



# The Surplus Process and SPA

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- Legislative Basis
  - CHAPTER 2175. SURPLUS AND SALVAGE PROPERTY
- Administrative Authority
  - Role of Texas Facilities Commission (TFC)
    - Role of the Comptroller's Office
    - Role of the State Auditor
    - Role of the Legislative Budget Board
- Disposition of Data Processing Equipment
  - Role of TDCJ Computer Recovery Operations





## TEXAS FACILITIES COMMISSION Surplus and Salvage Property Division



- Objective
  - Maximize the resale/realized value of the property to the state.
- Establish and maintain rules, forms and procedures for surplus and salvage property
  - Transfer
  - Sale
  - Disposal
- Makes the final determination for the best method of disposal for surplus and salvage property
  - Includes granting exceptions and delegating surplus authority to a state agency if appropriate.
  - May reject any or all offers if it determines that rejection is in the state's best interests.



## QUALIFIED SURPLUS RECIPIENTS



- Political Subdivisions



- Local Government



- Public Schools



- Public Safety



- Government Emergency Services

- [Approved Assistance Organization](#)

- Verify listed/approved Assistance Organization

- Unlisted – submit [Application Form](#) (Renewed every 2 years)

- State eleemosynary institution



## TEXAS FACILITIES COMMISSION



- Operate state surplus storefronts
  - Property found or voluntarily surrendered to TSA at airports is available at the Austin Storefront
- Administer disposal of federal surplus property
- Monitors recipient qualifications and priority
  - IRS Exempt Organization Check
- TFC shall cooperate with state agencies to evaluate surplus procedures minimizing loss resulting from accumulation.





# Texas Facilities Commission



## TEXAS ADMINISTRATIVE CODE—PUBLISHED RULES

- [State Surplus And Salvage Property](#)
  - §126.1 Definitions
  - §126.2 Delegation of Authority to State Agencies
  - §126.3 Firearms
  - §126.4 Direct Transfer, Priority, Reporting, and Other Disposition
  - §126.5 Disposition of Surplus and Salvage Property to the Public by Competitive Bidding, Auction, or Direct Sale
- TFC reports agencies suspected of violations or non-compliance to the Legislative Budget Board.



## TEXAS FACILITIES COMMISSION



- TFC determines the best method of disposal for surplus and salvage property
  - Evaluates agency compliance with established procedures
  - Evaluates existing programs to assure maximum benefit to the State
  - Investigates and recommends new programs if appropriate
  - State agencies must consult TFC before pursuing any alternative disposal method or channel.
- Contacts:
  - Austin Headquarters  
[state.surplus@tfc.state.tx.us](mailto:state.surplus@tfc.state.tx.us)
  - Ms. Kristy Fierro, Assistant Director  
[kristy.fierro@tfc.state.tx.us](mailto:kristy.fierro@tfc.state.tx.us)



## ADVERTISING SURPLUS

– Facilitate advertising of surplus or salvage

- [Comptroller's Website Surplus Listing](#)

- Remove from listing after 10 days

Or

- Property transferred to a state agency or higher ed

Or

- Political subdivision satisfies agency ask

- Alert agency no longer advertised; action required

- Ad hoc report posted to agency secure FTP Folder daily

- » 'PROD.SPA.AGY999. DM05.OFFWEB.CSV'

- Agency elects to offer to public

- **6A Sealed Bid** >> **6B TFC Storefront**

- **7A Public Auction(Not Used)>> 7B Internet Auction**





## RECORDING THE SALE/DISPOSAL

- Record the date, method and realized proceeds using SPA **DISPOSAL OF PROPERTY**
- Record proceeds net of fees
  - Proceeds can be adjusted during an open fiscal year using the **UPDATE INACTIVE PROPERTY** selection
- SPA will assist resolving processing issues encountered with the State Property Accounting Application.





## [SPA FMX RESOURCES](#)

- Surplus Property Resources
  - Non-Profit Charities List - 501(c)(3)
  - Surplus Property Database
  - State of Texas Procurement Manual: Acquisition of Surplus Property
  - Texas Correctional Industry's Computer Recovery Program
- SPA Process Users Guide is a secondary surplus property resource



## PROCESS VALIDATION AND COMPLIANCE

- Based on risk assessment and legislative approval, the State Auditor may review TFC rules, forms, reports and procedures with comments.
- TFC will cooperate with the State Auditor in analyzing surplus rules and procedures





# Role of Legislative Budget Board (LBB)



## VIOLATIONS & NON-COMPLIANCE

- The Legislative Budget Board reviews and rules on agencies suspected of violations or non-compliance.
  - Depending on the nature and severity of violations involving state funds, matters may be referred to the Texas Attorney General for legal actions.



# Disposition of Data Processing Equipment



## PRIORITY PLACEMENT

- Equipment **not** transferred to a state agency or placed with a political subdivision:
  - School district or open-enrollment charter school
  - An assistance organization **only** if specified by a school district
  - *Commissioner of education for use in the computer lending pilot program without fee (Expires 9/1/2014)*
  - Texas Department of Criminal Justice
    - [Texas Correctional Industry's Computer Recovery Program](#)



# Texas Correctional Industry's Computer Recovery Program



## PROCEDURES

- [Packet for Government Agencies and Political Subdivisions](#)
  - Forms:
    - Transfer Authorization
    - Transport (Bill of Lading)
    - Pickup Verification Documents
  - Contacts and communication instructions
  - Packing and shipping instructions
- Exceptions:
  - Remote location
  - Damaged items or obsolete equipment
  - Contact Computer Recovery to verify exception
  - Contact TFC for final determination and disposal method

Q & A





## Chapter 2175. Surplus and Salvage Property

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2175.htm>

## Surplus and Salvage Property Division

<http://www.tfc.state.tx.us/divisions/supportserv/prog/statesurplus/index.html>

## State Surplus and Salvage Property Rules

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=5&ti=1&pt=5&ch=126&sch=A&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=1&pt=5&ch=126&sch=A&rl=Y)

## State Surplus Storefronts

<http://portal.tfc.state.tx.us/surplus/state/>

## Texas Facilities Commission Contacts

<http://www.tfc.state.tx.us/divisions/supportserv/prog/statesurplus/contact-us/>



Indicates link to key surplus reference – recommend creating a Internet Explorer Favorite



## IRS Exempt Organization Verification

<http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check>

## Approved Assistance Organization



<http://portal.tfc.state.tx.us/surplus/state/tbassistanceorganizations.asp>

## Assistance Organization Surplus Application

<http://www.tfc.state.tx.us/divisions/supportserv/prog/statesurplus/AssistanceOrgApplication.pdf>

## SPA FMX Resources

<https://fmx.cpa.state.tx.us/fmx/spa/surplus.php>

## Comptroller's Website Surplus Listing



<http://www.texasahead.org/lga/surplus/>



Indicates link to key surplus reference – recommend creating a Internet Explorer Favorite



## State of Texas Procurement Manual: Acquisition of Surplus Property



<http://www.window.state.tx.us/procurement/pub/manual/2-1.pdf>

## Texas Correctional Industry's Computer Recovery Program



<http://www.tci.tdcj.state.tx.us/services/computer.aspx>

## Instructions for Government Agencies and Political Subdivisions

<http://www.tci.tdcj.state.tx.us/services/downloads/ML-113A%20Packet%20for%20Govt%20Agencies%20and%20Political%20Subdivisions.doc>



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