

Purchase of Surplus Property

Original Implementation: September, 1987

Last Revision: January 28, 2020

Purpose

This policy establishes guidelines for purchasing surplus property from the Texas Facilities Commission and details restrictions on the use of any federal surplus property.

Definitions

Surplus property is any personal property that is in excess of the needs of the department and which is not required for the foreseeable future. Surplus property may be new or used but must have additional useful life.

Salvage property is any personal property which through use, time, or accident is so depleted, worn out, damaged, consumed, or outdated that it is obsolete and/or can no longer serve the purpose for which it was originally intended.

General

The Texas Facilities Commission (TFC) disposes of surplus and salvage personal property from Texas state agencies and manages the disposition of surplus and salvage donated to the state by federal programs. The Office of the State Comptroller advertises surplus property exclusively to state agencies, political subdivisions and assistance organizations. Surplus property not transferred within 10 business days of posting is available for sale to state agencies, political subdivisions and assistance organizations as well as the general public. Federal surplus property is available only to eligible organizations, not private citizens or the general public. Available property can be viewed at the following URLs:

[State Surplus \(State Comptroller's listing\)](#)

[State Surplus \(available at store fronts; TFC listing\)](#)

[Federal Surplus](#)

A requisition must be submitted to initiate the purchase of surplus property. A purchaser is available to research the availability, condition and cost of surplus property.

State Surplus

The agency offering the surplus equipment is to be contacted directly to determine a price and make arrangements for transfer. The requisition submitted to the purchasing office should state on the requisition 'STATE SURPLUS PROPERTY'. The name of the state agency and the agreed price, and arrangements for transfer should also be shown.

Federal Surplus

The Texas Facilities Commission manages the disposition of surplus property donated to the state by federal programs. The purchaser may make a written request for federal surplus to be held for SFA if it becomes available.

Visitation to and shopping at a federal surplus warehouse is allowed only by a certified agent of the university. The item(s) may be picked up at the time of purchase or arrangements can be made for pick up at a later date. The individual(s) picking up the merchandise do not have to be certified, but they must have the receipt in hand when arriving at the distribution center. If the SFA transportation department picks up the item(s), the department will be charged for travel and labor costs. When the merchandise is received, the itemized receipt and/or invoice should be returned to the procurement department.

Restrictions on the Use of Federal Surplus Property

Participating organizations (“donees”) are required to use the property obtained through the program for a specific amount of time before the property can be sold or transferred and must adhere to the following restrictions:

1. Property must be placed into use within the first year of possession.
2. Property must continue to be used for the duration of the compliance period before ownership is transferred to SFA.
 - 12 months for property with an original acquisition cost less than \$5,000.
 - 18 months for passenger vehicles or any item of property with original acquisition cost of \$5,000 or more.
 - 5 years for aircraft and vessels 50’ or more in length.
 - In perpetuity for combat-configured aircrafts, and firearms.
3. The property may not be sold, transferred, or otherwise disposed of during the compliance period. If property is sold, transferred or otherwise disposed of during the required period of use, SFA may be subject to penalties and fines, as well as possible state or federal prosecution.
4. Compliance visits may be conducted by state and federal program staff during the compliance period to ensure that property is being put to its intended use. If the property is not paid for in full or is not being used or handled as required, SFA will be required, at its expense, to return the property to TFC or offer for transfer to another donee, as instructed by TFC.

As a donee, SFA must include the General Services Administration’s required non-discrimination statement with information about the federal surplus program.

Cross Reference: 41 C.F.R. §§ 101, 102; Purchase Requisition (17.19)

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Procurement and Property Services/HUB Coordinator

Forms: Purchase Requisition, TFC Eligibility Application Form, TFC Update Form, TFC Authorized Representative Form

Board Committee Assignment: Finance and Audit