

SESLHD PROCEDURE COVER SHEET



Health
South Eastern Sydney
Local Health District

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SUMMARY	This procedure provides guidance for selling, donating and redeploying healthcare equipment. The procedure is designed to ensure the financial, Work Health & Safety (WHS), clinical engineering and legal requirements are adhered to when disposing of hospital and medical equipment assets. The procedure provides guidance to inform the decision regarding the appropriate method of asset disposal. This procedure does not include equipment supplied or sold through equipment lending pools, motor vehicles or ICT equipment.

COMPLIANCE WITH THIS DOCUMENT IS MANDATORY

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1. POLICY STATEMENT

To provide a standardised procedure and to ensure the requirements are met for disposing of healthcare equipment in line with NSW Health Procurement Policy Directive.

2. BACKGROUND

The disposal of Medical (Healthcare) Equipment (excluding motor vehicles) must be aimed at achieving value for money and meet transparency and probity requirements. It must be in keeping with the policies cited in this procedure.

Methods of disposal must be compliant with applicable environmental safeguards, Work Health and Safety requirements, and local council regulations.

The options for disposal include redeploying the asset/s to another facility or service within South Eastern Sydney Local Health District (the District), trade-in, selling or donating the equipment to external parties.

The method of disposal is primarily driven by the present value of the equipment ([see Clause 4.2](#)).

This document does not apply to the selling, donating or redeploying of motor vehicles or ICT equipment. Furthermore, the procedure does not include guidance for overseas sales / donations.

Medical (Healthcare) Equipment: Any instrument, apparatus or appliance, including software, whether used alone or in combination, together with any accessories necessary for correct operation that makes physical or electrical contact with the patient, or transfers energy to or from the patient, or detects such energy transfer to or from the patient, or is intended to diagnose, treat or monitor a patient.

Delegated Officer: a staff member of NSW Health appointed by the appropriate financial delegate to conduct all or part of the procurement of goods and services.

3. RESPONSIBILITIES

3.1 Employees will:

- Advise their managers of healthcare equipment that may be considered for disposal.

3.2 Line Managers will:

- Follow this procedure and notify the relevant Head of Department of any healthcare equipment that is being considered for sale, donation, redeployment, or disposal.
- Ensure adherence to requirements outlined in the SESLHD Delegations of Authority Manual.

3.3 Heads of Department will:

- Adhere to responsibilities and processes outlined in this procedure.

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- Act as a central point of communication and advice during healthcare equipment sales, donations, redeployment or other means of disposal.
- Ensure required healthcare equipment safety checks are conducted.
- Be responsible for confirming redeployment options within SESLHD, advertising the equipment, liaising with external parties, arranging transportation of equipment.
- Ensure adherence to requirements outlined in the SESLHD Delegations of Authority Manual.

3.4 Facility Finance teams will:

- Work with Heads of Departments to ensure processes outlined in this procedure are adhered to.
- Provide advice to parties relating to financial implications during the redeployment, sale or donation of equipment.
- Ensure adherence to requirements outlined in the SESLHD Delegations of Authority Manual.

3.5 District Finance will:

- Where the purchase price of individual healthcare equipment is \$10,000 or more and is on the Fixed Assets Register, provide advice to parties engaging in the sale, donation or redeployment of healthcare equipment to ensure financial considerations and obligations are met.

4. PROCEDURE

4.1 Preparation for disposal of equipment

4.1.1 Equipment Information

The following information is to be compiled and included when completing the Selling, Donating and Redeploying Healthcare Equipment form:

- Make, model and Serial number of the equipment
- Asset and Tag number
- Estimate of current asset value (in consultation with Business Manager)
- Details of service history, warranties, repairs etc.
- Summary of equipment (name and use)
- Reason for disposal
- Description of current condition.

4.1.2 Ascertaining equipment present value

It is essential to ascertain a present value for the equipment to guide the method of disposal. The value of the good/s should be estimated by estimated by Clinical/Biomedical Engineering or Maintenance Engineering, with approval by the program director, facility director of Finance and General Manager at a minimum, to verify that the values determined are fair and reasonable.

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4.1.3 Approval for redeployment

For medical equipment valued at or above \$1,500, equipment is to be assessed for redeployment within the District prior to proceeding with selling or donating the medical equipment, by completing the Selling, Redeploying and Donating Healthcare Equipment Form.

If it has been identified and confirmed that another facility requires the equipment, the following steps are required for transfer of the Medical equipment:

- Confirmation of completion of safety checks in compliance with AS3551 standard
- If available, handover of equipment operation, service manuals and the service history
- Update the facilities equipment management system (EMS) (e.g.: AFM online or Biomedical Engineering EMS) and/or asset register if over \$10,000 by completing the [Fixed Asset Transfer Advice](#) form (if within the same organisation and considered of asset value)
- The supplying facility is to arrange transportation of equipment at the receiving facility's expense.

4.2 Methods of asset disposal

The methods of disposal may include redeploying, trade-in, selling, or donating. As per the NSW Health Procurement Policy Directive, asset disposal must be managed to achieve value for money and meet transparency and probity requirements. Disposals must also comply with all applicable environmental standards and regulations, work, health and safety requirements, and any local council regulations.

4.3 Selling equipment

4.3.1 Approval process

The **Selling, Donating and Redeploying Healthcare Equipment Form** ([Appendix A](#)) will require approval as per the SESLHD Delegations of Authority Manual (SESLHDHB/027).

Resale Value	Minimum Approval
Less than \$3,000	Facility General Manager
Greater than \$3,001 and less than \$250,000	SESLHD Director, Finance
Greater than \$250,001 and less than \$500,000	SESLHD Chief Executive
Greater than \$500,001	Ministry of Health

4.3.2 Selling process

The method of selling is determined by the present/residual value and assessment by the relevant Clinical Engineering department.

During the sales process, confirmation is required that the items can be removed by the buyer and the equipment ownership transferred, subject to a written signed agreement recording that the goods are accepted in their current state, including any defects either known or latent, and there will be no cost and/or obligation/liability to NSW Health now or

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in the future. Standard Terms and Conditions for the sale of second hand equipment by SESLHD are included in [Appendix B](#); any variation to these Terms and Conditions will require approval as per [section 4.3.1](#). If the equipment is listed on the asset register, the [Fixed Asset Disposal form](#) is to be completed and submitted to conclude the asset transfer process.

4.3.3 Advertising

The equipment advertisement should include all key information about the good/s. The advertisement should seek Expressions of Interest from interested individuals / parties.

4.3.4 Acceptance

Verbal offers must be recorded prior to the advertisement of the item to ensure that all offers are documented and considered. The highest offer will be accepted, if identical offers are received then the offer that was received first will be accepted. If the buyer requests assistance removing the equipment from the site, then payment for services must be made for this request to be actioned.

A formal agreement must be signed by both parties to ensure a legitimate transaction.

4.3.5 Methods of selling

The splitting of subject goods into components or in succession for the purposes of avoiding the mandated Delegated process is prohibited.

When undertaking disposals by quotations, it must be ensured that:

- disposal specifications and requirements are disclosed equally to all suppliers invited to quote
- the supplier selection evaluation criteria are established prior to receiving quotes
- proper processes of closing, receipt, and opening of quotes are followed.

Disclosure requirements for contracts valued above \$150,000 (including GST) are captured within the Government Information Act 2009 (GIPA). Requirements under the GIPA Act for Health Entities are outlined in the [NSW Health GIPA guide](#).

4.4 Donation of equipment

Where equipment has no identified use within the District, the equipment has no present value, or it has deemed not appropriate to sell or transfer the equipment, it may be donated to a community / not-for-profit organisation.

When donating surplus goods to a community/non-for-profit organisation, confirmation is required that the items can be removed by these organisations and their ownership transferred, subject to a written signed agreement recording that the goods are accepted in their current state, including any defects either known or latent, and there will be no cost and no obligation/liability to NSW Health now or in the future.

5. DOCUMENTATION

- [Fixed Assets Disposal Advice](#) form

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- [Fixed Asset Transfer Advice](#) form
- [Selling, Donating and Redeploying Healthcare Equipment](#) form

6. AUDIT

Finance to advise

7. REFERENCES

[NSW Government Procurement Policy Framework](#)

[NSW Health Combined Delegations Manual](#)

[NSW Health - Government Information Public Access Act \(GIPA\)](#)

[NSW Health Policy Directive PD2022_020 – NSW Health Procurement](#)

[NSW Health Procurement Portal](#)

[SESLHDHB/027 Delegations of Authority Manual](#)

8. VERSION AND APPROVAL HISTORY

Date	Version	Version and approval notes
28 June 2023	1.0	New document. Endorsed by Executive Sponsor and Executive Council.

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Appendix A: Selling, Donating and Redeploying Healthcare Equipment Form

Selling, Donating, and Redeploying Healthcare Equipment

Entity:		Location:	
Asset / Tag No:		Cost Centre:	
Serial No:		Purchase Cost:	
Reason for disposal:			
Asset Description: (name and use)			
Condition: (include summary of any damage / faults)			
Cost Centre Manager Approval: Name:		Signature:	
Title:		Date:	

Engineering Review

Clinical Engineering <input type="checkbox"/>	
Maintenance Engineering <input type="checkbox"/>	
Equipment safe to sell, donate or redeploy?	Yes/No
Redeployment Opportunity Identified: (If Yes, provide details)	Yes/No
Estimated Value:	
Service history available:	Yes/No
AFM/EMS asset status updated to decommissioned:	Yes/No
Sell <input type="checkbox"/>	Provide details:
Donate <input type="checkbox"/>	
Redeploy <input type="checkbox"/>	
Head of Department Approval: Name:	
Signature:	
Title:	
Date:	

Approval

(As per SESLHD Delegations of Authority Manual SESLHDHB/027, if the resale value is greater than \$500,000, a brief to MoH is required.)

Program Director/Co-Director Approval	Signature:
Name:	Date:
Facility Director of Finance Approval	Signature:
Name:	Date:
Facility GM Approval	Signature:
Name:	Date:
SESLHD Director of Finance (Required if resale value is greater than \$3,000)	Signature:
Name:	Date:
SESLHD Chief Executive (Required if resale value is greater than \$250,000)	Signature:
Name:	Date:

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Appendix B: Terms and Conditions for the sale of second hand equipment by South Eastern Sydney Local Health District (SESLHD)

Application of Terms and Conditions

1. These terms and conditions of sale apply to and govern all tenders and quotations submitted by, all orders placed with, and all contracts entered into by SESLHD whereby second hand goods are supplied, provided and/or delivered ("supply" or "supplied") by SESLHD ("Agreement").
2. Any Agreement may be varied only with SESLHD's prior written consent.
3. To the extent that any conflict exists between these terms and conditions of sale (or as they may be varied in accordance with this clause 1) and any other documentation or correspondence forming part of any Agreement these terms and conditions of sale (or as they may be varied in accordance with this clause 1) shall be paramount and prevail.
4. Any order or offer made by any purchaser shall not be binding on SESLHD until accepted by SESLHD in writing or in such manner as in its sole discretion determines.
5. A tender or quotation submitted by SESLHD may at any time prior to acceptance of an offer by SESLHD in respect of the supply of goods and/or services be varied or withdrawn by SESLHD. Clerical, typing or other errors made in, or in respect of, any tender or quotation shall be subject to correction by SESLHD and the corrected tender or quotation shall apply.
6. To the extent that there is any inconsistency existing between any terms and conditions appearing in a purchaser's order and these terms and conditions of sale then these terms and conditions shall only apply and the acceptance by a purchaser of the supply by SESLHD of goods and the subject of such an order shall constitute an acceptance by the purchaser of the supply by SESLHD of such goods and/or services solely on these terms and conditions of sale.
7. **These terms and conditions of sale replace in their entirety any previous terms and conditions of sale published, issued by used by SESLHD.**

Acceptance

No binding contract shall exist until the Purchaser's order has been accepted in writing by SESLHD.

Quotations and Offers

Quotations given and offers accepted are subject to the following conditions:

1. Unless otherwise agreed in writing, quotations given and offers accepted are based on the SESLHD's rates and costs as at the date of quotation. The price may be increased by amount of any increase in the cost of any such item or any other factors (including any change in duties and exchange rates) affecting SESLHD's costs.

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- Without limiting the generality of the foregoing, any alteration in quantity, sizes, specification or delivery may necessitate an adjustment of prices.
- No accepted offer may be suspended, cancelled or amended without SESLHD's agreement in writing and the Purchaser shall accept liability for all costs incurred by SESLHD, including but not restricted to labour costs and overheads.

Despatch/Delivery

- Collection/dispatch times shall be agreed in writing between the parties and should no written agreement exist any time or accepted by SESLHD for dispatch or delivery shall be treated only as an estimate in good faith. No contractual obligations as to time or date shall be binding upon SESLHD.
- The Purchase bears the onus of organising for collection or dispatch of the items that the Purchaser has bought.
- The Purchaser is responsible for being available to receive the goods. SESLHD will not store the goods for the Purchaser.
- The Purchaser is responsible for insuring the goods once they are in transit. SESLHD will bear no liability for the goods once they have been collected or dispatched.
- Risk of any loss damage or deterioration in the goods ordered shall pass to the Purchaser as soon as the goods are collected by the Purchaser or the Purchaser's courier.
- SESLHD accepts no liability for off-loading and the Purchaser shall keep the Company indemnified from and against all claims whatever arising from such off-loading.
- If the Purchaser cancels the purchase no credit or claim will be recognized.

Title

- Property in the goods shall pass to the Purchaser only upon SESLHD receiving payment for the goods.
- The Purchaser agrees that a Certificate purporting to be signed by an Officer of SESLHD identifying products as "unpaid for" shall be conclusive evidence that the products have in fact, not been paid for, and of SESLHD's title to those products.

Purchaser's Insolvency

- In addition to any lien to which SESLHD may by Statute or otherwise be entitled, SESLHD shall, in the event of the Purchaser's insolvency, bankruptcy or winding up, be entitled to a general lien on all property or goods belonging to the Purchaser in SESLHD's possession, (although such goods or some of them may have been paid for), and for the unpaid price of any other goods sold and delivered to the purchaser under any contract pursuant to these Conditions of Sale.

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1. The purchaser understands that all goods supplied by SESLHD are second hand unless specified by contract as new.
2. The purchaser purchases any such second hand product relying on its own inspection as to the quality of the product, and as to the existence or otherwise of any fault.
3. SESLHD and staff are not responsible in any way for second hand goods sold by SESLHD, and, in particular, are not responsible for any faults or defects in any second-hand goods purchased from SESLHD.
4. The purchaser understands and accepts that no warranty applies to second hand goods unless specified by SESLHD.
5. The purchaser understands that the responsibility is theirs with respect to the safe use of second-hand goods and to ensure all safety devices are installed and checked by a competent authority before they are used.
6. The purchaser understands when no safety devices are installed on second hand goods, it is their responsibility to make all necessary enquiries and as to whether such devices are needed and if needed, have installed in compliance with all standards of safety and ensuring the safety standards comply with the relevant occupational health and safety requirements.
7. If the purchaser sells the second hand goods purchased, they will advise the new purchaser that no warranty applies to such goods as stated above.
8. SESLHD shall not be liable for any defects, malfunctions, claims for loss, damage or injury of any kind whatsoever, whether to the purchaser or to any party purchasing such goods from the purchaser.

Liability

1. Notwithstanding anything hereinbefore contained in this contract, to the extent permitted by the law the liability of SESLHD whether in contract or in tort, in respect of all claims for loss, damage or injury arising from a breach of any of SESLHD's obligations arising under the contract, from any negligence of any act, matter or thing done or permitted to be done by SESLHD, its servants, agents and contractors shall not in the aggregate exceed the invoice value of goods. Where so permitted, under no circumstances will SESLHD be liable for any loss of profits or any consequential, indirect or special loss damage or injury of any kind whatsoever suffered by the purchaser or its servants, agents and contractors and the purchaser acknowledges this express limit of liability and agrees to limit any claim accordingly. In particular, the purchaser acknowledges that under the contract the provisions of the Sale of Goods Act shall not apply to the extent permissible by law.

Payment

1. The Purchaser shall be invoiced prior to the collection/dispatch of goods. Goods shall not be collected or dispatched until after they have been paid for.

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2. All invoices shall be due and payable within 7 days of the date of invoice or as in SESLHD's sole discretion considers appropriate.
3. The Purchaser shall pay interest to SESLHD on all moneys outstanding from the date 7 days after the date of invoice (the "interest date") calculated at 10%.