



HEARTLAND LAKES COMMUNITY
SCHOOL EXISTS TO EMPOWER
SCHOLARS TO:
BRAVELY LIVE THEIR TRUTH,
TO BECOME WISE STEWARDS OF
THE LAND AND RESOURCES
AND TO IGNITE LASTING
CURIOSITY THAT LEADS TO
POSITIVE CHANGE IN THEIR
SCHOOL, THEIR COMMUNITIES,
AND THEMSELVES.

Policy 802

Disposition of Obsolete Equipment and Material

Adoption:	February 24, 2025
Revision History	
Last Board Review: February 24, 2025 Next Board Review: February 2028 Review Frequency: Every 3 Years (per Policy 208)	

I. PURPOSE

The purpose of this policy is to provide guidelines for the Director to assist in timely disposition of obsolete equipment and material.

II. GENERAL STATEMENT OF POLICY

Effective use of school building space, and consideration for safety of personnel, will at times require disposal of obsolete equipment and material.

III. DEFINITIONS

- A. "Contract" means an agreement entered into by Heartland Lakes Community School (HLCS) for the sale of supplies, materials, or equipment.
- B. "Official newspaper" is a regular issue of a qualified legal newspaper.

IV. MANNER OF DISPOSITION

A. Authorization

The Director shall be authorized to dispose of obsolete equipment and materials by selling it at a fair price consistent with the procedures outlined in this policy. Any sale exceeding the minimum amount for which bids are required must first be specifically authorized by the school board. The Director shall be authorized to properly dispose of used books, materials, and equipment deemed to have little or no value.

B. Contracts Over \$100,000

1. If the value of the equipment or materials is estimated to exceed \$100,000, sealed bids shall be solicited by two weeks' published notice in the official newspaper. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter. Additional publication in the official newspaper or elsewhere may be made as the school board shall deem necessary.
2. The sale shall be awarded to the highest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law.
3. A record shall be kept of all bids, with names of bidders and amounts of bids, and an indication of the successful bid. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the highest responsible bid shall be rejected unless the alteration or erasure is corrected by being crossed out and the correction printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid.
4. In the case of identical high bids from two or more bidders, the school board may, at its discretion, utilize negotiated procurement methods with the tied high bidders so long as the price paid does not go below the high tied bid price. In the case where only a single bid is received, the school board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not fall below the original bid. If no satisfactory bid is received, the board may advertise.
5. All bids obtained shall be kept on file for a period of at least one year after their receipt. Every contract made without compliance with the foregoing provisions shall be void.
6. Data submitted by a business to a school in response to a request for bids are private until opened. Once opened, the name of the bidder and the dollar amount specified become public; all other data are private until completion of the selection process, meaning the school has completed its evaluation and ranked the responses. After completion of the selection process, all data submitted by all bidders are public except trade secret data. If all responses are rejected prior to completion of the selection process, all data remain private, except the name of the bidder and the dollar amount specified which were made public at the bid opening for one year from the proposed opening date or until re-solicitation results in completion of the selection process or until a determination is made to abandon the purchase, whichever occurs sooner, at which point the remaining data becomes public. Data created or maintained by the

school district as part of the selection or evaluation process are protected as nonpublic data until completion of the selection or evaluation process. At that time, the data are public with the exception of trade secret data.

C. Contracts From \$25,000 to \$100,000

If the amount of the sale is estimated to exceed \$25,000 but not to exceed \$100,000, the contract may be made either upon sealed bids in the manner directed above or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding notice. All quotations obtained shall be kept on file for a period of at least one year after receipt.

D. Contracts \$25,000 or Less

If the amount of the sale is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, at the discretion of the school board. The sale in the open market may be by auction. If the contract is made on quotation, it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after receipt.

E. Electronic Sale of Surplus Supplies, Materials, and Equipment

Notwithstanding the other procedural requirements of this policy, the school district may contract to sell supplies, materials, and equipment which are surplus, obsolete, or unused through an electronic selling process in which purchasers compete to purchase the supplies, materials, or equipment at the highest purchase price in an open and interactive environment.

F. Notice of Quotation

Notice of procedures to receive quotations shall be given by publication or other means as appropriate to provide reasonable notice to the public.

G. Sales to Employees

No officer or employee of the school district shall sell or procure for sale or possess or control for sale to any other officer or employee of the school district any property or materials owned by the school district unless the property and materials are not needed for public purposes and are sold to a school district employee after reasonable public notice, at a public auction or by sealed response, if the employee is not directly involved in the auction or sale process. Reasonable notice shall include at least one week's published or posted notice. A school district employee may purchase no more than one motor vehicle from the school district in any 12-month period. This section shall not apply to the sale

of property or materials acquired or produced by the school district for sale to the general public in the ordinary course of business. Nothing in this section shall prohibit an employee of the school district from selling or possessing for sale public property if the sale or possession for sale is in the ordinary course of business or the normal course of the employee's duties.

H. Exceptions for Surplus School Computers

HLCS may bypass the requirements for competitive bidding and is not subject to any other laws relating to school district contracts if it is disposing of surplus school computer and related equipment by conveying the property and title to:

1. another school district;
2. the state department of corrections;
3. the board of trustees of Minnesota State Colleges and Universities; or
4. the family of a student residing in the district whose total family income meets the federal definition of poverty.

I. Non-consumable Purchased with Federal CSP Grant Funds

1. Non-consumables purchased with Federal CSP Grant Funds and disposed of prior to March 29, 2015 must also follow Minnesota's Federal CSP Grant Project disposition policy:
 - a) Closing/closed charter schools: As part of the school's closure process, all non-consumable items of value purchased with federal CSP grant funds must be distributed to other Minnesota charter schools at the discretion of the State. MDE will work with a school on an individual basis to determine an appropriate redistribution process. Federally-purchased non-consumable items of value may not be sold to pay creditors. The school's board of directors is responsible for this process.
 - b) Operational charter schools: The following process is in place for operational charter schools who wish to sell, give-away or dispose of non-consumables purchased with federal CSP grant funds:
Disposition of items due to depreciation: Grantees maintain and update as necessary a property inventory record to indicate disposition of old/unusable goods (add an additional column to the property inventory record entitled Disposition to track any items removed due to depreciation to \$0 value.) Disposition of items with value due to sale/donation:

- (1)** Grantees with current grants, and for a period of time no less than six years after the end date of the last CSP grant agreement/OGAN, should submit an email request to the State of Minnesota with information including: Specifics of what was purchased with CSP funds; date of purchase and purchase price (items to be disposed); Current fair market value of the items; Proposed method of disposition (e.g., donation or sale); Amount expected to be received for any sale; and Description of items to be purchased in the place of items sold.
- (2)** The request will be reviewed and a reply communicated in writing (via email), which will serve as the grantee's authority to dispose of federal CSP non-consumable goods with value.
- (3)** Current grantees and grantees with closed CSP grants will then update their federal CSP property inventory record to: Indicate disposition of goods (add an additional column to the property inventory record entitled Disposition to track any items removed from the inventory and the reason for removal, e.g., outdated copier sold and replaced with newer/better model); and include the new items purchased with funds received from a sale of federal CSP property.

Note: The applicability and enforceability of this policy 802 is limited to, and qualified by, Minnesota or Federal law that, at the time any such circumstance within the scope of the policy arises, may be contrary to some aspect or all of the policy.