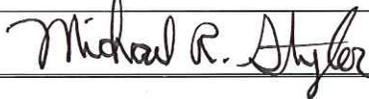


 <b>State of Utah</b> DEPARTMENT OF NATURAL RESOURCES	Ref: NR-15-D-13	Page: 1 of 6
	Effective Date: 1/12/2016	Revision Date: 1/12/2016
POLICIES & PROCEDURES - <i>Miscellaneous</i>	Subject: <b>Surplus Property</b>	
Michael R. Styler, Executive Director	Signature: 	

I. PURPOSE

The purpose of this policy is to provide uniform policy and procedure for the disposal of surplus property at DNR.

II. DEFINITIONS

A. State surplus property – Defined as state-owned property whether acquired by purchase, seizure, donation, or otherwise:

1. That is no longer being used by the state or no longer usable by the state;
2. That is out of date;
3. That is damaged and cannot be repaired or cannot be repaired at a cost that is less than the property's value;
4. That the useful life span has expired; or
5. That the state agency possessing the property determines it is not required to meet the needs or responsibilities of the state agency.

B. State surplus property does not include the following items that remain under the authority and responsibility of DAS to provide surplus services:

1. Vehicles defined as: All terrain type I & II, aircraft, campers, farm tractors, maintenance equipment, backhoes, bulldozers, compactors, graders, loaders, road rollers, trenchers, forklifts, golf carts, electric carts, motorcycles, motor vehicles, snowmobiles, personal watercraft, pickup trucks, reconstructed vehicles, recreational vehicles, road tractors, semi-trailers, trailers, travel trailers, truck tractors and every type of watercraft except seaplanes.
2. Other items: Handheld devices and firearms.

III. POLICY

A. DNR division surplus at field locations –

1. All DNR field locations that choose not to surplus items at the DNR North Temple location will perform online auctions through State Surplus Property. DNR will no longer be responsible for administering its own online auctions. Instead, divisions will fill out an SP-1 Form and electronically transmit it to State Surplus Property. State Surplus Property will then administer the auction for and on behalf of DNR.

a. Transmit electronic SP-1 Form – The SP-1 Form may be accessed from the *State Agency Links Page* at <http://purchasing.utah.gov/stateagencylinks.html>. Click: *Online SP1 Disposal Request*. Internet Explorer compatibility mode must be used.

b. Information required on SP-1 Form:



 <b>State of Utah</b> DEPARTMENT OF NATURAL RESOURCES	Ref: NR-15-D-13	Page: 2 of 6
	Effective Date: 1/12/2016	Revision Date: 1/12/2016
POLICIES & PROCEDURES - <i>Miscellaneous</i>	Subject: <b>Surplus Property</b>	
Michael R. Styler, Executive Director	Signature:	

- (i) A minimum of two digital photographs for each online listing;
  - (ii) A brief description of the item detailing the condition of the item;
  - (iii) An estimate of the item's value;
  - (iv) The location of the item;
  - (v) The contact information of the person assigned by each division to assist the public with the transaction.
- c. Each division will be responsible for:
- (i) Storing surplus items on site until the online auction has been completed and the surplus item is:
    - (a) Picked up by the person the item has been sold to via online auction;
    - (b) Disposed of or donated by the division;
    - (c) Picked up by the vendor under contract with State Surplus Property; or
    - (d) Picked up by a local vendor under contract with the division.
  - (ii) Assigning an employee of the division to assist the public with the online auction including:
    - (a) Answering questions about the surplus items;
    - (b) Providing directions;
    - (c) Scheduling the pickup;
    - (d) Other miscellaneous tasks.
  - (iii) Developing methods and procedures for field employees:
    - (a) Assisting the public with lifting and transporting surplus items;
    - (b) Transporting surplus items with a minimal value to charities for donation.
- d. Confining the distribution of surplus items to one person per division will minimize the possibility of potential conflicts of interest, loss, fraud and theft. One person from each DNR division will be authorized to set in motion the auction of surplus items over the online-auction through the selected provider. **Employees with final surplus approval processing rights will not be allowed to participate directly or indirectly in the auctions or to provide any inside information that might give a bidder an unfair advantage in the auction market.**



 <b>State of Utah</b> DEPARTMENT OF NATURAL RESOURCES	Ref: NR-15-D-13	Page: 3 of 6
	Effective Date: 1/12/2016	Revision Date: 1/12/2016
POLICIES & PROCEDURES - <i>Miscellaneous</i>	Subject: <b>Surplus Property</b>	
Michael R. Styler, Executive Director	Signature:	

e. On items sold in field locations, sales tax must be collected and remitted by the division involved in the transaction. Sales tax rates vary by county.

B. DNR exception from disposition of surplus property through online auction –

1. DNR North Temple operation has received an exemption from the requirement to dispose of surplus property at the DNR North Temple location through online auction in accordance with the requirements set forth in Utah Code 63A-2-401(3):

a. *(3) (a) A state agency shall use the services of the state surplus property contractors under contract with the division for the disposition of state surplus property unless the purchasing director authorizes an exception in writing. (b) Justification for an exception under Subsection (3)(a) includes: (i) a security issue; (ii) the need for restricted public access to the state surplus property; (iii) a lack of adequate storage space; and (iv) an issue specific to the state agency, as approved by the purchasing director.*

2. DNR disposal of surplus property as an exempted agency, at the North Temple location only, are as follows:

a. Surplus activity will be scheduled every other month or at least quarterly. Each division surplus coordinator of DNR will complete and SP-1 Form and transmit it to DNR administration. DNR will combine the SP-1 Forms and send them to State Surplus Property (see procedures for transmitting an electronic SP-1 Form above).

b. State Surplus Property will schedule a date and time for the vendor under contract to pick up surplus items and transport them to State Surplus Property for disposition. The DNR warehouse will assist divisions in staging and loading the goods for delivery to State Surplus Property.

IV. PROCEDURE

A. One point of contact will be established in each DNR division. That person will be responsible for approving all transactions of any items considered for surplus. Applicable DNR employees at field locations will be given access rights only to process and stage an asset for auction on Utah Online auction. They will also be responsible for identifying the quality of the item and adequately describing the item. Each individual required to access Utah Online auction in any capacity must sign a disclosure statement. After disclosure, assets cannot be released for auction until the following occurs:

1. The DNR division representative approves that the item is truly surplus, the listing is accurate and the item should be sold.

B. Disposal of state surplus items (63A-2-411 – Disposal of state surplus property with minimal value) -

1. As used in this section, minimal value means a value of less than \$100.

2. In accordance with *Title 63G, Chapter 3, Utah Administrative Rulemaking Act*, the division shall make rules that permit a state agency to dispose of property with a minimal value that



 <b>State of Utah</b> DEPARTMENT OF NATURAL RESOURCES	Ref: NR-15-D-13	Page: 4 of 6
	Effective Date: 1/12/2016	Revision Date: 1/12/2016
POLICIES & PROCEDURES - <i>Miscellaneous</i>	Subject: <b>Surplus Property</b>	
Michael R. Styler, Executive Director	Signature:	

the state agency has declared to be state surplus property as provided in Subsection 63-A-2-401(7).

3. The division's rules under Subsection 2 shall permit a state agency to dispose of state surplus property with a minimal value by:
  - a. Destroying the property;
  - b. Disposing of the property as waste; or
  - c. Donating the property to:
    - (i) A charitable organization.
4. **DNR employees may not receive state surplus property regardless of the value except through an online bid process where no conflict of interest exists.**
5. Property of a DNR division is presumed to have a minimal value if the property is not purchased after the division offers the property for sale to the public at a price above \$100 for at least seven days:
  - a. Through an online auction;
  - b. Through a live auction;
  - c. At a retail location managed by the division; or
  - d. Through another sale method approved by the director.
6. **State surplus property that does not appreciate in value (having an initial purchase price of less than \$100 or deemed by the State Surplus Property manager to be valued at less than \$100 and cannot be packaged together and sold as a bundle) can be disposed of in a manner consistent with item 3 shown above without going through an auction process.**

C. Conflict of Interest -

1. Excluding the employee appointed by the division to be responsible for the surplus property, all DNR employees may bid on items processed through the State Surplus System if no conflict of interest exists. R33-26-204 defines *Related Party Transactions* (RPT) as:
  - a. The division has a duty to the public to ensure that state-owned surplus property is disposed of in accordance with Section 63A-2. A conflict of interest may exist or appear to exist when a related party attempts to purchase surplus property.
  - b. A related party is defined as someone who may fit into any of the following categories pertaining to the surplus property in question:
    - (i) Has purchasing authority;



 <b>State of Utah</b> DEPARTMENT OF NATURAL RESOURCES	Ref: NR-15-D-13	Page: 5 of 6
	Effective Date: 1/12/2016	Revision Date: 1/12/2016
POLICIES & PROCEDURES - <i>Miscellaneous</i>	Subject: <b>Surplus Property</b>	
Michael R. Styler, Executive Director	Signature:	

- (ii) Has maintenance authority;
- (iii) Has disposition or signature authority;
- (iv) Has authority regarding the disposal price;
- (v) Has access to restricted information; and
- (vi) Has perceived to be a related party using other criteria which may prohibit independence.

2. An employee is said to have a conflict of interest if he/she is a *Related Party*.

D. Disposal of state-owned surplus electronic data devices (Administrative R33-26-202(1)-(2)) -

1. For the purpose of this rule, Electronic Data Device means an electronic device capable of downloading, storing or transferring state-owned data. Electronic Data Devices include:
  - a. Computers;
  - b. Tablets (iPads, Surface Pro, Google Nexus, Samsung Galaxy, etc.);
  - c. Smart phones;
  - d. Personal digital assistants (PDAs);
  - e. Digital copiers and multifunction printers;
  - f. Flash drives and other portable data storage devices; and
  - g. Other similar devices.
  
2. The state has determined that the security risk of a potential data breach resulting from the improper disposal or sale of an electronic data device, as defined in this rule, outweigh the potential revenue that may be received by the state from the sale of an electronic data device deemed surplus property. Therefore, the state has adopted this Administrative Rule regarding the proper disposal of state-owned surplus electronic data devices:
  - a. Each state agency shall ensure that all surplus state-owned electronic data devices are disposed of in accordance with the following procedures.
  - b. Surplus state-owned electronic devices defined under this Rule may not be sold or gifted via online auction or by any other means.
  - c. Surplus state-owned electronic data devices must be disposed of through the vendor under contract with the state, unless a separate contractual agreement has been entered into with the manufacturer or supplier of the device for proper destruction and disposal.



 <b>State of Utah</b> DEPARTMENT OF NATURAL RESOURCES	Ref: NR-15-D-13	Page: 6 of 6
	Effective Date: 1/12/2016	Revision Date: 1/12/2016
POLICIES & PROCEDURES - <i>Miscellaneous</i>	Subject: <b>Surplus Property</b>	
Michael R. Styler, Executive Director	Signature:	

- d. The Division of Purchasing shall enter into a contract with a vendor for the destruction and proper disposal of all state-owned surplus electronic data devices.
- e. Proper disposal includes:
  - (i) Recycling components and parts after the state-owned electronic data device has been destroyed to the point that state-owned data cannot be retrieved; or
  - (ii) Disposal in a landfill approved for electronic waste after the state-owned electronic data device has been destroyed to the point that state-owned data cannot be retrieved; or
  - (iii) Computers, digital copiers and multifunction printers that have had the hard drive destroyed may be resold by the contractor.
- f. State agencies shall request assistance from the Department of Technology Services (DTS) to destroy the hard drives of computers and other state-owned surplus electronic data devices purchased through DTS prior to the agency transferring the devices to the vendor under contract with the state.
- g. State agencies shall contact the vendor under contract with the state to destroy and properly dispose of all other state-owned surplus electronic data communication devices.

