

How Do I Buy...

Trade-In of Equipment

Buyer Contact Information:

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Description:

Trading-In used equipment when purchasing new equipment can be a very cost effective way to maximize the value of the old item. General guidelines are as followed: the equipment being traded must be of the same general, functional nature of the item being purchased, and the university should be receiving “fair market” for the item being traded.

When the Procurement Department seeks competition through competitive sealed bidding or competitive negotiation, price allowances for trade-in equipment may be used.

If the department is submitting a sole source procurement involving a trade-in, the department should complete independent research to assure that the university is being offered fair market value. The internet can often provide information on similar items being offered for sale or that have recently sold. The university surplus property manager can often lend assistance if a similar item has been offered at auction. It is not unusual to determine that the supplier has made a fair offer, since they are motivated to sell the new equipment.

Department Responsibilities for requisitions that include a trade-in:

- Process the purchase and the trade-in as one transaction on one line through HokieMart
- The department must provide this unique demographic information with the requisition on the trade-in equipment:
 - Item description
 - Manufacturer
 - Model number
 - Serial number
 - Virginia Tech Inventory Bar Code Tag number

- The department must provide Fair Market Value research information with the requisition that supports the trade-in allowance offered by the vendor including:
 - Age of equipment
 - Condition of equipment
 - Book value
 - Internet search of used equipment websites that show retail sales pricing range for comparison to trade-in value offered
 - Comments that confirm that the department feels that the trade-in value is fair and reasonable.
- All requisitions that involve a trade-in must be processed by Procurement. If the requisitions does not exceed \$2,000, submit the requisition using “Best Vendors,” so it will route to Procurement for processing.

Note:

- Do not declare the trade-in equipment as surplus property.
- Do not conduct the trade-in transaction via a P-card.
- Procurement will forward a copy of the completed purchase order to Fixed Assets. Receipt of the Purchase Order will authorize the Fixed Assets manager to remove the trade-in from your fixed assets inventory.
- Trade-in procedures should not be used if the monetary allowance offered is substantially below the known current fair market value of the proposed trade-in.