

DAR -- PART 11
CONTRACTING FOR ASSETS AND REAL PROPERTY PURCHASES,
LEASES, AND SALES

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11.000 Scope of Part

This part discusses the various authorized methods for purchasing or contracting for assets, and leasing / sales of District property or buildings or equipment.

Subpart 11.1 -- Purchasing Assets

11.100 Assets

District Contracting Officers will buy assets on behalf of the District and ensure proper identification for asset tracking. Purchases valued at \$500-\$4,999.99 are marked as assets and tracked if they are easily portable, high theft items, such as cameras, amplifiers, microphones, computers, printers, televisions, Audio Visual (AV) equipment, laptops, etc. Large asset items, valued at \$5,000 and more, must also be marked as assets and inventoried for audit purposes; this category includes larger AV equipment, vehicles, heavy equipment, buses, food service equipment, production printing equipment, and technology equipment.

11.101 Asset Tracking

The District must maintain an inventory listing of assets for auditing purposes. These items are initially identified in PeopleSoft, as part of the purchasing process. Assets should be delivered to the District Warehouse so that Warehouse staff can properly record and tag the items. Contracting Officers must make the proper identifications and select the appropriate delivery location when approving purchase orders for items identified as assets.

Subpart 11.2 -- Leases

11.200 Leases of District Property to Outside Firms or Agencies

The District may opt to lease District land or buildings. These arrangements may or may not be solicited to select the leasing party. The Contracting Officer shall ensure that the very specific terms and condition clauses necessary for lease/rental transactions are included in the Lease Contracts. Leases must also be limited to a term no longer than 10 years, in accordance with CRS 24-32-110 (f), but may have multiple renewal terms. Agreements longer than 12 months are handled as leases by the Contracting Department.

11.201 Rentals of District Buildings

Rentals of District buildings for one time activities, weekend activities, or regularly scheduled BOE District approved space rentals (such as Child Care in District schools) is coordinated through the District Rentals Office. If an entire building or large portion of a building is rented for 12 months or less, to an outside agency or firm, a formal contract is signed and administered through the Rentals Department. See Board Policy KF for full details on the facilities rental program.

11.202 Lease of District Land

Outside firms may want to use portions of District land (including buildings on the land) from which to operate their business interests, e.g., cellular telecommunication companies that erect towers or install antennas on buildings for transmission of electronic signals. Lease of District land can also include requests from private parties to lease District space to store outside contractor's equipment on District property.

11.203 Lease of District Vehicles

The District can provide pay-for-service transportation to others and the District is covered under our existing insurance and governmental immunity because we have filed as a non-profit organization with the Colorado Public Utilities Commission (PUC). This involves others hiring the District's vehicle with District driver to transport their activity participants to an event. A District vehicle lease contract has been established that is separate from the standard facilities rental contract and is administered by the Contracting Department. This vehicle lease contract must be agreed to and signed by the Lessee before the District Transportation Department can perform the additional services for an outside agency or firm. Lessee's employees are not allowed to drive a District vehicle. Thus, the lease contract must stipulate the cost for the vehicle and a District CDL trained driver. Note: The District's first mission is to provide

transportation for its students for District activities. The Contracting Officer must coordinate with the Transportation Department and maintain the records associated with these lease contracts.

11.204 District Leasing of Non-District Property

When the District needs to lease non-district property, the Contracting Officer must review the outside firm's contract to ensure that the District is not assuming adverse liability and/or assuming financial obligations that are beyond the timeframe and capability of the District to perform. The Contracting Officer shall ensure that funds are available before signing any outside agency lease, and obtain the necessary Board approval.

11.205 District Leasing of Modular Buildings and Storage Trailers

11.205.1 Modular Building Leases

The Contracting Officer should determine the exact time period the modular buildings are needed and ascertain that the funds are available before signing the modular building provider's contract. The Contracting Officer will evaluate additional associated costs that may not be included in the leasing party's base lease agreement, e.g., delivery and pickup transportation costs, stairs, skirting, ramps, tear down labor, utility hookups, air conditioning units, downspouts and gutters. The Contracting Officer shall advise the COTR if there are cancellation fees.

11.205.2 Storage Trailer Leases

When leasing storage trailers, the Contracting Officer should ensure that it is fully described in the lease agreement which party is responsible for graffiti or damage to the trailer while the container is located on District property.

Subpart 11.3 – Sales of Real Property

11.300 Sale of District Real Property

When District Administration and the Board of Education (BOE) have determined that District real property is no longer needed and should be disposed of, the Contracting Officer will assist in researching and coordinating the sales activities. Solicitations may or may not be used to determine who will purchase District owned property. A Contracting Officer will be involved in the process to determine the value of the property through the hiring of appraisers and/or other market research. A Contracting Officer will be directing and coordinating the efforts to ascertain the many attributes of the property that must be identified prior to sale.

11.301 Sale of Buildings

Sales of District owned building should involve the District legal counsel. The legal counsel will review the RFP before issued and file all necessary paperwork after a buyer has been selected. The Contracting Officer will assist in obtaining certain attributes of the building (i.e., year built, improvements on land and the building, maintenance records, equipment warranty lists, equipment models and ratings, etc.) for use in informing any potential buyer. The Contracting Officer will be instrumental in the solicitations to sell the buildings, coordinate offer evaluations. Subsequent title transfer documents and drafting of sales documents will be the responsibility of the legal counsel.

11.302 Sale of Land

Sale of District owned land should involve the District legal counsel. The Contracting Officer (CO) will work with the CFO to determine the extent of any involvement of realtors. The CO may assist in obtaining the details of the land (i.e., land description, history of property, potential buyers, and list of improvements or limitations of the land, etc.). Legal counsel will produce any sales documents, land titles and deeds, and any other known recorded county documents. Legal counsel will perform County filing procedures and requirements as necessary. The CO will contract with an appraiser to ascertain the value of the land, if needed. The Contracting Officer will notify the fixed asset accountant when land sales are completed for their appropriate recording actions.

Subpart 11.4 -- Sale of District Assets

Below is a description of assets the District may wish to sell

11.400 Sale of Assets

When District Administration and the Board of Education (BOE) have determined that District assets is no longer needed and should be disposed of, the Contracting Officer will assist in researching and coordinating the sales activities. An auction process may or may not be used to dispose of the property. Solicitations may or may not be used to determine who will purchase District owned assets. The Assets Department will assist in determining the market value of the items to be sold.

11.401 Modular Buildings

Modular buildings identified as surplus may be sold or donated, or disposed. The Contracting Officer will conduct the solicitation to coordinate the evaluations, award the sales, sell the modular(s), and produce the title and bill of sale documents. This will require the CO to obtain the District ownership records, current title, property description, and current condition of the modular for the solicitation and sales records. The modular buildings are sold in "as is" condition and liability will be borne by the buyer for transport from the District location.

11.402 Sale of Equipment, and Supplies

The District Contracting Officer will work closely with the Warehouse staff to coordinate the sale and disposition of equipment or scrap. This may include the disposal of hazardous materials.

11.403 Sale of Vehicles

After buses, trucks, cars, or capital equipment becomes obsolete and is considered surplus, the District will allow either

- A) Trade in of the vehicle in a transaction to purchase a new like vehicle or
- B) Sell the vehicle direct to an interested party through a "high bid" solicitation process. Vehicles can also be included with the surplus property sales / auction contractor selected by the District and under contract with the District to sell and dispose of other surplus District property. The Contract Officer will work with the Transportation Department staff to obtain the complete vehicle description and ensure that the correct information is on the sales and title documents of the sale.