

SEALED BIDS OR AUCTION SALES
(Revised 9/03)

3520.8

Typically the sealed bid method of public sale brings the highest cash return to the state. The agency must make a diligent effort to secure at least three competitive bids. If the agency cannot make three competitive bids, the agency employee who solicited the bids must prepare and sign a list of the firms or individuals contacted. The agency must attach the bid solicitation list and the bids received to the STD. 152.

When an agency elects to dispose of state-owned surplus personal property through a public sale by auction, the agency must publish information about the auction to all sectors of the community. Public notices include:

1. Newspaper ads;
2. Posting of notice of sale in public places;
3. Mailings to interested businesses and individuals.

A fixed price sale requires the authorization of the Director of the Department of General Services.

Public sales should be announced a minimum of one week prior to the sale with newspaper ads running no less than three days. The bid opening date should allow ample time for advertising and inspection of the items by prospective bidders.

"Notice of Sale" flyers shall be made available on-site and should contain the following information:

1. When and where the items offered for sale may be inspected.
2. Bid opening date and time.
3. Method of notification to successful bidders.
4. Required method of payment and applicability of sales tax.
5. Required time frame for successful bidders to pick up items.
6. A "General Provisions" section should include an applicable statement similar to the following:

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“Items are being sold as is and where is. Verification of the description and condition is the responsibility of the bidder. All sales are final. The State of California reserves the right to reject any or all bids, or to value any defects or irregularities therein. Minimum bid amounts, when indicated, shall be applicable.”

“The State of California makes no warranty, either expressed or implied, as to the condition or completeness of the equipment being sold, nor does the equipment necessarily meet California Occupational Safety and Health Act Standard, Orders, or Regulations.”

After the successful bidder has paid for his/her items and presented his/her receipt, he/she shall be requested to sign an appropriate delivery receipt to signify that he/she has received the material. When scrap and junk is being sold, the person taking delivery shall either sign a delivery receipt or give the agency a receipt indicating the type and approximate quantity of material removed from the premises.

After the sale of material is completed, the amount of cash received shall be recorded on the approved copy of the Property Survey Report, which is retained by the organizational unit.

Whenever public sales are conducted, a system of checks and balances shall be used. This shall, at a minimum, consist of having separate persons handle the sale and the collection of funds.

State employees may participate in public sales providing they do so in the same manner as the general public. Employees may not use their position, office or prestige to their advantage when participating in sales of materials, nor may they participate on state time.