuals who bid on behalf of Rhode Island municipalities that default on their winning bid will be issued a warning notice on the first occasion, will be suspended from bidding for six months after their second default, and will be permanently barred from bidding after their third and final default.
- j. State employees and their immediate family members are required to obtain a favorable ethics decision prior to purchasing any State surplus property; provided, however, that even with a favorable ethics decision, those State employees (and their immediate family members) that list State surplus property on any public auction platform shall not be permitted to purchase any of those State surplus properties that they themselves have listed for auction.

vii. General Service Agency (GSA) Property

- a. Per Federal Surplus Property Statute (section 42-56.2), only state and local government agencies and public (non-profit) organizations may qualify as

being eligible to obtain personal property that the federal government no longer needs through the Federal Surplus Personal Property Donation Program. State agencies and public organizations seeking donations of surplus federal property should contact the State Agency for Surplus Property (SASP) who will guide them through the process. The SASP for Rhode Island is the DCAMM Surplus Property Program.

- b. GSAXcess.gov is the entry site for the Federal Surplus Personal Property Donation Program (the Program). This site is not intended for the general-public. Criteria and process for obtaining such property is as follows:
 - i. Complete the attached Eligibility Application and review the attached Eligibility Requirements documents. Once completed, the original signed hard copy documents need to be mailed to the address listed on the application where they will be reviewed and approved by the SASP.
 - ii. Once approved, the organization will be notified by the SASP and will be provided the access link for the GSA website: <https://gsaxcess.gov>. An account must be established for the website to give the requesting organization the ability to search for items only.
 - iii. When property of interest is identified, the requesting organization must email the SASP providing the Item Control Number found on the property data sheet. A property request will be made on behalf of the requesting agency by the SASP.
 - iv. GSA will determine if the identified property will be awarded. If the requesting organization is awarded the property, the SASP will follow up with all required documentation to have the property released to the requesting organization.
 - v. It is the responsibility of the requesting agency to arrange all shipping and/or the actual retrieval of the property. This includes any cost associated with the shipping.
 - vi. It is the SASP's responsibility to document compliance. Attached is a Federal Property Utilization Compliance Report and compliance letter. The date the reward is received must be documented. See attached Issue sheet.


5. Required Forms and Instructions.

For copies of all forms and more detailed procedural information, visit the Surplus - Furniture & Equipment page of the DCAMM website.

6. Signatures



Director



Date