



State of Ohio Administrative Policy

State and Federal Surplus Program

No: Asset Management
AM-02

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Issued By:

Robert Blair, Director

1.0 Purpose

Ohio Revised Code (ORC) §125.13 directs state agencies to turn in **excess** and **surplus** supplies to the Department of Administrative Services (DAS) for disposal. DAS either disposes of the supplies or authorizes the owning state agency to do so. The purpose of this policy is to define how the State and Federal Surplus Services (State Surplus) program works.

A glossary of terms found in this policy is located in Appendix A - Definitions. The first occurrence of a defined term is in **bold italics**.

2.0 Policy

2.1 **Program Membership:** ORC §125.13 (E) (1) states, in part, that State Surplus may sell, lease, donate, or transfer excess and surplus state supplies to the following (hereafter referred to as program members):

2.1.1 state agencies;

2.1.2 state supported or state assisted institutions of higher education;

2.1.3 tax supported agencies, municipal corporations, or other political subdivisions of this state, private fire companies, or private non-profit emergency medical services organizations;

2.1.4 non-public elementary and secondary schools chartered by the state board of education under ORC §3301.16; and

- 2.1.5 non-profit organizations that are both exempt from federal income taxation under 26 United States Code 501(a) and (c) (3) and that receives *funds* from the State or has a contract with the State.

In order to utilize the State Surplus program, those organizations seeking to become program members are required to complete and submit an “Application for Eligibility” to the State Surplus office. The approved application documents an organization’s authorization to utilize the program, its purpose and budget, an accountable individual, and individuals authorized to purchase on behalf of the organization.

Program members are issued purchase cards, which are intended to identify the person presenting the card as an authorized representative of the program member. State agencies that are issued one of these cards do not need a purchase order to make a purchase. However, state agencies that are purchasing a vehicle must obtain prior approval from the DAS Office of Fleet Management.

- 2.2 **Hours of Operation:** Due to the monthly auction schedule and to ensure the supplies available for public auction are accessible, State Surplus has restricted days of operation where program members are not allowed to purchase supplies. This provides State Surplus with time to set up and advertise supplies available in the warehouse or vehicle lot for public auction. After auction, State Surplus has restricted hours of operation for receiving supplies from state agencies and designated time for public auction customers to remove supplies.

2.2.1 Program members are restricted from purchasing warehouse items and vehicles one week prior to, and one week after, warehouse and vehicle auctions, respectively.

2.2.2 The regular hours of operation for the warehouse and vehicle lot are 7:30 a.m. to 4:00 p.m. and for deliveries/pickup 8:00 a.m. to 3:30 p.m. State agencies are restricted from delivering supplies to either the warehouse or vehicle lot for one week prior to, and one week after, scheduled auction dates.

- 2.3 **State Agency Delivery:** Individual state agencies are responsible for ensuring arrangements are made to have excess and surplus supplies delivered to State Surplus during specified hours of operations. Upon receipt of completed and signed Turn-In Documents, State Surplus will verify the documents with the supplies. When all information is complete, Surplus will sign the documents and return a copy to the state agency for records retention. Incomplete paperwork, along with the supplies submitted with such paperwork, will be returned to the state agency.

2.3.1 **Miscellaneous Supplies:** For miscellaneous excess and surplus supplies, state agencies are required to complete and sign a [Surplus Property Turn-In Document](#), ADM-3672, which details the supplies delivered to the warehouse.

2.3.2 **Vehicles:** For excess and surplus vehicles, state agencies are required to complete and sign a [Vehicle Turn-In Document](#), ADM-3911, which details the supplies

delivered to the vehicle lot. An Ohio Certificate of Title is also required for each vehicle being turned in. Any vehicle without the completed documentation will not be accepted and must be returned to the state agency's vehicle lot. State Surplus will not store state agency vehicles.

State agencies are responsible for notifying State Surplus in writing (i.e. email) of the intent to turn in a vehicle, the specific delivery date(s), and the number of vehicles to be turned in at least three business days prior to turning in vehicles. State Surplus may refuse a requested day when other state agencies are already scheduled for the same day; in that case, State Surplus staff will propose another day for delivery.

2.3.3 DAS will pick up small loads of supplies at the DAS-owned buildings in Franklin County and the William Green Building that is accompanied by completed and signed Surplus Property Turn-In Documents, ADM-3672, which details the supplies delivered to the warehouse.

2.3.4 **Large Shipments:** Due to the limited amount of warehouse space available, State Surplus requires 48 hours advance notice for large shipments of surplus supplies delivered to the State Surplus warehouse.

Large shipments may include, but are not limited to, 12 or more desks, 24 or more file cabinets, and/or 30 or more chairs.

2.4 **Information Technology Equipment:** Information technology equipment (IT equipment), which includes but may not be limited to computers, printers and copiers, mobile phones, tablets, hard drives, flash drives, cameras, fax machines, and other office equipment is used to produce, transmit, copy and store information.

2.4.1 State agencies shall be responsible for removing **sensitive data, personally identifiable information**, or proprietary information from excess and surplus supplies prior to transporting them to State Surplus or relinquishing custody by any means, including disposal through State Surplus, trade-in, sale, loan, servicing, lease, transfer, donation, recycling, or disposal as refuse.

2.4.2 State Surplus is neither staffed nor equipped to verify the removal of sensitive data, personally identifiable information, or proprietary information from IT equipment passing through the disposal process. For requirements on removing sensitive data, personally identifiable information, or proprietary information from IT equipment, refer to Ohio IT Policy ITP-E.1 *Disposal, Servicing and Transfer of IT Equipment*.

2.4.3 Costs for the removal of sensitive data, personally identifiable information, or proprietary information from all excess and surplus supplies shall be borne by the owning state agency. In addition, in all interagency transfers of IT equipment, the costs to remove sensitive data, personally identifiable information, or proprietary

information shall be the responsibility of the owning state agency rather than the acquiring state agency.

2.5 **Vehicles**

- 2.5.1 **Inspections:** State Surplus will allow program members to inspect, start and drive vehicles available for purchase. Vehicles can only be driven within the Surplus vehicle parking lot at a reasonable speed. A valid driver's license is required to drive vehicles and the purchase card is required as evidence that the individual is an authorized representative of a program member.

State Surplus will allow the general public an opportunity to inspect vehicles the week before a public auction. The general public can obtain keys and start vehicles on the Friday before an auction. However, the general public cannot drive the vehicles within the lot. A valid driver's license or state identification is required; each person is eligible to take three sets of keys at a time.

- 2.5.2 **Pricing:** Vehicles sold to program members are sold at 60% of the current National Auto Dealers Association (NADA) retail pricing guide. State Surplus reserves the right to make exceptions to this standard on a case-by-case basis.

NADA prices are calculated three times a year (January, May, and September). The calculations account for mileage, vehicle condition, and any additional options that the vehicle may have included (e.g. air condition, radio, etc.). Prices are promptly posted to the vehicle database and any vehicles remaining on the lot are updated to reflect the current pricing.

Vehicles not located in the NADA book will be estimated by State Surplus and the methodology used will consider past estimates, past auction results, and the best information available at time of estimate.

- 2.5.3 **Title Transfers:** If the purchasing organization is a state agency, the applicable vehicle title will be transferred to the purchasing state agency upon receipt of the approval from the DAS Office of Fleet Management and an approved purchase order.

If the purchasing organization is another program member, the title will not be transferred until a check for payment has been deposited into the State of Ohio Treasurer's account.

The State Surplus Manager/designee is authorized to sign as the agent (seller) of the state when signing all titles for sold vehicles.

- 2.5.4 **Title Replacements:** Program members or individuals may be provided with a power of attorney when a title is lost before the sale is recorded by the Bureau of Motor Vehicles (BMV).

Upon notification of a lost title, State Surplus will verify the program member's proof of ownership with the State Surplus documents issued for payment or verify the individual's picture ID and the invoice issued from State Surplus showing payee ownership.

After verification is complete, State Surplus will provide the power of attorney to the requestor. The requestor is responsible for obtaining the replacement title.

- 2.5.5 **Hold:** State agencies can place a vehicle on hold for up to 30 days while they obtain approval from the DAS Office of Fleet Management to purchase the vehicle(s).

Program members can place a vehicle on hold for up to ten days. The program member must have a valid purchase card, and within 30 days, provide a check made payable to "Treasurer, State of Ohio" for vehicle purchase.

- 2.5.6 **Salvage Vehicles:** For wrecked vehicles that are presumed non-repairable and/or when the damages exceed the vehicle's value, state agencies shall send pictures to State Surplus via email so determination can be made regarding whether or not the owning state agency's Fleet Manager will need to obtain an Ohio Certificate of Title for a Salvaged Vehicle.

2.6 **Prohibitions**

- 2.6.1 **Logos and Decals:** State agencies are responsible for removal of all logos, license plates, and official State of Ohio or state agency emblems or markings on supplies prior to delivering or transferring to the supplies State Surplus or employing **local disposition** to dispose of the supplies. License plates must be removed by a representative of the owning state agency and returned to the state agency for proper processing.

This prohibition applies to excess and surplus vehicles as well as miscellaneous supplies turned into the State Surplus warehouse. State Surplus is required to ensure all official state markings are removed prior to signing Turn-In Documents. DAS reserves the right to refuse any supplies with State of Ohio markings from being turned in or being sold through local disposition.

- 2.6.2 **Locked or Inaccessible Property:** Prior to delivering supplies to State Surplus, state agencies are responsible for ensuring all supplies are accessible, and that all contents are removed and properly secured.

State Surplus will not accept any locked or inaccessible supplies as such supplies may store items, information, or data that should remain in the custody of the state agency. Supplies (e.g. lockable drawers, other storage compartments: desks, file cabinets, safes, etc.) delivered to State Surplus which is not readily accessible or does not have a key will be refused.

State agencies delivering locked items without keys will be requested to take the items back to their agencies.

State agencies that have locked items delivered by a commercial carrier will be contacted and given the option to have the commercial carrier return the locked items to them, or make arrangements to bring the keys to State Surplus.

State agencies granted authorities for local disposition are responsible for ensuring the supplies are unlocked, contents are removed, and no records remain in the supplies.

- 2.6.3 **Upholstered Furniture:** State Surplus will not accept secondhand bedding unless it has been treated as prescribed by the Ohio Department of Commerce and has a tag affixed indicating the item has been sanitized and registered.

State Surplus will accept stuffed fabric furniture. However, the furniture cannot be sold by State Surplus without the Ohio Department of Commerce tag affixed indicating the item has been sanitized and registered. Furniture can be donated to program members.

2.7 **Transfers:**

- 2.7.1 If a state agency desires to transfer any excess or surplus supplies to a program member and as prescribed under ORC §125.13, the owning state agency must indicate such desire on the associated Turn-In Document. State Surplus will evaluate and process the Turn-In Document, manage the transfer, and return a copy of the Turn-In Document to the state agency for their records.

- 2.7.2 If any state agency indicates interest in acquiring any supplies, State Surplus may refer them to the owning state agency to arrange for transfer of supplies directly.

- 2.7.3 If the owning state agency has indicated a desire to donate surplus computer equipment to an accredited school, State Surplus will make the equipment available for **screening** by public schools accredited by the Ohio Department of Education available on a “first come, first served” basis.

- 2.7.4 If any accredited public school indicates an interest in any item(s), State Surplus may refer the accredited public school to the state agency to arrange for transfer of supplies directly from the state agency. Pursuant to §125.13(G), the accredited public school may be required to assume costs for repair or refurbishment.

- 2.8 **Trade in:** State Surplus is authorized to approve trade-ins when the amount offered is greater than or equal to the estimated auction amount that may be received. When the estimated amount offered is less than the estimated auction amount, then State Surplus is not authorized to approve the trade-ins.

State agencies requesting to trade-in supplies shall indicate such intent on the Surplus Turn-In Document.

The state agency is required to attach the final quote from the selected supplier (e.g. supplier letterhead) indicating the amount being offered for trade-in. State agencies are also required to solicit three quotes, when possible, and submit proof of the solicitations with the packet of information as this document will need to be stored for future reference.

State Surplus will calculate the amount of trade-in, market value, and determine the estimated auction value. State Surplus will then determine if the request is approved or denied and notification will be sent to the requesting state agency.

- 2.9 **Proceeds from Local Sales:** State agencies that choose to sell their excess and surplus supplies must receive authority from State Surplus. When state agencies are given authority for local disposition under Ohio Administrative Code (OAC) 123:5-2, they shall request checks to be made out to “Treasurer, State of Ohio” and all proceeds must be forwarded to State Surplus for deposit into the State Investment Recovery Fund: 4270.

Pursuant to OAC 123:5-2-01, a state agency can locally dispose of supplies declared excess or surplus. The disposal of supplies must be done using a fair or impartial process, such as advertisement by newspaper or internet.

State agencies requesting to be granted local disposition to sell supplies declared excess or surplus must submit a request in writing (i.e. email or Turn-In Document).

State agencies authorized to dispose of supplies locally will be notified by State Surplus; an annotation is made on the Turn-In Document, and State Surplus will notify the state agency when to proceed with the bidding process or local disposal.

All checks and Turn-In Documents related to the sale of supplies generated locally by state agencies shall be forwarded to State Surplus, and the checks should be made payable to “Treasurer, State of Ohio”. The normal process for refunds to state agencies will be followed, when applicable.

- 2.10 **Refunds to state agencies:** State agencies will receive a refund when the per-unit sales price of supplies sold together (i.e. in a lot) is greater than \$500, the original purchase was made from a non-GRF source, and the applicable funding source is provided on the Turn-In Document. DAS will work with the originating state agency and OBM to transfer applicable funds generated from the sale, minus the DAS Surplus fee approved annually by the Office of Budget and Management, back to the originating state agency.

For items sold by State Surplus for \$500 or less, revenues remain in the State's Investment Recovery Fund (4270) pursuant to ORC §125.14.

Supplies received by the originating state agency that do not have the applicable funding source indicated will be contacted three times to obtain the coding; should the coding not be provided, the funds will be transferred to the Investment Recovery Fund without exception.

3.0 Authority

ORC §125.13 – §124.14

OAC 123:5-2

4.0 Revision History

Date	Description of Change
09/01/2009	Original policy, published as GS-D-06.
09/19/2016	Reformatted and renumbered, updated all sections and subsections, addition of Appendix A - Definitions.
09/19/2017	Scheduled policy review.
12/19/2017	Revised section 2.10 to remove fee schedule used prior to fiscal year 2018.

5.0 Inquiries

Direct inquiries about this policy to:

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State of Ohio Administrative Policies may be found online at
<http://das.ohio.gov/Divisions/AdministrativeSupport/StateAdministrativePolicy.aspx>

Appendix A - Definitions

- a. **Excess supplies.** As defined in ORC § 125.12 (A), any supplies that have a remaining useful life, but that are no longer needed by the agency that possesses them.
- b. **Funds.** As defined in OAC 123:5-2-01, a loan, grant or other type of state financial assistance.

- c. **Local disposition.** A process by which agencies, after completing a Turn-In Document and consulting with State Surplus, dispose of their own excess and/or surplus supplies, without sending the supplies to State Surplus.
- d. **Personally Identifiable Information (PII).** Information that can be used directly or in combination with other information to identify a particular individual. It includes:
- a name, identifying number, symbol, or other identifier assigned to a person,
 - any information that describes anything about a person,
 - any information that indicates actions done by or to a person,
 - any information that indicates that a person possesses certain personal characteristics.
- e. **Screening.** Refers to the window of time in which those entities who are authorized to acquire excess and surplus supplies prior to a public auction may review, inspect, and acquire posted supplies.
- f. **Sensitive Data.** Any type of computerized data that presents a high or medium degree of risk if released or disclosed without authorization. There is a high degree of risk when unauthorized release or disclosure is contrary to a legally mandated confidentiality requirement. There may be a medium risk and potentially a high risk in cases of information for which an agency has discretion under the law to release data, particularly when the release must be made only according to agency policy or procedure. The computerized data may be certain types of personally identifiable information that is also sensitive such as medical information, social security numbers, and financial account numbers. The computerized data may also be other types of information not associated with a particular individual such as security and infrastructure records, trade secrets and business bank account information.
- g. **Surplus supplies.** As defined in ORC § 125.12 (C), any supplies no longer having any use to the state, including obsolete supplies, scrap materials, and supplies that have completed their useful life cycle.