



# Strategies for surplus goods

**Minnesota Solid Waste Administrators  
Association**

March 8, 2023



# Who we are



Member-based network of reuse businesses, government, and supporters.

**PURPOSE:** To lead a movement grounded in the principles of reuse, which extends the life of resources and decreases the demand for new production.

**MISSION:** Build partnerships and support a vibrant network of reuse practitioners through education, promotion, and advocacy.

**VISION:** Regenerative, reuse-centered communities that protect the environment and value the well-being of future generations.

# Session goals



- Overview of the issue
- Laws impacting surplus goods
- Options available for disposition of government property

# Government reuse policy task force



## GOALS

Guide to internal material use within current public entity

- What tools are available

Clear understanding of options to donate/how to donate (legally, logistically)

- What are limitations on donating
- Understanding fed, state, county, municipal, schools, quasi-state agency differences
- How-to steps
- Requirements vs guidelines
- A price list; How to value items correctly
- What to do with different materials (trucks, office equipment, etc)
- Liability concerns

Guides for public entities

- Template for local government to adopt internal policies

How to connect non-profits to donations

- What do they need/want?
- How do they get on the state listing?
- Who can use the state listing? (cities vs state)

Identify barriers and gaps in current system

- What needs to change in legislation, policy to make donations easier while protecting tax-payer funded purchases
- Definitions

# Disclaimer



This presentation includes names of several local platforms and service providers. Inclusion in this presentation does not constitute a recommendation or endorsement Reuse Minnesota.

Please consult your internal purchasing and/or legal staff for specific questions and research prospective platforms to determine if they meet your needs.

# Recommendations/considerations



- Create plan for disposition process
  - No need to start from scratch, examples available!
- Need to know how property was acquired
  - Funding source may impact what can/can't be done
  - Keep in mind with items purchased with federal or private grants

# Disposition priorities



## Internal reallocation

- Utilizing within gov't entity

## Inter-government

- Provide free to other gov't entities, public schools/universities

## Sell

- To anyone, including gov't, businesses, and general public

## Donate

- To approved nonprofits

## Dispose

- Last resort, includes recycling of eligible items

# Internal reallocation



- Saves money
- Requires tracking system or other internal collaboration
  - Can be a challenge
- Possible platforms
  - [Public Surplus](#) – reallocation component
  - [Rheaply](#) – internal “ecosystem” for reuse
    - has start up expense and annual fee



# Inter-government



- Provide to other gov't entities, public institutions
- Utilize networks
  - SWAA
  - Association of Recycling Managers (ARM)
  - Reuse Minnesota



- When does it make sense to sell items?
  - High value and/or have significant use remaining
- Platforms available
  - [MinnBid](#) (State Surplus – Dept of Admin)
  - [GovDeals](#)
  - [Municibid](#)
  - [Public Surplus](#)
  - [CrankyApe](#)
  - [K-BID](#)
  - [MN Materials Exchange](#)

# State Surplus



- Self-funded entity within Dept of Admin
  - Receives no state appropriations
  - Goal is to be as close to “zero-profit” as possible
- Assists with redistribution, reuse, and disposal of state and federal surplus property.
- Located in Arden Hills

# State Surplus - Services



- Redistribution to eligible donees – state and local governments, nonprofit health and educational organizations, programs for low-income persons, and other service groups.
- Minnbid – auction site for any gov't entity to sell surplus property to the public via online auction.
  - Office supplies and furniture, medical supplies and equipment, clothing, a wide range of vehicles, machine tools, hardware and electrical supplies and more

A screenshot of the Minnesota Department of Administration Surplus website. The header includes the logo and navigation buttons for "Online Auction", "Live Auctions", and "Search Sold Items". The main content area is titled "Featured Items" and displays a grid of eight auction listings. Each listing includes a lot number, a search icon, an image of the item, a title, a description, a closing date, a high bid amount, and a "View" button.

Lot #	Item	Closing Date	High Bid
45277	Truck 4X4 2004 Dodge Ram 1500	03/08/2023 10:00 AM	\$4,275.00
45279	SUV 2013 Ford Explorer	03/08/2023 10:10 AM	\$6,000.00
45280	Lawn Equipment	03/08/2023 10:20 AM	\$230.00
45281	SUV 2002 Jeep Liberty	03/08/2023 10:30 AM	\$430.00
45284	Car 2002 Chrysler PT Cruiser	03/08/2023 11:00 AM	
45285	Car - 4 Dr Sedan 2008 Chevy Impala	03/08/2023 11:10 AM	
45286	Car - 4 Dr Sedan 2003 Mercury Grand	03/08/2023 11:20 AM	
45289	Car - 4 Dr Sedan 2017 Ford Taurus	03/09/2023 10:00 AM	

# Minnbid - Cost



No buyer premium.  
Seller pays fee.

Fee based on the  
location and selling  
price of the property.

Approximately 92% of  
auction proceeds are  
returned to owner  
entities.

## Online Auction Administrative Fees

### Surplus Services location (Arden Hills)

- Items that sell for \$625 or less - fee is \$50.
  - If item sells for \$50 or less, Surplus Services will retain all of the proceeds.
- Items that sell for \$626 or more - fee is 8% of sales price.
- The maximum administrative fee per item is \$750.

### Agency locations

- Items that sell for \$625 or less - fee is \$50.
  - If item sells for \$50 or less, Surplus Services will retain all of the proceeds.
- Items that sell for \$626 to \$4,000 - fee is 7% of sales price.
- Items that sell for more than \$4,000 - fee is 6% of sales price.
- Maximum administrative fee per item is \$750.

# Gov't/public entity focused platforms



## GovDeals

- Cost – nothing for seller to list; buyer pays 12% fee

## Municibid

- Cost – nothing for seller to list; buyer pays 9% fee

## Public Surplus

- Cost – nothing for seller to list; buyer pays 10% fee
- May be other costs depending on other features used

# Other platforms



## CrankyApe

- Cost – 5 to 18% depending on sale price
- Fleet surplus, forfeited/abandoned vehicles
- MN-based (location in Hastings)

## K-BID

- Cost – varies
- Aggregates bids from affiliates
- MN-based (Maple Plain)

# Minnesota Materials Exchange



- Intended primarily for businesses
  - Second-tier option for gov't
- No cost to list, no cost to buyer
- Good option to purchase items
- Place to refer businesses
  - Transfer station program – looking to provide brochures to 15+ counties to be available for contractors

A screenshot of the Minnesota Materials Exchange website. The header is dark red with the logo and navigation links for LISTINGS, POST, and ACCOUNT. Below the header is a search bar with the text "What are you looking for?". On the left, there are filter sections for "Category" (listing Art Supplies, Building and Construction Material, Chemicals and Cleaners, Classroom Supplies and Fixtures, and a "SHOW MORE..." link) and "Listing Type" (listing ALL LISTINGS, Available, and Wanted). Below filters is a "Distance(miles)" section with a "Zip Code" input field and a "Set" button. The main content area displays four listings in a grid. Each listing has a star icon in the top right corner. The first listing shows "New Poly Lined Bulk Bags" for "Free". The second listing shows "Wood Pallets 37\"x 41\"" for "\$2.00". The third listing shows "Damaged Lithium Ion Battery Packaging" for "Free". The fourth listing is a "WANTED" item for a "Used garden bench" for "Free", but the photo is unavailable.





When is donation allowed?

# State statute



## 471.3459 DONATION OF SURPLUS EQUIPMENT.

### Subdivision 1. Definitions.

- (a) For the purposes of this section, the following terms have the meanings given them.
- (b) "Local government" means a county, home rule or statutory city, town, or joint powers entity formed by any of these local governmental units.
- (c) "Nonprofit organization" means an organization formed under section 501(c)(3) of the Internal Revenue Code.
- (d) "Surplus equipment" means equipment used by a local government public works department, and cellular phones and emergency medical and firefighting equipment that is no longer needed by the local government because it does not meet industry standards for emergency medical services, police, or fire departments or has minimal or no resale value.

### Subd. 2. Donation.

A local government may donate surplus equipment to one or more nonprofit organizations. Before the local government makes any donations, it must adopt a policy on how it will determine what equipment is surplus eligible for donation and how it will determine which nonprofit organizations may receive donations. The policy must address the obligations of the local government to disclose to the nonprofit that the surplus equipment may be defective and cannot be relied upon for safety purposes.

# The challenge



## HF1003 (2015-2016 session)

- Phrase “local government public works department” was added to the bill language as an oral amendment in committee.
- According to legislative analyst, the committee did not have an in-depth discussion of what “public works department” encompassed; the idea to apply the language to other local government departments in addition to emergency services was originally put forward to the committee in broad terms but not discussed at length.
- Additionally, there is no case law on section 471.3459 which provides a clear understanding of what the phrase means.
- Per the American Public Works Association → “Public Works is the combination of physical assets, management practices, policies, and personnel necessary for government to provide and sustain structures and services essential to the welfare and acceptable quality of life for its citizens.”
  - Not necessarily a department
  - APWA also notes that “When it comes to public works, one size definitely does not fit all, so defining the term becomes problematic. Even APWA members have trouble arriving at a common definition. Because of the multi-faceted, ever-evolving nature of public works, we may never arrive at a final definition.”

# Policy adoption



- Several gov't entities have adopted, but many have not
- LMC model policy (cities) - [Donation of Surplus City Equipment to a Nonprofit Organization](#)
  - Outlines purpose, scope, definitions, procedures
  - Potentially adaptable for counties?
- Determining eligible nonprofits
  - List of specific orgs
    - Option to prioritize local
    - Possibility to utilize list maintained by Surplus (schools, healthcare, museums, orgs providing assistance to seniors, individuals with disabilities, individuals with financial need, etc.)
  - Generic categories

# Opportunities



- Legislative
  - What needs to change to make donations easier while protecting taxpayer purchases?
  - Clarity on definition of public works department
- Potential for county-specific model policy
- Promote surplus sites to public, nonprofits, businesses

# Join us!



**Membership** – individuals, businesses, and organizations can join

**Volunteer** – ongoing opportunities and events

**Board** – elections in the fall

**Participate and advocate**

- Attend events
- Follow and support reuse legislation/policy
- Follow us on social media @reusemn

# LCCMR grant



Strengthening Minnesota's reuse economy to conserve natural resources.



**ENVIRONMENT  
AND NATURAL RESOURCES  
TRUST FUND**

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**THANK YOU!**

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