



CIRCULAR

STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY

NO.: 22-08-DPP	ORIGINATING AGENCY: DIVISION OF PURCHASE AND PROPERTY	PAGE 1 OF 5
EFFECTIVE DATE: IMMEDIATE	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 20-13-DPP
SUBJECT: EXCESS AND SURPLUS PROPERTY – PROCEDURES FOR DISPOSAL		
ATTENTION: ALL STATE AGENCIES		
FOR INFORMATION CONTACT:	OFFICE OF THE DIRECTOR	PHONE: (609) 292-4886

I. PURPOSE

This Circular sets forth the procedures for the identification, notification, and method of disposal, transfer, or sale of State assets classified as Surplus Property including scrap and waste material, but excluding surplus Solar Renewable Energy Certificates (SRECs) and surplus computer equipment. The disposition of surplus SRECs is covered under the Circular entitled "Excess/Surplus Property Procedures – Solar Renewable Energy Certificates (SRECs)". The disposition of surplus computer equipment is covered under the Circular entitled "Disposition of Excess and Surplus Computer Equipment".

II. DEFINITIONS

PROPERTY - Interchangeable with the word "asset" or "item," it is any tangible item used in the normal course of State business (excluding land and buildings).

STATE PROPERTY - Any asset purchased with State funds, and assets purchased for State use with Federal funds for which the Federal funding agency relinquished claim to the asset.

EXCESS PROPERTY - State property no longer needed by the owning agency.

SURPLUS PROPERTY - State property no longer needed by any State agency.

SCRAP AND WASTE - State property that is broken, inoperable, missing parts, requiring excessive repairs (repair cost exceeds 50% or more of replacement cost), and base materials (metal, rubber, food, fats, paper, etc.) for salvage or scrap.

MOTOR VEHICLES - Any powered vehicle that is titled and/or requires an operator, i.e. automobiles, trucks, heavy equipment (cranes, backhoes, etc.), specialty vehicles (fire trucks, ambulances, etc.), and boats with motors.

SOLAR RENEWABLE ENERGY CERTIFICATES (SRECs) – Tradable certificates, created under New Jersey's Renewable Portfolio Standards, representing the clean energy benefits of power generated by a solar electric system.

III. POLICY

The policy of the State of New Jersey is to ensure that the Departments and Agencies comprising State Government achieve the maximum possible benefit from excess and surplus personal property by directing the procedure for handling such property and by providing the guiding principles to assist State agencies in determining the appropriate course of action to expedite the proper disposition of such property in compliance with N.J.S.A. 52:27B-67.

It is the responsibility of individual Departments and Agencies to manage their assets through the life cycle. This life cycle starts with the identification of a need for an asset, then progresses to its procurement, receipt, identification/marketing, placement within the organization and everyday usage and security. In time, the asset becomes excess property due, most often, to obsolescence or replacement from normal wear and tear. From this point, Departments and Agencies should consult this Circular to effect the timely disposition of that excess, either through redistribution, resale, or scrap. Departments and Agencies are discouraged from stockpiling excess assets in anticipation of future needs so that costly storage is minimized and property is managed prudently and for the best advantage of the State.

IV. GUIDELINES

- A. The transfer, sale, or disposal of all State assets classified as Surplus Property must comply with N.J.S.A. 52:27B-67.
- B. All property purchased with Federal Title Funds and designated as surplus must be redistributed or disposed of in accordance with regulations applicable to the Federal title under which they were purchased.
- C. Surplus property purchased with federal funds to which the Federal Government makes no claim and/or relinquishes any claim, shall be regarded as State Surplus Property and shall be disposed of in accordance with the State's guidelines for the disposal of Excess/Surplus Property set forth in this Circular.
- D. Excess property must either be made available to other State Agencies at no charge or be declared Surplus and sold through bidding or public auction/sale, or disposed of locally.
- E. Using Agencies are not authorized to dispose of motor vehicles, computer equipment, or any individual asset or group of like assets with a current estimated value of over \$3,500, unless otherwise approved by the Director of the Division of Purchase and Property in writing. The Distribution and Support Services' (DSS) Surplus Property Unit handles the disposition of these assets. Using agencies are not authorized to dispose of SRECs. Treasury's Office of Energy Savings handles the disposition of SRECs on behalf of the Division of Purchase and Property.
- F. The disposition of surplus computer equipment is covered under the Circular entitled "Disposition of Excess & Surplus Computer Equipment".
- G. The disposition of surplus Solar Renewable Energy Certificates (SRECs) is covered under the Circular entitled "Excess/Surplus Property Procedures - Solar Renewable Energy Certificates(SRECs)".
- H. All proceeds from the sale of surplus assets, including scrap and waste, must be deposited into the General Fund, State of New Jersey.
- I. As a benchmark, office machinery and furniture that are declared excess due to normal wear and tear should exceed the age limit as classified in the Federal Tax Codes Depreciation Guide. The guideline for office machinery (typewriters, calculators, copiers, computers/peripheral equipment, etc.) is five years, and office furniture and furnishings (desks, chairs, filing cabinets, etc.) is seven years.

- J. Under certain circumstances, it may be appropriate to modify or amend the policies and procedures of this Circular to effect the timely and/or most cost effective method of surplus property disposal. Requests to deviate from the procedures of this Circular must be made in writing to the Director, Division of Purchase and Property, and must be approved accordingly.
- K. All State Agencies are required to maintain an inventory of assets as described in Department of the Treasury Circular entitled "Asset Inventory Requirements".

V. PROCEDURES FOR EXCESS PROPERTY

- A. The owning agency may use form DSS-160, EXCESS/SURPLUS PROPERTY NOTICE (available on the Treasury web site: <https://www.state.nj.us/treasury/purchase/forms.shtml>) or its own internal reports/forms to notify its Department Head, Chief Fiscal Officer, or designee, of the availability of excess assets for use by other Divisions within the Department. Any departmental internal reports/forms used for excess/surplus notification must contain the information required by the DSS-160. This form may be duplicated.
- B. If redistribution within the Department is not accomplished within 30 calendar days, the Department notifies the Division of Property Management, Bureau of Special Services Warehouse (B.O.S.S. Warehouse) of the assets available for redistribution. In most cases, the owning agency will be required to hold the assets on site through the transfer or auction process.
- C. The owning agency must notify the B.O.S.S Warehouse of the availability of excess assets, at 609-588-2015. The email address is boss.warehouse@treas.nj.gov. The warehouse is physically located at 121 First Avenue, Hamilton, NJ 08619-3203. The warehouse website is <https://www.nj.gov/treasury/dpmc/warehouse.shtml>.
- D. B.O.S.S. Warehouse Policy/Procedure
1. Common Stock Furniture that comes into the First Avenue Warehouse (121 1st Ave, Hamilton, NJ 08619-3203) is considered as excess furniture and placed in Common Stock, subject to use by any department.
 2. Only functional, safe furniture that meets all PEOSH requirements will be kept in Common Stock. Any broken or unsafe furniture will be put into surplus and destroyed.
 3. Excess safe, functional furniture that is above the needs of the Common Stock will be put into surplus or disposed of.
 4. Departments can request furniture in writing, or e-mail requests can be accepted. Include quantity and details such as, but not limited to : type of desk or table (e.g., metal, wood, left or right return, task, conference), type of chair (e.g., office, manager's or task, conference or meeting room, arms, high or low back), type of file cabinet (e.g., front or lateral, number of drawers), specialty or unusual furniture. Furniture that meets the needs of the requesting party will be removed from inventory, cleaned, touched up and made ready for pickup or delivery to the requesting department.
 5. Furniture may be reserved by a requesting department. If not picked up or delivered after 14 business days, the furniture will be returned to stock. Sight visits are recommended for items that State Agencies wish to receive.
 6. Disposal of surplus furniture, computer, telephony and other electronics is the responsibility of the owning department as defined in for all items under \$3,500 which must be sent to the First Avenue Warehouse.
 7. Delivery of surplus furniture, computer, telephony items and other electronic items to the First Avenue Warehouse must be done by appointment. Include a contact name, the agency name and a voice telephone number.
 8. E-mail a list of items with quantities and descriptions.
 9. Any and all electronics that have any type of data storage must be declared, removed, separated and all paper work must accompany this type of equipment with the count signed for by the agency and confirmed by warehouse

Please visit the warehouse website for B.O.S.S Media Shredding Forms and other pertinent information.

VI. PROCEDURES FOR SURPLUS PROPERTY

- A. For surplus computer equipment, see Circular entitled "Disposition of Excess & Surplus Computer Equipment" for procedures. For surplus SRECs, see Circular entitled "Excess/Surplus Property Procedures - Solar Renewable Energy Certificates (SRECs)" for procedures.
- B. If the current market value of the surplus is under \$3,500 (single line item or group of like assets), the owning agency is responsible for disposal of the surplus commodities with the exception of motor vehicles, computer equipment and SRECs. The method of disposal must be in accordance with the following guidelines:
 1. Telephone quotes are permitted for transactions under \$3,500.
 2. All Agencies must document and maintain a record using form ADFM-119, SUMMARY OF TELEPHONE QUOTATION, indicating that price competition was solicited from at least three qualified bidders. This form is available on the Treasury web site: <http://www.state.nj.us/treasury/forms.html#dpp>.
 3. A contract may be awarded to a single respondent, provided a minimum of three qualified bidders were contacted and that the owning agency prepares a memorandum attesting to this fact, which becomes a part of the bid file.
 4. An owning agency may not divide similar or individual items into smaller lots for sale or disposal to avoid the \$3,500 threshold.
- C. If the current market value of the surplus is \$3,500 or more (single line item or group of like assets), the Surplus Property Unit disposes of the property by transfer, bid or public auction/sale.

NOTE: State contracts currently in effect for the disposal of surplus commodities are to be used directly by the owning agency, regardless of dollar amount, in accordance with instructions in the individual Notice of Award for the contract being used.

VII. PROCEDURES FOR SCRAP AND WASTE

- A. An owning agency, with authorization from its Department Head, Chief Fiscal Officer, or designee, can declare property as scrap or waste, and dispose of it locally (recycle value under \$3,500) without notifying the Surplus Property Unit. If the scrap and waste has a recyclable value of \$3,500 or more, the owning agency must notify the Surplus Property Unit.
- B. In some instances, the scrap value of a piece of property or a load of mixed assets is equal to, or more than, the cost of dismantling and hauling. Agencies are encouraged to compare used equipment dealers or scrap dealers for the best overall price.
- C. The owning agency can dispose of scrap and waste with no recyclable or usable value by placing it in existing dumpsters, or by contracting for dedicated dumpsters for large amounts of scrap and waste. All costs of a dumpster are the responsibility of the owning agency.
- D. Agencies must ensure that scrap and waste placed in a dumpster is broken down and disabled to prevent scavenging and to ensure maximum cube utilization.
- E. Scrap and waste items may not be given or sold to State employees, private citizens, local governments, non-profit organizations, etc.
- F. Agencies, which generate large quantities of scrap and waste in the normal course of business, and have State contracts in place for the disposal of this scrap and waste, are exempt from the requirements of paragraph VII. A. of this Circular.

VIII. TRANSMITTAL OF INCOME

- A. All income derived from the sale of surplus property, scrap and waste must be transmitted to Distribution and Support Services via form PB-81, SURPLUS PROPERTY TRANSMITTAL OF INCOME (available on the Treasury web site: <http://www.state.nj.us/treasury/forms.html#dpp>).
- B. All checks derived from the sale of surplus property, scrap and waste must be made payable to "TREASURER, STATE OF NEW JERSEY."

IX. RECORD KEEPING

All records and documentation pertaining to the disposal of surplus property, scrap and waste must be maintained by the owning agency for a period of seven years and must be available for review by the Office of Legislative Services.

X. ADDITIONAL GUIDELINES

In order to obtain the "best advantage for the State" when conducting a telephone quote or sealed bid competition, the Department or Agency shall perform the following steps:

- A. Maximize bidder participation by maintaining and utilizing lists of bidders sorted by type of commodity.
- B. Separate and identify items as operable or inoperable.
- C. Sort and classify by commodity (e.g. metal, wood, furniture, office equipment) to obtain best price.
- D. Obtain bids from local used equipment or scrap dealers or wholesalers

MA Griffin
Maurice Griffin, Acting Director