

Disposal of Surplus Property

WHEREAS, Oregon Revised Statute (ORS) 279A.185 authorizes public bodies to adopt rules for the sale or other disposition of personal property, and the Board believes that doing so is in the public interest,

It is therefore resolved as follows:

1. Surplus Property; definition.

“Surplus property” means personal property acquired by Hermiston School District (“district”) which is no longer needed by the district and which is declared to be surplus pursuant to this resolution.

2. Determination of Surplus Property.

- a. The superintendent or their designee may in his/her discretion declare personal property of the district to be surplus.
- b. If a particular item of personal property might reasonably be valued at \$10,000 or more, the superintendent shall not declare it to be surplus without first seeking and receiving approval of the district Board of Education (“Board”). In seeking such authority, the superintendent shall provide the following information to the Board in writing: A description of the property, the manner and date of initial acquisition, its initial cost, the reasons why the property is thought to be surplus, its condition, and the estimated current value.

3. Disposal of Property of Minimal Value.

Surplus property which has a value of less than \$500, or for which the costs of sale are likely to exceed sale proceeds, may be disposed of by any means determined by the Superintendent to be cost effective, including disposal as waste. The disposal of property to district employees or their families under this section is strictly prohibited.

4. General Methods.

- a. Surplus property may be disposed of by any of the methods listed in Subsection (D) below upon a determination by the superintendent that the method of disposal is in the best interest of the district. Factors that may be considered by the superintendent include the costs of sale, administrative costs and time, proceeds to be reasonably expected, value and condition of the property, the market for the property, costs of shipping, public benefits to the district and other relevant factors. Notwithstanding the foregoing, the superintendent shall advise the Board of the disposition method chosen when the surplus property involved may reasonably be thought to be valued at \$7,500 or more, in which case the disposition may not occur until after the

- Board's next scheduled regular meeting. The Board may, but is not required to, approve the disposition method chosen by the superintendent.
- b. In making the value determination required by the preceding paragraph, the following guidelines shall be followed:
- (1) If the property consists of an individual item (e.g., an automobile), it shall be valued as a single unit to determine if the \$7,500 threshold is reached.
 - (2) If the property consists of multiple items of the same type that might reasonably be expected to be sold in units to several individuals, valuation shall be based upon the expected unit size of the average transaction, not upon the entire lot of the items to be sold. However, if one individual is expected to make multiple purchases of such items, then all expected sales to that individual in a 30-day period shall be aggregated to determine if the \$7,500 threshold is met.
- c. The superintendent shall maintain a record of the reason for the disposal method selected, and of the manner of disposal.
- d. The acceptable methods are (and not in any particular order of preference):
- (1) Transfer to other governmental units. Disposal may be by sale, trade, donation, or other transfer to another public agency or governmental unit by direct negotiation without more.
 - (2) Auction. By publically advertised auction.
 - (3) Bids. By publically advertised Invitation to Bid.
 - (4) Informal bid solicitation. By telephonic or written solicitation of persons and entities who might reasonably be expected to be interested in the type of surplus property involved. Reasonable efforts to obtain at least three such quotes shall be undertaken, and a written record of all contacts shall be kept. Disposition to district employees or their families is prohibited when this method is used.
 - (5) Fixed price sale. The superintendent may establish a selling price based upon an independent appraisal or published schedule of generally accepted values, and then schedule and advertise the sale date and terms. Sale shall then be to the first buyer meeting the sale terms after the time for receipt of offers commences. The superintendent shall keep detailed written records of the sale price determination including copies of any appraisal or schedule relied upon. Sale to district employees or their families is prohibited when this method is used unless no offers are received from others; when such sale is allowed, the employee (or family) must meet all terms of the original offer to the public.
 - (6) Trade-in. By trade-in, in conjunction with an acquisition of other price-based items under a competitive solicitation. The solicitation shall require the offeror to state the total value assigned to the surplus property to be traded.

- (7) Donation. By donation to any organization operating within or providing a service to residents of the school district which is recognized by the Internal Revenue Service as an organization described in IRC Section 501(c)(3). However, this method shall be used only if it has been determined that the surplus property cannot be disposed of using another method with a reasonable expectation of a net return to the district.
- (8) Internet auction. By auction through any service that provides for auction on the internet. No advertisement is required for such disposition.