Trade-Ins

Equipment which has become inadequate for the needs of a department may be used as a trade-in towards the purchase of new equipment when the Property Custodian determines that such action is in the best interest of TTUHSC. Trades are not allowed on Texas Smart Buy contracts.

Equipment may be purchased with a trade of equipment if the following are provided on the requisition:

- A completed Items Used as Trade-In form (Attachment C) found in HSC OP 63.10.
  - Enter each item used as Trade-In as an individual line item on the form. Include the TTUHSC inventory tag number for each item if applicable.
  - Enter each trade allowance provided by the vendor in the Trade-In Value column on the form. The vendor quote must document the trade allowance and indicate the amount applicable to each appropriate new item from the Requisition.
- A statement in the External Notes on the TechBuy requisition: “Less trade-in at State’s option: to be picked up by the successful bidder where is, as is”.

Equipment used as a trade is not to be released until the purchased equipment is received. To allow for timely deletion from the departmental inventory, the department is responsible for notifying Property Management when the item has been picked up by the vendor. Refer to HSC OP 63.10 for specific instructions.

Trades are not permitted for the lease or rental of equipment. Leased or rented equipment will not become property of TTUHSC and therefore, trades on these types of orders are not allowed.

Used Equipment

As a general rule, fund managers should procure new equipment, but sometimes it is necessary or advantageous to purchase used or remanufactured equipment. The most common reasons are:

- The inability to secure new equipment;
- The lack of adequate funds for new equipment; or
- Used equipment will satisfy the agency’s need at a substantial savings.
Purchases of used and demonstrator equipment are to be processed as follows:

1. Written quotations must be obtained following the appropriate procedures applicable to the total purchase amount, or a proprietary purchase justification must be provided, if applicable.

2. Provide signed statement from the suppliers guaranteeing quality and condition of the equipment offered. It is strongly recommended, when possible, that the fund manager request a warranty to make available service and parts for the equipment of at least one year.

3. The fund manager must also state:
   a. The equipment has been personally examined, and
   b. Describe the condition and value of the equipment.

The fund manager is responsible for submitting the required supporting documentation by electronically attaching it to the purchase requisition. If the Purchasing Department determines that the purchase is appropriate, and the purchase is anticipated to exceed $15,000.00, competitive bids may be solicited.