



PURCHASING AND DISPOSAL OF
PROPERTY

INDIANA STATE BOARD OF ACCOUNTS

PURCHASING & DISPOSING OF
PROPERTY

Real Property - purchasing
Real Property - disposing

Personal property - purchasing
Personal property - disposals



PURCHASING REAL PROPERTY

- IC 36-1-10.5

Chapter 10.5. Purchase of Land or Structures

- Applies to all political subdivisions
- Does not, however, apply to:
 - *Real property having a total price < \$25,000*
 - *Airport land*
 - *Land acquired for road or street R.O.W. for federal project funded under 23 U.S.C 101*
 - *Purchases for redevelopment commissions or authorities*

PURCHASING REAL PROPERTY

IC 36-1-10.5-3:

"Purchasing agent" defined

Sec. 3. As used in this chapter, "purchasing agent" means the board or officer of a political subdivision or agency with the power to purchase land or structures.

As added by P.L.336-1987, SEC.1.

PURCHASING REAL PROPERTY

A purchasing agent shall purchase land only after compliance with the following:

- *Fiscal body shall pass resolution*
- *Purchasing agent shall appoint 2 appraisers to appraise fair market value of land or structure*
- *Appraisers must be professionally engaged in making appraisals or trained as appraiser & licensed as broker*
- *Appraisers return appraisals within 30 days of appointment*
- *Purchasing agent gives copy to fiscal body*

[IC 36-1-10.5-5]

PURCHASING REAL PROPERTY

IC 36-1-10.5-6 – Purchase price

“A purchasing agent may not purchase any land or structure for a price greater than the average of the two (2) appraisals received under section 5 of this chapter.”

Example:

- Appraiser #1 – FMV of land = \$60,000
- Appraiser #2 – FMV of land = \$90,000

Average = $(\$60,000 + \$90,000) / 2 = \$75,000$

Purchase price can't exceed \$75,000

PURCHASING REAL PROPERTY

During an audit, SBOA will need to see:

- *Resolution – fiscal body is interested in buying land*
- *Documentation of the appraisers appointed*
- *The separate appraisals*
- *Documentation associated with the actual purchase.*

DISPOSING OF REAL PROPERTY

INDIANA STATE BOARD OF ACCOUNTS

DISPOSING OF REAL PROPERTY

IC 36-1-11

- Applies to all Political Subdivisions
- Certain transactions are exempted from the requirements, as found in IC 36-1-11-1(b).
- "Property" means all fixtures and real property to be included in a disposal and does not include personal property unless otherwise noted in the particular statute.
- "Disposing Agent" means the board or officer having the power to award contracts for which public notice is required, with respect to property of the city or town.

DISPOSING OF REAL PROPERTY

Other statutory definitions:

Disposal	IC 36-1-11-2(1)
Disposing Agent	IC 36-1-11-2(2)
Key Number	IC 36-1-11-2(3)
Operating Agreement	IC 36-1-11-2(4)
Person	IC 36-1-11-2(5)
Property	IC 36-1-11-2(6)
Tract	IC 36-1-11-2(7)
Abutting Landowner	IC 36-1-11-5(a)
Offering Price	IC 36-1-11-5(b)
Real Property acquired by Tax Default	IC 36-1-11-5.9(b)

DISPOSING OF REAL PROPERTY

IC 36-1-11-16 Ineligible Persons

The following persons may not purchase, receive, or lease a tract that is offered in a sale, exchange, or lease under IC 36-1-11:

(1) A person who owes delinquent taxes, special assessments, penalties, interest, or costs directly attributable to a prior tax sale on a tract of real property listed under IC 6-1.1-24-1.

(2) A person who is an agent of the person described in subdivision (1).

DISPOSING OF REAL PROPERTY PUBLIC NOTICE REQUIREMENTS

Notice for Public Hearing – IC 5-3-1-2(b)

Publish one time at least ten days before the date of the hearing or meeting

Notice for Receiving Bids – IC 5-3-1-2(e)

Publish two times at least one week apart, with the second publication made at least seven days before the date the bids will be received

Notice for Determinations – IC 5-3-1-2(b)

Publish one time at least ten days before the date of the hearing or meeting.

Consult the city or town attorney for all public notice requirements

DISPOSING OF REAL PROPERTY APPROVAL PROCESS

IC 36-1-11-3

- Designation of Board by Executive
- Public Notice under IC 5-3-1
- Public Hearing
- Recommendation to Executive
- Executive Approval
- Fiscal Body Approval

DISPOSING OF REAL PROPERTY FISCAL BODY APPROVAL

The fiscal body of a unit **must** approve:

- Every sale of real property having an appraised value of fifty thousand dollars (\$50,000) or more;^{*}
 - *the fiscal body may adopt an ordinance to increase the threshold to greater than \$50,000*
- Every lease of real property for which the total annual rental payments will be twenty-five thousand dollars (\$25,000) or more; and
- Every transfer of real property originally gifted to the city or town.

Note: IC 36-1-11-3.2 contains exceptions to these rules for certain cities

DISPOSING OF REAL PROPERTY GENERAL PROCEDURES

IC 36-1-11-4 General Procedures

- Appraisal
 - Two appraisers
 - Licensed or
 - Employees familiar with the value of the property
- Determination of Minimum Bid
 - Disposing agent determines the minimum bid
 - Based on two appraisals and knowledge of the property

DISPOSING OF REAL PROPERTY GENERAL PROCEDURES

IC 36-1-11-4 General Procedures (*continued*)

- Public Notice in accordance with IC 5-3-1-2(e)
- Required Information:
 - ❑ Minimum Bid, and other conditions and terms as applicable
 - ❑ Bids will be received beginning on a specific date.
 - ❑ The sale will continue from day to day for a period determined by the disposing agent of not more than sixty (60) days.
 - ❑ The property may not be sold to a person ineligible under IC 36-1-11-16.
 - ❑ A bid submitted by a trust [as defined in IC 30-4-1-1 (a)] must have required information.

DISPOSING OF REAL PROPERTY GENERAL PROCEDURES

IC 36-1-11-4 General Procedures (*continued*)

- Public Inspection:
 - Bids are open to the public
 - A bidder may raise the bidder's bid
 - The raise in bid takes effect after the board has given written notice of the raise to other bidders.
- Award or Rejection of Bids:
 - Award to highest & best bidder
 - Reject all bids
 - If Disposing Agent rejects all bids, a written determination to reject all bids with explanation must be made.

DISPOSING OF REAL PROPERTY OTHER PROVISIONS

IC 36-1-11-4

Other Provisions



Engagement of
Broker or Auctioneer

Electronic Sales



DISPOSING OF REAL PROPERTY AUCTIONEER OR BROKER

IC 36-1-11-4 Other Provisions

- Engagement of Broker or Auctioneer
 - If the disposing agent determines that, in the exercise of good business judgment, the disposing agent should hire a broker or auctioneer to sell the property, the disposing agent may do so.
 - The Disposing Agent may hire one of the appraisers as the broker or auctioneer.
 - Compensation of the broker or auctioneer may be paid out of the gross proceeds of the sale.

DISPOSING OF REAL PROPERTY AUCTIONEER

IC 36-1-11-4 Other Provisions (*continued*)

■ Auctioneer

- Licensed under IC 25-6.1 to conduct a sale by public auction.
- The auction may be conducted either at the time for beginning the sale in accordance with the public notice or after the beginning of the sale.
- The disposing agent shall give each bidder who has submitted a bid written notice of the time and place of the auction.

DISPOSING OF REAL PROPERTY BROKER

IC 36-1-11-4 Other Provisions (*continued*)

■ Broker

- A disposing agent may hire a broker to sell real property directly rather than using the bid process if:
 - the disposing agent publishes a notice of the determination to hire the broker in accordance with IC 5-3-1; and
 - the property has been up for bid for at least sixty (60) days before the broker is hired, and either no bids were received or the disposing agent has rejected all bids that were received.

DISPOSING OF REAL PROPERTY ELECTRONIC SALE

IC 36-1-11-4 Other Provisions (*continued*)

▪ Electronic Sale

- May conduct a public auction by electronic means and receive electronic payments.
- Establish policies necessary to secure the payments in a timely fashion.
- May not charge an additional fee for conducting an electronic sale.
- The required public notice must include a statement that the sale will be conducted electronically.

DISPOSING OF REAL PROPERTY PROCEEDS

Proceeds generated by the sale of property should be receipted into the fund which originally purchased the property unless otherwise provided by statute.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)



DISPOSING OF REAL PROPERTY PROVISION FOR LEASEBACK

IC 36-1-11-4.1 Provision for Lease Back or Option to Repurchase

- Lease back/ option to repurchase must be condition of sale
- Disposing agent must publish in accordance with IC 5-3-1
 - ☐ date bids will be received
 - ☐ period of sale not to exceed 60 days
 - ☐ not sold to person ineligible under IC 36-1-11-16
 - ☐ bid submitted by trust must have proper information
- A bid is open to public inspection
- After period for receiving bids has expired, disposing agent must sell to highest and best eligible bidder.
- IC 36-1-10 does not apply to this section

DISPOSING OF REAL PROPERTY CERTAIN PROPERTY

Special Provisions Regarding Certain Sales or Transfers of Real Property:

- IC 36-1-11-4.2 Property not Acquired through Eminent Domain – Economic Development
- IC 36-1-11-4.3 Public Easement or Right-of-Way
- IC 36-1-11-5 Assessed Value of Property is less than \$15,000 or part of Public Right-Of-Way; Abutting Landowners
- IC 36-1-11-5.9 Property acquired by Tax Default; Abutting Landowners

DISPOSING OF REAL PROPERTY NOT ACQUIRED BY EMINENT DOMAIN

IC 36-1-11-4.2 Property Not Acquired by Eminent Domain

Purpose of Disposal:

- *To promote economic development, or*
 - *To facilitate compatible land use planning*
- Two Appraisals
 - May sell or transfer for average of two appraisals
 - Public Notice stating amount to be accepted.
 - May reject all bids; must have written determination for rejection.

DISPOSING OF REAL PROPERTY PUBLIC EASEMENT OR RIGHT OF WAY

- IC 36-1-11-4.3 – Public Utility Easement

Notwithstanding any provision of this chapter, a sale or transfer under this chapter of property constituting a public easement or right of way does not deprive a public utility of the use of all or part of the public easement or right of way that is sold or transferred if, at the time of the sale or transfer, the public utility is occupying and using all or part of that public easement or right of way for the location and operation of its facilities.

DISPOSING OF REAL PROPERTY ASSESSED VALUE < \$15,000

IC 36-1-11-5 Assessed Value of Property is less than \$15,000 or part of Public Right-Of-Way

- Most recent assessment
- Not assessed and part of public right-of-way

Disposing Agent Determination

- the highest and best use of the tract is sale to an abutting landowner;
- the cost to the public of maintaining the tract equals or exceeds the estimated fair market value; or
- it is economically unjustifiable to sell the tract under IC 36-1-11-4.

Note: Procedures required by IC 36-1-11-4 are not applicable to disposals under IC 36-1-11-5

DISPOSING OF REAL PROPERTY ASSESSED VALUE < \$15,000

IC 36-1-11-5 Required Procedures

- Public Notice
 - ✓ Notification of abutting landowners via certified mail
- Appraisal
 - ✓ Required unless Assessed Value less than \$6,000
- Offer to Purchase
 - ✓ Abutting Landowner

DISPOSING OF REAL PROPERTY ACQUIRED BY TAX DEFAULT

IC 36-1-11-5.9 - a disposing agent of a political subdivision may sell or transfer real property acquired by tax default without consideration or for a nominal consideration to an abutting landowner

Definition: "abutting landowner"

Definition: "real property acquired by tax default"

- Notice by certified mail to all abutting landowners
 - ✓ identify tracts for sale
 - ✓ disposing agent authorized to sell for nominal or no consideration to abutting landowner
 - ✓ may not be sold to ineligible person
 - ✓ trust must have required information
- Negotiation and sale not earlier than 14 days from date of notice
 - ✓ one eligible abutting landowner makes offer
 - ✓ more than one abutting landowner makes offer
- Sold to the highest offer

DISPOSING OF REAL PROPERTY CERTAIN TRANSFERS OR EXCHANGES

Special Provisions Regarding Certain Sales or Transfers of Real Property:

- **IC 36-1-11-5.7** Sale or Transfer to Fire Department (real or personal property)
- **IC 36-1-11-7** Exchange of Property with Person other than Governmental Entity
- **IC 36-1-11-8** Transfer or Exchange with another Governmental Entity
- **IC 36-1-11-9** Exchange of Property as Part of Purchase Price of New Property

DISPOSING OF REAL PROPERTY TO FIRE DEPARTMENT

IC 36-1-11-5.7 Sale or Transfer to Fire Department

- Without consideration or for a nominal consideration
- For construction of a fire station or other purposes related to firefighting
- "Fire Department" refers to a volunteer fire department, fire protection district, or fire protection territory
- Applies to real property or personal property, notwithstanding IC 5-22-22 and sections 4, 4.1, 4.2, and 5 of IC 36-1-11

DISPOSING OF REAL PROPERTY EXCHANGE WITH PERSON OTHER THAN GOVERNMENTAL BODY

- IC 36-1-11-7 An exchange may be made with a person who is not a governmental entity; and is eligible under IC 36-1-11-16
- Advertisement following procedures of IC 36-1-11-4
- Property conveyed is partial or full payment for the property the disposing agent receives

DISPOSING OF REAL PROPERTY TRANSFER/EXCHANGE WITH GOVERNMENTAL ENTITY

IC 36-1-11-8 Transfer or Exchange with another Governmental Entity

- Each entity must adopt a substantially identical resolution stating agreed terms and conditions.
- Transfer may be made for any amount of real property, cash, or other personal property, as agreed upon by the entities.

Note: Procedures required by IC 36-1-11-4 are not applicable to disposals under IC 36-1-11-8.

DISPOSING OF REAL PROPERTY EXCHANGE PART OF PURCHASE PRICE

IC 36-1-11-9 Exchange of Property as Part of Purchase Price of New Property

- Purchase of New Property
- Trade In or Exchange
- Part of purchase price or Reduction in Purchase Price
- Advertising Not Required



DISPOSING OF REAL PROPERTY GIFTS AND RECONVEYANCES

Other Special Provisions – Certain Sales or Transfers of Real Property

- IC 36-1-11-14 Gift of Tract; Reconveyance
- IC 36-1-11-15 Gift of Tract by Nonprofit; Reconveyance
- IC 36-1-11-17 Reconveyance

DISPOSING OF REAL PROPERTY GIFT OF TRACT; RECONVEYANCE

- IC 36-1-11-14
- Originally transferred to city or town as a gift
- Public funds have not been expended to improve
- May convey back to grantor without consideration upon determination by disposing agent
- ☐ Disposing Agent Determination
 - ✓ Property is surplus
 - ✓ Grantor is eligible under IC 36-1-11-16

DISPOSING OF REAL PROPERTY GIFT OF TRACT BY NONPROFIT

- IC 36-1-11-15
- Originally transferred to city or town as a gift by nonprofit
- May convey back to grantor without consideration upon determination by disposing agent
- ☐ Disposing Agent Determination
 - ✓ Property is surplus
 - ✓ Grantor is eligible under IC 36-1-11-16

DISPOSING OF REAL PROPERTY RECONVEYANCE

- IC 36-1-11-17 If property disposed of is to be reconveyed or automatically returned to the political subdivision or an agency of a political subdivision that disposed of the property:
- the terms of the reconveyance or return shall be as agreed to before the disposal.
- If the terms of the reconveyance are not set forth before the disposal, the political subdivision shall obtain at least two (2) appraisals and pay not more than the average of the two (2) appraisals.

DISPOSING OF REAL PROPERTY LEASING OF PROPERTY

- IC 36-1-11-10 Lease of Property
- IC 36-1-11-10.5 Lease of parkway strip, sidewalk, tree row, or verge (Public Law 65-2020)
- IC 36-1-11-12 Lease of Property; Alternative Procedure

DISPOSING OF REAL PROPERTY GENERAL PROVISIONS - LEASING

IC 36-1-11-10 Leasing of Property

- Disposing Agent Determination – Best Interest
- Two Appraisals – Fair Rental Value
- Bid Process
- Award to highest and best bidder or reject all bids
- Terms and Conditions
 - May include option to renew or option to purchase
 - May provide that rental payments apply to purchase price
 - Purchase price must equal minimum sale price determined by disposing agent
 - May not be leased for more than three years
- Rental at less than 90% of average of two appraisals requires additional notice

DISPOSING OF REAL PROPERTY PARKWAY STRIP, SIDEWALK, TREE ROW, VERGE

- IC 36-1-11-10.5 New in 2020 – Public Law 65-2020
- Definition: “property of the political subdivision”

real property owned by a political subdivision that extends from the curb or edge of a public street or roadway to the front of commercial property owned by a person. The term includes the following: (1) A parkway strip, tree row, or verge. (2) A sidewalk.

A political subdivision may, by ordinance or resolution, authorize the lease of property of the political subdivision to the owner or property manager of the commercial property that abuts or fronts on the property if requirements of IC 36-1-11-10.5 are met.

- upon agreed terms subject to IC 36-1-11-10.5(d)
- without competitive bidding

DISPOSING OF REAL PROPERTY PARKWAY STRIP, SIDEWALK, TREE ROW, VERGE

Must be authorized by ordinance or resolution approved by at least 2/3 vote of the members of the fiscal body

Requirements of IC 36-1-11-10.5(d)

- (1) A lease may include an option to renew.
- (2) A lease may not include an option to purchase.
- (3) The property may not be leased to a person who is ineligible under section 16 of this chapter.
- (4) Property owned by a political subdivision may be leased for a term longer than three (3) years, if the lease is approved by the fiscal body of the political subdivision.
- (5) Upon execution of the lease, the property owner or property manager shall be responsible for the maintenance, control, and supervision of the property of the political subdivision, subject to the public's right to use a sidewalk on the property of the political subdivision as a walkway.
- (6) The lessee shall assume the liability of the political subdivision for personal injuries and property damage to third parties occurring on the property during the lease period. A lease shall be conditioned upon the lessee maintaining insurance coverage on the leased property for public liability and property damage in an amount determined sufficient by the political subdivision.
- (7) The lease must be recorded in the office of the recorder of the county where the property is located.

DISPOSING OF REAL PROPERTY LEASING - ALTERNATIVE PROCEDURES

- IC 36-1-11-12 Request for Proposals
 - ❑ Disposing agent must make written determination, including reasons, that IC 36-1-11-10 is not feasible
 - ❑ The Executive must grant authorization

DISPOSING OF REAL PROPERTY LEASING - ALTERNATIVE PROCEDURES

IC 36-1-11-12 (continued)

- ❑ Proposals must include all of the following:
 - ✓ The factors or criteria that will be used in evaluating the proposals
 - ✓ A statement concerning the relative importance of price and the other evaluation factors.
 - ✓ A statement concerning whether the proposal must be accompanied by a certified check or other evidence of financial responsibility.
 - ✓ A statement concerning whether discussions may be conducted with the offerors regarding solicitation requirements.
- ❑ Notice of the request for proposals shall be given by publication in accordance with IC 5-3-1.
- ❑ The disposing agent shall make a determination as to the most appropriate response to the request for proposals and shall dispose of the subject property in accordance with that response.

DISPOSING OF REAL PROPERTY

Redevelopment Property

IC 36-7-14-12.2 Powers of the Redevelopment Commission

The redevelopment commission may

“hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.”

DISPOSING OF REAL PROPERTY

Redevelopment Property – Other Considerations

IC 36-7-14-22	Procedures for RDC Sale/Lease Property
IC 36-7-14-22.2	Urban Enterprise Association or Community Development Corp
IC 36-7-14-22.5	Additional Powers – Real Property
IC 36-7-14-22.6	Sale to Abutting Landowner
IC 36-7-14-22.7	Disposal of Real Property; Appraisal
IC 36-7-14-22.8	New Opportunity Area
IC 36-7-14.5	Redevelopment Authority

DISPOSING OF REAL PROPERTY

Other Statutory Provisions – Sale of Certain Property

IC 8-1.5-2	Utility Property
IC 36-9-37-26	Property Acquired by Foreclosure or Conveyance
IC 5-23	Public Private Agreements
IC 8-22-2-8	Sale by Board of Aviation Commissioners

DISPOSAL OF REAL PROPERTY SUMMARY

- **We always recommend that a city or town obtain the written legal advice of the city or town attorney when disposing of real property.**
- For audit purposes, determinations should be in writing.
- For audit purposes, compliance with statutory requirements should be documented.

PUBLIC PURCHASES

INDIANA STATE BOARD OF ACCOUNTS

INTRODUCTION TO INDIANA CODE 5-22

- IC 5-22-1-1: “Except as provided in this chapter, this article applies to every expenditure of public funds by a governmental body.”

INTRODUCTION TO INDIANA CODE 5-22

- IC 5-22-3-3: “The purchasing agency of a governmental body may establish written policies for purchases made by the purchasing agency. The written policies may apply to all purchases generally or to a specific purchase as stated in the solicitation for the purchase. A written policy established under this subsection may:
 - (1) supplement this article or a rule adopted by the purchasing agency's governmental body; and
 - (2) not be inconsistent with this article or a rule adopted by the purchasing agency's governmental body”

INTRODUCTION TO INDIANA CODE 5-22 CONTINUED

- IC 5-22-3-4:

Whenever this article requires that notice or other material be sent by mail, the material may be sent by electronic means as stated in any of the following:

- Rules adopted by the governmental body.
- Written policies of the purchasing agency.
- A solicitation

INTRODUCTION TO INDIANA CODE 5-22 CONTINUED

- IC 5-22-4-5 and IC 5-22-4-6
 - The individuals designated by the purchasing agency are the purchasing agents for the governmental body.
 - A purchasing agency may have more than one purchasing agent.

CATEGORIES

Categories of Purchases (based on price):

- > \$150,000
- At least \$50,000 and not more than \$150,000 [IC 5-22-8-3]
- < \$50,000 [IC 5-22-8-2]

INVITATION FOR BIDS

- IC 5-22-7-2
 - Purchasing agent shall issue an invitation for bids.
 - Invitation for bids must include:
 - A description.
 - All contractual terms and conditions.
 - A statement of the bid evaluation criteria including any of the following: Inspection, Testing, Quality, Workmanship, Delivery, Suitability for a purpose. Criteria must be measurable.
 - Time and place bids will be opened.
 - A statement whether bids must be accompanied by a certified check other evidence of financial responsibility that may be imposed in accordance with policies of the governmental body.
 - Conditions under which a bid may be canceled or rejected as specified by IC 5-22-18-2.

INVITATION FOR BIDS

IC 5-22-7-5: "The purchasing agency shall give notice of the invitation for bids in the manner required by IC 5-3-1."

- *As per IC 5-3-1-2(e), published two times at least one week apart with the second publication at least seven days before the date bids will be received.*

RECEIVING BIDS

IC 5-22-7-6

- Bids must be opened publicly at the time and place designated on the invitation for bids.

IC 5-22-7-7

- Bids must be accepted without alteration and evaluated based on the requirements provided in the invitation for bids.

IC 5-22-7-8

- Contract must be awarded by written notice to the lowest responsible and responsive bidder.

IC 5-22-7-9

- Purchasing agency must maintain: the name of each bidder, the amount of each bid, and other information required by this article and any rules adopted under this article. Information is subject to public inspection after the contract is awarded.

OTHER PROCEDURES

IC 5-22-18-1

- The purchasing agent may give additional notices if they determine it will increase competition, but the latest publication has to be at least seven days from the deadlines.

IC 5-22-18-2

- If the purchasing agent determines it is in the best interest of the governmental unit, then they can cancel a solicitation or reject all offers in whole or in part.
- The reasons for the cancellation or rejection must be documented in the contract file.

IC 5-22-18-3

- The governmental body may make a written determination that it is in the best interest to delay the opening.
- They are required to announce at the original scheduled opening the rescheduled day, time and place.

SMALL PURCHASES - PRICE \$50,000 TO \$150,000

IC 5-22-8-3

- For purchases of \$50,000 to \$150,000, the purchasing agent should invite three quotes from businesses known to be in the field.
- The invitation to quote must be mailed at least seven days before the deadline for receiving quotes.
- Upon receiving a satisfactory quote, the purchasing agent shall award a contract to the lowest and responsive offeror.

SMALL PURCHASES - PRICE < \$50,000

IC 5-22-8-2

- For purchases less than \$50,000 the purchasing agent should follow policies established by the purchasing agency or rules adopted by the governmental body.

SPECIAL PURCHASING METHODS

IC 5-22-10-1

- A purchasing agent may make a purchase under this chapter without soliciting bids.
- Some types of specific methods:
 - *Emergency Conditions*
 - *Savings to governmental body*
 - *Data processing contract or license agreements*
 - *Compatibility of equipment, accessories, or replacement parts*
 - *No offer received under other purchasing methods*
 - *Governmental discounts available*
 - *Single source for supply*

SPECIAL PURCHASING METHODS CONTINUED

IC 5-22-10-3

- Purchasing agent must keep contract records in a separate file if they are going to make a special purchase.
- Contract file must include the determination for the basis of the special purchase and the basis of selecting the particular contractor.
- Records must be maintained for a minimum of five years and include: each contractor's name, the amount and type of contract, and the description of supplies purchased.

DISPOSAL OF PERSONAL PROPERTY

INDIANA STATE BOARD OF ACCOUNTS

DISPOSAL OF PERSONAL PROPERTY

IC 5-22-22 Disposal of Personal Property

- Applies to all political subdivisions
- Exceptions are listed in IC 5-22-1-2, IC 5-22-22-1 (b) and (c)
- Definitions are listed in IC 5-22-2

DISPOSAL OF PERSONAL PROPERTY

IC 5-22-22-3 General Provisions

A purchasing agency may sell personal property that:

1. has been left in the custody of an officer or employee of a governmental body and has remained unclaimed for more than one year; **or**
2. belongs to the governmental body but is no longer needed or is unfit for the purpose for which it was intended.

DISPOSAL OF PERSONAL PROPERTY

Disposal Procedures:

One Item, estimated value > \$1,000

More than one item with estimated total value > \$5,000

IC 5-22-22-4 Use of Auctioneer

IC 5-22-22-4.5 Internet Sale

IC 5-22-22-5 Public Sale or Sealed Bids

NOTICE OF SALE

IC 5-22-22-11

- Notice of a sale under this chapter must be given by publication of the time, place, and terms of the sale, as provided in [IC 5-3-1](#) in the county where the property is located. The publication shall be made at least fifteen (15) days before the date of the sale.

IC 5-3-1-2(e)

- Publish two times at least one week apart with the second publication made at least seven days before the date the bids will be received.

Notice under IC 5-22-22-11 is required in addition to notice:

- (1) given by an auctioneer under section 4 of this chapter; or
- (2) provided by an Internet auction site under section 4.5 of this chapter.

Consult the city or town attorney for all public notice requirements

USE OF AUCTIONEER

Licensed under IC 25-6.1

Advertising by auctioneer must include detailed description of the property to be sold

City or Town may pay auctioneer from gross proceeds of the sale received before other expenses and liens are paid

INTERNET SALE

- Site must be approved by the Indiana Office of Technology and linked to electronic gateway administered by the Indiana Office of Technology.
- <https://www.in.gov/iot/internet-auctions/>
- Notice of Sale by city/town must include detailed description of the property to be sold.
- City/town may pay costs of conducting the auction on the Internet site as required by the person maintaining the auction site.

PUBLIC SALE OR SEALED BIDS

- Public sale or sealed bids delivered to the city/town before the date of sale
- Must be advertised in accordance with IC 5-3-1
- Sale must be to highest responsible bidder

DISPOSAL OF PERSONAL PROPERTY

Public/Private Sale or Transfer Without Advertising

IC 5-22-22-6 One item with estimated value less than \$1,000 or

More than one item with estimated value less than \$5,000



SPECIAL SITUATIONS

- IC 5-22-22-7 Recyclable Property
- IC 5-22-22-8 Worthless property
- IC 5-22-22-9 Law Enforcement Vehicles
- IC 5-22-22-10 Exchange between Purchasing Agency & Governmental Body
- IC 5-22-22-12 Transfer to Volunteer Fire Department, Fire Protection District, Fire Protection Territory

RECYCLABLE PROPERTY IC 5-22-22-7

Public/Private Sale or Transfer Without Advertising

Property that may be recycled and has been collected in conjunction with a recycling program.



WORTHLESS PROPERTY IC 5-22-22-8

- Value of the property is less than the estimated costs of the sale and transportation of the property
- May be demolished or junked



LAW ENFORCEMENT VEHICLES IC 5-22-22-9

- Must provide IC 5-22-22-9 to purchaser
- Requires repainting by purchaser if vehicle is to be operated on public highway
- Repainting not required if transferred to another governmental body



EXCHANGE WITH GOVERNMENTAL BODY IC 5-22-22-10

- Terms and conditions evidenced by adoption of substantially identical resolutions by each entity
- Transfer may be made for any amount of property or cash agreed upon by the governmental bodies

TRANSFER TO FIRE DEPARTMENT IC 5-22-22-12

- Fire trucks, emergency service vehicles, firefighting or emergency services equipment
 - For use in providing fire protection or emergency services
- Volunteer Fire Department, Fire Protection District or Fire Protection Territory
- Sale, gift, or other arrangement
- Fire Department in same county has first right of refusal – then open to any Fire Department in Indiana

RESOURCES

- Indiana State Board of Accounts – in.gov/sboa



Indiana Codes ▼

Compensation and Benefits ▼

Deposit and Investment of Funds ▼

Public Purchasing Law ▼

Purchase of Land or Structures ▼

RESOURCES

- Indiana General Assembly – iga.in.gov

Indiana General Assembly
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8:30	(H) Education	Room 156-C
9:00	(H) Insurance	Room 156-B
9:30	(S) Civil Law	Room 130
10:00	(H) Public Health	House Chamber

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