



SC SURPLUS REAL PROPERTY DISPOSAL PROCESS

When a state government agency wishes to dispose of real property, the agency should review and follow the below process:

1. DETERMINE REAL PROPERTY AS SURPLUS

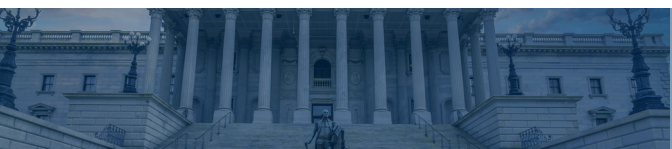
An agency may send written notice to the South Carolina Department of Administration's (Admin) Real Property Services (RPS) identifying the property the agency no longer requires OR RPS may reach out to agency to ask if a property should be submitted for surplus based on review of the Annual Building and Real Property Inventory Report.

2. SUBMIT DOCUMENTATION

Once it has been determined that there is property to surplus, the agency will complete and submit a Real Property Transaction Submission and Approval Form, along with all required supporting documentation (e.g., property appraisal not more than one year old by a state-certified MAI appraiser; survey or plat of property; copy of the deed and proof of any authorization by other boards/commissions as applicable).

3. REVIEW AND DETERMINE APPROVAL

RPS shall review the form and documentation for completeness and accuracy and will determine whether the value of the real property is expected to exceed \$1 million. If it does not exceed \$1 million, skip to Step 4. If it does exceed \$1 million, the surplus of the property will need to be approved by the State Fiscal Accountability Authority (SFAA) at the next available SFAA meeting. RPS will work with the agency to prepare and submit the required documentation for SFAA approval.



4. DETERMINE DISPOSAL METHOD

With the necessary approvals in place, RPS will guide the agency on a commercially reasonable way to dispose of the property. RPS typically follows three possible methods for real property disposal: use of a private broker, a sealed bid or an auction.

- **Broker:** If this method is selected, RPS will amend its existing Brokerage Service Agreement and the broker will prepare marketing materials that will be reviewed by RPS and the agency. Once published, the broker will forward offers to RPS and RPS will review them with the agency. If an offer is accepted, go to Step 5.
- **Bid:** If the agency prefers to dispose of their real property through a sealed bid, RPS will draft a solicitation in conjunction with the agency and post on Admin's website, publish on the South Carolina Business Opportunities (SCBO) website and advertise in local or national newspapers, in addition to emailing the opportunity to RPS's mailing list. On the bid opening date, RPS will open, review and rank the proposals received for consideration by the agency. If a bid is accepted, go to Step 5.
- **Auction:** If an auction is chosen, RPS will contract for auction services. The auction will be marketed on Admin's website, SCBO and local or national newspapers. RPS will collect and evaluate proposals and provide to the agency for review. If an awardee is chosen, go to Step 5.

5. PROOF OF SALE

RPS will prepare and have executed a Purchase and Sale Agreement (PSA), or contract. RPS will collect the earnest money deposit from the buyer and hold it in escrow. After the buyer conducts their due diligence, RPS will coordinate closing, prepare the deed and review and approve the Settlement Statement. The buyer's attorney will effectuate closing, record the deed and transmit funds to RPS. RPS will prepare proceeds and request the agency's coding information and liaise with Admin's accounting office for distribution.