



**OKLAHOMA  
DEPARTMENT  
OF  
CENTRAL SERVICES**

**STATE SURPLUS PROPERTY**

**ADMINISTRATIVE RULES  
OAC 580:65**

**Effective July 13, 2006**

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**TITLE 580. DEPARTMENT OF CENTRAL SERVICES  
CHAPTER 65. STATE SURPLUS PROPERTY**

**SUBCHAPTER 1. GENERAL PROVISIONS**

**Section**

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**580:65-1-1. Purpose**

This chapter provides general information and provisions pertaining to the transfer, disposal and acquisition of state surplus property for use by state agencies, authorized entities, individuals and business entities pursuant to the Oklahoma Surplus Property Act. [74 O.S., Sections 62.1 et seq.] The Director of Central Services promulgated these rules pursuant to 74 O.S., Section 62.3. to ensure that state-owned surplus property is disposed of at fair market value, in an independent and ethical manner, and that the property or the value of the property has not been misrepresented.

[Source: Added at 18 Ok Reg 3256, eff 7-26-01; Amended at 20 Ok Reg 546, eff 1-3-03 (emergency); Amended at 20 Ok Reg 2547, eff 7-11-03]

**580:65-1-2. Definitions**

In addition to terms the Oklahoma Surplus Property Act provides, the following words and terms when used in this chapter shall have the following meanings, unless the context clearly requires otherwise:

**"Administrator"** means the person in the Department of Central Services designated by the Director of the Department to oversee the State Surplus Property Program.

**"Authorized entity"** means a political subdivision, school, a multipurpose senior citizen center, as such term is defined in the federal Older Americans Act of 1965, group or organization eligible to acquire surplus property from a surplus property program. [74 O.S., §62.2]

**"Authorized signature"** means the signature of a state employee duly authorized by the chief administrative officer of a state agency to sign forms on behalf of such agency for submission to the Department or a surplus property agent.

**"Business entity"** means an individual, partnership, business trust, cooperative, association, corporation or any other firm, group or concern which functions as a separate entity for business purposes.

**"Cannibalize"** means to take salvageable parts from (as a disabled machine) for use in building or repairing another machine; or to make use of (a part taken from one thing) in building or repairing something else.

**"Department"** means the Department of Central Services.

**"Fiscal year"** means the period of time from July 1 of a calendar year through June 30 of the succeeding calendar year.

**"Form"** means a document prescribed by the Director to be used by state agencies to provide information to the Department or a surplus property agent.

**"Inventory"** means an itemized list of tangible assets owned by state boards, commissions, institutes and agencies pursuant to provisions of 74 O.S., §110.1.

**"Proceeds"** means funds the surplus property agent derives from sale of surplus property.

**"Program"** means the Surplus Property Program established and administered by the Director of the Department of Central Services in accordance with 74 O.S., Section 62.1 et seq.

**"Public auction"** means either a tangible event at a public location or an electronic event which is advertised and made available to the public via the Internet.

**"Salvage or scrap"** means property which, because of its worn, damaged, deteriorated, incomplete condition or specialized nature has no reasonable prospect of sale or use as designed, but has some value in excess of its basic material content.

**"Surplus property agent "** or "agent" means a person designated by the Director to perform duties necessary to administer a surplus property program.

**"Trade-in"** means equipment which is exchanged on replacement equipment.

**"Vehicle"** or **"equipment"** means automobiles, station wagons, vans, pickups, trucks, buses, other modes of transportation and heavy equipment.

**"VIN"** means the unique vehicle identification number of a vehicle or equipment.

[Source: Added at 18 Ok Reg 3256, eff 7-26-01; Amended at 20 Ok Reg 546, eff 1-3-03 (emergency); Amended at 20 Ok Reg 2547, eff 7-11-03; Amended at 21 Ok Reg 2875, eff 7-11-04]

### **580:65-1-3. Vehicle and equipment record keeping by a surplus property agent [REVOKED]**

[Source: Added at 18 Ok Reg 3256, eff 7-26-01; Revoked at 20 Ok Reg 546, eff 1-3-03 (emergency); Revoked at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-1-4. Vehicle and equipment disposal by a state agency [REVOKED]**

[Source: Added at 18 Ok Reg 3256, eff 7-26-01; Revoked at 20 Ok Reg 546, eff 1-3-03 (emergency); Revoked at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-1-5. Vehicle and equipment disposal by a surplus property agent [REVOKED]**

[Source: Added at 18 Ok Reg 3256, eff 7-26-01; Revoked at 20 Ok Reg 546, eff 1-3-03 (emergency); Revoked at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-1-6. Surplus property agent reasonable fee determination and funds remittance [REVOKED]**

[Source: Added at 18 Ok Reg 3256, eff 7-26-01; Revoked at 20 Ok Reg 546, eff 1-3-03 (emergency); Revoked at 20 Ok Reg 2547, eff 7-11-03]

**580:65-1-7. Statutory citations**

Statutory citations refer to the most recent codification of statute.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

**580:65-1-8. Program forms**

The Director shall approve forms and instructions for use by state agencies and authorized entities to facilitate requirements of this subchapter. The Department shall provide forms upon request.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

**580:65-1-9. Exemption**

(a) **State agency inability to perform Program requirements.** If a state agency reasonably believes that it is unable to perform a requirement of the Program, the state agency may submit a written request for an exemption to the Administrator. The request must be signed by the chief administrative officer of the agency and state the reason for the exemption request.

(b) **Approval of exemption and notification.** The Administrator will review the request and determine whether to approve, conditionally approve or deny an exemption. Written notification of such determination which shall set forth conditions for approval or reasons for denial of the request will be sent to the state agency.

(c) **Exemption expiration.** Approval of an exemption shall expire upon the completion of the transaction designated in the exemption request.

(d) **Grand River Dam Authority (GRDA).** Sale of surplus power generation equipment and by-products by the GRDA shall be exempt from this Chapter. GRDA shall submit a detailed report of the sale of any surplus property disposed of pursuant to this Subsection to the Department no more than thirty days after the sale.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03; Amended at 23 Ok Reg 3036.]

**580:65-1-10. Prohibitions**

(a) **Donations of state property.** Donations of state property to private individuals, for-profit organizations or state employees is prohibited.

(b) **Sales to state employees.** The sale of state property to state employees is prohibited unless items are sold at announced public sales or auctions.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

### SUBCHAPTER 3. DECLARATION AND APPROVAL OF SURPLUS PROPERTY

#### Section

- 580:65-3-1.** Declaring state property surplus  
**580:65-3-2.** Declaration of surplus vehicles and equipment  
**580:65-3-3.** Cancellation or amendment of a surplus property transfer request  
**580:65-3-4.** Transport and delivery of surplus property

#### **580:65-3-1. Declaring state property surplus**

- (a) **Declaration and approval.** A state agency shall determine when its personal property is surplus property in accordance with 74 O.S., Section 62.2.
- (b) **Storage and preservation of surplus property by agency.** A state agency is responsible for the preservation of its surplus property prior to the official approval of its disposal required by the rules of this chapter.
- (1) A state agency must make reasonable efforts to protect its surplus property from the elements, theft or any other means of destruction or deterioration.
  - (2) A state agency must make reasonable efforts to store surplus property no longer than six (6) months to minimize its depreciation.
  - (3) If a surplus property agent has reasonable cause to believe that the resale value of surplus property has been decreased because of negligent storage or handling by a state agency, costs incurred by the Department for the disposal of such property may be charged to the state agency.
- (c) **Request for approval to sell or transfer surplus property.** State owned property shall not be destroyed, sold, transferred, traded in, traded, discarded, donated or otherwise disposed of without prior written approval of the Administrator. This rule applies to and includes any residue that may be remaining from agency cannibalization of property.
- (d) **Surplus Property Transfer Form.** To request official approval to dispose of surplus property, a state agency must submit a form, prescribed by the Department, to the Administrator for approval. A surplus property transfer form must be signed by the chief administrative officer of the agency or an authorized agent and shall state:
- (1) The legal name of the state agency;
  - (2) The principal address of the state agency;
  - (3) The name of the division or department within the agency, if applicable, where property is located.
  - (4) The name, telephone number, fax number and e-mail address of a contact person authorized to show and/or provide additional information concerning the surplus property to an agent;
  - (5) The name, telephone number, fax number and e-mail address of the person preparing the form;
  - (6) The complete address or location of the surplus property;
  - (7) A desired method of disposal of the surplus property as authorized in 580:65-5-1;
  - (8) The reason the property has been declared as surplus property, which may be stated as:
    - (A) No longer needed to perform the duties of the agency; or,
    - (B) Broken, cost to repair not economical; or,
    - (C) Obsolete. Not compatible with newer equipment; or
    - (D) Other, which shall be followed with a specific explanation.

- (9) The inventory control number, if any, assigned to the surplus property item;
- (10) A description of the surplus property item, including serial, model or other identification numbers, whenever available;
- (11) A general statement as to the condition of the surplus property item (i.e. excellent, good, fair, poor, damaged, scrap, missing parts, etc.);
- (12) Any known defects or enhancements;
- (13) An estimate, current value, suggested selling price or minimum acceptable price;
- (14) Any other information or recommendations to assist the approval and efficient disposal of the property.

(A) The name, address and telephone number of a suggested vendor, if any.

(B) Specify whether a recommended buyer is considered to be a related party as described in 580:65-7-1.

- (15) A statement that the contents of the form have been reviewed by the chief administrative officer or authorized agent of the agency and that the facts contained therein are true and correct.

(e) **Approval by the Department.** The Administrator shall review the request and determine whether to approve, conditionally approve or deny the disposal of surplus property. Written notification of such determination, which shall set forth conditions for approval or reasons for denial of the request, will be sent to the state agency.

(f) **Exception.** A surplus property transfer form is not required when equipment is transferred between departments within the same agency, even though a purchase price may be charged.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-3-2. Declaration of surplus vehicles and equipment**

(a) **Additional information.** Whenever a state agency desires to dispose of vehicles or equipment, the following information shall be included on the surplus property transfer form required by 580:65-3-1(d):

- (1) Make, model and model year;
- (2) Body style, load rating, seats or passenger capacity, number of cylinders, number of drive wheels (i.e. 2 x 4 or 4 x 4)
- (3) Vehicle options (i.e. power steering, power brakes, air conditioning, AM/FM radio etc.)
- (4) Mileage or operation hours;
- (5) Color;
- (6) VIN;
- (7) General condition (i.e. runs, driveable, etc.);
- (8) Type and location of any identifying markings on the vehicle or equipment;
- (9) Any special equipment the state agency desires the surplus property agent to remove prior to vehicle or equipment disposal. Failure to request the approval and removal of special equipment at least 24 hours in advance of the disposal of the vehicle or equipment by an agent may result in the loss of the special equipment.

(b) **Required Documents.**

- (1) **Disposal documents.** If laws governing a state agency require written authorization for the state agency to dispose of a vehicle, the state agency shall provide the surplus property agent a copy of required documents.

(2) **Title.** At the time of vehicle transfer to the surplus property agent, the state agency shall provide title to the vehicle to the agent with authorized signatures for legal transfer of the vehicle.

(c) **Vehicle or equipment repairs.**

(1) **Notice to state agency.** If a surplus property agent reasonably believes that the cost of minor repairs to a vehicle or equipment will enhance its potential sale value in an amount that exceeds the cost of the minor repairs, the agent shall send written notice to the state agency and request approval to authorize the repairs.

(2) **State agency approval.** Within five (5) business days after receipt of the repair notice in (1) of this subsection, the state agency shall send written notice of approval or disapproval of the repairs to the agent.

(d) **Repair documents.** Upon receipt of the written approval by a state agency, the surplus property agent shall acquire parts for and repair the vehicle or equipment. The agent shall retain receipts for the parts and document the labor time to install the parts. All repair documents shall be filed and maintained in the state agency vehicle and equipment disposal records of the Department.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

**580:65-3-3. Cancellation or amendment of a surplus property transfer request**

(a) A state agency may notify the Department of its decision to:

- (1) Withdraw a request for approval of the disposal of surplus property;
- (2) Cancel a request for disposal of surplus property after its approval by the Administrator;
- (3) Add or delete one or more items from a list of property submitted to or approved by the Administrator.

(b) A cancellation or amendment request must be in writing and shall include an explanation of the request.

(c) The Administrator shall send written notice to the state agency of the approval or disapproval of a cancellation or amendment request.

(d) The Department may assess charges for any transportation, handling and processing expenses incurred in the return of surplus property.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

**580:65-3-4. Transport and delivery of surplus property**

(a) **Transport method.** Upon receipt of approval of the disposal of surplus property from the Department, a state agency shall advise the surplus property agent the transport method the state agency desires to utilize to transport the property, vehicle or equipment to the location the agent specifies.

(1) A state agency shall be responsible for delivering surplus property to State Surplus, whenever possible. A state agency shall notify a surplus property agent at least 24 hours prior to the date it proposes to deliver surplus property to the State Surplus location.

(2) Whenever a state agency is unable to transport surplus property, the agency shall contact a surplus property agent to schedule pick up and transport by State Surplus.

(A) A state agency shall provide State Surplus a notice of no less than thirty (30) business days prior to the date the agency desires surplus property to be picked up.

(B) The notice period required in (A) of this paragraph may be decreased if it is determined that an emergency or other conditions exist which warrant earlier removal of surplus property upon approval by a surplus property agent.

(b) **Handling and loading surplus property for transport.** A state agency shall assist, whenever possible, with loading and handling of surplus property for transport by a surplus property agent.

(1) The contact person identified on the surplus property transfer form [See 580:65-3-1(d)], or a designee, shall be present during the handling and loading of surplus property by an agent.

(2) A surplus property agent will verify surplus property for loading and transporting against the surplus property list approved in accordance with 580:65-3-1(d).

(A) Any property not specified on the approved list shall not be loaded or transported by a surplus property agent.

(B) Any property specified on the approved list which is missing at the time an agent is loading for transport to State Surplus shall be noted as missing on the copy of the approved list. Such note shall be initialed at that time by both the agent and the state agency contact.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

## SUBCHAPTER 5. SALE OR DISPOSAL OF SURPLUS PROPERTY

### Section

<b>580:65-5-1.</b>	<b>Methods of disposal of surplus property</b>
<b>580:65-5-2.</b>	<b>Disposal by other than a surplus property agent</b>
<b>580:65-5-3.</b>	<b>Disposal of state property by a surplus property agent</b>
<b>580:65-5-4.</b>	<b>Processing special class surplus property</b>
<b>580:65-5-5.</b>	<b>Disposal of hazardous waste</b>

### **580:65-5-1. Methods of disposal of surplus property**

(a) The method of disposal of surplus property must be approved by the Administrator in accordance with 580:65-3-1(d) prior to disposal of state property by a state agency.

(b) Methods of disposal of surplus property are:

(1) **Transfer to a state agency or authorized entity.** Property is transferred to another state agency or authorized entity with or without charge as mutually agreed by both parties.

(2) **Sealed bid.** Property is sold by sealed bid in accordance with 74 O.S., §85.1 et seq. and Subchapter 15 of this chapter by the state agency.

(3) **Public auction.**

(A) **State Agency.** Property is sold at a public auction coordinated by the state agency, if authorized by statute.

(B) **Surplus Property Program.** Property is sold at a public auction coordinated by a surplus property agent in accordance with the rules of this Chapter.

(4) **Scrap metal.** Property is sold as scrap metal.

(5) **Trade-in.** Property is exchanged as trade-in for replacement equipment by a state agency.

(6) **Transfer to Department for disposal by a surplus property agent.** Agent disposes of surplus property, with the exception of vehicles and equipment, by any method listed in this subsection with no remuneration to the state agency.

(7) **Disposal by other means.** Property is disposed of by other specified means which are deemed to be in the best interest of the state at the request of the state agency.

(c) An agency which is approved to dispose of state property shall be responsible for the removal of such property from the agency's official inventory records and submitting notification to the Risk Management Division of the Department, whenever applicable.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03; Amended at 21 Ok Reg 2875, eff 7-11-04]

### **580:65-5-2. Disposal by other than a surplus property agent**

(a) **Transfer to another state agency or authorized entity.** A state agency may determine that the direct transfer of state property to another state agency or authorized entity, with or without remuneration, is in the best interest of the state and request approval of such transfer from the Administrator.

(1) Official approval must be received prior to the transfer of state property. A request to transfer state property shall be made according to 580:65-3-1(d).

(2) The transferring agency is responsible for obtaining a signed receipt for all property transferred pursuant to this section, in addition to maintaining a record of all property transferred. Records shall include, but are not limited to:

- (A) Itemized list of property transferred;
- (B) Reason for transfer;
- (C) To whom property is transferred;
- (D) Inventory number of property transferred;
- (E) Acquisition cost, if known; and
- (F) Estimated value at time of transfer.

(3) Whenever a state property transfer between two state agencies requires remuneration for the state property, all receipts and remittances required to effect such transactions shall be processed through the special cash fund created by 74 O.S., Section 62.5.A.

(b) **Sealed bid or public auction.** A state agency may elect to sell surplus property by sealed bid or public auction without using the services of a surplus property agent and request approval of such sale from the Administrator.

(1) Official approval must be received prior to the sale of surplus property by a state agency. A request to sell state property shall be made according to 580:65-3-1(d.) Sealed bids shall be conducted in accordance with the Oklahoma Central Purchasing Act.

(2) A public auction may be conducted utilizing the services of such state agency employees or by contracting with a professional auction service in accordance with 74 O.S., §85.1 et seq. and Subchapter 15 of this chapter.

(3) A state agency is responsible for maintaining a record of all property it sells or disposes of pursuant to this subsection which shall include, but not be limited to:

- (A) Name of the selling agency;
- (B) Date of the sale;
- (C) Method of sale;

- (D) Selling price of property; and,
  - (E) Name and address of buyer.
- (c) **Trade in.** A state agency may determine it is in the best interest of the state to trade in property it owns to receive credit towards the purchase of new property and request approval of such trade in from the Administrator.
- (1) Official approval must be received prior to trading in state property. A request to trade in state property for credit against the purchase of new state property shall be made according to 580:65-3-1(d).
  - (2) In addition to the information required by 580:65-3-1(d), the following information must be submitted to the Administrator for approval:
    - (A) Description of the item to be purchased;
    - (B) Cost of the new item;
    - (C) Value to be allowed for the state property; and,
    - (D) Name and address of vendor offering the replacement property.
  - (3) The Administrator will review the request and determine whether to approve, conditionally approve or deny the trade in of the state property. Written notification of such determination which shall set forth conditions for approval or reasons for denial of the request will be sent to the state agency.
- (d) **Scrap.** A state agency may determine that property it owns is worn out, damaged, disassembled or in poor condition in such a manner that renders it of no value and request approval to abandon, destroy or sell the property as scrap from the Administrator.
- (1) Official approval must be received prior to the abandonment, destruction or selling of state property for scrap. A request to abandon, destroy or sell state property for scrap shall be made according to 580:65-3-1(d).
  - (2) In addition to the information required in the surplus property form [See 580:65-3-1(d)], a detailed statement of the condition and quantity of such state property which would be useful to the approval process must be submitted to the Administrator for consideration.
  - (3) The Department will send written notification to the agency that:
    - (A) A determination was made that some reasonable value can be obtained from the sale of the property as scrap which must be coordinated by a state surplus property agent; or
    - (B) A determination that there is no value either for salvage or for spare parts; whereas, authorization may be given to abandon or destroy the property in a manner designated or coordinated by a state surplus property agent.
- (e) **Prohibitions.** A state agency shall not arrange sales to individuals or non-state agencies.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03; Amended at 21 Ok Reg 2875, eff 7-11-04]

### **580:65-5-3. Disposal of state property by a surplus property agent**

- (a) **Method of disposal.** A surplus property agent shall determine the method of disposal for all surplus property transferred to State Surplus for disposal.
- (b) **Public Auction.** A surplus property agent shall conduct periodic public auctions to dispose of surplus property that has been held on-site for longer than thirty (30) days.
  - (1) A public auction shall be open to individuals and business entities.

(2) The time, date and location of a public auction shall be advertised in a local newspaper and published on the Department website.

(c) **Disposal for salvage.** An agent may reasonably believe that surplus property has salvage value only and shall document the reasons for such a determination. Surplus property declared to have salvage value only may be disposed of by public auction, direct sale, or solicitation of bids pursuant to the Oklahoma Central Purchasing Act.

(d) **Direct sales.** An agent may sell surplus property directly to state agencies, counties, cities, non-profit organizations, rural fire departments, rural water districts and multipurpose senior citizen centers located in Oklahoma at market prices.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03; Amended at 21 Ok Reg 2875, eff 7-11-04]

#### **580:65-5-4. Processing special class surplus property**

(a) **Special classes of surplus property.** An agent may determine any surplus data processing copier, printer, telecommunications, other such technology equipment or portable buildings to be a special class of property based upon its value, operation, or structure.

(b) **Approval of special classes.** Special classes are declared surplus property and approved by the Administrator according to 580:65-5-1.

(c) **On-site demonstrations to potential buyers.** Whenever a state agency declares items named in (a) of this section as surplus property and requests its transfer to the Department, an agent may determine that the property be retained on-site and in operation, if applicable, to permit demonstration to potential buyers. The determination will be based on the following:

(1) Disconnection and transportation of the property may drastically decrease its value;

(2) On-site demonstration of the property is for the overall best interest of the state;

(d) **Coordination of sale.** An agent shall coordinate the sale of property named in this section with the agency and employ the most efficient, timely and cost effective method to process the property. Sales to the public shall be delayed for thirty (30) days to provide priority purchase to state agencies. [see 580:65-7-2.]

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

#### **580:65-5-5. Disposal of hazardous waste**

(a) **Acceptance of hazardous material.** The Department shall not receive, store, handle or process any equipment, fluids, chemicals, residue or other property which have been identified as hazardous to the health or safety of the general public.

(b) **Notification of Department of Environmental Quality.** An agency discovering or suspecting the presence of hazardous material shall immediately contact the Department of Environmental Quality for direction and information related to its disposal.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

## SUBCHAPTER 7. ACQUISITION OF SURPLUS PROPERTY

### Section

<b>580:65-7-1.</b>	<b>Sales to related parties</b>
<b>580:65-7-2.</b>	<b>Transfer or sale to a state agency or authorized entity</b>
<b>580:65-7-3.</b>	<b>Public auction</b>
<b>580:65-7-4.</b>	<b>Return of property after purchase</b>
<b>580:65-7-5.</b>	<b>Payment provisions</b>
<b>580:65-7-6.</b>	<b>Conditions of service</b>
<b>580:65-7-7.</b>	<b>State agency reimbursement</b>

### **580:65-7-1. Sales to related parties**

- (a) 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:
- (1) Has purchasing authority.
  - (2) Has maintenance authority.
  - (3) Has disposition or signature authority.
  - (4) Has authority regarding the disposal price.
  - (5) Has access to restricted information.
  - (6) Is perceived to be a related party using other criteria which may prohibit independence.
- (c) Owning state agencies must list any recommended purchasers on the transfer of surplus property form [See 580:65-3-1(d)] and specify whether they are considered to be a related party.
- (d) When a prospective purchaser is identified or determined to be a related party, the Administrator will employ one of the following procedures:
- (1) The Administrator may require written justification and authorization from the Department or Division director. Justification may include reference to maintenance history, purchase price and the absence of conflicts of interest. If the related party is an authorized agent, a higher approval may be sought.
  - (2) The Administrator may choose to hold the property for sale by public auction or sealed bid. The prospective buyer may then compete against other bidders.
  - (3) The Administrator may hold the property for a 30 day period before allowing the related party the opportunity to purchase the property, thus allowing for purchase of the property in accordance with the rules of this chapter.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-7-2. Transfer or sale to a state agency or authorized entity**

- (a) **Priority purchase of surplus property.** An agent shall make all approved surplus property available to state agencies and authorized entities for review and priority purchase for a minimum of thirty (30) days prior to their transfer or sale.
- (b) **Acquisition cutoff date.** The agent will schedule a reasonable cutoff date for final acquisition of surplus property by state agencies no less than five (5) days prior to the next regularly scheduled public auction date.

(c) **Transfer cutoff date.** All transfers to State Surplus after the cutoff date is scheduled will be approved by an Agent on a case by case basis based upon storage capacity prior to the auction.

(d) **Purchase price.** A state agency or authorized entity that desires to acquire surplus property, a vehicle or equipment from the Department may negotiate the purchase price for the property with a surplus property agent.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-7-3. Public auction**

(a) **Public sales.** Sales to the public shall be made only by means of a public auction or sealed bids.

(b) **Payment deadline.** Final payment for surplus property by the public shall be made no later than 2:00 p.m. on the date of the auction.

(c) **Pick up deadline.** Surplus property shall be picked up after payment no later than 3:00 p.m. on the Tuesday immediately following the date of the auction.

(d) **Cancellation of transaction.** If payment is not made or property is not picked up by the cutoff time scheduled by the agent, the sale transaction shall be canceled.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-7-4. Return of property after purchase**

All surplus property, vehicles and equipment are sold "as is" and are nonreturnable.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-7-5. Payment provisions**

(a) **General requirements for purchases.** Payment made by the public shall be at the time of purchase and prior to removal of the property purchased. Payment for purchases by state subdivisions shall be within 45 days following the purchase and removal of the property. The following provisions apply to all sale transactions prior to the release of property by an agent:

(1) State agency, political subdivision, school district. A state agency, political subdivision or school district shall:

(A) Provide a purchase order for the mutually agreed purchase price at the time of purchase; and,

(B) Submit a billing invoice which contains the name and address of the purchasing agency or authorized entity and the name of the representative making the purchase on behalf of the agency or authorized entity with the payment; or,

(C) Make payment with a state approved purchase card.

(2) Private business. A private business shall provide a business tax identification number and a tax-exempt certificate, if applicable, at the time of payment. Otherwise, local sales tax shall be charged.

(3) General public. Sales tax shall be collected for all purchases made by the general public unless a tax-exempt certificate is presented at the time of payment.

(4) Non-governmental entities. Non-governmental entities that are not-for-profit organizations shall provide a copy of the letter issued by the Internal Revenue Service granting its tax exempt status at the time of its first purchase.

(b) Form of payment from non-governmental entities and general public. Payment may be in the form of certified funds, business check, money order, cashier's check or credit card approved for use by the Department.

(1) The presenter of a check must present a valid driver license or other picture form of identification at the time of payment.

(2) A check must be guaranteed by a letter of credit issued by the financial institution and may not be accepted for amounts exceeding \$2,500.00.

(3) Unguaranteed checks and 2-party checks shall not be accepted.

(c) **Payment refunds.** All payments received for the purchase of surplus property are nonrefundable.

(d) **Cash.** Cash for exact purchase amounts may be accepted at a public auction.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03; Amended at 21 Ok Reg 2875, eff 7-11-04]

#### **580:65-7-6. Conditions of service**

(a) **Delinquent accounts.** State agencies that are delinquent sixty (60) days or more with payment to the Department shall be considered in arrears. Written notice of the delinquency and outstanding balance will be sent to the agency.

(1) Accounts delinquent for more than 120 days shall be subject to suspension by the Director. Suspension of an account bars the agency from the purchase of additional surplus property until payment is received and the account is no longer in arrears.

(2) The Director may waive suspension if it is determined that the suspension will disrupt vital services to the public, cause undue hardship, or is otherwise in the best interest of the agency and/or the state.

(b) **Insufficient checks.** If a check from the general public is returned by a financial institution for "insufficient funds", "account closed" or other reason, the Department shall send written notice to the debtor stating that the debtor has fifteen (15) days to pay the amount owed with cash, a money order or cashier's check, including any and all additional fees associated with the collection process, such as returned check fees.

(1) Any customer who presents the Department with an insufficient check will be notified in writing of the requirement to make payment by cash, money order or cashier's check for any future surplus property purchases made for twelve (12) months following the date of such notice.

(2) The Administrator may waive the payment requirement in paragraph (1) of this subsection.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

#### **580:65-7-7. State agency reimbursement**

(a) **Payment schedule.** Whenever the Department sells vehicles or equipment for a state agency, reimbursement of sales receipts shall be issued to the state agency in the month following the month of sale of the property.

(1) Sales receipts shall be accompanied by a report which includes:

(A) a description of the item(s) sold;

(B) the sale price and the portion of the sale price paid back to the agency.

(2) If the sale price of item(s) is lower than cost incurred by State Surplus to sell the item(s), no sales report shall be provided to the state agency.

(b) **Surplus Property Program fee determination and funds remittance.** A reasonable administrative fee shall be charged and retained by the Department from sales receipts for the transfer, sale or salvage of vehicles and equipment.

(1) The Department shall retain an administrative fee of ten percent (10%) of the sale price of a vehicle or equipment.

(2) The administrative fee shall be deducted from the sale receipts of a vehicle or equipment prior to remittance of sales receipts to a state agency.

(3) All administrative fees collected pursuant to this subsection shall be deposited into a revolving fund as specified by statute.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

## SUBCHAPTER 9. SURPLUS PROPERTY RECORDS

### Section

**580:65-9-1. Surplus property record keeping by a state agency**

**580:65-9-2. Surplus property record keeping by a surplus property agent**

### **580:65-9-1. Surplus property record keeping by a state agency**

The chief administrative officer of each state agency shall maintain a current list of all surplus property. (74 O.S., Section 62.6.) The list shall include the following:

- (1) Detailed description of surplus property;
- (2) Street address and city or town where surplus property is maintained;
- (3) Original purchase price, if known. If purchase price is unknown, estimate of current market value;
- (4) If surplus property is disposed of, the method of disposal approved by the Administrator, which shall include:
  - (A) If sold, date of sale, selling price, name and address of buyer; or,
  - (B) If transferred, name and address of state agency or authorized entity to which transferred; or,
  - (C) If otherwise disposed of, a description of the manner of disposal.
- (5) Any other information that will document or account for status and location of surplus property.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]

### **580:65-9-2. Surplus property record keeping by a surplus property agent**

The surplus property agent shall keep and maintain the following surplus property records:

- (1) **Vehicle and equipment information.** A record for each vehicle or piece of equipment received from a state agency for disposal, which contains:
  - (A) a description of the vehicle or equipment;
  - (B) the transport method;
  - (C) all documents required by this subchapter related to the vehicle or equipment;

- (D) records for expenses incurred by the agent for:
  - (i) transport of the vehicle or equipment;
  - (ii) removal of markings from a vehicle or equipment;
  - (iii) removal of special equipment from a vehicle or equipment;
  - (iv) additional parts for a vehicle or equipment; and
  - (v) labor expenses to install parts on a vehicle or equipment.
- (2) **Surplus property information.** A record for each surplus property item sold by the agent, which contains the following:
  - (A) a general description of the surplus property item;
  - (B) a copy of the signed receipt issued to the buyer.

[Source: Added at 20 Ok Reg 546, eff 1-3-03 (emergency); Added at 20 Ok Reg 2547, eff 7-11-03]