

Guide 580.1A

Personal Property

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DOE G 580.1A
Date: xx/xx/xxxx

[This Guide describes acceptable, but not mandatory means for complying with requirements. Guides are not requirements documents and are not to be construed as requirements in any audit or appraisal for compliance with associated rule or directives.]



U.S. DEPARTMENT OF ENERGY
Office of Management

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INITIATED BY:
Office of Management

FOREWORD

This Personal Property Management Guide supplements the Department of Energy (DOE) directive DOE O 580.1A, *Department of Energy Personal Property Management Program*.
(See -2; Uniform paragraph wording all 4 docs)

This Guide provides non-regulatory guidance and information to assist DOE organizations and contractors in implementing the DOE-wide and site-specific personal property management programs. It supplements the policy, requirements, and responsibilities information contained in the DOE Order cited above and clarifies the regulatory requirements contained in the Federal Property Management Regulation (FMR) and specific contracts.

The Guide consists of guiding principles, best practices, departmental procedures, and other information to assist all DOE sites in providing the highest level of stewardship for personal property in possession of DOE custodians and contractors. While this Guide is also intended to serve as a primer on various personal property management issues, it does not provide a lengthy discussion on any subject. Users of this Guide are encouraged to consult other materials that are referenced in each section of the Guide for supplemental information.

This Guide is issued and maintained by the Office of Property Management, Office of Acquisition and Project Management within the Office of Management. It will be amended to add new or revised guidance as necessary. Questions regarding specific topics should be directed to personalpropertyhelp@hq.doe.gov.

For convenience, the Order 580.1A Guide is divided in the following four Sections:

- **SECTION - I “Personal Property Administration”**
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 - CHAPTER 2 APPOINTMENTS
 - CHAPTER 3 PERSONAL PROPERTY MANAGEMENT
 - CHAPTER 4 PRINCIPLES AND STANDARDS
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- **SECTION - II “Personal Property Controlled Through Other Institutes”**
 - CHAPTER 1 LABORATORY EQUIPMENT DONATION PROGRAM (LEDP)
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 - CHAPTER 1 EXPORT CONTROLLED HIGH RISK PERSONAL PROPERTY

- CHAPTER 2 PRECIOUS METALS
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- **SECTION - IV “General Property Management”**
 - CHAPTER 1 LOANING PERSONAL PROPERTY
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SECTION - I

Personal Property Administration

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CHAPTER 1

DEFINITIONS AND ACRONYMS

[References: 41 CFR 101, 102, 48 CFR 970.5204-21; DOE O 580.1A]

1.1 Overview

This Chapter provides definitions and acronyms for terms that are used in the Guides and supplements the DOE definitions contained in DOE O 580.1A.

1.2 Definitions

Abandonment—a disposal process for personal property that has no commercial value; does not require demilitarization; and does not constitute a danger to public health or welfare.

Contracting Activity—an organizational element that has the authority to award and administer contracting and financial assistance instruments.

Contractor-acquired Property—property acquired, fabricated, or otherwise provided by the contractor for performing a contract and to which the Government has title. Any property that the Government is obligated or has the option to take over under any type of contract, *e.g.* , as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.

Contracting Officer—an individual with the authority to enter into, administer, and/or terminate contracts, financial assistance awards, leases, and/or sales contracts and make related determinations and findings.

Cooperative Agreement—a legal instrument reflecting a relationship between a federal agency and a non-federal recipient, made in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301-6308).

Demilitarization—the act of eliminating the functional capabilities and inherent design features from personal property, to prevent property from being used for its originally intended purpose and to prevent the release of inherent design information that could be used against the United States. using the methods specified in DoD Instruction 4160.28, (DoD Demilitarization Program) and the DoD Manual 4160.28-M Volumes I through III.

DOE Contractor—an on-site contractor, such as a management and operating (M&O) contractor, an environmental restoration and management contractor, or other major prime contractor located at a DOE site, having a contract that includes DOE O 580.1A Contractor Requirements Document (CRD) as a contract requirement.

DOE Financial Assistance Rules—DOE regulations (10 CFR 600) that establish a uniform administrative system for application, award, and administration of assistance awards, including grants and cooperative agreements.

DOE Organization—a DOE Federal management activity, such as an Operations Office, Support Office, Field Office, Area Office, Site Office, and Project Office; DOE laboratory staffed by Federal employees; National Nuclear Security Administration (NNSA), except where specifically excluded.

DOE Screening Period—the period of time that reportable excess personal property is screened throughout DOE for reutilization.

Disposal—the process of redistributing, transferring, donating, selling, abandoning, destroying, or other disposition of Government-owned personal property.

Domestic Loan—the temporary loan of idle DOE personal property to perform research, studies, and other efforts that result in benefits to both the U.S. Government and the borrower, including to another DOE organization, contractor, other Government agency or organization that has a valid Federal contract, financial assistance agreement, international treaty or cooperative agreement.

Education-Related and Federal Research Equipment—includes but is not limited to DOE-owned property in FSCG 34, 36, 41, 52, 60, 61, 66, 67, 70, and 74, and other related equipment, which is deemed appropriate for use in improving math and science curricula or activities for elementary and secondary school education, or for the conduct of technical and scientific education and research activities.

Educationally Useful Federal Equipment—computers and related peripheral tools (e.g., printers, modems, routers, and servers), including telecommunications and research equipment, which are appropriate for use in prekindergarten, elementary, middle, or secondary school education. It also includes computer software, where the transfer of licenses is permitted.

Elementary and Secondary Schools—individual public or private educational institutions encompassing kindergarten through twelfth grade, as well as public school districts.

Eligible Institution—any nonprofit educational institution of higher learning, such as universities, colleges, junior colleges, and technical institutes or museums located in the United States and interested in establishing or upgrading energy-oriented education programs.

Eligible Recipient—local elementary and secondary schools and nonprofit organizations.

Energy-Oriented Education Program—one that deals partially or entirely in energy or energy-related topics.

Equipment Held for Future Projects—equipment being retained, based on approved justifications, for a known future use, or for a potential use in planned projects.

Excess Personal Property—any personal property under the control of any federal agency that is no longer required for that agency's needs, as determined by the agency head or designee.

Exchange/Sale Property—property not excess to the needs of the holding agency but eligible for replacement, which is exchanged or sold under the provisions of 41 CFR 102-39 in order to apply the exchange allowance or proceeds of sale in whole or in part as payment for replacement with a similar item.

Export Controlled Information—classified or unclassified U.S. Government technical information under DOE cognizance that, if proposed for export by the private sector, would require a Department of Commerce or Department of State validated license or a DOE authorization, and which, if given uncontrolled release, could reasonably be expected to have adverse effect on U.S. national security or nuclear nonproliferation objectives.

Export Controlled Property—property which is subject to licensing by the U.S. Department of Commerce, the U.S. Department of State or the U.S. Nuclear Regulatory Commission, or authorization by the U. S. Department of Energy.

Facility in Standby—a complete plant or section of a plant, which is neither in service or declared excess.

Facilities under DOE Field Organization Cognizance—national laboratories, production plants, and project sites managed and operated by DOE contractors or subcontractors.

Financial Assistant Award— the written document executed by a DOE Contracting Officer, after an application is approved, which contains the terms and conditions for providing financial assistance to the recipient (reference 10 CFR §600.3).

Foreign—any area outside the United States, Puerto Rico, American Samoa, Guam, the Federated

States of Micronesia, the Marshall Islands, Palau, and the Northern Mariana Islands, and the U.S. Virgin Islands.

Foreign Loan—any foreign loan of DOE property or materials to a non-DOE recipient, and which property or materials does not involve joint exercises or joint use between DOE and the foreign recipient for uses that will benefit the U.S. Government and the borrower. The following are not considered foreign loans:

- Property used by DOE and DOE contractors for meetings or brief assignments on foreign soil;
- Property used by DOE and DOE contractors on extended assignments on foreign soil;
- Property specifically identified in Treaties or International Agreements;

Gift—a donation of excess and surplus personal property provided to educational and non-profit institutions.

Government-furnished Property—property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract.

Government property—all property owned or leased by the Government. Government property includes both Government-furnished property and contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. Government property does not include intellectual property and software.

GSAXcess [®]—GSA's website for reporting, searching and selecting excess personal property. For information on using GSAXcess [®], access the following website: <http://www.gsaxcess.gov>.

Head of Contracting Activities—the head of a Departmental element who has been delegated authority by the Director for Acquisition and Project Management to: award and administer contracts, sales contracts, and/or financial assistance instruments; appoint contracting officers, OPMOs or PAs to represent him/her in administering all contract requirements and obligations relating to Government personal property; and exercise the overall responsibility for managing the contracting activity.

Heads of Field Elements—the heads of any Departmental office located outside the Washington, D.C. metropolitan area. In addition, the Federal Energy Regulatory Commission and the Office of Headquarters Procurement Operations are considered field organizations for purposes of the DOE 580 series directives.

Holding Agency—the Federal agency having accountability for and possession of the property involved.

Idle Property—property or material that is not currently being used but that is not excess.

Information Technology—any equipment, or interconnected system or subsystem of equipment, used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. Information technology includes computers, ancillary equipment, software, firmware, and similar procedures, services, and resources (refer to DOE O 200.1A, Information Technology Management).

Inventories—stocks of stores, construction, supplies, and parts used in support of DOE programs.

Inventory by Exception—a physical inventory method used to verify and document the existence and location of those items of property whose existence and location have not been verified and documented since the last physical inventory. This method may be used for property that is subject to calibration, maintenance, movement, network operation, or some other form of activity that is documented by a controlling entity.

Inventory Management—the efficient use of methods, procedures and techniques for recording, analyzing, and adjusting inventories in accordance with established policy, and should include:

- Adequate protection against misuse, theft, and misappropriation.
- Accurate analyses of quantities to determine requirements so that only minimal obsolescence losses will be encountered, while ensuring adequate inventory levels to meet program schedules.
- Adequate and accessible storage facilities and services based upon analyses of program requirements so that a minimum and economical amount of time is required to service the program.

Lender—the Federal agency or contractor organization responsible for property being loaned.

Loss of Government property—unintended, unforeseen or accidental loss, damage, or destruction of Government property that reduces the Government's expected economic benefits of the property. Loss of Government property does not include occurrences such as purposeful destructive testing, obsolescence, normal wear and tear, or manufacturing defects. Loss of Government property includes, but is not limited to:

- Items that cannot be found after a reasonable search;
- Theft;
- Damage resulting in unexpected harm to property requiring repair to restore the item to usable condition; or
- Destruction resulting from incidents that render the item useless for its intended purpose or beyond economical repair.

Mixed Facility—a facility that is partially DOE-owned and partially contractor owned. The definition does not apply to a facility that is partially owned by an educational or other nonprofit institution under a basic research contract with DOE.

Organizational Property Management Officer—an individual, appointed by the Head of a

Contracting Activity, Head of Field Element, , or the Director Office of Acquisition and Supply Management for NNSA, responsible for establishing and administering the organization's personal property management program.

Senior Procurement Executive—an individual designated by the Secretary, pursuant to section 16(3) of the Office of Federal Procurement Policy Act 41 USX 423, to manage and direct the acquisition system of the executive agency, including the implementation of unique acquisition policies, regulations, and standards of the executive agency. The Under Secretary of Energy, the Administrator of NNSA, and the Director of Acquisition and Supply Management are designated Senior Procurement Executives.

Property Administrator—an individual appointed as a Representative of the Contracting Officer to administer contract requirements and obligations relating to Government personal property, including, but not limited to, evaluating contractor personal property management programs and making recommendations concerning acceptability of the contractor property management systems.

Property Custodian—the DOE Federal or contractor individual who is responsible for the protection, control, and proper use of property under his or her stewardship.

Property Executive—an individual designated by a Senior Procurement Executive as being responsible for the development, promotion, monitoring, administering, coordination and evaluation of the property management system.

Personal Property Management System—the system of acquiring, maintaining, using and disposing personal property under the stewardship of an organization or entity. Includes monitoring and control functions relative to lifecycle management of the property in support of organizational objectives, sound business practices, and compliance with applicable standards, policies, regulations, and contractual requirements.

Property Records—the records created and maintained by the contractor in support of its stewardship responsibilities for the management of Government property.

Recipient—the organization, individual, or other entity that receives an award from DOE and is financially accountable for the use of any DOE funds or property provided for the performance of the project, and is legally responsible for carrying out the terms and conditions of the award.

Scrap—property that has no value except for its basic material content.

Screening Period— the time period in which excess and surplus personal property are made available for excess transfer or surplus donation to eligible recipients.

Stock Record Account—a tool for collecting, storing, and providing historical data on recurring transactions for each line item of inventory.

Sub-Store—a geographically removed part of the main store's operation conducted as a

subordinate element of it and subject to the same management policies and inventory controls.

Surplus Personal Property—excess personal property no longer required by the Federal agencies as determined by GSA.

Transfer with Reimbursement—transfer of excess personal property between Federal agencies where the recipient is required to pay, i.e. reimburse the holding agency, for the property.

1.3 Acronyms

BATFE Bureau of alcohols, Tobacco, Firearms and Explosives

BCPMSR Business Center for Precious Metals Sales and Recovery

BSC Balanced Scorecard

CFL Computers for Learning

CFR Code of Federal Regulations

CO Contracting Officer

CRD Contractor Requirements Document

CRO Community Reuse Organizations

DCMA Defense Contract Management Agency

DEAR Department of Energy Acquisition Regulation

DoD Department of Defense

DOE Department of Energy

DOS Department of State

EADS Energy Assets Disposal System

EAR Export Administration Regulations

ECCN Export Control Classification Number

ECI Export Controlled Information

EHFFP Equipment Held for Future Projects

EO Executive Order

FAR Federal Acquisition Regulation

FMR Federal Management Regulations

FPMR Federal Property Management Regulations

FSC Federal Supply Classification

FSCG Federal Supply Classification Group

GSA General Services Administration

HCA Head of Contracting Activity

HFE Heads of Field Elements

HRPP High Risk Personal Property

IAEA International Atomic Energy Agency

ICPT Integrated Contractor Purchasing Team

ILP Industry Leading Practices

IT Information Technology

ITAR International Traffic in Arms Regulations

LDD Loss, Damaged, and Destruction

LEDP Laboratory Equipment Donation Program

M & O Management and Operating

MOU Memorandum of Understanding

NNSA National Nuclear Security Administration

NRC Nuclear Regulatory Commission

NSG Nuclear Suppliers Group

ODS Ozone-Depleting Substances

OMB Office of management and Budget

OPMO Organizational Property Management Officer

PA Property Administrator

PE Property Executive

PIDS Property Information Database System

PL Public Law

PMCO Precious Metals Control Officer

VCS Voluntary Consensus Standards

UCNI Unclassified Controlled Nuclear Information

USC United States Code

USPS United States Postal Service

CHAPTER 2

APPOINTMENTS

[References: 48 CFR 1.603 and 2.101; and 48 CFR 901.601]

2.1 Overview

This chapter addresses the process for appointing an OPMO and PA.

2.2 Guiding Principles

The OPMO appointment is issued to an individual who is authorized to establish and administer a personal property management program for the organization.

The PA appointment is issued to an individual who is authorized to represent the CO in the administration of the contract requirements related to Government personal property.

2.3 Background

The authority and the responsibility for appointing OPMOs and PAs are delegated from the Secretary of Energy, through a series of successive delegations, to the Heads of the Contracting Activity (HCA) or their designees.

2.4 Nomination

The written recommendation, provided by the nominee's current supervisor, should address, as a minimum, the nominee's experience, business acumen, and judgment.

The personal qualification statement may include, as a minimum, the following information:

- Brief description of positions held in Government and private industry.
- Formal education completed and degree(s) earned.
- List of completed and related training per the Property Management Program Module in the DOE O 361.1, Acquisition Career Development Program.
- List of the core courses needed for unrestricted appointment with projected completion dates (if all core courses listed in DOE Order 361.1 have not been completed).
- List of professional affiliations and certifications obtained; and
- Dates and locations of prior appointments as OPMO or PA.

2.5 Appointment

The HCA or designee signs a letter or certificate of appointment. Suggested formats for DOE and NNSA certificates of appointment for the OPMO and PA positions are at the end of this Chapter. The letter or certificate should state that the authority of the appointee is subject to limitations that are:

- Contained in the FMR, FPMR, DEAR, other Federal regulations and laws, and Departmental guidance, as appropriate.
- Consistent with the authority of the HCA or designee.

2.6 Restricted Appointment

If the nominee lacks adequate experience, training, or education for the appointment, the HCA or designee may give the nominee a restricted appointment when:

- No other qualified individual is available for appointment.
- It is necessary to meet mission requirements.
- The HCA or the designee prepares a written determination specifying the limitations or controls to be instituted until the nominee completes the necessary training or demonstrates a clear understanding of the duties and responsibilities of the position.

2.7 Termination of Appointment

An appointment is terminated when the need for the appointment no longer exists. It is also terminated when the appointee:

- Fails to meet required qualifications that resulted in a restricted appointment.
- Is assigned to another position.
- Transfers, retires, or terminates employment with the organization.

The HCA or designee terminates the appointment by letter. As part of the termination process, the original letter or certificate issuing the appointment is destroyed or defaced.

RECOMMENDATION AND APPROVAL FOR APPOINTMENT

as

Organizational Property Management Officer

or

Property Administrator

Nominee: _____

Determination of Need: _____

Personal Qualifications: An evaluation of the attached personal qualification statement indicates that the nominee's experience, education, and training (check the appropriate block):

- Meets Departmental requirements for appointment to the nominated position. Substitute blocks for bullets
- Meets Departmental requirements for a restricted appointment to the nominated position. Substitute blocks for bullets

The nominee's knowledge of the personal property management provisions of the Federal Management Regulation, Federal Property Management Regulations, Federal Acquisition Regulations, DOE Acquisition Regulations, DOE Property Guide, and applicable laws, Executive Orders and DOE directives is adequate for the (appointment/restricted appointment).

Recommendation

Printed Name & Title and Signature of Selecting Supervisor

Date

Approval

Printed Name & Title and Signature of HCA or Designee

Date



CERTIFICATE OF APPOINTMENT

UNDER THE AUTHORITY VESTED IN THE UNDERSIGNED
AND IN CONFORMANCE WITH
SUBPART 1.6 OF THE FEDERAL ACQUISITION REGULATION

IS APPOINTED

ORGANIZATIONAL PROPERTY MANAGEMENT OFFICER

Unless sooner terminated, this appointment is effective as long as the
appointee is assigned to:

Organization

Signature, Name and Title

Date



CERTIFICATE OF APPOINTMENT

UNDER THE AUTHORITY VESTED IN THE UNDERSIGNED
AND IN CONFORMANCE WITH
SUBPART 1.6 OF THE FEDERAL ACQUISITION REGULATION

IS APPOINTED

PROPERTY ADMINISTRATOR

Unless sooner terminated, this appointment is effective as long as the
appointee is assigned to:

Organization

Signature, Name and Title

Date

[Type text]

CHAPTER 3

PERSONAL PROPERTY MANAGEMENT

[Reference: DOE O 580.1A and Contractual Requirements/DEAR 970.5245]

This Chapter addresses the establishment, maintenance, self-assessment, and review of Federal and contractor programs for the management of personal property.

3.1 Guiding Principles

Personal property management systems should provide for the cost-effective, risk-based life-cycle management, i.e., acquisition through disposition, of DOE-owned personal property.

3.2 Federal Program

Each DOE organization is required to establish a personal property management program that is consistent with the requirements of Federal statutes and the FAR, FMR, FPMR, the 580 series of DOE Directives and requirements of the DOE Contracting Officer , as applicable.

Regulations for the management of personal property held by financial assistance recipients are contained in the DOE Financial Assistance Rules (10 CFR Part 600) and DOE Order 534.1B, Accounting.

3.3 Contractor Program

General

In order to implement the DOE personal property management program requirements outlined in DOE O 580.1A, contractors should establish and maintain personal property management systems that are DOE program and site-specific consistent with the terms of the contract, prescribed policies, procedures, regulations, statutes, instructions and directions from the Contracting Officer(CO).

Contractors are accountable and responsible to safeguard and protect all DOE-owned personal property acquired by or provided to them, including property that they furnish to subcontractors also addressed in Chapter 5 of this Section.

Contractors should maintain their personal property management systems in writing. A system is not considered approved until it is reviewed and approved in writing by the DOE CO. In addition, the DOE CO reviews and approves in writing all significant revisions to an already accepted system.

Personal Property Holdings Baseline

When a new contractor takes over the management and operation of a DOE facility, the contractor establishes a personal property holdings baseline. In establishing the baseline, the contractor may:

- Accept the previous contractor's personal property records as the baseline.
- Perform a physical inventory of personal property at the facility.

If the new contractor elects to complete a physical inventory, it should be performed within the time period specified by the CO or in the contract.

The baseline inventory should be accomplished by the specified time set by the CO but no later than one year after execution date of the contract. If this inventory is not accomplished within the allotted time frame, the previous contractor's records will be considered as the baseline. All discrepancies should be routed through the CO.

Initial System Review

OPMO/PA should perform an initial review of a contractor personal property management system within one year after the effective date of the contract, unless the contract is an extension, renewal or follow-on contract. In that case, the established review schedule is followed.

The purpose of the initial review is to determine whether the contractor's system provides adequate life-cycle management of personal property purchased or provided under the contract, including personal property furnished to subcontractors. A reasonable assurance should be provided that the personal property will be safeguarded against waste, loss, unauthorized use, or misappropriation.

The "within one year" initial review requirement may be extended when special circumstance that precludes completion of the initial review within one year of the effective date of the contract, after the OPMO/PA obtains the approval of the C O. (Was "CO" not sure why it was spelled out)

When a system is conditionally approved or disapproved, the PA or CO should advise the contractor in writing of the deficiencies that need to be corrected and a time schedule established for completion of corrective actions.

Annual Self-Assessment

Contractors perform an annual self-assessment of their personal property management systems to determine if their systems meet the requirements and performance expectations of contractual requirements and DOE O 580.1A.

Contractors should include in their personal property management system a surveillance or internal review program as a means to identify strengths/weaknesses and functions requiring corrective action. Contractors should report the self-assessment results to their cognizant CO/PA.

Validation

The cognizant DOE CO/OPMO/PA validate contractor self- assessment results by:

[Type text]

- Maintaining operational awareness of their assigned contractor personal property management operations.
- Validating the contractor personal property management programs and performance self-assessment processes.
- Conducting reviews as necessary.

Review

The OPMO/PA should make a review of the contractor's personal property management operations at a minimum of every three years after the acceptance (*see DEAR 970.5245-1*) of a contractor personal property management system.

The purpose of the review is to determine if the contractor is managing personal property in accordance with the previously accepted system and procedures and to establish whether the accepted system and procedures are efficient and effective.

The review may be based on a comprehensive formal review of the contractor's entire operation or a series of formal reviews of different functional segments of the operation. The review should take the following into consideration:

- Results of the contractor's self-assessments.
- Findings from the validation of the contractor's program and process.
- Observations from operational awareness and verification activities.

System Status

The OPMO/PA should notify the CO in writing of the contractor's property system's review results. The results should include compliant and noncompliant findings, corrective actions required and recommendation for approval, conditional approval or disapproval.

In case of conditional approval or non-approval of contractor's system, when the OPMO/PA determines that all identified system deficiencies have been corrected, the CO withdraws the conditional approval or non-approval and approves the system in writing.

The OPMO/PA and contractor maintain a copy of all system reviews and approval.

Review and Approval of System Changes

The OPMO/PA reviews proposed significant changes to an approved contractor personal property management system. The CO/PA approves the changes, approves on an interim basis or disapproves, and provides the decision in writing to the contractor.

CHAPTER 4

PRINCIPLES AND STANDARDS

[References: 41 CFR 101-25 thru 27; 41 CFR 102; OMB Circular A-119, Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities; DOE Financial Management Handbook; DOE Acquisition Guide, Chapter 13.1, DOE Policy and Operating Procedures for Use of the GSA SmartPay2 Purchase Card; and DOE O 580.1A]

4.1 Overview

This Chapter addresses the use of Federal and DOE principles, Voluntary Consensus Standards/ Industry Leading Practices (VCS/ILP) and DOE practices for the control and management of personal property.

4.2 Guiding Principles

Cost-effective, risk-based Federal personal property management principles should be applied to the control of DOE personal property.

Unique DOE personal property management standards and practices should be used only to the extent required to meet unique mission requirements.

DOE should adopt and use applicable VCS/ILP, whenever practical and cost effective.

4.3 General

Federal Personal Property Management Principles

Public Law 107-217, Title 40 requires that GSA consult with the Federal agencies and the Office of Management and Budget to establish and maintain current management principles to be applied by the Federal agencies, where appropriate, to real and personal property assets that are subject to this law and under the jurisdiction, custody, and control of the agencies.

The Federal asset management principles related to personal property are listed on the GSA Office of Government-wide Policy, Personal Property Management Policy Division web page, <http://www.gsa.gov/portal/category/21260>.

Voluntary Consensus Standards

OMB Circular A-119, "Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities," dated February 10, 1998, requires Federal agencies to use voluntary consensus standards, when they exist, in lieu of Government-unique standards, except where inconsistent with law or otherwise impractical.

4.4 Acquisition

Excess Property as a Source of Supply

DOE organizations and contractors should use excess personal property (available on site, from other DOE sites, or from other Federal agencies) to the maximum extent possible to reduce operating and contract costs.

When acquiring this type of property, transfer orders should be forwarded to the PA or OPMO for approval and forwarded to GSA, when applicable.

GSA SmartPay2 Purchase Card Purchases:

The DOE Acquisition Guide establishes guidelines for the use of the Government purchase card by authorized cardholders. This document, which is available on the Headquarters Office of Acquisition and Project Management web page at the following link <http://energy.gov/management/downloads/acquisition-guide-0>, also contains guidance on:

- The responsibilities of the cardholder and approving official.
- The reporting, management, and accountability requirements for Purchase

Exchange/Sale:

Personal property may be used for the Exchange/Sale, where practical. Types of property that may not be exchanged or sold and the specific conditions are identified in 41 CFR 102-39. Deviations from the restrictions contained in 41 CFR 102-39 should be submitted by the OPMO/PA in writing through the Property Executive to GSA for consideration

4.5 Receiving

In order to properly establish and maintain control of personal property that is purchased or requisitioned, including property purchased with the GSA SmartPay2 purchase card and delivered by the vendor, the receiving activity should:

- Inspect the property upon receipt for obvious damage and follow site-specific procedures.
- Reconcile the quantities received against the quantities due, prepare a receiving document, and provide a copy to the property management activity.
- Tag or mark the property, as appropriate. Note: Hand carried items purchased with the GSA purchase card should be tagged or marked and recorded in the personal property management system, as appropriate.
- Safeguard the property while in the receiving area.
- Release the property to the requiring organization as indicated on the requisition or purchase document.

4.6 Identification

DOE identification and tagging requirements are addressed in DOE O 580.1A, and also apply to

personal property purchased with the GSA SmartPay2 purchase card and hand carried by the purchaser, as well as site-fabricated items.

4.7 Records Management

Property control records and the basic data are required for DOE-owned property is addressed in DOE O 580.1A. Unless the personal property is otherwise exempt from formal property control records, these requirements apply to all items.

Formal property control records are not required for administratively controlled items.

4.8 Movement

Movement of property should be controlled so that property reaches its destination in a timely, safe manner and records should be updated to show changes in location and use status, as appropriate.

4.9 Storage and Warehousing

Storage space and warehousing services for the receipt, storage, identification, location, issue, and protection of Government property should be established and maintained consistent with program and contractual needs and the following standard practices:

- Stock protection and space utilization should be maximized within established floor load capacities of indoor storage areas.
- Storage yards for items not requiring covered protection should be locked and fenced.
- Access to storage areas should be restricted to authorized personnel only.
- Preservation, when appropriate, to prevent deterioration.
- Protection from theft, fire, and destruction.
- Hazardous, contaminated, and suspect personal property should not be commingled with other property. It should be stored as instructed by environmental, safety, and health officials.
- Nuclear-related and proliferation-sensitive personal property should be identified with a certification tag that is signed by an authorized program official and stored separately as instructed by the cognizant program office.

4.10 Physical Controls and Protection

Control techniques and records that can be used to help minimize waste and abuse of personal property include:

- Calibration and maintenance schedules.
- Assignment of items to tool cribs and equipment pools.
- Analysis of purchase vs. use information.
- Review of loss and theft reports and disposal records.

Physical controls should be used to protect property to prevent potential loss, theft, unauthorized removal, or use of property. Physical controls should include, as appropriate:

- Property-pass system.

- Check-out procedures for transferring or terminating employees.
- Perimeter fencing.
- Gate checks.

4.11 Physical Inventories

The purpose of inventory management is to establish and continually improve the inventory accuracy and accountability of property in the custody of Federal agencies and contractors. The success of the physical inventory program has a direct impact on property availability; accurate, timely procurement actions; and overall supply effectiveness. All Government property is to be accounted for from inception through formal disposition. The following categories of property require a deliberate and planned and methodical approach to the inventory control and accountability:

- Sensitive Property
- Precious Metals
- High-Risk Personal Property
- Firearms
- Capital Equipment
- Hazardous Property

Procedures

The OPMO reviews the local DOE office's physical inventory procedures. The CO or PA reviews and accepts the contractor physical inventory procedures and methods.

The scheduling, type, method, and scope of the physical inventory process should align with management expectations and contractual requirements and risks.

Physical inventory may not be feasible due to certain circumstances because the property may be:

- Located in a contaminated or classified area.
- Located in an area where safety conditions exist.
- Unavailable due to a project/research.

Alternative inventory methods may be available rather than a wall-to-wall, such as by exception method:

- Utilization/maintenance actions, move tickets/orders, transfer record.
- Events such as building closures, remodeling events, organizational relocations.
- Software management system "pings" computers (or other equipment) on a network.

Personnel other than the property custodians should complete the physical inventory. In the event the property custodian is permitted to perform the physical inventory, the result should be verified by an independent party.

To the extent necessary, follow-on audits should be conducted to determine if approved procedures were followed and the results are accurate. Records of these observations or audits should be retained in the inventory record file.

Reconciliations and Adjustments

Discrepancies between physical inventory results and records should be reconciled, with the records adjusted to reflect the correct quantities. A corrective action plan should be developed, if required.

An acceptable percentage of shrinkage for stores inventories should be determined by the OPMO/PA on a location-by-location basis, based upon the type and cost of the materials, historical data, and other site-specific factors. Items on an inventory adjustment report that are not within reasonable tolerances for particular items should be investigated.

Reports

The physical inventory results should be reconciled with the property records and financial accounts and be reported to the CO/OPMO/PA within 30 days of the reconciliation.

4.12 Maintenance

DOE organizations and contractors should ensure that personal property items that are subject to periodic calibration or maintenance are calibrated or maintained at the intervals specified in the manufacturer's standards and/or as directed by technical personnel.

4.13 Materials Consumption

DOE organizations and contractors should ensure the reasonable consumption of materials by using a process that permits:

- The issue of materials from stores to support valid requirements.
- The return of unneeded materials to stores for future use.

4.14 Utilization

Official Use

DOE personal property should be used only in the performance of official work for the United States Government and in accordance with DOE O 203.1, Limited Personal Use of Government Office Equipment Including Information Technology, except under the following conditions:

- In emergencies threatening loss of life or property as authorized by law.
- As otherwise authorized by law and approved by the Director, Office of Administration, HFEs, or a CO for contractor-held property.

Utilization Reviews

DOE organizations and contractors should conduct periodic surveys of the personal property under their control to:

- Assure its maximum use.
- Promptly identify items that are excess to their needs.
- Make items available for use elsewhere.

Equipment pools

Documentation of evaluations conducted on the use and effectiveness of equipment pools should be maintained and made available for review by OPMO/PA.

CHAPTER 5

FEDERAL OVERSIGHT FOR OFF-SITE CONTRACTOR FACILITIES

[References: 48 CFR Part 42; 48 CFR Part 45; and 48 CFR 945.102-71 and DEAR 970.5245-1]

5.1 Overview

This Chapter addresses:

- The DOE oversight of Government-owned personal property located at DOE off-site contractor facilities.
- The use of interagency agreements to request oversight assistance, when appropriate, at DOE off-site contractor facilities when another Federal agency is the cognizant Federal agency for that contractor.
- Note: The contractors' facilities are considered as onsite facilities, when they are on the DOE assigned Federal facilities for their contracts' operations.

5.2 Guiding Principles

When an interagency agreement is established with the cognizant Federal agency for oversight assistance at DOE off-site contractor facilities then the cognizant Federal agency is responsible for performing the review and acceptance of a contractor's property management system.

The review and acceptance of a contractor's property management system by the cognizant Federal agency is binding based on the terms of interagency agreements between the cognizant Federal agency and the other DOE agency involved.

5.3 DOE OPMO/PA Role

When DOE is the cognizant Federal agency for another DOE operation's off-site contractor, the assigned DOE OPMO/PA performs the appropriate type of oversight as described in this Chapter.

When another Federal agency is the cognizant Federal agency for a DOE off-site contractor, the assigned DOE OPMO/PA may request personal property administration and oversight assistance from that agency.

5.4 Types of Oversight

Standard Oversight

Standard oversight of an off-site contractor is performed when either of the following conditions applies:

- The total acquisition value of the DOE personal property at the contractor's facility exceeds \$500,000.
- The property is sensitive or high risk in nature.

When performing standard oversight, the DOE OPMO/PA visits the facility where the property is located to observe and assess:

- The status of the DOE property at the facility.
- The personal property management practices of the off-site contractor.

Limited Oversight

Limited oversight (by written correspondence) of a DOE off-site contractor may be performed when:

- The total acquisition value of the DOE personal property at the contractor's facility is \$500,000 or less.
- The property is not sensitive or high risk in nature.
- The off-site contractor:
 - Has demonstrated satisfactory property management practices in the past.
 - Certifies in writing that the status of the DOE-owned personal property is satisfactory.

When limited oversight is conducted, periodic visits (no less than every three years) should be made to the facility where the property is located to:

- Assess informally the personal property management practices of the contractor.
- Verify that the property is being adequately protected and used for the purpose authorized by the contract.

5.5 Interagency Agreements

When the DOE OPMO/PA determines that DoD or other Federal agencies have contracts with a DOE off-site contractor, the following guidance should be used:

Interagency Agreement with DoD.

The administration and oversight of property located in a contractor facility where both DOE and DoD personal property are located is performed in accordance with the terms and provisions of an interagency agreement that is negotiated between DOE and the Defense Contract Management Agency (DCMA).

Interagency Agreements with Other Federal Agencies.

Interagency agreements are negotiated on an as needed basis. If an interagency agreement becomes necessary, the DOE OPMO/PA will notify the Property Executive who will negotiate an agreement on behalf of DOE.

5.6 Contractor Oversight of Subcontractors

Contractors are responsible and accountable for Government-owned personal property acquired by or furnished to their subcontractors for the performance of subcontracts. Contractors should include provisions in their personal property management systems that provide for the oversight of subcontractor personal property management practices. Provisions should be included in

their subcontracts to assure that subcontractors establish and maintain systems for the life-cycle management of DOE-owned personal property furnished to them under the subcontracts.

DOE OPMO/PA Role

The cognizant DOE OPMO/PA reviews the subcontracts and purchase orders of their assigned prime contractors to ensure that:

- DOE personal property that is furnished to or acquired by subcontractors is adequately described.
- Applicable prime contract requirements (e.g., compliance with FMR, FPMR, FAR, DEAR and DOE Order provisions) are flowed down.
- Concur in DOE contractor decisions regarding who will maintain the official property control records for subcontractor held property. Ensure that DOE contractors conduct adequate oversight of their subcontractors.

Subcontractor Personal Property Management Systems and Practices

DOE contractors should review the written personal property management systems and practices of their subcontractors to ensure that they are adequate to control and protect DOE personal property.

A written personal property management system may not be necessary if subcontractors have DOE-owned personal property in their possession that:

- Has a total acquisition value of \$500,000 or less.
- Is not sensitive or high risk.

When a written personal property management system is not necessary, DOE contractors should obtain a written statement from their subcontractors explaining:

- The subcontractors' normal personal property management practices.
- The additional steps the subcontractors will take to physically protect and control DOE-owned personal property if their normal practices do not meet DOE requirements.

Official Property Control Records

The prime contractors may rely on subcontractor property control records when their subcontractors have an approved Government property management system.

When a subcontractor has an approved Government property management system, a DOE contractor may still elect to maintain the official property control records and rely upon the subcontractor records as secondary records.

Any decision by a DOE contractor to maintain the official property control records should be:

- A subcontractor-by-subcontractor decision.
- Based upon the established personal property procedures, practices, and past performance of the subcontractor.
- Concurred with by the cognizant DOE OPMO/PA.

Oversight

The written personal property management systems of DOE contractors should include procedures for the performance of formal and informal oversight of their subcontractors that have DOE personal property.

The procedures should address oversight schedules, methods, and documentation. The extent of the oversight (including the scope, frequency and techniques) that is conducted by DOE contractors should be based upon the following considerations:

- The type, quantity, acquisition value, and high-risk designation of DOE-owned property in the possession of the subcontractors.
- The types of subcontract and the risk of loss provisions.
- The established policies, procedures, and past performance of the subcontractors.

Formal Oversight

Formal oversight, consisting of on-site surveillance visits by contractor personnel who are knowledgeable of Government property control requirements, should be performed for subcontractors having DOE-owned personal property that:

- Has a total acquisition value of over \$500,000
- That is sensitive or high risk in nature regardless of its acquisition cost.

Informal Oversight

Informal oversight (by written correspondence) of a subcontractor having DOE-owned personal property may be performed when:

- The total acquisition value of the property is \$500,000 or less.
 - The property is not sensitive or high risk in nature.
 - The subcontractor has demonstrated satisfactory property management practices in the past.
 - The subcontractor certifies in writing that the status of the DOE-owned personal property is satisfactory.

Informal oversight of subcontractors should be supported by periodic on-site verifications. This oversight may be conducted by any contractor personnel who routinely visit subcontractor facilities, that the property is being adequately protected and used for the purpose authorized by the subcontract.

CHAPTER 6

REPORTS

[References: 40 U.S.C. 545(e), 41 CFR 102-36.295, 38.330, 39.85]

6.1 Overview

This Chapter identifies annual reporting requirements for reports that are submitted to GSA in accordance with the FMR by the Property Executive (PE). Also included are annual DOE internal reports that are submitted to the PE. Locally mandated reporting requirements are not addressed in this Guide.

6.2 Non-Federal Recipients Report

The Non-Federal Recipients Report covers all transfers, donations, loans, leases, license agreements, and sales of personal property to non-Federal recipients that occurred during the prior fiscal year, as required by 41 CFR 102-36. This includes property furnished to DOE contractors, sub-contractors, financial recipients, general public, etc. Donations made using the Laboratory Equipment Donation Program is reported to DOE Headquarters by the Office of Science. Items that were sold, transferred, or donated by GSA as part of the normal disposal process do not get reported. Computer equipment transferred through the Computers for Learning website do not get reported as GSA already has a record of these transactions.

6.3 Exchange/Sale Report

Property that is exchanged or sold for replacement purposes during the prior fiscal year should be reported as required by 41 CFR 102-39. A listing of items that are prohibited from the exchange/sale authority can be found in 41 CFR 102-39.60. The data elements for this report include the two-digit Federal Supply Classification (FSC) Group of the property exchanged or sold; the total number of items within the FSC; original acquisition cost; and net proceeds. The data for the non-Federal recipients and exchange/sale reports are collected using GSA's Personal Property Reporting Tool at website <https://gsa.inl.gov/property/>.

6.4 Negotiated Sales

Property sold using the negotiated sales method should be reported annually to GSA, as required by 41 CFR 102-38. The data elements for this report can be found in 41 CFR 102-38.330.

6.5 Property Information Database

The Property Information Database (PIDS) is a central database that provides an electronic means for obtaining standardized property information about DOE and its entities. PIDS manages and reports property volumes and original acquisition dollar values of government-owned property annually. Property reported is divided into the following three categories: (1)

sensitive; (2) accountable with an original acquisition cost between \$10,000 and \$500,000 and (3) accountable with an original acquisition cost of \$500,000 or more. PIDS access can be provided, through the appropriate OPMO, to DOE and DOE contractor employees through the Office of Property Management, Personal Property Policy Division.

6.6 Balanced Scorecard Report

The Balanced Scorecard (BSC) program is a performance measuring system that takes into account the following perspectives: (1) customer satisfaction, (2) financial management, (3) internal business, and (4) learning and growth. Details about the BSC program can be found at the following website: <http://energy.gov/management/office-management/operational-management/procurement-and-acquisition/balanced-scorecard>.

SECTION - II

Personal Property Controlled Through Other Institutes

CONTENTS

CHAPTER 1 LABORATORY EQUIPMENT DONATION PROGRAM (LEDP).....

CHAPTER 2 OTHER EDUCATION ENHANCEMENT PROGRAMS.....

CHAPTER 3 ECONOMIC DEVELOPMENT PROPERTY.....

CHAPTER 1

LABORATORY EQUIPMENT DONATION PROGRAM (LEDP)

[References: 10 CFR Part 600,]

1.1 Overview

The LEDP Program was established to grant surplus and available used energy-related laboratory equipment to eligible educational institutions for use in energy oriented educational programs. The following property items are eligible for LEDP grants:

- Property classified as Federal Supply Group 66, Instruments and Laboratory Equipment, and other selected items designated by the Office of Science.
- Property that has been declared excess and has completed the Energy Asset Disposal System (EADS) screening process, contained within General Services Administration (GSA) Federal disposal system, GSAXcess.

The LEDP grant approval process is as follows:

- The DOE organization /contractor enters eligible equipment data into EADS.
- The LEDP website notifies the cognizant Organizational Property Management Officer (OPMO) for the DOE organization providing the excess equipment of the LEDP grant application. The OPMO and or/Contracting Officer (CO) reviews and approves or disapproves the LEDP grant awards.
- The LEDP website notifies the requesting educational institution of approval or disapproval.
- If approved, the OPMO and/or CO signs the LEDP grant document and the LEDP website transmits a copy to the educational institution and the DOE organization/contractor holding the equipment.
- The institution requesting the equipment is responsible for arranging and paying for shipping and handling.

Detailed information regarding the LEDP program including eligible institutions can be found at: <http://www.osti.gov/ledp> .

CHAPTER 2

OTHER EDUCATION ENHANCEMENT PROGRAMS

2.1 Overview

This chapter addresses education enhancement programs that provide excess and surplus education related and Federal research and computer equipment to eligible educational institutions or nonprofit organizations:

- To improve math and science curricula.
- For conducting technical and scientific education and research activities.
- To make computer technology available to the classrooms.

2.2 Authorities

The education enhancement programs addressed in this Chapter are authorized by the following executive and statutory authorities:

- Executive Order (EO) 12999, Educational Technology: Ensuring Opportunity for All Children in the Next Century.
- Federal Property and Administrative Services Act of 1949 (Ch. 288, 63 Stat. 377).
- Public Law (PL) 96-480, Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3701 et seq.).
- PL 101-510, Department of Energy Science Education Enhancement Act (42U.S.C. 7381 et seq.).
- PL 102-245, American Technologies Preeminence Act of 1991 (15 United States Code 3710).
- PL 104-106, National Defense Authorization Act of 1996.

2.3 Computers for Learning

Executive Order 12999, Educational Technology directs Federal agencies, to the extent permitted by law, to transfer (through donation or gift) educationally useful Federal equipment that is excess or surplus to their needs to schools and educational nonprofit organizations. As defined in the EO, the educationally useful Federal equipment that is eligible for transfer under the Computers for Learning (CFL) program includes computers

and related peripheral equipment.

The CFL program, which is managed by GSA, streamlines the process for transferring computer equipment to schools and educational nonprofit organizations, giving special consideration to those with the greatest need. For information regarding who is eligible to participate and what kind of computer equipment is available, visit the CFL web site at <http://www.computers.fed.gov>.

2.3 Financial Assistance Agreements

The OPMO, CO, or designated Property Administrator (PA) should conduct the following actions for Federally-owned property accountable under financial assistance agreements (grants and cooperative agreements):

- Review and approve use on other activities and provide disposition instructions upon receipt of a final inventory under the applicable provisions of 10 Code of Federal Regulations (CFR) 600.
- Support the CO in requesting annual reports of Federally-owned property in accordance with the provisions of 10 CFR 600.

2.4 Cooperative Research and Development Agreements

The Stevenson-Wydler Technology Innovation Act of 1980, as amended by the American Technologies Preeminence Act of 1991, allows the Director of a Federal laboratory, or the Head of any Federal Agency or Department, to enter into and use a cooperative research and development agreement to loan, lease, or give excess research equipment to an educational institution or nonprofit organization for the conduct of technical and scientific education and research activities.

When this authority is used to give property to an eligible institution or organization, the transfer is treated as a gift.

2.5 Education Partnerships

Purpose

The Department of Energy Science Education Enhancement Act, Public Law 101-510, encourages the development and implementation of science, mathematics, and engineering education programs at DOE and its research and development facilities as part of a national effort to improve science, mathematics, and engineering education.

The Act authorizes each DOE research and development facility to enter into education partnership agreements with educational institutions in the United States (including local educational agencies, colleges, and universities) for the purpose of encouraging and enhancing study in scientific disciplines at all levels of education.

Under these education partnership agreements, DOE research and development facilities may provide assistance to educational institutions by:

- Loaning equipment.
- Transferring equipment determined to be excess to DOE needs.

Eligible Equipment

Equipment that may be provided as a gift under these education enhancement programs includes, but is not limited to, items in the following FSCGs:

FSCG Description

34 Metalworking Machinery

36 Special Industry Machinery

41 Refrigeration, Air Conditioning and Air Circulating Equipment

52 Measuring Tools

60 Fiber Optics Materials, Components, Assemblies and Accessories

61 Electric Wire, and Power and Distribution Equipment

66 Instruments and Laboratory Equipment

67 Photographic Equipment

70 Automatic Data Processing Equipment (Including Firmware), Software, Supplies and Support Equipment

74 Office Machines, Text Processing Systems and Visible Record Equipment

Other related equipment may be provided as a gift if deemed appropriate and approved by the Office of Science.

General

With environmental, safety, and health issues taken into consideration, DOE facilities may set aside excess and surplus eligible equipment, located at DOE Field organizations and cognizant facilities, for transfer as gifts under these programs. Unless otherwise acceptable to the recipient, equipment that is provided as a gift should be serviceable and in working order, i.e., in disposal condition code 1 (New) or 4 (Usable) as defined in the Federal Management Regulation 102-36.240. The serviceability of equipment should be verified before a gift is made to an eligible recipient.

Title to the equipment transfers to the recipient upon written acknowledgment of receipt.

Roles

The Office of Science authorizes gifts of excess and surplus eligible equipment by signature on the appropriate Equipment Gift Agreement when:

- The book value of an item of equipment exceeds \$25,000.
- The cumulative book value of the gifts under these programs to any one institution exceeds \$25,000.

The HCA or designee may authorize gifts of excess and surplus eligible equipment by signature on the appropriate Equipment Gift Agreement when:

- The book value of an individual item is \$25,000 or less.
- The cumulative book value of the gifts under these programs to any one institution is \$25,000 or less.

When the HCA delegates the authority to make gifts, the delegation is done in writing:

- To a specific individual.
- For a specified period of time.
- For a specified level of authority.

Process

A list of available eligible equipment is prepared and distributed to eligible recipients and to the Chief State School Board Officer.

- Precollege institutions with partnership arrangements with the DOE or its facilities (e.g., an adopted school) may receive gifts of equipment in support of the partnership.
- Precollege institutions not in a partnership with DOE may receive equipment at the recommendation of the Chief State School Board Officer.

The Chief State School Board Officer determines which schools within the state will receive equipment, taking into consideration:

- Schools that have the greatest need.
- Where the equipment would further enhance Federally funded math and science projects.

On a first come, first served basis, eligible recipients have 30 days to place a hold and submit a request on desired items, stating:

- Why the items are needed.
- How the items will be used to improve math and science curricula or to conduct technical or scientific education and research activities.

Equipment Gift Agreement

An Equipment Gift Agreement is prepared and used to provide items of equipment to eligible recipients. The agreement should be in the format provided in Attachment 25-A of this chapter

The agreement should be numbered for control purposes and signed by:

- The Director, Office of Science or designee or the HCA or designee, as appropriate.
- An appropriate official representing the eligible recipient.

Except for agreements documenting equipment transfers under the CFL program, a copy of each agreement signed by the HCA or designee should be forwarded to the Office of Science.

A list of the equipment provided as gifts is part of and accompanies the agreement. The list should contain the agreement reference number, the name of the eligible recipient, and the name of the DOE office. In addition, the following information should be provided for each line item on the list:

- DOE identification number.
- Item description (name, manufacture, model number, serial number, etc.).
- Federal Supply Classification Code.
- Quantity, location, acquisition date, and acquisition cost.

2.6 Reports

Gifts made under these programs are included in the annual report of property transferred to non-Federal recipients, as required by the FMR .

CHAPTER 3

ECONOMIC DEVELOPMENT PROPERTY

[Reference: National Defense Authorization Act of 1994, Section 3154 (Hall Amendment), Personal Property Letter 970-1]

DOE may establish Community Reuse Organizations (CRO) in areas where communities are affected by reconfiguration or downsizing of DOE sites. The CRO responsibilities include the following:

- Develop a local economic development plan.
- Based on the local economic plan, describe the personal property needed for the specific economic projects to be accomplished.
- Request title to any property that meets the economic plan requirement and that DOE determines is not needed.

Property listed below cannot be transferred to a CRO:

- High Risk Personal Property, firearms, nuclear ordinance, ammunition, and explosives, missiles, and any other property, as determined by DOE.
- All equipment identified as necessary for non-nuclear reconfiguration. Property transferred to other DOE sites to reestablish key technologies for National Defense programs.

Based on the needs established by the CRO above, the following identifies the type of FSCG property that can be transferred to the CRO:

- Items under \$5,000 in Group 1-Local Screening, Attachment 1, determined not to be needed locally by DOE.
- Items under \$5,000 in Group 2-Expedited DOE Screening, Attachment 2 that have completed the EADS process and determined not needed by DOE.
- Items in Group 1 and 2 greater than \$5,000 that have completed EADS screening.
- Non-excess property where the replacement cost does not exceed 110 percent of the cost to relocate the property to another DOE facility. Relocation cost can include storage, protection, removal, and transportation.

Based on the property the CRO requests that meet the eligibility requirements, the HCA determines the amount of consideration to be received by DOE. This amount may be less than the fair market value of the property.

If the CRO and DOE agree on the amount of consideration to be provided for the property that is available and requested by the CRO, the following occurs:

- DOE activity transfers the property to the CRO and moves the property to an area controlled by the CRO.

- Title transfers from the U. S. Government to the CRO upon receipt.

If the CRO rejects the property that is offered, the DOE activity continues with the excess process.

All property transferred to a CRO are included in the annual report of property transferred to non-Federal recipients, as required by the FMR

GROUP 1—LOCAL DOE SCREENING

Property classified in the following FSCGs having an acquisition cost less than \$5,000 may be determined to be excess by local DOE authority and transferred for economic development after completion of local screening. This property is not subject to Departmental screening under EADS.

<u>FSCG</u>	<u>Title</u>
25	Vehicular Equipment Components
26	Tires and Tubes
28	Engines, Turbines, and Components
29	Engine Accessories
31	Bearings
32	Woodworking Machinery and Equipment
40	Rope, Cable, Chain, and Fittings
43	Pumps and Compressors
47	Pipe, Tubing, Hose, and Fittings
48	Valves
51	Hand Tools
52	Measuring Tools
53	Hardware and Abrasives
54	Prefabricated Structures and Scaffolding
55	Lumber, Millwork, Plywood, and Veneer
56	Construction and Building Materials
59	Electrical and Electronic Equipment Components
60	Fiber Optics Materials, Components, Assemblies, and Accessories
61	Electric Wire, and Power and Distribution Equipment
62	Lighting Fixtures and Lamps
67	Photographic Equipment
69	Training Aids and Devices
72	Household and Commercial Furnishings and Appliances
73	Food Preparations and Serving Equipment
75	Office Supplies and Devices
76	Books, Maps, and Other Publications
77	Musical Instruments, Phonographs, and Home-Type Radios
78	Recreational and Athletic Equipment
79	Cleaning Equipment and Supplies
80	Brushes, Paints, Sealers, and Adhesives
81	Containers, Packaging, and Packing Supplies
83	Textiles, Leather, Furs, Apparel and Shoe Findings, Tents and Flags

84	Clothing, Individual Equipment and Insignia
85	Toiletries
87	Agricultural Supplies
88	Live Animals
89	Subsistence
91	Fuels, Lubricants, Oils, and Waxes
93	Nonmetallic Fabricated Materials
94	Nonmetallic Crude Materials

GROUP 2—EXPEDITED DOE SCREENING

Property classified in the following FSCGs having an acquisition cost less than \$5,000, require a Departmental reutilization screening for a period of 15 days before becoming eligible for transfer for economic development. These items are entered in EADS for 15 calendar days. All property considered for transfer for economic development should be in Condition Code 4 or better.

<u>FSCG</u>	<u>Title</u>
19	Small Craft, Pontoons, and Floating Docks (Excluding Ships)
23	Ground Effect Vehicles, Motor Vehicles, Trailers, and Cycles
24	Tractors
30	Mechanical Power Transmission Equipment
34	Metalworking Equipment
35	Service and Trade Equipment
36	Special Industry Machinery
37	Agricultural Machinery and Equipment
38	Construction, Mining, Excavating, and Highway Maintenance Equipment
39	Materials Handling Equipment
41	Refrigeration, Air Conditioning, and Air Circulating Equipment
42	Fire Fighting, Rescue, and Safety Equipment
44	Furnace, Steam Plant, and Drying Equipment (Excluding Nuclear Reactors)
45	Plumbing, Heating, and Sanitation Equipment
46	Water Purification and Sewage Treatment Equipment
47	Pipe, Tubing, Hose, and Fittings
48	Valves
49	Maintenance and Repair Shop Equipment
54	Prefabricated Structures and Scaffolding
56	Construction and Building Materials
63	Alarm, Signal, and Security Detection Systems
65	Medical, Dental and Veterinary Equipment and Supplies
68	Chemicals and Chemical Products
70	General Purpose Automatic Data Processing Equipment (Including Firmware), Software, Supplies and Support Equipment
71	Furniture
72	Household and Commercial Furnishings and Appliances
73	Food Preparation and Serving Equipment
74	Office Machines, Text Processing Systems and Visible Record Equipment
95	Metal Bars, Sheets, and Shapes
99	Miscellaneous

SECTION - III

Personal Property Requiring Special Controls

CONTENTS

CHAPTER 1 EXPORT CONTROLLED HIGH RISK PERSONAL PROPERTY.....

CHAPTER 2 PRECIOUS METALS.....

CHAPTER 3 SENSITIVE PERSONAL PROPERTY.....

CHAPTER 1

EXPORT CONTROLLED HIGH RISK PERSONAL PROPERTY

[Reference: Requirements refer to 41 CFR 109; 48 CFR Part 45; 48 CFR Part 945; 48 CFR 970.5245-1; 41 CFR 101-42; 10 CFR 600.130; 10 CFR 600.232; 22 CFR 121, DOE O 580.1A]

1.1 Overview

This Chapter addresses the life cycle management and control of DOE personal property categorized as high risk because it is export controlled.

1.2 Guiding Principles

High Risk Personal Property (HRPP) should be managed and controlled in an efficient manner throughout its life cycle.

HRPP should be managed so as to protect the public and DOE personal safety and to advance the national security and the nuclear nonproliferation objectives of the United States.

The disposition of HRPP is subject to special considerations.

1.3 Applicability

The guidance in this Chapter applies to all:

- DOE organizations that purchase, manage, or dispose of Government-owned personal property.
- DOE contractors that manage Government facilities, programs, or related services, which may require, either directly or indirectly, the purchase, management, or disposal of Government-owned personal property.
- DOE financial assistance recipients that receive DOE-owned personal property under financial assistance agreements.

High risk requirements apply to contractors and financial assistance recipients to the extent that they are included in applicable regulations, contract clauses, or financial assistance agreements.

1.4 Deviations

Requests for approval to deviate from DOE policy regarding the management and control of HRPP policy are made through the cognizant Heads of Field Elements (HFE) to the Head of the cognizant Departmental Element who will obtain the approval of the Office of the Deputy Administrator for Defense Nuclear Nonproliferation (NA-20).

1.5 Title to High Risk Personal Property

When financial assistance agreements are involved, DOE is concerned only with personal property the Government holds title to which is:

- Federally-owned personal property furnished under a financial assistance agreement vests with the Government.
- Personal property acquired under a financial assistance agreement typically vests in the recipient.

DOE may retain title to property acquired under a financial assistance agreement when:

- The Government anticipates a subsequent need for the property in another program or at another recipient's site.
- The property is unique, expensive, and/or otherwise difficult to duplicate in a timely fashion.
- The property is one of the types of HRPP covered in this Chapter

1.6 Roles

HFEs and OPMOs/PAs should assure that their DOE organizations, contractors, and financial assistance recipients develop cost effective and risk-based personal property management systems, providing life cycle controls for HRPP and covering all of the operational responsibilities addressed in this Chapter.

In addition, OPMOs/PAs should:

- Coordinate and conduct the high risk related activities of an organization's personal property management program in accordance with existing regulatory requirements.
- Provide guidance to DOE organizations, contractors and financial assistance recipients regarding the implementation of these high risk guidelines.
- Ensure that DOE contractors and financial assistance recipients:
 - Develop high risk practices and procedures consistent with this Chapter.
 - Require their subcontractors and sub-recipients to adhere to DOE guidance for the management of high risk personal property.

DOE organizations, contractors, and financial assistance recipients should incorporate appropriate life cycle controls in their personal property management programs to safeguard against the inadvertent transfer or disposal of those types of personal property and related technical information that represent a high risk in terms of nuclear proliferation and/or national security, public health, safety, and the environment.

1.7 Identification and Control

High Risk Assessments

Personal property should be assessed and evaluated for characterization as HRPP as early in its life cycle as practical to:

- Ensure appropriate treatment at its disposal.
- Prevent the inadvertent, uncontrolled release of HRPP.

Identification and Control

Accountable property records for export-controlled HRPP should include a High Risk designation, export control jurisdiction, and relevant export control regulation citation, as applicable (reference DOE O 580.1A, 4.c.(4) Contractor Requirements Document (CRD) and 5.b.(4)). This information may be documented as explicit entries or included in a “notes” field. Examples may include: Department of Commerce Export Administration Regulations (EAR) 4A994, Nuclear Regulatory Commission (NRC) 110.8(b), or Department of State International Traffic in Arms Regulation (ITAR) Category V.

The following are recommended methods for ensuring the proper identification, marking and control of HRPP:

- Newly acquired HRPP should be identified or tagged and tracked upon acquisition by DOE organizations, contractors and financial assistance recipients.
- Physical inventories of HRPP are conducted at least annually in accordance with the requirements of DOE O 580.1A.
- All personal property in use or awaiting use should be reviewed for high risk identification, tagging, and database entry during regularly scheduled personal property physical inventories, unless access to the property is difficult or impractical because the property is:
 - A component of a larger assembly/operating system or access to the component is impractical. Such components should be reviewed for HRPP identification prior to final disposition.
 - The equipment and material is affixed to, or installed in, facilities. Due to the complexity of operating systems or the age of facilities, it may be difficult or impractical to identify individual components as HRPP. Therefore, it may be more practical to perform a high risk review of the operating systems or facilities when they are decommissioned and dismantled or when replacing specific components prior to disposition.

Tagging Exemption

HRPP that by its nature cannot be tagged, such as stores items and metal stock, is exempt from marking. However, its characterization as HRPP should be documented as part of the personal property management program.

Reporting Lost and Missing Items

If HRPP is determined to be lost or missing, the responsible DOE program office should notify the appropriate security and export control office immediately.

1.8 Disposition

DOE organizations and contractors should ensure that the disposition of these types of HRPP does not adversely affect the national security or nuclear nonproliferation objectives of the United States.

The disposition (including the demilitarization of items on the United States Munitions List) and handling of HRPP are subject to applicable provisions of the FMR, FPMR, DEAR,

DOE O 580.1A and the DOE Acquisition Guide, Chapter 3.3.

High Risk Assessments

The disposition of HRPP is subject to special considerations. All proposed disposition actions involving high risk personal property should be evaluated because they may present significant risks to the public health, safety, the environment, and national security and nuclear nonproliferation objectives of the United States.

Organizations should identify HRPP and control its disposition to eliminate or mitigate such risks. In no case should personal property be transferred (including loaned) or disposed before an assessment is made.

To identify the disposition controls needed to ensure compliance with the applicable national security and nonproliferation controls, all property determined to be high risk should be reviewed against:

- The Nuclear Regulatory Commission regulation 10 CFR 110, including items listed in the Nuclear Suppliers Group (NSG) Trigger List (International Atomic Energy Agency (IAEA) Information Circular 254, Part 1).
- The Department of Commerce Control List (15 CFR 774) because of dual-use applications in the design, development, production or use of weapons of mass destruction, and conventional weapons, including property as listed in the Nuclear Suppliers Group (NSG) Dual-Use List (International Atomic Energy Agency (IAEA) Information Circular 254, Part 2), and the International Control Lists of the Australia Group, the Missile Technology Control Regime, and the Wassenaar Arrangement).
- The Department of State U.S. Munitions List (22 CFR 121), and the Atomic Energy Act of 1954, *excluding nuclear weapon components or weapon-like components that contain nuclear material as listed in DOE O 474.2.*

DOE organizations, contractors, and financial assistance recipients should not process HRPP into a reutilization/disposal program without performing the high risk reviews and assessments prescribed by the local HRPP management system.

Local Export Control subject matter experts are responsible for the review for compliance with export control laws and regulations of transfers of all HRPP, except for Trigger List components, equipment and materials; nuclear weapon components; and nuclear weapon-like components. They are to determine whether the export is generally licensed or would require specific export authorization from the Department of Commerce, State, or Energy, or from the Nuclear Regulatory Commission.

Scrap and Destruction Dispositions

The destruction of excess or surplus high risk information technology is generally required, unless alternative disposition options are in the best interest of the Government. Components, equipment, and materials should either be sold for scrap, after being rendered useless for their originally intended purpose, or destroyed:

- Items that are surplus to DOE and identified in the Nuclear Suppliers Group Trigger List.
- Nuclear weapons components or weapon-like components.

Requests for approval of alternative disposition of these items may be made through the cognizant Head of Departmental Element and then through to the Assistant Deputy Administrator for Nonproliferation and International Security (NA-24) for disposition approval by the Deputy Administrator for Defense Nuclear Nonproliferation (NA-20), see Attachment 1 for sample alternative disposition request and approval letters.

Verification of Destruction

The responsible DOE organization, contractor, or financial assistance recipient should verify all dispositions by destruction of HRPP.

Documentation

In accordance with the provisions of approved site or facility personal property management programs, the following HRPP actions should be documented:

- Reviews and assessments.
- Certifications and clearances (as described in DOE O 580.1A, 4.k.(5), 4.k.(7), and 5.j.(4) of the CRD).
- Destruction verifications.

Regardless of whether a property transfer is internal or external to DOE, records provided as part of the transfer should include all applicable documentation, including records concerning the property's high risk categorization.

1.9 Approvals, Restrictions, and Conditions Applicable to Certain Transactions

Certain sales, transfers, or other offerings of HRPP may require approvals, special conditions, or specific restrictions as determined necessary by either:

- The property custodian, or
- The cognizant DOE program office responsible for the oversight, control, or management of that type, class, or condition of high HRPP.

The proposed transfer or sale of surplus high risk information technology to any end-user other than a Department or Agency of the Federal Government requires the approval of the:

- Director, Office of Property Management.
- Cognizant program office.

Requests for transfer or sale approval should be evaluated for risks to national security, based on:

- The prior and potential use of the information technology equipment.
- The essential characteristics of the identified end-user(s).
- The evaluated effectiveness of any risk mitigation plan.
- The expected monetary value of the information technology at sale.

HFE action to transfer or sell high risk information technology can only be taken after receipt of the required approvals and in accordance with any disposition instructions provided with the

approvals.

The transfer or sale should be approved within 21 days. If a request is disapproved, the information technology should either be destroyed or sold for scrap after being rendered useless for its originally intended purpose.

Export Restriction Notice

The Export Restriction Notice from the sites or financial assistance recipient organizations property management system, should be included in all transfers, sales, or other offerings (refer to DOE Acquisition Guide Chapter 3.3).

CHAPTER 2

PRECIOUS METALS

[Reference: 48 CFR Part 45, 48 CFR Part 945; DOE O 580.1A]

2.1 Overview

This Chapter addresses the DOE program for the management and recovery of DOE-owned precious metals and precious metals bearing scrap. The effective management of DOE-owned precious metals, and the recycling of precious metals bearing scrap, may reduce program related costs.

2.2 DOE Business Center for Precious Metals Sales and Recovery

The DOE Business Center for Precious Metals Sales and Recovery (BCPMSR):

- Arranges the recycling of DOE-owned precious metals (pure metals, fabricated products, parts, catalysts, or solutions) at a minimum cost to participants within DOE.
- Accepts precious metals that are not needed for current or known future requirements, in various shapes and forms.
- Provides procedures and instructions for the return of precious metals, including packaging, shipping, and security.
- Manages the BCPMSR assets based on long-range forecasts provided annually by the program participants upon request, of anticipated returns to and withdrawals from the program.
- Provides pure metals to fulfill fabrication requirements.
- Arrange for precious metals to be transferred to a third party fabricator for fabrication of parts, products, catalysts or solutions per site-specified requirements.
- Oversees disposition of DOE-owned precious metals that are excess to DOE needs.

The BCPMSR Operating Procedure provides instructions for recovering precious metals from scrap and excess equipment, making the recovered metal available to DOE organizations and contractors, tracking precious metals, and selling excess precious metals.

2.3 Precious Metals Control Officer

Each DOE organization and contractor with precious metals designates a Precious Metals Control Officer (PMCO), in writing, that serves as the primary point of contact concerning precious metals control and management. The PMCO:

- Ensures the organization's precious metals activities meet Departmental requirements.
- Maintains an up-to-date list of the names of all precious metals custodians.
- Develops and issues current authorization lists of persons authorized by management to withdraw precious metals from stockrooms.
- Provides instructions and training to precious metals custodians and/or users as necessary to assure compliance with regulatory responsibilities.

- Ensures that physical inventories are performed as required by DOE O 580.1A and witnesses their completion.
- Performs periodic unannounced inspections of custodial precious metals stocks and records.
- Conducts annual reviews of precious metals to identify excess quantities.
- Prepares and submits to the BCPMSR an annual forecast of anticipated withdrawals from, and returns to, the program.

2.4 Acquisition

DOE organizations should contact the DOE BCPMSR manager to determine if precious metals are available from the program prior to acquiring precious metals on the open market.

2.5 Physical Protection and Storage

When not in use, precious metals should be securely stored. Locks or combinations should be changed periodically and when there is a change in personnel having access to the metals.

2.6 Physical Inventories

Physical inventories are conducted in accordance with the requirements of DOE O 580.1A by the custodian of the precious metals and witnessed by the PMCO. Precious metals that cannot be weighed (i.e., contaminated metals and metals in use in an experimental process) should be listed on the physical inventory sheet as observed or not observed, as applicable. Precious metals not in storage should be accounted for by the custodian. The quantity checked out for use, the location of use, and the responsible individual using the precious metal should be identified in writing.

For inventory cost efficiency, OPMO may establish dollar threshold for the precious metals, by type, each valued at \$250 or less may be treated as consumed or expended.

2.7 Control and Issue of Stock

Precious metal stock, stock records, and the authorized recipient information (names, organizations and authorized metals) should be maintained in a central stockroom.

Precious metals should be issued only:

- Upon receipt of an authorized request.
- To those individuals who are authorized to receive the precious metals by the PMCO.

2.8 Using Organization Controls

After receiving precious metals from the central stockroom, the using organization should:

- Secure the metals at all times except for quantities at the actual point of use.
- Maintain records showing the actual consumption of the metals.

The PMCO and other audit or review personnel may review the control logs and secure, locked storage facilities.

The retention of idle precious metals is justified by the custodian and approved one level above the custodian. Excess quantities should be promptly returned to the central stockroom or other secure location or returned to the BCPMSR.

2.9 Management Reviews and Audits

Periodic reviews may also be conducted to determine if precious metals quantities on hand exceed program requirements.

Upon termination or transfer, employees with access to precious metal inventories (idle stocks or in process items/inventories) should be questioned regarding retained precious metals or items contained precious metals. Offices and work areas of terminated or transferred employees should be thoroughly examined for unknown/undisclosed inventories of precious metals so they may be returned the active inventory. Locks and combinations accessing precious petals should be changed upon termination or transfer of employees with access.

2.10 Precious Metals Recovery

The HFEs and the Director, Office of Administration are responsible for the establishment and maintenance of programs within their organizations for the recovery of precious metals, where practical.

2.11 Disposition

Excess precious metals should be turned in to the BCPMSR except when the BCPMSR is unable to accept a specific precious metal. When the BCPMSR is unable to accept a specific metal (i.e., radiological material or material containing Cd, Be, Hg), the using activity may dispose of the precious metal through the normal disposal process when directed by the program.

CHAPTER 3

SENSITIVE PERSONAL PROPERTY

[Reference: 48 CFR Part 45, 48 CFR Part 945, 41 CFR 102-35, DOE O 580.1A]

3.1 Overview

This Chapter addresses the management and control of sensitive personal property.

3.2 Management Oversight

Each DOE element is responsible for establishing controls for the acquisition, storage, issue, use, maintenance, and disposal of sensitive personal property. A list of personal property items considered sensitive should be developed taking into consideration the need for extra control, protection, risk considerations and other items that local management has characterize as sensitive in nature.

3.3 Sensitive Property Controls

Sensitive personal property requires a higher degree of control and protection due to its potentially dangerous nature, theft, and/or security risks. Written procedures should be established for control of sensitive items including:

- Physical protection, handling/maintenance for items housed in the central receiving and warehouse locations.
- Identification of the property in the system of record as being sensitive.
- Annual inventory schedules.
- Use of receipts or custody documents at time of assignment or change in custody.
- Prompt reporting for changes in custody.
- Need for extraordinary physical protection;
- Actions taken for items not accounted for and steps for reconciling items that cannot be located.
- Documentation of all suspected or confirmed losses, damage or destruction and reporting to the local security office.

3.4 Property Inventory

Specific procedures/plans should be developed for performing physical inventory that should be reviewed with OPMO/PA annually.

3.5 Disposition of Property

Due to the nature of sensitive property, disposition of sensitive property, should be handled per specific requirements identified in the DOE O 580.1A.

Attachment 1

Sample letter requesting approval for alternative disposition of HRPP.

Ms. Kasia Mendelsohn
Assistant Deputy Administrator
Office of Nonproliferation and International Security (NA-24)
National Nuclear Security Administration
1000 Independence Avenue, Southwest
Washington, DC 20585

Dear Ms. Mendelsohn:

Contract SSS-XXXX, Request for Exception to Destruction of XXXXXX

The attached package requests exception to destruction of approximately 1,000,000 pounds of nuclear-grade, unused XXXXX (Trigger List Spec x.x, NRC Spec) in containers located at the XYZ Laboratory in Building 1.

This correspondence requests approval for alternative disposition of this trigger list material by sale to Americas, Inc., a U. S. owned company, with disposition approval by the Deputy Administrator for Defense Nuclear Nonproliferation (NA-20) thus avoiding costly disposal by destruction.

In accordance with The DOE Contracting Officers' Acquisition Guide, Chapter 3.3, *Compliance with U. S. Export Control Laws, Regulations and Policies*, and DOE Order 580.1A, *Department of Energy Personal Property Management Program*, please request NA-20 office approval from Ms. Anne Harrington, Deputy Administrator for Defense Nuclear Nonproliferation.

For convenience, an approval section for NA-20 is contained at the end of this letter. If further information is required, please contact the undersigned at (XXX) XXX-XXXX or my Deputy at (XXX) XXX-XXXX).

Sincerely yours,

Director
Property Management

APPROVED

Deputy Administrator for Defense
Defense
Nuclear Nonproliferation

VOB: abc

Attachment: As stated

DISAPPROVED

Deputy Administrator for
Nuclear Nonproliferation

SECTION - IV

General Property Management

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CHAPTER 1

LOANING PERSONAL

PROPERTY

[Reference: 41 CFR 102-36, DOE O 580.1A, Interagency Committee for Property Management Loan Policy Guide]

1.1 Overview

This guidance applies to all DOE Federal and contractor personnel who loan DOE personal property to other DOE offices and contractors, Federal agencies, and other organizations for official purposes. DOE personal property is loaned for use in research, studies, and other efforts that result in benefits to both the U.S. Government and the borrower. Loans of DOE personal property are designed to ensure continued research, development, and training activities. Field offices may, upon appropriate Departmental notification of emergency conditions, loan property to local agencies in support of health, safety or security requirements.

1.2 General

DOE personal property may be loaned in support of research activities as outlined in the Atomic Energy Act of 1954, Chapter 4-Research, Section 31 as amended, and in Sections 103 and 107 of the Energy Reorganization Act of 1974, provided that the DOE mission is not affected. In no case is property retained or procured to fulfill loan requests.

Idle property may be loaned to other DOE organizations, contractors, Government agencies, or organizations that have a valid Federal contract, financial assistance agreement, international treaty or cooperative agreement.

Required Approvals

In accordance with DOE O 580.1A, prior to the removal of any property from a DOE facility for loan purposes, the initiator should prepare loan documentation request packages and obtain DOE CO/OPMO/PA approvals as appropriate. Domestic and foreign loan packages should include:

- Hazardous Review.
- High Risk review Certification
- Export Control Review

The CO/OPMO/PA reviews and approves or disapproves loan packages after submission by contractors or DOE organizations.

Title to loaned property remains with the U.S. Government and accountability rests with both lending and borrowing organization.

The borrower shall return the loan item(s) in like condition as received from the lender, less normal wear and tear, and free of contamination, on or before the expiration date of the loan, unless the loan period is formally extended or the loan is terminated before the due date.

In case of loss or damage of the property loaned, the borrower shall reimburse the lender at the current price of replacement or repair entity, as appropriate.

The borrower of the loaned property assumes all costs involved in preparation, handling, loaning, disconnecting, and transportation from and to the lender.

The borrower shall agree to indemnify and hold harmless the lender and the DOE against any and all liability including loss, damages, claims, and costs incidental as a result of borrower's use or possession of the loaned property.

The loaned property may only be used for the purposes specified in the loan agreement.

The property loaned may not be modified, loaned or transferred to a third party without the written permission of the lender.

The borrower shall account for, or permit inspection of, the loaned property by the lender after proper notification. The lender may reserve the right to cancel the loan or to recall the loaned property upon 30 days' notice.

Loaned property is tracked in the lending organization's property control system and included in all site inventories.

1.3 Documentation

All domestic and foreign loans are documented on DOE F 4420.2, Personal Property Loan Agreement.

1.4 Domestic Loans

The CO/OPMO/PA approves domestic loans. Domestic loan renewals may be requested in three-year increments; however, managers of the initiator's organization review and CO/OPMO/PA concurrence is required for all renewals.

Initiating a Loan

When initiating a domestic loan:

- The initiator should complete DOE F 4420.2 and obtain the required signatures.
- The initiator should obtain all required documentation, necessary concurrences, and ensure that the loan is entered in the site's property management system.

Adding to an Existing Loan

The CO//OPMO/PA approves additions to existing domestic loans. When adding personal property to an existing domestic loan a new DOE F 4420.2 and required documentation should be prepared.

Extending a Loan

When a domestic loan extension is necessary, the initiator of the original loan should request a renewal in writing, prior to the end of the loan period.

If a loan extension has not been requested, the lender should determine prior to the end of the initial or renewal period if:

- The property should be recalled.
- The loan should be extended.
- The property should be offered for transfer, reported excess, or abandoned.

When authorized by DOE, the contractor may approve extensions of existing loans for one loan period. Further renewals are approved by the CO/OPMO/PA.

Closing a Loan

The lending organization retains the right to cancel loans and to recall loaned property within 30 calendar days of written notice to the borrower.

The borrower may cancel the loan agreement at any time by returning the property to the lender prior to the loan expiration date in accordance with the terms of the agreement.

The loan should be closed after the initiator accounts for all the property items listed on the DOE F 4420.2 are returned.

1.5 Foreign Loans

For foreign loans of personal property, the OPMO should review the package for appropriate documentation, as referenced in DOE Order 580.1A and submit the package to the respective Headquarters Program Office for review and concurrence. The package should be forwarded to the Headquarters Office of International Affairs for approval.

Based on the Headquarters Office's approval or disapproval, the site DOE Property Manager or authorized designee and the CO/OPMO/PA approve or disapprove foreign loan packages.

The loan period for foreign loans may extend up to five years or may extend to the end of the country-to-country treaty or collaborative agreement between the United States/DOE and the foreign entity, with annual inventory verification. See DOE Order 580.1A for the required documentations.

Hand-carried property that remains in the custody of DOE or contractor personnel does not require a loan agreement.

Adding to or Changing Property on an Existing Loan

To add or change property to an existing loan, the initiator of the original loan completes a new DOE F 4420.2. Foreign loan modification requests for property additions or changes must be approved by the CO with notification to the PA/OPMO. In addition, the country-to-country or collaborative agreement must still be in effect.

Extending a Loan

The initiator of the original loan requests a renewal, in writing, prior to the end of the loan period and the country-to-country or collaborative agreement must still be in effect.

If a loan renewal has not been previously requested, the initiator determines in writing, prior to the end of the initial or renewal period, whether or not:

- The property should be recalled.
- The loan should be extended.
- The property should be transferred, reported excess, or abandoned.

Renewals of foreign loans are approved by the CO with notification to the PA/OPMO.

Closing a Loan

The lending organization retains the right to cancel loans or to recall loaned property within 30 calendar days of written notice to the borrower.

The borrower may cancel a loan agreement at any time by returning the property to the lender prior to the loan expiration date. The loan should be closed after the initiator accounts for all the property items listed on the DOE F 4420.2 being returned.

Transfer Title of the Loaned Property

When necessary, the DOE HQ program office should prepare the transfer of title request. The request should identify the authority for the transfer, the underlying authorizing statute for the program and/or appropriation, the legislative history, and the budget submission that relates to the program.

The transfer of title request should be endorsed by the CO/OPMO/PA. For transfers of personal property to a foreign country, the OPMO should review the package for appropriate documentation, as referenced in DOE O 580.1A and consult with the local General Counsel prior to submitting the package to the respective Headquarters offices for their review and concurrence. The package should be forwarded to Headquarter International Affairs' for concurrence and Headquarter General Counsel's approval.

The organization that supplied the funding for the property should obtain the necessary approvals.

Abandonment or Destruction of Loaned Property

Property may be abandoned or destroyed only in the best interest of the Government with prior approval of the CO/OPMO/PA and in accordance with 41 CFR 102-36.305-330.

For abandonment or destruction of personal property in a foreign country, the OPMO should review the package for appropriate documentation, as referenced in DOE O 580.1A and consult with their local General Counsel prior to submitting the package to the respective Headquarters offices for their review and concurrence. The package should be forwarded to the Headquarter International Affairs' concurrence and Headquarter General Counsel's approval.

For disposing of foreign excess loaned property, see additional requirements of 41 CFR 102-36.380-400.

CHAPTER 2

LOSS, DAMAGE, OR DESTRUCTION OF PERSONAL PROPERTY

[References: 48 CFR 45.104, 48 CFR 970.5245-1, DOE O 580.1A]

2.1 Overview

This Chapter addresses the process for reporting, investigating, and documenting instances of loss, damage, and destruction of personal property.

2.2 Guiding Principle

DOE organizations and contractors should, as soon as any occurrence of loss, damage, or destruction (LDD) of personal property (including subcontractor held property) in their possession or control becomes known, take all reasonable steps to protect remaining property.

2.3 Report of LDD

As soon as any LDD of personal property (including subcontractor held property) in their possession or control becomes known, DOE organizations and contractors should report them to the CO/OPMO/PA, as appropriate, and to security or law enforcement offices when appropriate. The CO/OPMO/PA has discretion to determine that further investigation is not warranted due to the age, condition or value of the item or based on the circumstances of the initial report of the loss, except in cases of high risk and sensitive property.

Property custodians should prepare a formal LDD of personal property report using a local form. If the local form is not used, site procedures should specify the format of the LDD report. The local form/report should be completed by the property custodian and should include the details of the loss including any actions taken to locate the property. The custodian's supervisor or contract manager should review and include any additional information. The LDD report should be provided to the CO/OPMO/PA to document the LDD investigation in a timely manner.

Physical inventory shortages should be reported to the CO/OPMO/PA, as appropriate, immediately upon completion of the physical inventories.

Information pertinent to the report of LDD of Government property should include:

- Date of the incident.
- Description of the property.
- Identifying number of the property involved, e.g., National Stock Number, serial number, model number, part number, unique identifying/tag number, etc.
- Contract/Financial assistance document number.
- Quantity, unit of measure, acquisition cost.
- Full narrative of the LDD circumstances, including location, identification of individuals involved.
- Cause of LDD and actions taken or to be taken to prevent recurrence.
- Supporting documentation, such as applicable police or fire department reports, move

tickets, etc.

2.4 Liability Determination

As appropriate, the HFE or CO reviews the report, determines responsibility and financial liability for repair or replacement of the personal property, and provides a copy of the determination to the CO/OPMO/PA and the contractor.

2.5 Follow-up Action

The CO/OPMO/PA ensures that the corrective actions taken by the DOE organization or contractor are satisfactory and address property management system weaknesses. Trend data should be maintained and analyzed periodically to determine if additional corrective actions are necessary.

2.6 Retirement Work Order

Official property control financial records should be updated using a retirement work order or site equivalent to retire personal property that is lost, damaged beyond economical repair, or destroyed. The completed retirement work order should be reviewed and approved by the CO/OPMO/PA.

CHAPTER 3

IDLE EQUIPMENT

[Reference: and 41 CFR 101-27]

3.1 Overview

This Chapter addresses the use of management walk-throughs, Equipment Held for Future Projects (EHFFP) and the spares review process to manage idle DOE equipment.

3.2 Management Walk-Throughs

Management walk-throughs should be conducted at least once every two years to identify idle and unneeded personal property. Members of the walk-through inspection teams should be coordinated with the CO/OPMO/PA. The walk-throughs should cover all operating and storage areas.

OPMOs/PAs should periodically review walk-through procedures and practices of DOE organizations and contractors to determine their effectiveness.

As appropriate, equipment identified as idle and unneeded should be:

- Redeployed.
- Reassigned.
- Placed in equipment pools.
- Reported excess.

Walk-through reports should be prepared and include, at a minimum, the following information:

- Identity of the participants.
- Areas covered.
- Equipment reviewed.
- Findings and recommendations.
- Corrective action plans.
- Results achieved.

The reports should be made available for review by appropriate contractor management, DOE Offices, and audit teams. The submission of the reports to the head of the facility is at the discretion of the facility management. However, DOE field organizations may require contractors to submit walk-through reports to the CO/OPMO/PA.

3.3 EHFFP

General

The EHFFP program enables DOE organizations and contractors to:

- Retain equipment not currently in use but has a known or potential use in future DOE programs.
- Maintain visibility on the equipment through formal review and reporting procedures.

Under this program, equipment is:

- Retained where justified, considering maintenance, replacement, and storage costs, and factors such as obsolescence, deterioration, and future availability.
- Made available for use by other organizations.
- Declared excess when no longer required.

Records

EHFFP records are maintained by the holding organization. The records should include:

- A list of the equipment with the original EHFFP classification date.
- The initial justification for retaining the EHFFP.
- Re-justifications for retention.
- Documentation of management reviews.

Justification and Review Procedures

EHFFP justification and review procedures should provide:

- Sufficient detail to support the need for retaining the equipment. It should cite the future project, purpose for the equipment, or other reasons for retention.
- The initial EHFFP classification to be reviewed by a level of management above the individual making the initial determination.
- EHFFP should be justified annually to ensure that the original justification remains valid. The justification should contain sufficient detail to support the continued retention. When equipment is retained as EHFFP for longer than:
 - One year—the justification should be reviewed by management at least two levels above that of the individual making the determination to retain the EHFFP.
 - Three years—the justification requires approval by the head of the field organization.

Program Review

CO/OPMO/PA should conduct periodic reviews to ensure that the EHFFP program is conducted in accordance with DOE policy. The review should determine:

- If EHFFP was properly categorized.
- The validity of the EHFFP justifications.
- If EHFFP is included in management walk-throughs.

Utilization of EHFFP

Where practicable and consistent with program needs, EHFFP should be considered as a source of supply to avoid or postpone acquisition.

3.4 Spare Equipment

Exclusions

The following categories of equipment are not considered spare equipment:

- Equipment installed for emergency backup, such as an emergency power facility, an electric motor, or a pump, any of which is in place and electrically connected.
- Equipment items properly classified as stores inventory.

Review

Spare equipment records should be maintained and cross-referenced to the location in the facility and the purpose for retention as a spare.

Periodic evaluations should be conducted to determine the continued need for the spare equipment. In addition, individual item retention levels should be reviewed when:

- Spare equipment is installed for use.
- The basic equipment is removed from service.
- The process supported is changed.

Procedures should be established to provide for the identification and reporting of unneeded spare equipment as excess property.

CHAPTER 4

DISPOSITION OF EXCESS AND SURPLUS PERSONAL PROPERTY

[References: The Federal Property & Administrative Services Act of 1949, as amended; 41 CFR 101-42.002, 41 CFR 102-36.220, 102-36.375, 41 CFR 101-42.1102-10; 41 CFR 102-38; DOE O 580.1A; EADS Users Guide; and GSAXcess Users Guide]

4.1 Overview

This Chapter addresses the reutilization of excess personal property; excess property requiring special handling; and, the disposal of surplus personal property including sales, donation and abandonment.

4.2 Guiding Principles

DOE organizations and contractors should use excess personal property as the first source of supply before making a new personal property procurement. Personal property declared as excess should be reported as soon as possible using the Energy Asset Disposal System (EADS) for possible reutilization within the Department and then reported using GSAXcess for Federal-wide screening. If there are no Federal requirements for DOE's excess personal property, the personal property is considered surplus and is eligible for donation, sale, or abandonment/destruction.

4.3 Roles

The CO/OPMO/PA approves the reutilization and disposal process and monitors transactions to ensure compliance with the above cited references.

4.4 EADS/GSAXcess

EADS Reporting

Excess property should be reported using EADS except for property that is authorized for direct transfer or property that qualifies for one of the eleven exceptions listed under 41 CFR 102-36.220.

GSAXcess is the GSA system used for reporting, tracking, and controlling the nationwide inventory of excess and surplus personal property for the Federal Government. EADS is a module within GSAXcess that provides DOE-wide screening of reportable excess DOE personal property. Excess DOE personal property is screened for 12 days. Property not transferred via EADS is automatically reported to GSAXcess for Federal and State agency screening. Access to EADS can be requested through the appropriate OPMO for DOE and DOE contractor employees.

The EADS User Guide contains DOE policy for reporting, searching, freezing, and transferring personal property. The EADS User Guide can be found at the following website:
<http://gsaxcess.gov/>.

GSAXcess Processing

Excess DOE property not reutilized within DOE is eligible for GSAXcess Federal and State agency screening and is reported by EADS automatically to GSAXcess in accordance with the provisions of 41 CFR 102-36. Transfers to other Federal agencies do not require prior GSA approval as long as the original acquisition cost is no more than \$10,000 per line item. All costs associated with the transfer are the responsibility of the recipient.

Property Not Reported In GSAXcess/EADS

The following types of equipment, accessories, jigs, parts and components are not reportable and, therefore, should not be formally screened within DOE or reported to GSA:

- Items of special design, composition, or manufacture.
- Items intended for use only by specific DOE facilities, such as spare parts for equipment used in atomic processes.
- Nuclear-related and proliferation-sensitive property.

4.5 Donations

Excess personal property that is no longer needed for use within the Federal government becomes surplus property and is available for donation to state and local agencies and other eligible non-federal activities. Examples of eligible recipients include, but are not limited to, the following:

- State Agencies for Surplus Property (coordinated through GSA)
- Elementary and Secondary Schools through Computers for Learning
- Public bodies such as museums, hospitals, etc.

Title to the property transfers to the recipient and the recipient is responsible for all costs associated with the donation including environmentally safe disposition as required by Federal and State requirements.

4.6 Property Requiring Special Handling and/or Approvals

The following categories of personal property require special handling and/or approval by the HFE or the Director, Headquarters Office of Administration and/or the cognizant program office, as appropriate, prior to their lease, exchange/sale, transfer, donation, surplus sale, abandonment, or destruction:

Cyber security: Information Technology (IT)

Before IT equipment is reported as excess, qualified personnel should sanitize the hard-drive with approved sanitization software. The person sanitizing the hard-drive should sign, date, and attach a certification tag to indicate that the sanitization of the hard-drive was successfully completed. If the hard-drive cannot be sanitized, the hard-drive should be removed and destroyed in accordance with approved standards.

Sanitized IT equipment is utilized and disposed in accordance with the FMR.

Classified Personal Property

Classified personal property that is excess to DOE is sanitized of all characteristics that cause it

to be classified, as determined by the cognizant program office, prior to its disposition. The declassification should be accomplished in a manner that preserves any civilian utility or commercial value of the personal property.

The cognizant program office certifies in writing that the personal property was declassified.

Grants and Cooperative Agreements

The HFE or HFE designated individual approves transfers of property to a grant or cooperative agreement.

Hazardous Property

Excess or surplus hazardous personal property should not be commingled with non-hazardous personal property while waiting disposition action.

Hazardous, and suspected hazardous personal property, is checked for contamination by DOE environmental, safety, and health officials to prevent inadvertent release to other agencies. Contaminated personal property should be referred back to the cognizant DOE Program Office for appropriate action.

Contaminated personal property should not be utilized or disposed outside DOE when either of the following circumstances applies:

- It exceeds applicable contamination standards.
- Contamination testing of the property is impossible.

Suspected contaminated personal property should be reviewed and released by qualified personnel as contamination free property prior to reporting as excess property by the CO/OPMO/PA for disposition and then disposed of in the same manner as uncontaminated personal property.

Nuclear-Related or Proliferation-Sensitive Personal Property

Excess nuclear-related and proliferation-sensitive personal property is not reportable and not formally screened within DOE or government-wide unless the cognizant program office:

- Sanitizes it of all nuclear-related and proliferation-sensitive characteristics.
- Certifies in writing that it was sanitized.

Ozone-Depleting Substances

Executive Order (EO) 13423, *Strengthening Federal Environmental, Energy, and Transportation Management*, requires all Federal agencies to coordinate with DoD prior to disposing of their ozone-depleting substances (ODS). The President's Council on Environmental Quality prepared "Instructions for Implementing Executive Order 13423", for Federal agencies. These instructions contain the requirement to send ODSs to DoD (refer page 20) and are available at http://www.fedcenter.gov/_kd/Items/actions.cfm?action=Show&item_id=6825&destination=ShowItem

Guidance on the utilization and disposition of excess DOE ODS is contained in a report, titled A

Plan and Guidance to Implement EO 13148, Requirements to Achieve Ozone-Depleting Substance Reductions.

4.7 DOE Firearm Utilization, Transfer and Donation

Usable excess firearms may be transferred only to those Federal agencies authorized to acquire firearms for official use.

GSA may donate certain classes of surplus firearms to State and local government activities whose primary function is the enforcement of applicable Federal, State and/or local laws and whose compensated law enforcement officers have the authority to apprehend and arrest.

Firearms not transferred or donated must be destroyed and sold as scrap. Firearms and ammunition may not be donated.

For additional guidance on disposition and destruction of firearms, see 41 CFR 101-42.1102-10 and 41 CFR 102-36.375

Loans

A DOE organization may loan usable excess firearms to a State or a local law enforcement agency for direct safety or protection support to the DOE facility, as deemed necessary and approved by the OPMO. A loan is permissible provided that:

- There is a written support agreement between the DOE organization and the State or local law enforcement entity.
- The firearms are provided under an amendment to the support agreement or under a separate loan agreement, with terms requiring the recipient to:
 - Limit the use of the loaned firearms to support agreement activities and law enforcement purposes.
 - Hold harmless and indemnify DOE for any incident resulting from the use of the loaned firearms; and.
 - Return the loaned firearms to DOE when the support agreement expires or the firearms are no longer usable or required.

GSA Screening

Usable excess firearms no longer required within DOE are reported to GSA (7FB-8), Denver, CO 80225-0506 for Federal agency screening under the provisions of 41 CFR 101-42.1102-10.

When all required screening is complete and a need for the excess firearms has not been identified, they are deemed surplus to Federal agency needs and are ready for disposal.

Disposal

DOE organizations may destroy their surplus and unusable firearms if they:

- Have the capability to render the firearms and key components useless.
- Follow the guidance contained in DoD 4160.28-M, Defense Demilitarization Manual.

The destruction should be witnessed and documented.

DOE organizations that do not have the capability to destroy their surplus and unusable firearms may seek assistance from the Defense Reutilization and Marketing Service (DRMS) or the Bureau of Alcohol, Tobacco, Firearms, and Explosives (BATFE).

To obtain assistance from the BATFE, the DOE organization contacts the nearest BATFE Field Office and requests the name, telephone number, and point of contact for the nearest commercial operation used by BATFE to dispose of its confiscated and unneeded firearms.

BATFE Field Offices have no role in this process other than identifying their commercial disposal sources. Control of and accountability for the firearms remains with the generating DOE organization throughout this process. If the firearms are lost or stolen before disposal processing, or if usable components are recovered and improperly used as a result of inadequate disposal processing, responsibility and liability rest with the generating DOE organization.

4.8 Export Controlled Personal Property

Recipients of personal property subject to export controls should be informed in writing that:

- The property is subject to export controls.
- They are responsible for obtaining export licenses or authorizations prior to transferring or moving the property to another country.
- They are required to pass on export control guidance if they transfer the property to another domestic or foreign recipient.

Prior to the direct export by DOE of nuclear equipment or materials, the DOE organization or contractor obtains the export licenses for personal property that is subject to export controls.

4.9 Facilities Due to be Closed

When closing a DOE facility, the DOE organization should work with the regional GSA Office to develop a site utilization and disposal plan. In developing the plan, the written approval of:

- The Director, Headquarters Office of Acquisition and Project Management, should be obtained if a deviation from DOE policy or procedures is required.
- The servicing GSA Regional Office is sufficient to validate the program when a deviation from existing GSA regulations is involved. An information copy of the GSA approval should be forwarded to the Property Executive.

4.10 Non-Federal Agency Screeners

The CO authorizes DOE contractor employees, in writing, to serve as non-Federal screeners of excess property for use on DOE contracts. The written authorizations should include all of the information required by 41 CFR 102-36. The CO should advise GSA if an authorization is cancelled prior to the contract completion date.

4.11 Disposal of surplus personal property

Appropriate disposal of surplus property can benefit the government and the use of Internet can reduce the disposal processing time and costs and where applicable, increase sales proceeds. DOE personal property may be disposed using following processes:

- Traditional disposal methods.
- Electronic disposal methods available through the Internet.

HFES and the Director, Headquarters Office of Administration, and CO as appropriate:

- Make the determination required by 41 CFR 102-38 to permit contractors to sell surplus personal property when it is in the best interest of the Government.
- Designate a responsible person to approve negotiated sales by DOE organizations.
- Designate a person reviewing authority to review the competitive bid and negotiated sales specified in 41 CFR 102-38.
- Establish procedures to ensure that debarred, suspended, and ineligible contractors are not awarded contracts.

The Director, Headquarters Office of Acquisition and Project Management, is authorized to make the determination to simultaneously debar and suspend a contractor from:

- The purchase of surplus Federal personal property.
- The award of acquisition contracts.

OPMO/PA and appropriate program officials should perform sufficient oversight over contractor- conducted sales of surplus personal property to ensure that special handling or program office certification requirements are met.

4.12 Special Sale Requirements

Processing Requirements

The following surplus personal property may be sold only if the appropriate special processing requirements discussed in Chapter 4 are met and necessary approvals are obtained:

- Hazardous property.
- Export controlled property.
- Classified property.
- Nuclear-related or proliferation-sensitive property.
- Information technology.

Export/Import Clause

The following clause should be included in all sales of unclassified information, materials, technology, and equipment:

The use, disposition, export, and re-export of this property are subject to export control laws, regulations and directives that include but are not limited to: the Atomic Energy Act of 1954, as amended; the Arms Export Control Act (22 U.S.C. § 2751 et seq.); the Export Administration Act of 1979 as continued under the International Emergency Economic Powers Act (Title II of Pub.L. 95-223, 91 Stat. 1626, October 28, 1977); Trading with the Enemy Act (50 U.S.C. App. 5(b) as amended by the Foreign Assistance Act of 1961); Assistance to Foreign Atomic Energy Activities (10 CFR part 810); Export and Import of

Nuclear Equipment and Material (10 CFR part 110); International Traffic in Arms Regulations (22 CFR parts 120 through 130); Export Administration Regulations (15 CFR parts 730 through 734); Foreign Assets Control Regulations (31 CFR parts 500 through 598); DOE Order 142.3A, Unclassified Foreign Visits and Assignments Program, October 14, 2010; DOE Order 551.1D, Official Foreign Travel, June 24, 2008; and DOE Order 580.1A, Department of Energy Personal Property Management Program, March 30, 2012; and the Espionage Act (37 U.S.C. 791 et seq.) which among other things, prohibit:

- (1) The making of false statements and concealment of any material information regarding the use or disposition, export or re-export of the property; and
- (2) Any use or disposition, export or re-export of the property which is not authorized in accordance with the provisions of this agreement.

Antitrust Review

When a proposed sale requires review for compliance with antitrust laws, the information required by the FMR is submitted to the Director, Headquarters Office of Acquisition and Project Management for forwarding to the U. S, Department of Justice Attorney General and GSA.

4.13 Negotiated Sales

Negotiated Sales by DOE Organizations

Requests for prior approval of negotiated sales and negotiated sales at fixed price by DOE organizations are sent to the OPMO/PA for review and forwarding to the DOE Property Executive who, in turn, forwards the request to GSA.

Negotiated Sales by DOE Contractors

Negotiated sales and negotiated sales at fixed prices, by DOE contractors of surplus personal property may be made when:

- The sales are finalized at prices that could be obtained if the personal property was sold competitively.
- The DOE CO documents prior to sale that the use of this sale method is justified on the basis that:
 - No acceptable bids were received as a result of competitive bidding under a suitably advertised public sale.
 - The personal property is of such small value that the expected proceeds would not warrant the expense of a formal competitive sale.
 - The disposal is to a State, territory, possession, political subdivision thereof, or tax-supported agency therein, and the estimated fair market value of the personal property and other satisfactory terms of disposal are obtained by negotiation.
 - The specialized nature and limited use potential of the personal property would create negligible bidder interest.
 - Removal of the personal property would result in a significant reduction in value

- or the accrual of disproportionate expense in handling.
- The sale is in the best interests of the Government.

When it is determined to be in the best interests of the Government, HFEs and/or COs/PAs may authorize their contractors to negotiate sales of surplus personal property at fixed prices only under the circumstances permitted and with the prior approvals required by the FMR.

4.14 Processing Bids and Awarding of Contracts

The procedures contained in 48 CFR 14.4 and 48 CFR 914.4 regarding the receipt, handling, opening, recording, and evaluation of bids and the awarding of contracts may be used as a guide. In evaluating bids and awarding sales contracts, the awards should be made to the highest bidder under conditions most advantageous to the Government.

4.15 Internet Sales

Site-Specific Sales Arrangements

DOE organizations and contractors may negotiate their own Internet sales arrangements with commercial Internet auction service providers.

DOE-Wide Sales Arrangements

The DOE Integrated Contractor Purchasing Team (ICPT) negotiates basic ordering agreements (BOAs) to meet DOE-wide needs for Internet auction sale services. For more information regarding the ICPT, see website: <https://icpt.llnl.gov/index.html>

GSA Auction Services

GSA offers an on-line, surplus property sales service to Federal agencies on a fee for service basis. Information on this service may be obtained by contacting the nearest GSA Regional Office or by visiting the GSA web site at <http://www.gsaauction.gov>

4.16 Sales Documentation

Surplus property sales files should contain copies of all documents necessary to provide a complete record of the sales transactions, include the following as appropriate:

- A copy of the request/invitation for bids if a written request/invitation for bids is used.
- A list of items or lots sold, indicating acquisition cost, upset price and sales price indicated.
- A copy of the advertising literature distributed to prospective bidders.
- A list of prospective bidders solicited.
- An abstract of bids received.
- Copies of bids received and other relevant information.
- A statement concerning the basis for determination that proceeds constitute a reasonable return for property sold, including an evaluation of the selling price as a percentage of the acquisition value.
- When appropriate, full and adequate justification for not advertising the sale when the fair market value of property sold in this manner in any one case exceeds \$1,000.
- A justification concerning any award made to other than the high bidder.
- The approval of the reviewing authority when required.

- A copy of the notice of award.
- All related correspondence.
- In the case of auction or spot bid sales, the following additional information should be included:
 - A summary listing of the advertising used (e.g., newspapers, radio, television, and public postings).
 - The names of the prospective bidders who attended the sale.
 - A copy of any pertinent contract for auctioneering services and related documents.
 - A reference to files containing record of deposits and payments.

4.17 Disposal of Small Electronic Personal Property and Related Accessories

The United States Postal Service (USPS) has established a program for the disposition of Federal surplus small electronic personal property and related accessories. The use of USPS's recycling program is strictly voluntary. All surplus small electronic personal property and related accessories should be disposed in accordance with Executive Order 13517, Federal Leadership in Environmental, Energy, and Economic Performance, and GSA Bulletin FMR B-34 (FMR B-34) Disposal of Federal Electronic Assets.

General

All surplus electronic personal property should be transferred to an authorized certified recycler or refurbisher, in accordance with Federal Management Regulation (FMR) Bulletin B-34.

Information regarding certified recyclers is available at

<http://www.epa.gov/osw/conserve/materials/recycling/certification.htm>. Link not linked

DOE and USPS have entered into a Memorandum of Understanding where USPS provides DOE with a means for disposing of surplus small electronic personal property and related accessories through a certified recycler. Items limited to this program are:

- Laptops
- Notebooks
- Personal computers
- Blade servers
- Hard disc drives
- Portable disc drives
- Small servers
- Inkjet and toner cartridges
- Small electronics (cell phones, smart phones, GPS devices, digital cameras, tablets/readers)
- DVD/Blu Ray players

Items may be added or deleted to this list upon mutual agreement between USPS and DOE.

Related accessories such as telephone chargers, cords, etc. may be sent when packaged with cell/smart telephones, computers, etc. and must not be sent individually. Batteries should be contained inside the device and not sent separately. Monitors and fax machines are not included in

this program.

Items identified to be recycled by USPS should be shipped from each individual DOE location, see USPS website: <http://blueearth.usps.gov/>.

Using USPS's recycling program does not change DOE's policies with respect to the disposition process in accordance with DOE O 580.1A. DOE sites' use of USPS's recycling program is strictly voluntary but is strongly encouraged to be utilized as an efficient and cost effective means to recycle surplus small electronics and related accessories.

Documentation

USPS recycling program provides for electronic pick-up scheduling for those items identified for recycling by DOE sites. USPS provides DOE written confirmation for items received by USPS at the time of pick-up. This written confirmation document may be considered the official transfer of title between DOE and USPS for audit trail purposes. Sites should develop local procedures for title transfer documentation.

4.18 Abandonment and Destruction

The CO/OPMO/PA provides to the HFE for approval, the written determination that is required when personal property in the possession of a DOE organization or contractor is abandoned or destroyed within the U.S. under the conditions specified in 41 CFR 102-36.

Guidance on the abandonment or destruction of DOE property located in foreign areas is contained in Chapter 1, Loans and Chapter 6, Personal Property in Foreign Areas.

CHAPTER 5

PERSONAL PROPERTY IN A MIXED FACILITY

[Reference: Sec. 644, Public Law 95-91, 91 Stat. 599 (42 U.S.C. 7254), Sec. 31, Atomic Energy Act, as amended, Energy Reorganization Act of 1974, sections 103 and 107, Title III, Department of Energy Organization Act]

5.1 Overview

This Chapter addresses the process involved when selling or otherwise transferring DOE personal property located in a mixed facility, i.e. the facility with DOE's property and contractor's property who is the operator of that facility.

5.2 Legislative Authority

The sale or transfer of DOE personal property located in a mixed facility to the operating contractor of that facility is authorized under the following legislative authorities

- Sec. 644, Public Law 95-91, 91 Stat. 599 (42 U.S.C. 7254)
- Sec. 31, Atomic Energy Act, as amended
- Energy Reorganization Act of 1974, sections 103 and 107
- Title III, Department of Energy Organization Act

5.3 Submission of Proposals

Any proposal involving the programmatic disposal of DOE personal property located in a mixed facility to the contractor operating that facility should be forwarded, through the appropriate program office, to the Property Executive for review and approval.

5.4 Content of Proposals

Each proposal should include sufficient information to allow for a proper evaluation of the proposal. As a minimum, the proposal should:

- Describe the purpose of the mixed facility.
- Provide a complete detailed description or list of the DOE personal property involved, including its condition, acquisition cost, and present use.
- Include the appraised value of the DOE personal property. An independent appraiser should make the appraisal.
- Describe the programmatic benefits that could accrue to DOE by disposing of the DOE personal property to the contractor and factors that could become important if the disposal is not made to the contractor.
- Identify the proposed terms and conditions of the disposal.
- Provide the proposed selling price.
- Indicate that priority should be given to DOE work that requires use of the sold or transferred personal property.
- Provide the basis for any proposed charge to DOE for amortizing the cost of the DOE plant and equipment items
- Allow for the recovery of the DOE personal property if DOE foresees a possible future urgent need.

- Include the delivery terms for the property, whether “as is, where is,” etc.

5.5 Benefit to DOE Programs

When seeking approval for a programmatic disposal/selling of DOE personal property in a mixed facility, the benefit to a specific DOE program should be established and documented in the proposal.

For example, approval of the proposal might be contingent on showing that entry of the contractor as a private concern into the energy field is important and significant from a program standpoint.

CHAPTER 6

DISPOSAL OF PERSONAL PROPERTY IN FOREIGN AREAS

[References: 41 CFR 102-36.380, DOE O 580.1A]

6.1 Overview

This Chapter addresses the disposal options available for excess and surplus DOE personal property located in foreign areas.

6.2 Authority

Except where commitments exist under previous country-to-country agreements, Title IV of the Federal Property and Administrative Services Act of 1949, as amended:

- Requires the owning agency to dispose of all excess personal property located in foreign areas.
- Directs the Head of the Agency to ensure that the disposal of excess personal property in foreign areas conforms to U.S. foreign policy.

6.3 General

Excess DOE personal property located in foreign areas, which is not required by DOE or any other U.S. Government agency, is considered surplus and may be disposed by:

- Transfer, sale, exchange, or lease for cash, credit, or other property and upon such other terms and conditions as may be deemed proper.
- Donation, abandonment, or destruction under conditions specified in this chapter. With the exception of transfers to other U.S. Government agencies, foreign governments should be consulted in accordance with 41 CFR 102-36 before U.S. Government property is disposed of in their countries.

6.4 Exclusions

Excess and surplus DOE-owned high risk personal property (see Section-III, Chapter 1) should not be disposed in foreign areas.

6.5 U.S. Department of State Role

Personal property that is included on the U.S. Munitions List, 22 CFR 121.01, is subject to disposal restrictions. The U.S. Department of State (DOS) should approve the sale of this property in advance.

Sales of surplus DOE personal property located in foreign areas with a total acquisition cost of \$250,000 or more should be reported to the Property Executive to allow for consideration of possible foreign policy issues and solicitation of advice from DOS.

All proposed sales that the head of the DOE foreign office believes might have a significant economic or political impact in a particular area should be discussed with DOS.

Matters concerning customs duties, taxes, or other similar charges may require a prior agreement with the foreign government involved. DOS should be contacted regarding these issues.

Whenever the advice or approval of DOS is required or sought, it may be obtained:

- From the Foreign Service post in the foreign area involved, or
- From DOS Headquarters in Washington, DC.

If the issue is presented to DOS Headquarters in Washington, DC, it should be referred, through appropriate administrative channels, to the Director of Acquisition and Project Management for review, coordination, and handling.

6.6 Exchange/Sale Authority

While the exchange or lease of excess DOE personal property located in foreign areas is authorized, it should be exercised only when the action is clearly in the best interests of the U.S. Government.

For the exchange, lease, sale, or transfer of the property located in foreign areas, approvals are required from the organization who supplied the funding for the property.

6.7 Utilization Screening

Excess DOE personal property is screened within the general foreign geographical area where it is located. After screening is completed, the excess property that remains is reported to the responsible field office or Headquarters program office for possible return to the United States. The decision to return property to the United States should be based on such factors as its acquisition cost, residual value, condition, and cost of transportation.

6.8 Donations

Surplus DOE personal property located in foreign areas may be donated to any U.S. Government agency, or to educational, public health, or charitable nonprofit organizations.

6.9 Sales

Sales of surplus DOE personal property located in foreign areas should be conducted using the competitive bid process unless it is more advantageous to the U.S. Government not to do so. When competitive bids are not solicited, potential bidders should still be contacted in

order to ensure that the sales are made on terms that are most advantageous to the U.S. Government.

Surplus DOE personal property sold in foreign areas should have a condition of sale stating that its importation into the United States is forbidden unless it is determined that the importation would relieve domestic shortages or otherwise be beneficial to the U.S. economy. The determination is made by:

- The U.S. Secretary of Agriculture for any agricultural commodity, food, cotton, or woolen goods.
- The U.S. Secretary of Commerce for any other property.

6.10 Import Duties and Taxes

Sales documents should clearly state:

- The purchaser pays any import duties or taxes levied against surplus DOE personal property sold in the country involved.
- The amount of this duty or tax is not included as a part of the sale price paid to the U.S. Government for the surplus DOE personal property.

In the event that the duty or tax levy is placed upon the seller by law, the buyer should pay the duties or taxes and furnish the seller copies of all receipts prior to the release of the surplus DOE personal property. However, if the foreign government involved does not accept direct payment from the buyer, the seller should collect the duties or taxes and turn them over to the foreign government.

Accounting for the amounts collected should be coordinated with the disbursing officer of the nearest U.S. Foreign Service post. The property should not be released to the purchaser until the disposal officer is satisfied that there is no responsibility for payment by the U.S. Government, as contrasted to collection by the U.S. Government, of duties and taxes.

6.11 Abandonment or Destruction

Excess or surplus DOE personal property, including salvage and scrap, located in foreign areas should not be abandoned or destroyed if its donation is feasible and should be done in accordance with 41 CFR 102-36.390.

DOE personal property located in foreign areas may be abandoned or destroyed if:

- Clear and uniform “abandonment” or “destruction” wording is evident on all paperwork.
- Rationale supporting that the abandonment/destruction of property is in the interest of the U.S. Government to not return the foreign excess personal property to the U.S. for further re-use versus disposing of the property overseas, e.g., cost benefit analysis.

- Supporting documentation that demonstrates the property was offered for re-use by U.S. Federal agencies overseas.
- A review was made and findings documented to ensure that the abandonment/destruction of the property overseas conformed to the foreign policy of the United States and the terms and conditions of the international agreement.
- A written narrative provided on how it was determined the personal property has no commercial value or the estimated cost of care and handling would exceed the estimated proceeds from its sale, in accordance with 40 U.S.C. 527,
- Supporting documentation that the abandonment/destruction complies with the laws of the country in which the property is located.
- Documentation that DOS has been informed of the proposed property abandonment/destruction, and the results of the Department of State's review and determination.
- Written agreement to provisos by receiving entity official, which identifies the property to be abandoned/destroyed, and language that stipulates:
 - The property is to be abandoned to/destroyed by the recipient entity.
 - The property has no commercial value or the estimated care and handling costs exceed the estimated proceeds from its sale.
 - The items were provided to the recipient entity under specific loan or agreement.
 - The purpose the property was originally provided.
 - The recipient entity will assume the sole responsibility for this property on the same basis as any other property owned by the recipient entity.
 - The abandonment/destruction and change of ownership is on an "as-is, where-is" basis, without warranties expressed or implied of any kind.
 - The property received from DOE activity /contractor will be utilized as specified in the request for abandonment/destruction, and not for, personal use or for the purpose of resale by the recipient entity.
 - Once abandoned, the U.S. Department of Energy and (specific) contractor/laboratory are relieved of any and all future or existing contractual obligations or duties whatsoever with regard to this property. This includes any removal, disposal or reimbursement for any conversions, renovations, refurbishments, etc., at any of the recipient entity's facilities.
 - Storage and disposal costs for the abandonment/destruction items must be in accordance with local and sovereign country regulatory requirements.
 - The recipient entity understands that it shall defend and hold harmless U.S. Department of Energy and (specific) contractor/laboratory, its officers, employees and agents from and against any and all liabilities, losses, expenses and attorney fees, or claims for injury or damages arising after the abandonment of this property.
 - The re-export of this property is subject to all applicable U.S. laws and regulations.
 - After authorized abandonment, the recipient entity (signing) official will ensure removal of all markings identifying the personal property items as U.S. Department of Energy and (specific) contractor/laboratory or

Government. Within 15 calendar days after authorized abandonment, confirmation of removal of said markings will be provided in writing to U.S. Department of Energy CO and (specific) contractor/laboratory property personnel.

- The official signing the provisions is authorized to accept the conditions on behalf of the recipient entity, include printed Name, Title, Date, Contact and Address information.
- The action is required because of safety, health, or security considerations or due to military necessity.
- A written finding to that effect is made and approved by the Assistant Secretary for Policy and International Affairs.

DOE personal property located in foreign areas should not be abandoned or destroyed in a manner which:

- Is detrimental or dangerous to public health and safety.
- Causes infringement on the rights of other persons.

6.12

Reports

Proposed exchanges or sales of surplus DOE personal property located in foreign areas, with an acquisition cost of \$250,000 or more, are reported to the Property Executive. The report should include the following information:

- A description of personal property to be sold, including:
 - Identification of the property in terms that is understandable to persons who are not technical experts. Personal property listed on the U.S. Munitions List should be clearly identified.
 - Quantity.
 - Condition.
 - Acquisition cost.
- The proposed method of sale (sealed bid, negotiated sale, etc.).
- The currency and payment provisions (U.S. dollars, foreign currency, credit, terms of the proposed sale, etc.).
- Any restrictions on the use or disposal of the personal property (resale, disposal as scrap, demilitarization, etc.).
- Any special terms or conditions of sale.
- The identity and categories of the prospective purchasers (host country, other foreign country, any special qualifications, etc.).
- How duties and taxes should be handled.

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CHAPTER 1

LOANING PERSONAL

PROPERTY

[Reference: 41 CFR 102-36, DOE O 580.1A, Interagency Committee for Property Management Loan Policy Guide]

1.1 Overview

This guidance applies to all DOE Federal and contractor personnel who loan DOE personal property to other DOE offices and contractors, Federal agencies, and other organizations for official purposes. DOE personal property is loaned for use in research, studies, and other efforts that result in benefits to both the U.S. Government and the borrower. Loans of DOE personal property are designed to ensure continued research, development, and training activities. Field offices may, upon appropriate Departmental notification of emergency conditions, loan property to local agencies in support of health, safety or security requirements.

1.2 General

DOE personal property may be loaned in support of research activities as outlined in the Atomic Energy Act of 1954, Chapter 4-Research, Section 31 as amended, and in Sections 103 and 107 of the Energy Reorganization Act of 1974, provided that the DOE mission is not affected. In no case is property retained or procured to fulfill loan requests.

Idle property may be loaned to other DOE organizations, contractors, Government agencies, or organizations that have a valid Federal contract, financial assistance agreement, international treaty or cooperative agreement.

Required Approvals

In accordance with DOE O 580.1A, prior to the removal of any property from a DOE facility for loan purposes, the initiator should prepare loan documentation request packages and obtain DOE CO/OPMO/PA approvals as appropriate. Domestic and foreign loan packages should include:

- Hazardous Review.
- High Risk review Certification
- Export Control Review

The CO/OPMO/PA reviews and approves or disapproves loan packages after submission by contractors or DOE organizations.

Title to loaned property remains with the U.S. Government and accountability rests with both lending and borrowing organization.

The borrower shall return the loan item(s) in like condition as received from the lender, less normal wear and tear, and free of contamination, on or before the expiration date of the loan, unless the loan period is formally extended or the loan is terminated before the due date.

In case of loss or damage of the property loaned, the borrower shall reimburse the lender at the current price of replacement or repair entity, as appropriate.

The borrower of the loaned property assumes all costs involved in preparation, handling, loaning, disconnecting, and transportation from and to the lender.

The borrower shall agree to indemnify and hold harmless the lender and the DOE against any and all liability including loss, damages, claims, and costs incidental as a result of borrower's use or possession of the loaned property.

The loaned property may only be used for the purposes specified in the loan agreement.

The property loaned may not be modified, loaned or transferred to a third party without the written permission of the lender.

The borrower shall account for, or permit inspection of, the loaned property by the lender after proper notification. The lender may reserve the right to cancel the loan or to recall the loaned property upon 30 days' notice.

Loaned property is tracked in the lending organization's property control system and included in all site inventories.

1.3 Documentation

All domestic and foreign loans are documented on DOE F 4420.2, Personal Property Loan Agreement.

1.4 Domestic Loans

The CO/OPMO/PA approves domestic loans. Domestic loan renewals may be requested in three-year increments; however, managers of the initiator's organization review and CO/OPMO/PA concurrence is required for all renewals.

Initiating a Loan

When initiating a domestic loan:

- The initiator should complete DOE F 4420.2 and obtain the required signatures.
- The initiator should obtain all required documentation, necessary concurrences, and ensure that the loan is entered in the site's property management system.

Adding to an Existing Loan

The CO//OPMO/PA approves additions to existing domestic loans. When adding personal property to an existing domestic loan a new DOE F 4420.2 and required documentation should be prepared.

Extending a Loan

When a domestic loan extension is necessary, the initiator of the original loan should request a renewal in writing, prior to the end of the loan period.

If a loan extension has not been requested, the lender should determine prior to the end of the initial or renewal period if:

- The property should be recalled.
- The loan should be extended.
- The property should be offered for transfer, reported excess, or abandoned.

When authorized by DOE, the contractor may approve extensions of existing loans for one loan period. Further renewals are approved by the CO/OPMO/PA.

Closing a Loan

The lending organization retains the right to cancel loans and to recall loaned property within 30 calendar days of written notice to the borrower.

The borrower may cancel the loan agreement at any time by returning the property to the lender prior to the loan expiration date in accordance with the terms of the agreement. The loan should be closed after the initiator accounts for all the property items listed on the DOE F 4420.2 are returned.

1.5 Foreign Loans

For foreign loans of personal property, the OPMO should review the package for appropriate documentation, as referenced in DOE Order 580.1A and submit the package to the respective Headquarters Program Office for review and concurrence. The package should be forwarded to the Headquarters Office of International Affairs for approval.

Based on the Headquarters Office's approval or disapproval, the site DOE Property Manager or authorized designee and the CO/OPMO/PA approve or disapprove foreign loan packages.

The loan period for foreign loans may extend up to five years or may extend to the end of the country-to-country treaty or collaborative agreement between the United States/DOE and the foreign entity, with annual inventory verification. See DOE Order 580.1A for the required documentations.

Hand-carried property that remains in the custody of DOE or contractor personnel does not require a loan agreement.

Adding to or Changing Property on an Existing Loan

To add or change property to an existing loan, the initiator of the original loan completes a new DOE F 4420.2. Foreign loan modification requests for property additions or changes must be approved by the CO with notification to the PA/OPMO. In addition, the country-to-country or collaborative agreement must still be in effect.

Extending a Loan

The initiator of the original loan requests a renewal, in writing, prior to the end of the loan period and the country-to-country or collaborative agreement must still be in effect.

If a loan renewal has not been previously requested, the initiator determines in writing, prior to the end of the initial or renewal period, whether or not:

- The property should be recalled.
- The loan should be extended.
- The property should be transferred, reported excess, or abandoned.

Renewals of foreign loans are approved by the CO with notification to the PA/OPMO.

Closing a Loan

The lending organization retains the right to cancel loans or to recall loaned property within 30 calendar days of written notice to the borrower.

The borrower may cancel a loan agreement at any time by returning the property to the lender prior to the loan expiration date. The loan should be closed after the initiator accounts for all the property items listed on the DOE F 4420.2 being returned.

Transfer Title of the Loaned Property

When necessary, the DOE HQ program office should prepare the transfer of title request. The request should identify the authority for the transfer, the underlying authorizing statute for the program and/or appropriation, the legislative history, and the budget submission that relates to the program.

The transfer of title request should be endorsed by the CO/OPMO/PA. For transfers of personal property to a foreign country, the OPMO should review the package for appropriate documentation, as referenced in DOE O 580.1A and consult with the local General Counsel prior to submitting the package to the respective Headquarters offices for their review and concurrence. The package should be forwarded to Headquarter International Affairs' for concurrence and Headquarter General Counsel's approval.

The organization that supplied the funding for the property should obtain the necessary approvals.

Abandonment or Destruction of Loaned Property

Property may be abandoned or destroyed only in the best interest of the Government with prior approval of the CO/OPMO/PA and in accordance with 41 CFR 102-36.305-330.

For abandonment or destruction of personal property in a foreign country, the OPMO should review the package for appropriate documentation, as referenced in DOE O 580.1A and consult with their local General Counsel prior to submitting the package to the respective Headquarters offices for their review and concurrence. The package should be forwarded to the Headquarter International Affairs' concurrence and Headquarter General Counsel's approval.

For disposing of foreign excess loaned property, see additional requirements of 41 CFR 102-36.380-400.

CHAPTER 2

LOSS, DAMAGE, OR DESTRUCTION OF PERSONAL PROPERTY

[References: 48 CFR 45.104, 48 CFR 970.5245-1, DOE O 580.1A]

2.1 Overview

This Chapter addresses the process for reporting, investigating, and documenting instances of loss, damage, and destruction of personal property.

2.2 Guiding Principle

DOE organizations and contractors should, as soon as any occurrence of loss, damage, or destruction (LDD) of personal property (including subcontractor held property) in their possession or control becomes known, take all reasonable steps to protect remaining property.

2.3 Report of LDD

As soon as any LDD of personal property (including subcontractor held property) in their possession or control becomes known, DOE organizations and contractors should report them to the CO/OPMO/PA, as appropriate, and to security or law enforcement offices when appropriate. The CO/OPMO/PA has discretion to determine that further investigation is not warranted due to the age, condition or value of the item or based on the circumstances of the initial report of the loss, except in cases of high risk and sensitive property.

Property custodians should prepare a formal LDD of personal property report using a local form. If the local form is not used, site procedures should specify the format of the LDD report. The local form/report should be completed by the property custodian and should include the details of the loss including any actions taken to locate the property. The custodian's supervisor or contract manager should review and include any additional information. The LDD report should be provided to the CO/OPMO/PA to document the LDD investigation in a timely manner.

Physical inventory shortages should be reported to the CO/OPMO/PA, as appropriate, immediately upon completion of the physical inventories.

Information pertinent to the report of LDD of Government property should include:

- Date of the incident.
- Description of the property.
- Identifying number of the property involved, e.g., National Stock Number, serial number model number, part number, unique identifying/tag number, etc.
- Contract/Financial assistance document number.
- Quantity, unit of measure, acquisition cost.
- Full narrative of the LDD circumstances, including location, identification of individuals involved.
- Cause of LDD and actions taken or to be taken to prevent recurrence.
- Supporting documentation, such as applicable police or fire department reports, move

tickets, etc.

2.4 Liability Determination

As appropriate, the HFE or CO reviews the report, determines responsibility and financial liability for repair or replacement of the personal property, and provides a copy of the determination to the CO/OPMO/PA and the contractor.

2.5 Follow-up Action

The CO/OPMO/PA ensures that the corrective actions taken by the DOE organization or contractor are satisfactory and address property management system weaknesses. Trend data should be maintained and analyzed periodically to determine if additional corrective actions are necessary.

2.6 Retirement Work Order

Official property control financial records should be updated using a retirement work order or site equivalent to retire personal property that is lost, damaged beyond economical repair, or destroyed. The completed retirement work order should be reviewed and approved by the CO/OPMO/PA.

CHAPTER 3

IDLE EQUIPMENT

[Reference: and 41 CFR 101-27]

3.1 Overview

This Chapter addresses the use of management walk-throughs, Equipment Held for Future Projects (EHFFP) and the spares review process to manage idle DOE equipment.

3.2 Management Walk-Throughs

Management walk-throughs should be conducted at least once every two years to identify idle and unneeded personal property. Members of the walk-through inspection teams should be coordinated with the CO/OPMO/PA. The walk-throughs should cover all operating and storage areas.

OPMOs/PAs should periodically review walk-through procedures and practices of DOE organizations and contractors to determine their effectiveness.

As appropriate, equipment identified as idle and unneeded should be:

- Redeployed.
- Reassigned.
- Placed in equipment pools.
- Reported excess.

Walk-through reports should be prepared and include, at a minimum, the following information:

- Identity of the participants.
- Areas covered.
- Equipment reviewed.
- Findings and recommendations.
- Corrective action plans.
- Results achieved.

The reports should be made available for review by appropriate contractor management, DOE Offices, and audit teams. The submission of the reports to the head of the facility is at the discretion of the facility management. However, DOE field organizations may require contractors to submit walk-through reports to the CO/OPMO/PA.

3.3 EHFFP

General

The EHFFP program enables DOE organizations and contractors to:

- Retain equipment not currently in use but has a known or potential use in future DOE programs.
- Maintain visibility on the equipment through formal review and reporting procedures.

Under this program, equipment is:

- Retained where justified, considering maintenance, replacement, and storage costs, and factors such as obsolescence, deterioration, and future availability.
- Made available for use by other organizations.
- Declared excess when no longer required.

Records

EHFFP records are maintained by the holding organization. The records should include:

- A list of the equipment with the original EHFFP classification date.
- The initial justification for retaining the EHFFP.
- Re-justifications for retention.
- Documentation of management reviews.

Justification and Review Procedures

EHFFP justification and review procedures should provide:

- Sufficient detail to support the need for retaining the equipment. It should cite the future project, purpose for the equipment, or other reasons for retention.
- The initial EHFFP classification to be reviewed by a level of management above the individual making the initial determination.
- EHFFP should be justified annually to ensure that the original justification remains valid. The justification should contain sufficient detail to support the continued retention. When equipment is retained as EHFFP for longer than:
 - One year—the justification should be reviewed by management at least two levels above that of the individual making the determination to retain the EHFFP.
 - Three years—the justification requires approval by the head of the field organization.

Program Review

CO/OPMO/PA should conduct periodic reviews to ensure that the EHFFP program is conducted in accordance with DOE policy. The review should determine:

- If EHFFP was properly categorized.
- The validity of the EHFFP justifications.
- If EHFFP is included in management walk-throughs.

Utilization of EHFFP

Where practicable and consistent with program needs, EHFFP should be considered as a source of supply to avoid or postpone acquisition.

3.4 Spare Equipment

Exclusions

The following categories of equipment are not considered spare equipment:

- Equipment installed for emergency backup, such as an emergency power facility, an electric motor, or a pump, any of which is in place and electrically connected.
- Equipment items properly classified as stores inventory.

Review

Spare equipment records should be maintained and cross-referenced to the location in the facility and the purpose for retention as a spare.

Periodic evaluations should be conducted to determine the continued need for the spare equipment. In addition, individual item retention levels should be reviewed when:

- Spare equipment is installed for use.
- The basic equipment is removed from service.
- The process supported is changed.

Procedures should be established to provide for the identification and reporting of unneeded spare equipment as excess property.

CHAPTER 4

DISPOSITION OF EXCESS AND SURPLUS PERSONAL PROPERTY

[References: The Federal Property & Administrative Services Act of 1949, as amended; 41 CFR 101-42.002, 41 CFR 102-36.220, 102-36.375, 41 CFR 101-42.1102-10; 41 CFR 102-38; DOE O 580.1A; EADS Users Guide; and GSAXcess Users Guide]

4.1 Overview

This Chapter addresses the reutilization of excess personal property; excess property requiring special handling; and, the disposal of surplus personal property including sales, donation and abandonment.

4.2 Guiding Principles

DOE organizations and contractors should use excess personal property as the first source of supply before making a new personal property procurement. Personal property declared as excess should be reported as soon as possible using the Energy Asset Disposal System (EADS) for possible reutilization within the Department and then reported using GSAXcess for Federal-wide screening. If there are no Federal requirements for DOE's excess personal property, the personal property is considered surplus and is eligible for donation, sale, or abandonment/destruction.

4.3 Roles

The CO/OPMO/PA approves the reutilization and disposal process and monitors transactions to ensure compliance with the above cited references.

4.4 EADS/GSAXcess

EADS Reporting

Excess property should be reported using EADS except for property that is authorized for direct transfer or property that qualifies for one of the eleven exceptions listed under 41 CFR 102-36.220.

GSAXcess is the GSA system used for reporting, tracking, and controlling the nationwide inventory of excess and surplus personal property for the Federal Government. EADS is a module within GSAXcess that provides DOE-wide screening of reportable excess DOE personal property. Excess DOE personal property is screened for 12 days. Property not transferred via EADS is automatically reported to GSAXcess for Federal and State agency screening. Access to EADS can be requested through the appropriate OPMO for DOE and DOE contractor employees.

The EADS User Guide contains DOE policy for reporting, searching, freezing, and transferring personal property. The EADS User Guide can be found at the following website:
<http://gsaxcess.gov/>.

GSAXcess Processing

Excess DOE property not reutilized within DOE is eligible for GSAXcess Federal and State agency screening and is reported by EADS automatically to GSAXcess in accordance with the provisions of 41 CFR 102-36. Transfers to other Federal agencies do not require prior GSA approval as long as the original acquisition cost is no more than \$10,000 per line item. All costs associated with the transfer are the responsibility of the recipient.

Property Not Reported In GSAXcess/EADS

The following types of equipment, accessories, jigs, parts and components are not reportable and, therefore, should not be formally screened within DOE or reported to GSA:

- Items of special design, composition, or manufacture.
- Items intended for use only by specific DOE facilities, such as spare parts for equipment used in atomic processes.
- Nuclear-related and proliferation-sensitive property.

4.5 Donations

Excess personal property that is no longer needed for use within the Federal government becomes surplus property and is available for donation to state and local agencies and other eligible non-federal activities. Examples of eligible recipients include, but are not limited to, the following:

- State Agencies for Surplus Property (coordinated through GSA)
- Elementary and Secondary Schools through Computers for Learning
- Public bodies such as museums, hospitals, etc.

Title to the property transfers to the recipient and the recipient is responsible for all costs associated with the donation including environmentally safe disposition as required by Federal and State requirements.

4.6 Property Requiring Special Handling and/or Approvals

The following categories of personal property require special handling and/or approval by the HFE or the Director, Headquarters Office of Administration and/or the cognizant program office, as appropriate, prior to their lease, exchange/sale, transfer, donation, surplus sale, abandonment, or destruction:

Cyber security: Information Technology (IT)

Before IT equipment is reported as excess, qualified personnel should sanitize the hard-drive with approved sanitization software. The person sanitizing the hard-drive should sign, date, and attach a certification tag to indicate that the sanitization of the hard-drive was successfully completed. If the hard-drive cannot be sanitized, the hard-drive should be removed and destroyed in accordance with approved standards.

Sanitized IT equipment is utilized and disposed in accordance with the FMR.

Classified Personal Property

Classified personal property that is excess to DOE is sanitized of all characteristics that cause it

to be classified, as determined by the cognizant program office, prior to its disposition. The declassification should be accomplished in a manner that preserves any civilian utility or commercial value of the personal property.

The cognizant program office certifies in writing that the personal property was declassified.

Grants and Cooperative Agreements

The HFE or HFE designated individual approves transfers of property to a grant or cooperative agreement.

Hazardous Property

Excess or surplus hazardous personal property should not be commingled with non-hazardous personal property while waiting disposition action.

Hazardous, and suspected hazardous personal property, is checked for contamination by DOE environmental, safety, and health officials to prevent inadvertent release to other agencies. Contaminated personal property should be referred back to the cognizant DOE Program Office for appropriate action.

Contaminated personal property should not be utilized or disposed outside DOE when either of the following circumstances applies:

- It exceeds applicable contamination standards.
- Contamination testing of the property is impossible.

Suspected contaminated personal property should be reviewed and released by qualified personnel as contamination free property prior to reporting as excess property by the CO/OPMO/PA for disposition and then disposed of in the same manner as uncontaminated personal property.

Nuclear-Related or Proliferation-Sensitive Personal Property

Excess nuclear-related and proliferation-sensitive personal property is not reportable and not formally screened within DOE or government-wide unless the cognizant program office:

- Sanitizes it of all nuclear-related and proliferation-sensitive characteristics.
- Certifies in writing that it was sanitized.

Ozone-Depleting Substances

Executive Order (EO) 13423, *Strengthening Federal Environmental, Energy, and Transportation Management*, requires all Federal agencies to coordinate with DoD prior to disposing of their ozone-depleting substances (ODS). The President's Council on Environmental Quality prepared "Instructions for Implementing Executive Order 13423", for Federal agencies. These instructions contain the requirement to send ODSs to DoD (refer page 20) and are available at http://www.fedcenter.gov/_kd/Items/actions.cfm?action=Show&item_id=6825&destination=ShowItem

Guidance on the utilization and disposition of excess DOE ODS is contained in a report, titled A

Plan and Guidance to Implement EO 13148, Requirements to Achieve Ozone-Depleting Substance Reductions.

4.7 DOE Firearm Utilization, Transfer and Donation

Usable excess firearms may be transferred only to those Federal agencies authorized to acquire firearms for official use.

GSA may donate certain classes of surplus firearms to State and local government activities whose primary function is the enforcement of applicable Federal, State and/or local laws and whose compensated law enforcement officers have the authority to apprehend and arrest.

Firearms not transferred or donated must be destroyed and sold as scrap. Firearms and ammunition may not be donated.

For additional guidance on disposition and destruction of firearms, see 41 CFR 101-42.1102-10 and 41 CFR 102-36.375

Loans

A DOE organization may loan usable excess firearms to a State or a local law enforcement agency for direct safety or protection support to the DOE facility, as deemed necessary and approved by the OPMO. A loan is permissible provided that:

- There is a written support agreement between the DOE organization and the State or local law enforcement entity.
- The firearms are provided under an amendment to the support agreement or under a separate loan agreement, with terms requiring the recipient to:
 - Limit the use of the loaned firearms to support agreement activities and law enforcement purposes.
 - Hold harmless and indemnify DOE for any incident resulting from the use of the loaned firearms; and.
 - Return the loaned firearms to DOE when the support agreement expires or the firearms are no longer usable or required.

GSA Screening

Usable excess firearms no longer required within DOE are reported to GSA (7FB-8), Denver, CO 80225-0506 for Federal agency screening under the provisions of 41 CFR 101-42.1102-10.

When all required screening is complete and a need for the excess firearms has not been identified, they are deemed surplus to Federal agency needs and are ready for disposal.

Disposal

DOE organizations may destroy their surplus and unusable firearms if they:

- Have the capability to render the firearms and key components useless.
- Follow the guidance contained in DoD 4160.28-M, Defense Demilitarization Manual.

The destruction should be witnessed and documented.

DOE organizations that do not have the capability to destroy their surplus and unusable firearms may seek assistance from the Defense Reutilization and Marketing Service (DRMS) or the Bureau of Alcohol, Tobacco, Firearms, and Explosives (BATFE).

To obtain assistance from the BATFE, the DOE organization contacts the nearest BATFE Field Office and requests the name, telephone number, and point of contact for the nearest commercial operation used by BATFE to dispose of its confiscated and unneeded firearms.

BATFE Field Offices have no role in this process other than identifying their commercial disposal sources. Control of and accountability for the firearms remains with the generating DOE organization throughout this process. If the firearms are lost or stolen before disposal processing, or if usable components are recovered and improperly used as a result of inadequate disposal processing, responsibility and liability rest with the generating DOE organization.

4.8 Export Controlled Personal Property

Recipients of personal property subject to export controls should be informed in writing that:

- The property is subject to export controls.
- They are responsible for obtaining export licenses or authorizations prior to transferring or moving the property to another country.
- They are required to pass on export control guidance if they transfer the property to another domestic or foreign recipient.

Prior to the direct export by DOE of nuclear equipment or materials, the DOE organization or contractor obtains the export licenses for personal property that is subject to export controls.

4.9 Facilities Due to be Closed

When closing a DOE facility, the DOE organization should work with the regional GSA Office to develop a site utilization and disposal plan. In developing the plan, the written approval of:

- The Director, Headquarters Office of Acquisition and Project Management, should be obtained if a deviation from DOE policy or procedures is required.
- The servicing GSA Regional Office is sufficient to validate the program when a deviation from existing GSA regulations is involved. An information copy of the GSA approval should be forwarded to the Property Executive.

4.10 Non-Federal Agency Screeners

The CO authorizes DOE contractor employees, in writing, to serve as non-Federal screeners of excess property for use on DOE contracts. The written authorizations should include all of the information required by 41 CFR 102-36. The CO should advise GSA if an authorization is cancelled prior to the contract completion date.

4.11 Disposal of surplus personal property

Appropriate disposal of surplus property can benefit the government and the use of Internet can reduce the disposal processing time and costs and where applicable, increase sales proceeds. DOE personal property may be disposed using following processes:

- Traditional disposal methods.
- Electronic disposal methods available through the Internet.

HFES and the Director, Headquarters Office of Administration, and CO as appropriate:

- Make the determination required by 41 CFR 102-38 to permit contractors to sell surplus personal property when it is in the best interest of the Government.
- Designate a responsible person to approve negotiated sales by DOE organizations.
- Designate a person reviewing authority to review the competitive bid and negotiated sales specified in 41 CFR 102-38.
- Establish procedures to ensure that debarred, suspended, and ineligible contractors are not awarded contracts.

The Director, Headquarters Office of Acquisition and Project Management, is authorized to make the determination to simultaneously debar and suspend a contractor from:

- The purchase of surplus Federal personal property.
- The award of acquisition contracts.

OPMO/PA and appropriate program officials should perform sufficient oversight over contractor- conducted sales of surplus personal property to ensure that special handling or program office certification requirements are met.

4.12 Special Sale Requirements

Processing Requirements

The following surplus personal property may be sold only if the appropriate special processing requirements discussed in Chapter 4 are met and necessary approvals are obtained:

- Hazardous property.
- Export controlled property.
- Classified property.
- Nuclear-related or proliferation-sensitive property.
- Information technology.

Export/Import Clause

The following clause should be included in all sales of unclassified information, materials, technology, and equipment:

The use, disposition, export, and re-export of this property are subject to export control laws, regulations and directives that include but are not limited to: the Atomic Energy Act of 1954, as amended; the Arms Export Control Act (22 U.S.C. § 2751 et seq.); the Export Administration Act of 1979 as continued under the International Emergency Economic Powers Act (Title II of Pub.L. 95-223, 91 Stat. 1626, October 28, 1977); Trading with the Enemy Act (50 U.S.C. App. 5(b) as amended by the Foreign Assistance Act of 1961); Assistance to Foreign Atomic Energy Activities (10 CFR part 810); Export and Import of

Nuclear Equipment and Material (10 CFR part 110); International Traffic in Arms Regulations (22 CFR parts 120 through 130); Export Administration Regulations (15 CFR parts 730 through 734); Foreign Assets Control Regulations (31 CFR parts 500 through 598); DOE Order 142.3A, Unclassified Foreign Visits and Assignments Program, October 14, 2010; DOE Order 551.1D, Official Foreign Travel, June 24, 2008; and DOE Order 580.1A, Department of Energy Personal Property Management Program, March 30, 2012; and the Espionage Act (37 U.S.C. 791 et seq.) which among other things, prohibit:

- (1) The making of false statements and concealment of any material information regarding the use or disposition, export or re-export of the property; and
- (2) Any use or disposition, export or re-export of the property which is not authorized in accordance with the provisions of this agreement.

Antitrust Review

When a proposed sale requires review for compliance with antitrust laws, the information required by the FMR is submitted to the Director, Headquarters Office of Acquisition and Project Management for forwarding to the U. S, Department of Justice Attorney General and GSA.

4.13 Negotiated Sales

Negotiated Sales by DOE Organizations

Requests for prior approval of negotiated sales and negotiated sales at fixed price by DOE organizations are sent to the OPMO/PA for review and forwarding to the DOE Property Executive who, in turn, forwards the request to GSA.

Negotiated Sales by DOE Contractors

Negotiated sales and negotiated sales at fixed prices, by DOE contractors of surplus personal property may be made when:

- The sales are finalized at prices that could be obtained if the personal property was sold competitively.
- The DOE CO documents prior to sale that the use of this sale method is justified on the basis that:
 - No acceptable bids were received as a result of competitive bidding under a suitably advertised public sale.
 - The personal property is of such small value that the expected proceeds would not warrant the expense of a formal competitive sale.
 - The disposal is to a State, territory, possession, political subdivision thereof, or tax-supported agency therein, and the estimated fair market value of the personal property and other satisfactory terms of disposal are obtained by negotiation.
 - The specialized nature and limited use potential of the personal property would create negligible bidder interest.
 - Removal of the personal property would result in a significant reduction in value

- or the accrual of disproportionate expense in handling.
- The sale is in the best interests of the Government.

When it is determined to be in the best interests of the Government, HFEs and/or COs/PAs may authorize their contractors to negotiate sales of surplus personal property at fixed prices only under the circumstances permitted and with the prior approvals required by the FMR.

4.14 Processing Bids and Awarding of Contracts

The procedures contained in 48 CFR 14.4 and 48 CFR 914.4 regarding the receipt, handling, opening, recording, and evaluation of bids and the awarding of contracts may be used as a guide. In evaluating bids and awarding sales contracts, the awards should be made to the highest bidder under conditions most advantageous to the Government.

4.15 Internet Sales

Site-Specific Sales Arrangements

DOE organizations and contractors may negotiate their own Internet sales arrangements with commercial Internet auction service providers.

DOE-Wide Sales Arrangements

The DOE Integrated Contractor Purchasing Team (ICPT) negotiates basic ordering agreements (BOAs) to meet DOE-wide needs for Internet auction sale services. For more information regarding the ICPT, see website: <https://icpt.llnl.gov/index.html>

GSA Auction Services

GSA offers an on-line, surplus property sales service to Federal agencies on a fee for service basis. Information on this service may be obtained by contacting the nearest GSA Regional Office or by visiting the GSA web site at <http://www.gsaauction.gov>

4.16 Sales Documentation

Surplus property sales files should contain copies of all documents necessary to provide a complete record of the sales transactions, include the following as appropriate:

- A copy of the request/invitation for bids if a written request/invitation for bids is used.
- A list of items or lots sold, indicating acquisition cost, upset price and sales price indicated.
- A copy of the advertising literature distributed to prospective bidders.
- A list of prospective bidders solicited.
- An abstract of bids received.
- Copies of bids received and other relevant information.
- A statement concerning the basis for determination that proceeds constitute a reasonable return for property sold, including an evaluation of the selling price as a percentage of the acquisition value.
- When appropriate, full and adequate justification for not advertising the sale when the fair market value of property sold in this manner in any one case exceeds \$1,000.
- A justification concerning any award made to other than the high bidder.
- The approval of the reviewing authority when required.

- A copy of the notice of award.
- All related correspondence.
- In the case of auction or spot bid sales, the following additional information should be included:
 - A summary listing of the advertising used (e.g., newspapers, radio, television, and public postings).
 - The names of the prospective bidders who attended the sale.
 - A copy of any pertinent contract for auctioneering services and related documents.
 - A reference to files containing record of deposits and payments.

4.17 Disposal of Small Electronic Personal Property and Related Accessories

The United States Postal Service (USPS) has established a program for the disposition of Federal surplus small electronic personal property and related accessories. The use of USPS's recycling program is strictly voluntary. All surplus small electronic personal property and related accessories should be disposed in accordance with Executive Order 13517, Federal Leadership in Environmental, Energy, and Economic Performance, and GSA Bulletin FMR B-34 (FMR B-34) Disposal of Federal Electronic Assets.

General

All surplus electronic personal property should be transferred to an authorized certified recycler or refurbisher, in accordance with Federal Management Regulation (FMR) Bulletin B-34.

Information regarding certified recyclers is available at

<http://www.epa.gov/osw/conserve/materials/recycling/certification.htm>. Link not linked

DOE and USPS have entered into a Memorandum of Understanding where USPS provides DOE with a means for disposing of surplus small electronic personal property and related accessories through a certified recycler. Items limited to this program are:

- Laptops
- Notebooks
- Personal computers
- Blade servers
- Hard disc drives
- Portable disc drives
- Small servers
- Inkjet and toner cartridges
- Small electronics (cell phones, smart phones, GPS devices, digital cameras, tablets/readers)
- DVD/Blu Ray players

Items may be added or deleted to this list upon mutual agreement between USPS and DOE.

Related accessories such as telephone chargers, cords, etc. may be sent when packaged with cell/smart telephones, computers, etc. and must not be sent individually. Batteries should be contained inside the device and not sent separately. Monitors and fax machines are not included in

this program.

Items identified to be recycled by USPS should be shipped from each individual DOE location, see USPS website: <http://blueearth.usps.gov/>.

Using USPS's recycling program does not change DOE's policies with respect to the disposition process in accordance with DOE O 580.1A. DOE sites' use of USPS's recycling program is strictly voluntary but is strongly encouraged to be utilized as an efficient and cost effective means to recycle surplus small electronics and related accessories.

Documentation

USPS recycling program provides for electronic pick-up scheduling for those items identified for recycling by DOE sites. USPS provides DOE written confirmation for items received by USPS at the time of pick-up. This written confirmation document may be considered the official transfer of title between DOE and USPS for audit trail purposes. Sites should develop local procedures for title transfer documentation.

4.18 Abandonment and Destruction

The CO/OPMO/PA provides to the HFE for approval, the written determination that is required when personal property in the possession of a DOE organization or contractor is abandoned or destroyed within the U.S. under the conditions specified in 41 CFR 102-36.

Guidance on the abandonment or destruction of DOE property located in foreign areas is contained in Chapter 1, Loans and Chapter 6, Personal Property in Foreign Areas.

CHAPTER 5

PERSONAL PROPERTY IN A MIXED FACILITY

[Reference: Sec. 644, Public Law 95-91, 91 Stat. 599 (42 U.S.C. 7254), Sec. 31, Atomic Energy Act, as amended, Energy Reorganization Act of 1974, sections 103 and 107, Title III, Department of Energy Organization Act]

5.1 Overview

This Chapter addresses the process involved when selling or otherwise transferring DOE personal property located in a mixed facility, i.e. the facility with DOE's property and contractor's property who is the operator of that facility.

5.2 Legislative Authority

The sale or transfer of DOE personal property located in a mixed facility to the operating contractor of that facility is authorized under the following legislative authorities

- Sec. 644, Public Law 95-91, 91 Stat. 599 (42 U.S.C. 7254)
- Sec. 31, Atomic Energy Act, as amended
- Energy Reorganization Act of 1974, sections 103 and 107
- Title III, Department of Energy Organization Act

5.3 Submission of Proposals

Any proposal involving the programmatic disposal of DOE personal property located in a mixed facility to the contractor operating that facility should be forwarded, through the appropriate program office, to the Property Executive for review and approval.

5.4 Content of Proposals

Each proposal should include sufficient information to allow for a proper evaluation of the proposal. As a minimum, the proposal should:

- Describe the purpose of the mixed facility.
- Provide a complete detailed description or list of the DOE personal property involved, including its condition, acquisition cost, and present use.
- Include the appraised value of the DOE personal property. An independent appraiser should make the appraisal.
- Describe the programmatic benefits that could accrue to DOE by disposing of the DOE personal property to the contractor and factors that could become important if the disposal is not made to the contractor.
- Identify the proposed terms and conditions of the disposal.
- Provide the proposed selling price.
- Indicate that priority should be given to DOE work that requires use of the sold or transferred personal property.
- Provide the basis for any proposed charge to DOE for amortizing the cost of the DOE plant and equipment items
- Allow for the recovery of the DOE personal property if DOE foresees a possible future urgent need.

- Include the delivery terms for the property, whether “as is, where is,” etc.

5.5 Benefit to DOE Programs

When seeking approval for a programmatic disposal/selling of DOE personal property in a mixed facility, the benefit to a specific DOE program should be established and documented in the proposal.

For example, approval of the proposal might be contingent on showing that entry of the contractor as a private concern into the energy field is important and significant from a program standpoint.

CHAPTER 6

DISPOSAL OF PERSONAL PROPERTY IN FOREIGN AREAS

[References: 41 CFR 102-36.380, DOE O 580.1A]

6.1 Overview

This Chapter addresses the disposal options available for excess and surplus DOE personal property located in foreign areas.

6.2 Authority

Except where commitments exist under previous country-to-country agreements, Title IV of the Federal Property and Administrative Services Act of 1949, as amended:

- Requires the owning agency to dispose of all excess personal property located in foreign areas.
- Directs the Head of the Agency to ensure that the disposal of excess personal property in foreign areas conforms to U.S. foreign policy.

6.3 General

Excess DOE personal property located in foreign areas, which is not required by DOE or any other U.S. Government agency, is considered surplus and may be disposed by:

- Transfer, sale, exchange, or lease for cash, credit, or other property and upon such other terms and conditions as may be deemed proper.
- Donation, abandonment, or destruction under conditions specified in this chapter. With the exception of transfers to other U.S. Government agencies, foreign governments should be consulted in accordance with 41 CFR 102-36 before U.S. Government property is disposed of in their countries.

6.4 Exclusions

Excess and surplus DOE-owned high risk personal property (see Section-III, Chapter 1) should not be disposed in foreign areas.

6.5 U.S. Department of State Role

Personal property that is included on the U.S. Munitions List, 22 CFR 121.01, is subject to disposal restrictions. The U.S. Department of State (DOS) should approve the sale of this property in advance.

Sales of surplus DOE personal property located in foreign areas with a total acquisition cost of \$250,000 or more should be reported to the Property Executive to allow for consideration of possible foreign policy issues and solicitation of advice from DOS.

All proposed sales that the head of the DOE foreign office believes might have a significant economic or political impact in a particular area should be discussed with DOS.

Matters concerning customs duties, taxes, or other similar charges may require a prior agreement with the foreign government involved. DOS should be contacted regarding these issues.

Whenever the advice or approval of DOS is required or sought, it may be obtained:

- From the Foreign Service post in the foreign area involved, or
- From DOS Headquarters in Washington, DC.

If the issue is presented to DOS Headquarters in Washington, DC, it should be referred, through appropriate administrative channels, to the Director of Acquisition and Project Management for review, coordination, and handling.

6.6 Exchange/Sale Authority

While the exchange or lease of excess DOE personal property located in foreign areas is authorized, it should be exercised only when the action is clearly in the best interests of the U.S. Government.

For the exchange, lease, sale, or transfer of the property located in foreign areas, approvals are required from the organization who supplied the funding for the property.

6.7 Utilization Screening

Excess DOE personal property is screened within the general foreign geographical area where it is located. After screening is completed, the excess property that remains is reported to the responsible field office or Headquarters program office for possible return to the United States. The decision to return property to the United States should be based on such factors as its acquisition cost, residual value, condition, and cost of transportation.

6.8 Donations

Surplus DOE personal property located in foreign areas may be donated to any U.S. Government agency, or to educational, public health, or charitable nonprofit organizations.

6.9 Sales

Sales of surplus DOE personal property located in foreign areas should be conducted using the competitive bid process unless it is more advantageous to the U.S. Government not to do so. When competitive bids are not solicited, potential bidders should still be contacted in order to ensure that the sales are made on terms that are most advantageous to the U.S. Government.

Surplus DOE personal property sold in foreign areas should have a condition of sale stating that its importation into the United States is forbidden unless it is determined that the importation would relieve domestic shortages or otherwise be beneficial to the U.S. economy. The determination is made by:

- The U.S. Secretary of Agriculture for any agricultural commodity, food, cotton, or

- woolen goods.
- The U.S. Secretary of Commerce for any other property.

6.10 Import Duties and Taxes

Sales documents should clearly state:

- The purchaser pays any import duties or taxes levied against surplus DOE personal property sold in the country involved.
- The amount of this duty or tax is not included as a part of the sale price paid to the U.S. Government for the surplus DOE personal property.

In the event that the duty or tax levy is placed upon the seller by law, the buyer should pay the duties or taxes and furnish the seller copies of all receipts prior to the release of the surplus DOE personal property. However, if the foreign government involved does not accept direct payment from the buyer, the seller should collect the duties or taxes and turn them over to the foreign government.

Accounting for the amounts collected should be coordinated with the disbursing officer of the nearest U.S. Foreign Service post. The property should not be released to the purchaser until the disposal officer is satisfied that there is no responsibility for payment by the U.S. Government, as contrasted to collection by the U.S. Government, of duties and taxes.

6.11 Abandonment or Destruction

Excess or surplus DOE personal property, including salvage and scrap, located in foreign areas should not be abandoned or destroyed if its donation is feasible and should be done in accordance with 41 CFR 102-36.390.

DOE personal property located in foreign areas may be abandoned or destroyed if:

- Clear and uniform “abandonment” or “destruction” wording is evident on all paperwork.
- Rationale supporting that the abandonment/destruction of property is in the interest of the U.S. Government to not return the foreign excess personal property to the U.S. for further re-use versus disposing of the property overseas, e.g., cost benefit analysis.
- Supporting documentation that demonstrates the property was offered for re-use by U.S. Federal agencies overseas.
- A review was made and findings documented to ensure that the abandonment/destruction of the property overseas conformed to the foreign policy of the United States and the terms and conditions of the international agreement.
- A written narrative provided on how it was determined the personal property has no commercial value or the estimated cost of care and handling would exceed the estimated proceeds from its sale, in accordance with 40 U.S.C. 527,
- Supporting documentation that the abandonment/destruction complies with the laws of the country in which the property is located.
- Documentation that DOS has been informed of the proposed property abandonment/destruction, and the results of the Department of State’s review and determination.

- Written agreement to provisos by receiving entity official, which identifies the property to be abandoned/destroyed, and language that stipulates:
 - The property is to be abandoned to/destroyed by the recipient entity.
 - The property has no commercial value or the estimated care and handling costs exceed the estimated proceeds from its sale.
 - The items were provided to the recipient entity under specific loan or agreement.
 - The purpose the property was originally provided.
 - The recipient entity will assume the sole responsibility for this property on the same basis as any other property owned by the recipient entity.
 - The abandonment/destruction and change of ownership is on an “as-is, where-is” basis, without warranties expressed or implied of any kind.
 - The property received from DOE activity /contractor will be utilized as specified in the request for abandonment/destruction, and not for, personal use or for the purpose of resale by the recipient entity.
 - Once abandoned, the U.S. Department of Energy and (specific) contractor/laboratory are relieved of any and all future or existing contractual obligations or duties whatsoever with regard to this property. This includes any removal, disposal or reimbursement for any conversions, renovations, refurbishments, etc., at any of the recipient entity’s facilities.
 - Storage and disposal costs for the abandonment/destruction items must be in accordance with local and sovereign country regulatory requirements.
 - The recipient entity understands that it shall defend and hold harmless U.S. Department of Energy and (specific) contractor/laboratory, its officers, employees and agents from and against any and all liabilities, losses, expenses and attorney fees, or claims for injury or damages arising after the abandonment of this property.
 - The re-export of this property is subject to all applicable U.S. laws and regulations.
 - After authorized abandonment, the recipient entity (signing) official will ensure removal of all markings identifying the personal property items as U.S. Department of Energy and (specific) contractor/laboratory or Government. Within 15 calendar days after authorized abandonment, confirmation of removal of said markings will be provided in writing to U.S. Department of Energy CO and (specific) contractor/laboratory property personnel.
 - The official signing the provisions is authorized to accept the conditions on behalf of the recipient entity, include printed Name, Title, Date, Contact and Address information.
- The action is required because of safety, health, or security considerations or due to military necessity.
- A written finding to that effect is made and approved by the Assistant Secretary for Policy and International Affairs.

DOE personal property located in foreign areas should not be abandoned or destroyed in a manner which:

- Is detrimental or dangerous to public health and safety.
- Causes infringement on the rights of other persons.

6.12 Reports

Proposed exchanges or sales of surplus DOE personal property located in foreign areas, with an acquisition cost of \$250,000 or more, are reported to the Property Executive. The report should include the following information:

- A description of personal property to be sold, including:
 - Identification of the property in terms that is understandable to persons who are not technical experts. Personal property listed on the U.S. Munitions List should be clearly identified.
 - Quantity.
 - Condition.
 - Acquisition cost.
 - The proposed method of sale (sealed bid, negotiated sale, etc.).
 - The currency and payment provisions (U.S. dollars, foreign currency, credit, terms of the proposed sale, etc.).
 - Any restrictions on the use or disposal of the personal property (resale, disposal as scrap, demilitarization, etc.).
 - Any special terms or conditions of sale.
 - The identity and categories of the prospective purchasers (host country, other foreign country, any special qualifications, etc.).
 - How duties and taxes should be handled
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