

Section 8 - Surplus Property

I. General Information

A. Definition of Surplus Property

Any state-owned property with utility or monetary value including capital assets, sensitive items, commodities, equipment, materials, supplies, buildings, and other property, that is obsolete, unused, not needed for a public purpose, or ineffective for current use. Any liens against property must be satisfied before the property can be considered surplus.

B. Purpose and Scope

1. The objectives of an effective surplus property management program are to:
 - a. Optimize the use of state-owned property through intra-agency and inter-agency surplus property transfers; and
 - b. Obtain the maximum return on investment for the State of Minnesota through the sale of non-transferable surplus property.
2. This section has been prepared in accordance with [Minnesota Statute 16C.23](#) and [Minnesota Rules Chapter 1255](#). Its contents are applicable to all state agencies possessing surplus property.
3. Consistent with [Minnesota Statute 16C.23](#), the Commissioner of Administration may do any of the following to dispose of state surplus property:
 - a. transfer it to or between state agencies;
 - b. transfer it to a governmental unit or eligible nonprofit organization in Minnesota;
 - c. sell it and charge an administrative fee to cover expenses incurred in the disposal of the surplus property; or
 - d. transfer state surplus computers to Minnesota Computers for Schools for refurbishing and distribution to any school, school system, college, or university in Minnesota.

C. General Classifications of Surplus Property

1. Recyclable Property - Consists of supplies, parts, materials, and equipment that have outlasted their effective usefulness and are considered beyond economical repair with no further utility value to the state, but can be recycled. Examples of recyclable property include: used tires, tubes, aluminum, steel, brass, waste paper, scrap film x-rays, and other recyclable waste materials.
2. Obsolete Property - Consists of supplies, parts, materials, and equipment that retain various degrees of utility value, but are no longer functional to an operation due to a model change, style change or technological development.
3. Excess Property - Consists of supplies, parts, materials, and equipment that retain utility value and are still functional to an operation, but exceed an organization's forecasted inventory needs of two years.
4. Worthless Property - Property that has no further utility or monetary value to the state and is not recyclable. Worthless property must be disposed of in accordance with state, federal, and local ecological along with environmental regulations.
5. Hazardous Property - Any property or discarded material in solid, semi-solid, liquid or gaseous form that cannot be handled by routine waste management techniques because it poses a substantial present or potential hazard to human health or other living organisms due to its chemical, biological, or physical properties. Categories of hazardous waste materials include, but

are not limited to explosives, flammables, oxidizers, poisons, irritants, and corrosives.

II. Property Transfers

A. General Information

1. Surplus property reporting and transfer procedures apply statewide to optimize property utilization.
2. Maximum property utilization can be best achieved through the effective transfer of surplus property within and among state agencies. The following sections describe the statewide procedures for intra-agency and inter-agency surplus property transfers.

B. Intra-Agency Property Transfers

1. Whenever possible, surplus property that is no longer needed by an operation within an agency should be transferred within that agency.
2. The procedures in MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
3. Intra-agency transfers do not require prior approval from Surplus Services, nor do they require notification; however, all recordkeeping systems must be updated as appropriate.
4. Specific instructions for intra-agency transfers for capital assets, sensitive items, consumable inventories, and supplies are provided in the appropriate section of this user guide.

C. Inter-Agency Property Transfers

1. All surplus property retaining value that cannot be transferred within an agency should be made available for transfer to and use by other state agencies. State agencies may post their surplus items to the Surplus Services' [Surplus Exchange](#).
2. The procedures in MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
3. Inter-agency property transfers require approval from Surplus Services. Agencies must use a [Property Disposition Request](#) form to obtain approval for inter-agency transfers of surplus property.
4. The [Property Disposition Request](#) form will be evaluated by Surplus Services to determine the most appropriate means of disposition. If the property is considered to have further value to the state, it will be made available to other state agencies. Wherever feasible, state agencies should acquire needed property from available surplus, rather than purchase new items of a similar nature.
5. The transfer of surplus property is usually transacted on a "no-charge" basis to the receiving agency. In certain instances where the property has considerable value, both parties may wish to negotiate a fair sale price.
6. The receiving agency is usually responsible for all transportation costs incurred; however, these costs may be negotiated between the parties.
7. If the property is maintained in a recordkeeping system, both agencies must adjust their records accordingly.

D. Transfers To Governmental Units Or Eligible Non-Profit Organizations

1. Governmental unit is defined by [Minnesota Statute 471.59, subd. 1](#), which states in part:

“The term "governmental unit" as used in this section includes every city, county, town, school district, other political subdivision of this or another state, another state, the University of Minnesota, nonprofit hospitals licensed under sections [144.50](#) to [144.56](#), and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy making and appropriating authority.”

Governmental unit also includes “an Indian tribal government” ([Minnesota Statute 16C.23, subd. 1](#)).

2. Eligible non-profit organization means “any nonprofit and tax-exempt medical institution, hospital, clinic, health center, school, school system, college, university, certain Veterans organizations, homeless and low income programs or other institution organized and existing for any purpose authorized by federal law to accept surplus federal property”. **These organizations must be certified eligible by Surplus Services in order to receive surplus property from any state agency.**
3. The procedures in MN.IT’s [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
4. Transfers to governmental units or eligible non-profit organizations require approval from Surplus Services. Agencies must use a [Property Disposition Request](#) form to obtain approval for transferring surplus property to governmental units or eligible non-profit organizations.
5. The [Property Disposition Request](#) form will be evaluated by Surplus Services to determine the most appropriate means of disposition. If the property is considered to have further value to the state, it will be made available to other state agencies first.
6. The transfer of surplus property is usually transacted on a “no-charge” basis to the receiving entity. In certain instances where the property has considerable value, both parties may wish to negotiate a fair sale price.
7. The receiving entity is usually responsible for all transportation costs incurred; however, these costs may be negotiated between the parties.
8. If the property is maintained in a recordkeeping system, the transferring agency must adjust its records accordingly.

III. Property Sales

A. Sales To Public Employees

1. Consistent with [Minnesota Statute 15.054](#), employees of the state and its political subdivisions are permitted to purchase surplus property at public auction (live or on-line) or through the sealed bid process, after proper public notice has been posted.
 - a. Employees of the state and political subdivisions may purchase only one motor vehicle per auction.
 - b. Any employee involved in the auction or sealed bid process is not eligible to purchase surplus property for which he/she has specific disposition responsibility.

B. Property Sales-General

1. All surplus property that has utility or monetary value, but no longer has any value to the state, must be sold. The sale of property is administered by Surplus Services. If appropriate, the agency may be authorized to sell the property locally.
2. Sales of surplus property allow agencies the opportunity to receive a return on its investment from the competitive sale of surplus items that still have good utility and dollar value and helps agencies defray the cost of new property purchases.
3. MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
4. Property sales may be conducted by public auction (live or on-line), sealed bid, pre-priced (garage) sale, or on a negotiated basis. All requests for property sales, except for recyclable property, must be authorized by and reported to Surplus Services on a [Property Disposition Request](#) form. **When an agency completes a sale and deposits the sale proceeds, a copy of the deposit slip should be forwarded to Surplus Services.**
5. In accordance with [Minnesota Statute 16C.23, subd. 6 \(3\)](#), when surplus property is sold, the net proceeds are appropriated to the agency account for which the sale was made, to be used and expended by that agency to purchase similar state property.
6. All property sales must be reported in the recordkeeping system, if applicable.

C. Live Auction Sales General

1. The live auction sale method is useful when surplus property has value, is homogeneous in nature, and has many potential buyers. Agencies should consider this method if the property is no longer required by the agency and a transfer or negotiated sale with another agency or local unit of government has been ruled out as an option.
2. This method provides state agencies and local units of government the flexibility of allowing Surplus Services to handle the sale of the property while retaining a high percentage of the return for the purchase of new or similar property.
3. To include property in the sale, the agency should notify Surplus Services at least three weeks in advance of an auction. Any requests received with less than two weeks' notice may be deferred until the next auction. Surplus Services will hold the agency responsible for settling disputes arising from non-disclosure of known faults or defects in property that is auctioned.
4. Once advertised, property can be withdrawn from an auction only under exceptional circumstances due to the impact on the public.

D. Live Auction Sales Procedures

1. Agencies must submit a [Property Disposition Request](#) form, including a detailed description; known defects of items to be sold; the approximate mileage and vehicle identification number if a vehicle; and the recommended disposition of "auction sale". The agency should submit the completed form three weeks prior to the auction date. Clear titles for property being sold must be submitted to Surplus Services, at the time the property is delivered for the auction. Surplus Services will determine whether or not an interest in the described property has been expressed by another agency or local unit of government. Local units of government can send a letter to Surplus Services in lieu of the form, but the same information is required. State agencies should include the accounting information necessary to deposit the proceeds into the agency's account.
2. MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and](#)

- [Destruction Standard](#) must be followed when items contain private or non-public data.
3. Surplus Services will review the [Property Disposition Request](#) form and if approved, will provide disposition instructions to the agency.
 4. Upon approval to auction the property, the agency should clean the item, remove anything that identifies the ownership of the property, and deliver the property to the auction site according to the disposition instructions.
 5. Problems arising from the auction, such as a dispute initiated by a buyer regarding failure of an agency to disclose a known fault or defect or to misrepresent the mileage of a motor vehicle, will be referred to the selling agency for resolution.
 6. Upon completion of the auction, Surplus Services will notify the agency or local unit of government of the sale results, and payment will be made.
 7. All property sales must be reported in the recordkeeping system, if applicable.

E. On-Line Auction Sales General

1. The on-line auction sale method is useful when the surplus property is not easily transported to a live auction site.
2. This method provides state agencies and local units of government the flexibility of allowing Surplus Services to handle the sale of the property while retaining a high percentage of the return for the purchase of new property.
3. Agencies may request an on-line auction at any time. Surplus Services will hold the agency responsible for settling disputes arising from non-disclosure of known faults or defects in property that is auctioned.
4. Once advertised, property can be withdrawn from an auction only under exceptional circumstances due to the impact on the public.
5. All property sales must be reported in the recordkeeping system, if applicable.

F. On-Line Auction Sales Procedures

1. Agencies must submit a [Property Disposition Request](#) form, including a detailed description; known defects of items to be sold; the approximate mileage and vehicle identification number if a vehicle; and the recommended disposition of auction sale. Any liens against property must be satisfied before the property can be considered surplus. Surplus Services will determine whether or not an interest in the described property has been expressed by another agency or local unit of government. Local units of government can send a letter to Surplus Services in lieu of the form, but the same information is required. State agencies should include the accounting information necessary to deposit the proceeds into the agency's account.
2. MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
3. Surplus Services will review the [Property Disposition Request](#) form and if approved, will provide disposition instructions to the agency.
4. Upon approval to auction the property, the agency should clean the item and remove anything that identifies the ownership of the property. Agencies must provide Surplus Services a detailed description and two or three good quality photos of the item in JPEG format. To sell a vehicle or trailer online, the [Online Auction Vehicle Template](#) should be completed.
5. Problems arising from the auction, such as a dispute initiated by a buyer regarding failure of an agency to disclose a known fault or defect or to misrepresent the mileage of a motor vehicle, will be referred to the selling agency for resolution.
6. Upon completion of the auction, Surplus Services will notify the agency or local unit of government of the sale results, and payment will be made.

7. All property sales must be reported in the recordkeeping system, if applicable.

G. Sealed Bid Sales General

1. Agencies should consider this method if the property is valuable, unique and is not suitable for the state auction program; and a transfer or negotiated sale with another agency or local unit of government has been ruled out as an option.
2. Some instances in which an agency might consider sealed bid sales are:
 - a. when the equipment is highly technical or specialized, for which there is a limited availability of potential buyers; or,
 - b. if the equipment is difficult or cost prohibitive to transport to an auction site.
3. The sealed bid sales method allows state agencies to handle the sale of their equipment and retain 100 percent of the return for the purchase of new or similar equipment.
4. Each agency must document all steps of the sealed bid sales process to ensure sales are competitive and that no individual receives an unfair advantage.
5. The Sealed Bid Sales Procedures below must be followed unless otherwise instructed by Surplus Services.

H. Sealed Bid Sales Procedures

1. The sealed bid sale process is initiated by submitting a [Property Disposition Request](#) form, including a detailed description of items to be sold, and the recommended disposition of the property. Surplus Services will determine whether another agency or local unit of government has expressed interest. If so, Surplus Services will facilitate discussions for potential transfer between the two agencies.
2. MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
3. Upon approval to conduct a sealed bid sale, the agency must create a bid package, using a [Surplus Property Sealed Bid](#) form, identifying the property to be sold, and providing detailed instructions for potential bidders, including deadlines, viewing times, minimum bid (if any), bid security (if applicable), and the date, time, and place of the public bid opening. The bid package should include a self-addressed envelope for the bidder to return their bid to the agency. The envelope should indicate "sealed bid" and the bid opening date and time.
4. At least one week prior to a sale, a public notice must occur in a newspaper or publication of general circulation in the geographic area where the sale will take place. In the case of specialized technical equipment, an effort should be made to contact potential bidders through other means, such as trade journals or publications that may be read by those parties that are more likely to bid on the type of equipment being sold.
5. Conduct the sale according to the terms set forth in the bid package and advertisement. As bids are received, the date and time received must be documented on the unopened envelope. As bids are opened, they should be recorded on a bid tabulation form identifying the bidder's name, address, and the bid amount. Bids made in pencil must be copied immediately and the date and time the copy was made must be documented. Bids that have been altered in any way must be rejected, unless the alteration or erasure is crossed out and the correction printed adjacent to the correction and initialed by the person signing the bid. The sale must be awarded to the highest responsible eligible bidder meeting all terms of the bid specification. Notice should be made in writing, with instructions on how to make payment and complete the sale.
6. Problems arising from the sale, such as failure of a successful bidder to honor the terms of the bid specifications, can be resolved by retaining bid security as forfeiture, if applicable, and awarding the sale to the next highest responsible eligible bidder. Alternatively, the matter may be turned

over to the agency's assigned Attorney General staff member or referred to Surplus Services for guidance.

7. When the sale is complete, a copy of the deposit slip referencing the number assigned on the [Property Disposition Request](#) form should be forwarded to Surplus Services.
8. All sales must be recorded in the recordkeeping system if applicable.

I. Pre-Priced Sales General

1. When it is not feasible to dispose of surplus property by the other methods outlined, an agency may be authorized to conduct an on-site pre-priced sale. This prevents the build-up of surplus property over the long term and allows the agency to deposit proceeds from these sales directly to their accounts. The method also promotes community relations by allowing the public in the local community where the agency is located to acquire surplus items at a reasonable price.
2. The procedures in MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
3. Consistent with [Minnesota Statute 15.054](#), employees of the state and its political subdivisions are not permitted to purchase surplus property from the pre-priced sale process.
4. Typically, property that is considered for pre-priced sales includes, but is not limited to all types of furniture, tables, chairs, desks, wardrobes, cabinets, office equipment, machines and supplies, typewriters, calculators, small hand tools, electrical supplies, plumbing supplies, hardware items, kitchenware, cooking utensils, dishes, cameras and equipment, video equipment, tires, musical instruments, automotive parts and accessories, building materials and any other items considered appropriate by Surplus Services.
5. Items are typically sold at auction or by sealed bid, but may be approved for the pre-priced sale method on a case-by-case basis.

J. Pre-Priced Sales Procedures

1. Agencies must submit a [Property Disposition Request](#) form listing surplus items for pre-priced sale to Surplus Services. This list can be organized by categories of items, such as listing the total quantity of tables or total quantity of type of chairs.
2. MN.IT's [Office of Enterprise Technology, Enterprise Security Information Sanitization and Destruction Standard](#) must be followed when items contain private or non-public data.
3. State agency staff has the latitude to determine scheduling and campus location of the pre-priced sale, giving consideration to accessibility, security, weather, staff limitations, and quantity of items to be sold. The proposed schedule should be included on the original request.
4. Pricing the surplus items for the sale can be done any time prior to sale day. The fair market value should be considered, however, items should be "priced to sell" so that the agency does not have to continue storing the items. Surplus Services will assist any agency requesting help in making price determinations.
5. At least one week prior to sale, an ad must be placed in the local community newspaper or other public media announcing the date, time, and location, and listing a small sampling of sale items.
6. All property sales must be reported in the recordkeeping system, if applicable.
7. When the sale is complete, a copy of the deposit slip referencing the number assigned on the [Property Disposition Request](#) form should be forwarded to Surplus Services.

K. Negotiated Sales

1. If it is not feasible to sell property by the auction, sealed bid or pre-priced sale process, and if it is

deemed most advantageous to the state, sales may be negotiated, but must not exceed \$5,000 for any one sale. So far as practical, negotiated sales shall be based on at least three competitive bids. All negotiated sales must receive prior approval from Surplus Services.

2. Consistent with [Minnesota Statute 15.054](#), employees of the state and its political subdivisions are not permitted to purchase surplus property through the negotiated sale process.
3. When a state agency has surplus property for sale and is contemplating a negotiated sale, a [Property Disposition Request](#) form must be submitted to Surplus Services. Surplus Services will review the potential transaction and if deemed most advantageous to the state, will authorize the transaction.
4. All property sales must be reported in the recordkeeping system, if applicable.
5. When the sale is complete, a copy of the deposit slip referencing the number assigned on the [Property Disposition Request](#) form should be forwarded to Surplus Services.

L. Building Sales

[Minnesota Statute 16B.24, Subd. 3](#) provides for the disposal of state buildings, which states: *The commissioner, upon request of the head of an agency which has control of a state-owned building which is no longer used or which is a fire or safety hazard, shall, after obtaining approval of the chairs of the senate Finance Committee and house of representatives Ways and Means Committee, sell, wreck, or otherwise dispose of the building. In the event a sale is made the proceeds shall be deposited in the proper account or in the general fund.*

In accordance with the above statute,

1. An agency that has custodial control of a building that is surplus to their needs should make a request to the Commissioner of Administration, through Surplus Services or Real Estate and Construction Services (RECS), to sell, wreck or otherwise dispose of the building.
2. If a building has a value under \$50,000.00, the request is processed through the Department of Administration, Surplus Services. If the building has an estimated value of \$50,000.00 or more, the request is processed through the Department of Administration, RECS. Contact RECS if assistance is needed in estimating a building value.

Note: These processes are utilized only when a building is being disposed of and not the land upon which it is placed.

VALUE UNDER \$50,000.00 - Surplus Services process

1. An agency must complete a [Property Disposition Request](#) form and return it to Surplus Services along with:
 - a. supporting documentation of the property value, such as an appraisal or county assessor's determination of value, or other agency documentation. (Note: The agency having custodial control of the property is responsible for determining the value.)
 - b. as much of the following information as possible:
 - 1) building location,
 - 2) building description, including photos of building and building identification (if any),
 - 3) building square footage, including floor plans and site surveys,
 - 4) how the building was acquired, including the amount of any general obligation bond appropriations used to acquire or improve the building),
 - 5) description of any capital improvements were made in the past ten years,
 - 6) copies of any building condition reports, environmental reports and hazardous material (e.g., asbestos) surveys,

- 7) disclosure as to whether the building is on the National Register of Historic Places or locally designated as historic,
 - 8) agency contact name, phone number and email address.
 - 9) any other applicable information.
2. Surplus Services will assign a file identification number for under \$50,000 that will be used by all parties involved with the disposition.
 3. Surplus Services will send the approved [Property Disposition Request](#) form to the agency, instructing them of the approved disposition process.
 4. Upon receipt of the approved [Property Disposition Request](#), the agency may proceed to dispose of the building in accordance with the approved disposition process. Information on the process for [on-line auction](#) and sealed bid sales can be obtained at the following website: <http://mn.gov/admin/government/surplus-property/auctions/>.
 5. When the agency completes the sale and deposits the sale proceeds, **a copy of the sales record and deposit slip must be forwarded to Surplus Services.**
 6. If a building was unable to be sold via an on-line auction or sealed bid, the agency must submit a new [Property Disposition Request](#) requesting demolition.
 7. If approval was granted to proceed to demolition without offering the building for sale, the agency may demolish the building in accordance with applicable law. The agency should complete and submit a Project Initiation Form (PIF) along with the approved Property Disposition Request to the RECS Construction Program Manager. The PIF should include funding information and project cost. If the project cost is unknown, a minimum of \$5,000 should be encumbered until project costs are known.

VALUE OVER \$50,000.00 – Real Estate and Construction Services (RECS) process

1. In keeping with [Minnesota Statute 16B.282, Subd. 1](#), if a building has a value of \$50,000.00 or more, an agency should contact RECS to contract for an appraisal to determine building value. The agency having custodial control of the building will incur the cost of the appraisal.
2. RECS will send the agency a [Property Disposition Request](#) form to complete. The agency should return the completed form to RECS, along with as much of the following information as possible:
 - a. building location,
 - b. building description, including photos of building and building identification (if any),
 - c. building square footage, including floor plans and site surveys,
 - d. how the building was acquired, including the amount of any general obligation bond appropriations used to acquire or improve the building),
 - e. description of any capital improvements were made in the past ten years,
 - f. copies of any building condition reports, environmental reports and hazardous material (e.g., asbestos) surveys,
 - g. disclosure as to whether the building is on the National Register of Historic Places or locally designated as historic,
 - h. agency contact name, phone number and email address. And personnel should be included, and
 - i. any other applicable information.

3. RECS will request approval of the chairs of the Senate Finance Committee and House of Representatives Ways and Means Committee to sell, wreck or dispose of the building.
4. RECS will send Surplus Services the [Property Disposition Request](#) for approval and to assign a file identification number for disposition after receipt of approvals from the chairs.
5. RECS will send the approved [Property Disposition Request](#) form and the approval letter from the chairs to the agency.
6. Upon receipt of the approved [Property Disposition Request](#) the agency may proceed to dispose of the building in accordance with the approved disposition process. Information on the process for [on-line auction](#) and sealed bid sales can be obtained at the following website: <http://mn.gov/admin/government/surplus-property/auctions/>.
7. If a building was unable to be sold via an on-line auction or sealed bid, or approval was granted to proceed to demolition without offering the building for sale, the agency may demolish the building in accordance with applicable law. The agency should complete and submit a Project Initiation Form (PIF) to the RECS Construction Program Manager. The PIF should include funding information and project cost. If the project cost is unknown, a minimum of \$5,000 should be encumbered until project costs are known. The PIF can be obtained at the following website: <http://mn.gov/admin/government/real-estate/index.jsp>.
8. The RECS Construction Program Manager (or delegated authority) assigns a Project Manager (PM) to the demolition project and emails the name of the PM and the PIF to RECS Accounting and all stakeholders including Agency contacts.
9. The RECS PM contacts the Agency/Facility and gathers any information associated with the building and in coordination with the Agency, determines the scope of work.
10. The RECS PM prepares an RFP scope of work to enter into a contract with an architectural/engineering (A/E) firm to prepare demolition bidding documents. In determining the scope of work, the following items need to be addressed:
 - a. Historical status/significance:

If not previously known by the Agency, the RECS PM determines if the building is on the National Register of Historic Places. This can be determined by going to the Minnesota Historical Society's website at: <http://nrhp.mnhs.org/NRSearch.cfm> and conducting an online search of the National Register; or, by contacting the State Historic Preservation Office (SHPO) at <http://www.mnhs.org/shpo/nrhp/index.htm>. If the building is on the National Historic Register, SHPO will need to be consulted regarding the disposal of the building based on their procedures for alterations or demolition of historic buildings. Thus, the RFP and contract should include the services of a Historic Preservationist sub-consultant in order to facilitate SHPO's review process and to prepare a Historical American Building Survey (HABS) survey and/or Archeological Survey.
 - b. Requirement for a State Environmental Assessment (EAW).

To make this determination, go to the guidelines or contact the State's Environmental Quality Board: <http://www.eqb.state.mn.us/program.html?Id=18107>. Additionally, if the demolition work is funded by federal dollars, or if required due to the building being on the National Register of Historic Places, a National Environmental Protection Act (NEPA) Environmental Assessment may be required. If a State EAW or a federal NEPAEA is/are required, the RFP

and contract should contain the services of an Environmental Engineering firm to facilitate and prepare the required assessments.

c. Hazardous Materials Demolition Survey and abatement: test

The RECS Hazardous Materials Contract Specialist contacts an Industrial Hygiene Vendor who holds a Master Contract with the State/RECS and requests a proposal and fee amount for conducting a Hazardous Materials Demolition Survey.

- i. If the fee for the Demolition Hazardous Materials Survey and testing work exceeds \$25,000, the RECS Hazardous Materials Specialist must contact another Industrial Hygiene company to obtain a second cost proposal.
- ii. RECS accounting contacts the Agency to obtain any additional funding if amount on PIF is insufficient.
- iii. The Vendor performs the work and delivers copies of the completed Abatement Survey to the RECS Hazardous Materials Contract Specialist. The RECS PM and Agency are also provided a copy of the survey.
- iv. If the survey reveals extensive presence of hazardous materials, the project will require bid documents to be prepared for Hazardous Materials removal and RECS will arrange for a licensed abatement designer to prepare the bid documents. This will be a separate contract from the Architectural/Engineering firm that is hired to prepare the demolition bid documents. The A-E firm will coordinate their design with the abatement design consultant.
- v. The RECS HazMat Contract Specialist will obtain cost estimates for all abatement design and removal work.

NOTE: The Agency is not to salvage any materials from the building until a hazardous materials demolition survey has been completed to determine the extent and location of hazardous materials.

11. The RECS PM coordinates the work of the A-E design consultant, Historical Preservationist, Environmental Engineer(s) and facilitates their coordination with the Hazardous Materials abatement designer.
12. Following any required historical documentation and environmental assessments, along with SHPO, federal and EQB approvals, the RECS Hazardous Materials Contract Specialist facilitates the bidding of the abatement removal documents and after contract award, the abatement contractor proceeds with work to remove the hazardous materials from the building.
13. After the hazardous materials are removed, and the A-E demolition bid documents are completed, the RECS PM facilitates bidding of the demolition.
 - a. When applicable, the demolition project specifications shall include requirements to comply with Minnesota Statute 16B.327 which states:
“The commissioner shall require in contracts for the construction, renovation, or demolition of a state building that the contractor and any subcontractor must divert from deposit in a landfill and must recycle at least 50 percent of the nonhazardous construction and demolition waste, measured by tonnage or volume, produced by the project or demonstrate that the waste was delivered to construction and demolition

waste recycling facilities that maintain a 50 percent annual recycling rate. This requirement applies to a project to construct, renovate, or demolish a state building that receives funding from the bond proceeds fund after January 1, 2011, provided that:

(1) the project is located within 40 miles of a construction and demolition waste recycling facility that meets the requirements of this section and can process the applicable building materials; and

(2) for construction and renovation projects, funding from the bond proceeds fund is \$5,000,000 or more.”

- b. *The State of Minnesota Sustainable Building Guidelines* apply to any project funded by bond proceeds wherein demolition is associated with renovation projects of 10,000 square feet or more, or demolition that includes new construction. In this case, the project specifications must require the contractor to divert 75% construction and demolition waste from landfill and divert at least 75% (by weight) construction, demolition, and land clearing debris from landfill disposal. See the guideline requirements at <http://www.msbg.umn.edu>.
- 14. Demolition proceeds upon award of contract and Notice To Proceed.
 - 15. The RECS PM keeps the agency updated on the status and funding needs throughout the demolition process.

IV. Lost or Abandoned Property

[Minnesota Statute 16B.25](#), governs the disposal of lost or abandoned property on state lands, highways, or in buildings owned by the state.

All unclaimed lost or abandoned property must be disposed of consistent with the statutory requirements for the type of property.