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DOE G 580.1-1
12-7-05

DEPARTMENT OF ENERGY PERSONAL PROPERTY MANAGEMENT GUIDE

An Implementation Guide for the DOE Personal Property Management Program

[This Guide describes suggested nonmandatory approaches for meeting requirements. Guides are not requirements documents and are not construed as requirements in any audit or appraisal for compliance with the parent Policy, Order, Notice, or Manual.]



U.S. Department of Energy
Washington, D.C. 20585

FOREWORD

This Personal Property Management Guide is the second Department of Energy (DOE) directive developed to replace most parts of the DOE Property Management Regulations (DOE-PMR). The other directive is

DOE O 580.1, *Department of Energy Personal Property Management Program*, dated 12-7-05, which sets forth Departmental requirements regarding standards, practices, and performance expectations; program responsibilities, and intended contractor requirements.

Collectively, these two directives fulfill the longstanding commitment by the Department to reduce or eliminate the DOE-PMR. Established as a two-phase goal in 1995, Phase I produced an updated DOE-PMR, published in May 1998, to replace an obsolete, 14-year-old edition of the regulation that was then in effect. Shortly after Phase II began, a decision was made to place it on hold as the General Services Administration (GSA) began its effort to develop a successor regulation—the Federal Management Regulations (FMR)—to the Federal Property Management Regulations (FPMR). When the direction and the pace of the GSA effort became clear, the Department opted to pursue partial elimination of the DOE-PMR.

This Guide provides nonregulatory 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 the regulatory requirements contained in FPMR and FMR.

This Guide consists of parts and chapters, and includes the following types of material:

- Guiding principles—essential objectives that, when satisfied, provide a measure of the effectiveness and efficiency of property systems.
- Best practices—practical techniques to be followed by DOE and contractor personal property management functions.
- Internal Departmental procedures.
- Samples of forms and other useful documentation.
- Subject matter previously issued through Personal Property Letters.

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 Resource Management, Office of Procurement and Assistance Management within the Office of Management. It will be amended to add new guidance or revise existing material as necessary. Questions regarding specific topics in the Guide may also be directed to this office at 202-287-1563.

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SECTION I
GENERAL

CHAPTER 1

PROPERTY MANAGEMENT REGULATION AND DIRECTIVES SYSTEMS

[References: 41 CFR 101 and 102; 48 CFR; 48 CFR 109; DOE O 580.1; DOE P 251.1; Acquisition Letter 95-06]

1.1 Overview

This chapter addresses the Federal property management regulation systems and the DOE directives system.

1.2 Guiding Principles

To the maximum practical extent, authority is delegated to those individuals who are responsible and accountable for the work actions.

Direction and guidance are provided only to the degree necessary to ensure a clear understanding of Federal and DOE property management policies and procedures.

1.3 The Federal Property Management Regulations System

The Federal property management regulations system currently consists of policies and procedures published in four chapters of the Code of Federal Regulations (CFR):

- 41 CFR 101, Federal Property Management Regulations (FPMR);
- 41 CFR 102, 109 Federal Management Regulation (FMR);
- 48 CFR 1, Federal Acquisition Regulation (FAR); and
- 48 CFR 9, DOE Acquisition Regulation (DEAR).

The FMR is the designated successor regulation to the FPMR. Since the succession is occurring as a part-by-part conversion, parts of the FPMR will be in effect until their replacement FMR parts are codified.

Unless specified by contract, the property policies and procedures contained in FAR Part 45 and DEAR Part 945 do not apply to DOE contractors. These contractors are subject to the property policies and procedures specified by the contract clause in 48 CFR 970.5245-1, Property.

1.4 DOE Directives System

The DOE directives system includes policies, orders, notices, manuals, regulations, technical standards, and guides that:

- Direct, guide, inform, and instruct employees in the performance of their jobs; and
- Enable them to work effectively within the Department and with other agencies, contractors, and the public.

The DOE directives system is used to describe and communicate the DOE personal property management program:

- Program requirements and responsibilities are contained in DOE O 580.1, *Department of Energy Personal Property Management Program*.
- Nonregulatory guidance and information is contained in DOE G 580.1-1, *Department of Energy Personal Property Management Guide*.

Collectively, these two directives replace the DOE Property Management Regulations (DOE-PMR) with the exception of high risk, motor equipment, and the Energy Related Laboratory Equipment (ERLE) Grant Program, which remain in the DOE-PMR.

1.5 Personal Property Letters and Bulletins

Personal Property Letters (PPLs) are used to provide temporary guidance (not to exceed one year) to DOE contracting activities regarding the implementation of the property provisions contained in the DEAR.

Bulletins are used to disseminate personal property management information or to clarify instructions contained in the FMR or FPMR.

1.6 Applicability of the CFR and the DOE Directives

The terms DOE organization and DOE contractor in the 580 series of DOE directives are used as defined in this Guide.

The codified personal property management provisions and requirements of the FMR and FPMR apply to:

- DOE organizations, as defined in this Guide, that have personal property management responsibilities.
- DOE contractors that are responsible for the management and operation of DOE-owned facilities and whose contracts contain the property provisions of section 970.5245-1 of the DEAR; and other DOE contractors as determined by the DOE Procurement Executive or Head of a Contracting Activity (HCA).

The codified personal property management provisions and requirements contained in Part 45 of the FAR and Part 945 of the DEAR apply to:

- DOE organizations that manage contracts containing one of the property contract clauses from FAR Part 52.

- DOE contractors whose contracts contain one of the property contract clauses from FAR Part 52.

The codified personal property management standards, provisions and requirements contained in 10 CFR Part 600 of the Energy Regulations apply to recipients of DOE grants and cooperative agreements.

The 580 series of the DOE directives apply to DOE organizations and to DOE contractors to the extent indicated in each directive.

1.7 Deviations from the CFR and DOE Directives

The Administrator of General Services grants deviations from the requirements of the FMR, FPMR and FAR. The Property Executive grants waivers from requirements specified in the DEAR and DOE O 580.1. When requesting deviation authority, the Organizational Property Management Officer (OPMO) forwards the request, with supporting documentation, to:

- The Property Executive for property matters not related to aviation; and
- The DOE Senior Aviation Management Official for aviation related matters.
- Deviation requests contain the following information:
 - A statement of the deviation desired, including identification of the specific paragraph number(s) of the FMR, FPMR, FAR, DEAR, or DOE Order;
 - The reason why the deviation is considered necessary or would be in the best interest of the Government;
 - A statement as to whether the deviation has been requested previously and, if so, circumstances of the previous request;
 - A description of the intended effect of the deviation;
 - A statement of the period of time for which the deviation is needed; and
 - Any background information that will contribute to a full understanding of the desired deviation.

CHAPTER 2

DEFINITIONS AND ACRONYMS

[References: 41 CFR 101, 102, and 109, 48 CFR 970.5204-21; DOE O 580.1]

2.1 Overview

DOE has adopted the terms and definitions contained in the American Society for Testing and Materials (ASTM) International voluntary consensus standard called Practice E2135-02, Standard Terminology for Property and Asset Management. See Chapter 8 for further guidance on voluntary consensus standards.

In addition to these terms and definitions, this chapter provides definitions and acronyms for terms that are used in this Guide and in the DOE policy and Order that this Guide supplements.

Like all Federal agencies, DOE is bound by applicable statutory definitions. In those instances where identical or similar terms are defined differently in the ASTM standard and in the FMR, FPMR, and this chapter, the latter definitions have precedence.

2.2 Definitions

Administratively controlled items—those personal property items for which there is no Departmental requirement for formal property records to be maintained, but for which DOE offices have determined that property records will be maintained for various control purposes.

Approving authority—the OPMO or other designated individual authorized to approve a loan.

Automatic data processing equipment (see definition for information technology). Note: This cross-reference will serve as a transitional reference until the term information technology is used more broadly within the DOE Complex.

Book value—acquisition cost less depreciation.

Borrower—a DOE office, contractor, facility or other Federal, State, or local government agency or other organization that can provide a valid Federal contract number or other official basis for the loan of property.

Component—one of the parts that make up a system. A component may be hardware, software, or firmware and may be subdivided into other components.

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

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

Demilitarization—the act of destroying the military offensive or defensive advantages inherent in certain types of equipment or material, using the methods specified in the Defense Demilitarization Manual, DoD 4160.21-M-1.

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 580.1 as a contract requirement.

DOE Financial Assistance Rules—the DOE regulations 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.
- The NNSA, except where specifically excluded.

DOE screening period—the period of time that reportable excess personal property is screened throughout DOE for reutilization purposes and, for selected items, through the Used Energy-Related Laboratory Equipment (ERLE) Grant Program.

Departmental Motor Equipment Fleet Manager—the individual responsible for developing and implementing DOE motor equipment policy and for conducting oversight of the DOE motor equipment program. The individuals designated as Property Executives are the Departmental Motor Equipment Fleet Managers for their respective organizations.

Direct operations—operations conducted by DOE personnel.

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

Domestic loan—the temporary transfer of idled U.S. Government property or materials to a DOE office or contractor, laboratory, or other government entity for uses that will benefit the U.S. Government and the borrower.

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—for property management purposes, any item of personal property having a unit acquisition cost of \$5,000 or more and having the potential for maintaining its integrity (i.e., not expendable due to use) as an item.

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.

Especially designed or prepared property—equipment, materials, and technology designed or prepared especially for use in the nuclear fuel cycle and described in the International Atomic Energy Agency Information Circular 254 Part 1, the Nuclear Suppliers Group Trigger List.

Experimental vehicle—a vehicle acquired solely for testing and research purposes or otherwise designated for experimental purposes. Such vehicles are the object of testing and research as differentiated from those used as vehicular support to testing and research. Experimental vehicles are not used for passenger carrying services unless required as part of a testing/evaluation program, and are not subject to statutory price limitations or authorization limitations.

Export controlled information—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 affect 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. 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.

Foreign—any area outside the United States, Puerto Rico, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands.

Foreign loan—any foreign shipment of government 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;
- Property sent out for repairs or maintenance; and
- Property specifically identified in joint research and development projects, collaborative agreements, joint experiments, or other joint use agreements.

Foreign Service post—the local diplomatic or consular post in the area where the excess personal property is located.

Hazardous property—any personal property, including scrap or waste, that is ignitable, explosive, corrosive, reactive, or toxic because of its quantity, concentration, or physical, chemical, or infectious characteristics, or that is deemed a hazardous material, chemical substance or mixture, or hazardous waste under the Hazardous Material Transportation Act, the Resource Conservation and Recovery Act, or the Toxic Substances Control Act. Such property can be in solid, liquid, semi-liquid, or contained gas form and may cause or significantly contribute to an increase in mortality or illness, or pose present or potential hazards to human health or the environment when improperly used, treated, stored, transported, disposed of, or mismanaged. Among other things, it includes hazardous materials and hazardous wastes as defined in the FPMR.

Head of the Contracting Activity—the head of a Departmental element who has been delegated authority by the Director for Procurement and Assistance 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 organizations—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.

High risk personal property—property that, because of its potential impact on public health and safety, the environment, national security interests, or proliferation concerns, must be controlled, and disposed of in other than the routine manner. The categories of high risk property, defined separately in this chapter.

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, which is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. Information technology requires high risk controls when it meets any one or more of the following conditions:

- It was used to process classified information, unclassified controlled nuclear information, or export controlled information;
- It cannot be certified as sanitized, ensuring all data, information, and software has been removed from the equipment; and
- It is a computer, or series of computers, categorized by the Department of Commerce as a “high performance computer” or “general purpose computer” and has a composite theoretical performance capability exceeding a specified MTOPS.

Initiator—the property custodian, Loan Agreement Coordinator, or other authorized individual who originates or establishes the loan.

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. The following related functions are included:

- Providing adequate protection against misuse, theft, and misappropriation.
- Providing 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.

- Providing 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.

Loan agreement coordinator—the DOE or contractor individual who is responsible for documenting and controlling property on DOE loan agreements.

Military property—tangible assets that have an estimated useful life of two or more years; are not intended for sale; are intended to be used or available for use in the performance of military missions (to include equipment used in training) and are valued at \$100,000 or more.

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.

Motor equipment—any item of equipment which is self-propelled or drawn by mechanical power, including motor vehicles, motorcycles and scooters, construction and maintenance equipment, materials handling equipment, and watercraft.

Motor Equipment Fleet Manager—the individual responsible for directing the operation of the motor equipment fleet.

Motor vehicle—any equipment, self-propelled or drawn by mechanical power, designed to be operated principally on highways in the transportation of property or passengers.

Munitions List Items—any item contained in the U.S. Munitions List, 22 CFR 121.

Nuclear weapon components or nuclear weapon-like components—parts of whole war reserve nuclear weapons, or of joint test assemblies, trainers, or test devices, including associated testing, maintenance, and handling equipment, or simulate such parts. If the items are classified, the Atomic Energy Act of 1954, as amended, determines their disposition. If the items are unclassified, their disposition is determined by DOE technical experts on the basis of reviews approved by the Director of the Office of Nonproliferation and National Security.

Nuclear Suppliers Group Dual-Use List—nuclear-related material, equipment, and related technology as described in the International Atomic Energy Agency Information Circular 254 Part 2.

Nuclear Suppliers Group Trigger List—nuclear material, equipment, and related technology as described in the International Atomic Energy Agency Information Circular 254 Part 1.

Organizational Motor Equipment Fleet Manager—the Federal individual responsible for establishing and administering the organization's motor equipment program.

Organizational Property Management Officer—the individual, designated by the Head of a Contracting Activity, responsible for establishing and administering the organization's personal property management program.

Personal property—property of any kind, except for:

- Real estate, interests therein (such as easements and rights-of-way), and permanent fixtures which are Government owned, chartered, rented, or leased from commercial sources by and in the custody of DOE or its contractors.
- Source, byproduct, special nuclear materials, and atomic weapons as defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014), as amended.
- Petroleum in the Strategic Petroleum Reserve and the Naval Petroleum Reserves.

Personal property management—the development, implementation, and administration of policies, standards, programs, practices and procedures for effective and economical acquisition, receipt, storage, issue, use, control, physical protection, care and maintenance, determination of requirements, maintenance of related operating records, and disposal of personal property (exclusive of the property accounting records).

Precious metals—uncommon and highly valuable metals, including gold, silver, and the platinum group metals—platinum, palladium, rhodium, iridium, ruthenium and osmium.

Procurement Executive—an individual designated by the Secretary, pursuant to section 16(3) of the Office of Federal Procurement Policy Act, 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 Procurement and Assistance Management are designated Procurement Executives.

Proliferation-sensitive property—nuclear-related or dual-use equipment, material, or technology described in the Nuclear Suppliers Group Trigger List and Dual-Use List or equipment, material or technology used in the research, design, development, testing, or production of nuclear weapons.

Property Administrator—the individual designated as the authorized representative of the Contracting Officer assigned to administer the 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 Procurement Executive as being responsible for the development, promotion, monitoring, administering, coordination and evaluation of the

Department-wide personal property management program. The Director, Office of Resource Management and the Director of Procurement and Assistance Management, NNSA, are designated Property Executives.

Radioactive property—any item or material which is radioactive or radioactively contaminated and which emits ionizing radiation in excess of background radiation as measured by appropriate instrumentation.

Sensitive items—those items, regardless of value, that require special control and accountability because of susceptibility to unusual rates of loss, theft, or misuse, or due to national security and export control considerations. Items include, but are not limited to, weapons, ammunition, explosives, classified property, laptops, computers, personal digital assistants, other information technology equipment and removable components with memory capability.

Spare equipment—items held as replacement spares for equipment in current use in DOE programs.

Special nuclear material—plutonium, uranium 233, uranium enriched in the isotope 233 or in the isotope 235, any other materials that the Nuclear Regulatory Commission, pursuant to the Atomic Energy Act of 1954, as amended, determines to be special nuclear material, or material artificially enriched by the foregoing, but does not include source material.

Special purpose vehicles—vehicles that are used or designed for specialized functions. They are not generally used to carry passengers, freight, or other materials. Vehicles other than passenger vehicles that are used only during a defined or special contingency, such as evacuation or other similar emergency, may also be classified as special purpose vehicles. These vehicles include, but are not limited to: trailers, semi-trailers, other types of trailing equipment, trucks with permanently mounted equipment (such as aerial ladders), construction and other types of equipment set forth in Federal Supply Classification Group (FSCG) 38, material handling equipment set forth in FSCG 39, and fire fighting equipment set forth in FSCG 42. For reporting purposes within DOE, motorcycles and motor scooters will also be reported as special purpose vehicles.

Stock record—a device 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.

Systems contracting—a materials management purchasing technique for the purchase of general, common-use, and repetitive supply items in a particular product family. An example is office supplies, purchased from a commercial vendor, that are needed for immediate use instead of purchasing in bulk for future use, storing in warehouses, and issuing to customers by use of a requisitioning system. Systems contracting and just-in-time contracting are synonymous.

Unclassified controlled nuclear information—U.S. Government information pertaining to atomic energy defense activities as defined in section 148 of the Atomic Energy Act of 1954, as

amended. Such information can relate to aspects of nuclear weapons design, development, and testing; physical security; production; or utilization facilities.

United States Munitions List—articles, services, and related technical data designated as defense articles and defense services by the Arms Export Control Act.

Watercraft—any vessel used to transport people or material on water.

2.3 Acronyms

AAC	Activity Address Code
ASTM	American Society for Testing and Materials
BATF	Bureau of Alcohol, Tobacco, and Firearms
BCPMSR	Business Center for Precious Metals Sales and Recovery
BOA	Basic Ordering Agreement
CFL	Computers for Learning
CFR	Code of Federal Regulations
CRO	Community Reuse Organization
CSC	Customer Supply Center
DCMA	Defense Contract Management Agency
DEAR	Department of Energy Acquisition Regulation
DMEFM	Departmental Motor Equipment Fleet Manager
DoD	Department of Defense
DOE	Department of Energy
DRMO	Defense Reutilization and Marketing Office
DRMS	Defense Reutilization and Marketing Service
DTID	Disposal Turn-In Document
EADS	Energy Assets Disposal System
ECCN	Export Control Classification Number
ECI	Export Controlled Information
EHFFP	Equipment Held for Future Projects

EOQ	Economic Order Quantity
ERLE	Energy-Related Laboratory Equipment
FAA	Federal Aviation Administration
FAR	Federal Acquisition Regulation
FAMIS	Federal Aviation Management Information System
FEDS	Federal Disposal System
FEDSTRIP	Federal Standard Requisitioning and Issue Procedures
FMR	Federal Management Regulations
FPMR	Federal Property Management Regulations
FSC	Federal Supply Classification
FSCG	Federal Supply Classification Group
GAO	General Accounting Office
GSA	General Services Administration
GVWR	Gross Vehicle Weight Rating
HCA	Head of the Contracting Activity
HFO	Head of Field Organization
HR	High Risk
INFCIRC	Information Circular
ICPT	Integrated Contractor Purchasing Team
IFMS	Interagency Fleet Management System
IT	Information Technology
LOA	Letter of Authorization
M&O	Management and Operating
MCTL	Military Critical Technologies List
MEFM	Motor Equipment Fleet Manager
MILSTRIP	Military Standard Requisitioning and Issue Procedures

MOU	Memorandum of Understanding
NNSA	National Nuclear Security Administration
NPMA	National Property Management Association
NTSB	National transportation Safety Board
OMEFM	Organizational Motor Equipment Fleet Manager
ORM	Office of Resource Management
OPAM	Office of Procurement and Assistance Management
OPMO	Organizational Property Management Officer
OPSEC	Operations Security
PA	Property Administrator
PE	Property Executive
PIDS	Property Information Database System
PMCO	Precious Metals Control Officer
POC	Point of Contact
PPL	Personal Property Letter
SASP	Small Arms Serialization Program
SNM	Special Nuclear Material
SRS	Savannah River Site
UCNI	Unclassified Controlled Nuclear Information
USC	United States Code

CHAPTER 3

AUTHORITIES AND RESPONSIBILITIES

[References: 41 CFR 101, 102 and 109; 48 CFR 1-42.201 and 42.302; and DOE O 580.1]

3.1 Overview

This chapter addresses Headquarters and field organization property management authorities and responsibilities.

3.2 Guiding Principles

Authorities and responsibilities need to be clearly defined and stated.

Authority is delegated to the maximum extent possible to those individuals responsible and accountable for the work actions.

3.3 Authorities

The Secretary of Energy is authorized to acquire, manage, and dispose of personal property held by the Department for official use by its employees and contractors. That authority is delegated, through a series of successive delegations, to:

- DOE Headquarters
 - The Director, Office of Management.
 - The Director, Office of Procurement and Assistance Management.
 - The Director, Office of Resource Management.
- The Director, Headquarters Office of Administration and the heads of field organizations. These officials may delegate that authority to other responsible officials of their organizations.
- NNSA Headquarters
 - The Administrator.
 - The Director, Office of Procurement and Assistance Management.

3.4 Responsibilities

DOE Federal employee responsibilities for the acquisition, management, disposition, and oversight of personal property held by DOE and its contractors are specified in DOE O 580.1, Department of Energy Personal Property Management Program.

DOE contractor responsibilities for the acquisition, management, disposition, and oversight of personal property in their possession and in the possession of their subcontractors are specified in Attachment 2, Contractor Requirements Document of DOE O 580.1.

CHAPTER 4

APPOINTMENTS

[References: 41 CFR 101-1.101; 48 CFR 1.603 and 2.101; and 48 CFR 901.601]

4.1 Overview

This chapter addresses the process used to make OPMO and PA appointments.

4.2 Guiding Principles

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

The PA appointment is given to an individual who is qualified to represent the contracting officer in the administration of contract.

4.3 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.

4.4 Nomination

Nominees for appointment submit a personal qualifications statement and a written recommendation from their current supervisor.

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

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

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

4.5 Selection

The selecting supervisor:

- Reviews and evaluates the personal qualifications statement and the supervisor's recommendation.
- Prepares a written Recommendation for Appointment (see Attachment 4-A for a suggested format) documenting the need for the appointment and the evaluation of the qualifications of the nominee.

The Recommendation for Appointment is signed by the selecting supervisor and approved by the HCA or the designee.

4.6 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 provided as Attachments 4B through 4E 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; and
- Consistent with the authority of the HCA.

4.7 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; and
- 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.

4.8 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; or
- Transfers, retires, or terminates employment with the organization.

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

A termination of appointment that may adversely affect an individual's job classification is coordinated with the personnel office.

4.9 Reappointment

When a previously appointed OPMO or PA transfers to another DOE organization and the gaining organization determines that there is need to appoint the individual, the gaining organization:

- Obtains a copy of the documentation that supported the prior appointment from the losing organization;
- Reviews the documentation and determines whether or not the individual is qualified for the current position; and
- Prepares a letter or certificate of appointment.

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

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

Signature of Selecting Supervisor

Date

Approval

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 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 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

ORGANIZATIONAL PROPERTY MANAGEMENT OFFICER

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

Organization

Signature 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 and Title

Date

CHAPTER 5

CAREER DEVELOPMENT AND TRAINING

[Reference: DOE O 361.1, Acquisition Career Development Program]

5.1 Overview

This chapter addresses career development and training for the PA and OPMO career paths.

5.2 Guiding Principles

Training gives employees the ability to interpret policies and procedures and make decisions without strict management oversight and controls.

Trained personal property management professionals improve the effectiveness and efficiency of the Department's personal property management activities.

5.3 Background

DOE O 361.1A, Acquisition Career Development Program:

- Identifies personal property management as an acquisition workforce related occupation.
- Establishes the Property Management Career Development Program to be adopted at the election of the HCA.

5.4 Roles

The DOE Property Executive:

- Implements the DOE Personal Property Management Career Development Program.
- Serves as the DOE Personal Property Management Career Manager.
- Designs the contents of the recommended core curriculum and administers the program.
- Provides career development guidance.

HCA's:

- Identify and fund training needs.
- Create individual development plans consistent with site and program mission strategic needs.
- Establish additional training qualifications, when warranted, to meet local needs.

- Determine the equivalency of alternate training courses and prior on-the-job training for the training requirements set forth in Chapter II to DOE O 361.1A. Equivalency determinations are made in writing.

Personal property management professionals are expected to:

- Incorporate required training in their Individual Development Plans.
- Pursue training and growth opportunities offered to them.
- Request increasingly difficult and challenging assignments.
- Enter a mentoring relationship.
- Become involved with professional societies.
- Seek education and training outside the program curriculum.
- Pursue professional certification from recognized management associations

5.5 Personal Property Management Career Development Program

The DOE Personal Property Management Career Development Program is part of the Acquisition Career Development Program established by DOE O 361.1A. Chapter II of the Order sets forth the Property Management Program Module. The module provides supplemental information and guidelines for use by DOE personal property management personnel to plan their career development.

SECTION II

**PROGRAMS, PRINCIPLES,
STANDARDS, AND PRACTICES**

CHAPTER 6

PERSONAL PROPERTY MANAGEMENT PROGRAMS

[Reference: DOE O 580.1, Department of Energy Personal Property Management Program]

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

6.1 Guiding Principles

Personal property management systems should provide for the effective, life-cycle management of DOE-owned personal property.

Contractors are responsible and accountable for all DOE-owned personal property acquired by or provided to them, including property that they furnish to their subcontractors.

6.2 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 and the 580 series of DOE Directives, as applicable.

The personal property management program should provide for the effective life cycle management of all personal property in the possession and control of the DOE organization.

6.3 Contractor Program

General

In order to implement the DOE personal property management program requirements outlined in DOE O 580.1, contractors should establish and maintain personal property management systems that are DOE program and site-specific.

The systems should also provide for the management of subcontractor-held personal property. Guidance on the oversight of subcontractors having DOE personal property is provided in Chapter 10 of this Guide.

Contractor personal property management systems should be consistent with applicable contract terms and conditions; statutes, regulations, policies and requirements; and the directions of the contracting officer.

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

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

If the new contractor elects to complete a wall-to-wall physical inventory, it should be performed within the time period specified by the contracting officer or in the contract, but no later than one year after the effective date of the contract. If the physical inventory is not accomplished within the allotted time frame, the previous contractor's records will then become the holdings baseline.

If the new contractor determines that a physical inventory for a specific category of property was not accomplished within the time period specified in DOE O 580.1, the contractor may either:

- Perform the required physical inventories within 120 days of the effective date of the contract, or
- Accept the existing property records as the baseline for that category of property.

Initial System Review

A 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 appraisal 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.
- Provide reasonable assurance that personal property will be safeguarded against waste, loss, unauthorized use, or misappropriation.

If the PA Advises the OPMO in writing, and the OPMO, in turn, obtains the approval of the Property Executive, the "within one year" initial review requirement may be extended when:

- The contract was awarded to a new contractor and the award was based in part on the new contractor's proposal to overhaul the existing personal property management system.

- Other circumstance that precludes completion of the initial review within one year of the effective date of the contract.

Annual Self-Assessment

Contractors perform an annual self-assessment of their personal property management systems to determine if their systems meet the requirements of the DOE personal property management program and the performance expectations specified in DOE O 580.1. The process for performing these self-assessments is addressed in Chapter 7 of this Guide.

Contractors report the self-assessment results to their cognizant DOE personal property management functions, identifying:

- Performance expectations that were not met.
- Functions requiring improvement.
- Weaknesses requiring corrective action.

6.4 Validation and Verification

The cognizant DOE personal property management functions validate and verify contractor self-assessment results by:

- Maintaining on-going operational awareness of their assigned contractor personal property management operations.
- Validating the contractor personal property management programs and performance self-assessment processes.
- Verifying performance assessment results.
- Conducting “for cause” reviews when appropriate.

Appraisal

At a minimum of every three years after the approval of a contractor personal property management system, the OPMO should make an appraisal of the contractor’s personal property management operations.

The purpose of the appraisal is to:

- Determine if the contractor is managing personal property in accordance with the previously approved system and procedures.
- Establish whether the approved system and procedures are efficient and effective.

The appraisal may be based on a comprehensive formal appraisal of the contractor's entire operation or a series of formal appraisals of each functional segment of the operation. The appraisal should take the following into consideration:

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

System Status

When the PA determines that all identified system deficiencies have been corrected, the HCA withdraws the conditional approval or disapproval and approves the system in writing and with the concurrence of the OPMO.

Documentation

The PA maintains a copy of all system appraisals and approvals.

Review and Approval of System Changes

The PA reviews proposed significant changes to an approved contractor personal property management system. The PA either approves the changes on an interim basis or disapproves them, advising the contractor of the decision in writing.

CHAPTER 7

THE BALANCED SCORECARD (BSC) PROGRAM

[References: Government Performance and Results Act of 1993; Procurement Executives Association Guide to a Balanced Scorecard Performance Measurement Methodology]

7.1 Overview

This chapter addresses:

- The BSC system, its implementation procedures, evaluation standards, and reporting process; and
- The DOE Federal and Contractor Personal Property BSC Program.

7.2 Guiding Principles

Ensure that business systems adhere to the organization's mission, vision and strategy statements.

Follow recognized "Best Business Management" practices.

Comply with applicable statutes, regulations, and contract terms and conditions.

7.3 Federal Mandate

Federal organizations face significant challenges to improving the performance of their business systems. Customer expectations regarding quality, timeliness, and service, all at lower cost, have increased significantly at a time when budgets and other resources are shrinking.

These challenges require Federal organizations to rethink fundamental approaches to their business systems and business relationships. In addition, Federal agencies have been directed to take a look at commercial models for common sense business solutions and business systems that work better and cost less.

7.4 BSC System

One of the most successful and recognized commercial models is the BSC. The BSC system is a conceptual framework for performance measurement and management for both Federal and contractor business systems. It provides consistent techniques that are useful in performing contractor oversight functions.

The BSC system translates an organization's mission, vision, and strategy into a set of performance indicators that are distributed among four perspectives:

- Customer

- Internal Business Processes
- Learning and Growth
- Financial

Through the BSC system, an organization can monitor both its current performance (customer satisfaction, finances, and business process results) and its efforts to improve processes, motivate and educate employees, and enhance information systems--its ability to learn and improve.

7.5 Mission, Vision, and Strategy

Organizations that implement the BSC system should be guided by their highest-level purpose (mission), desired end-state (vision), and methodology (strategy) for achieving that end-state for its business systems. All objectives and measures should support the following mission, vision, and strategy statements:

Mission

To provide business services to support the accomplishment of the organization's programmatic goals and objectives.

Vision

To deliver on a timely basis the best value product or service to our customers while maintaining the public's trust and fulfilling public policy objectives.

Strategy

To change and improve the present system's culture, management systems, and line processes consistent with the principles of Quality Management. By doing so, the Department can establish and maintain a customer focus, a sense of urgency, continuous and breakthrough process improvement, and an emphasis on results.

7.6 BSC Perspectives

Customer

This perspective captures the ability of an organization to provide quality goods and services, effective delivery, and overall customer satisfaction. For purposes of the BSC system, both the recipient of goods and services (the internal customer) and the sponsor/overseer (external customer) are regarded as customers of the business processes.

In governmental applications of the BSC system, the principal driver of performance is different than in a commercial environment; namely, customers and stakeholders take preeminence over financial results. Recognizing that budgets are limiting factors, government organizations have a greater stewardship responsibility and focus than do private sector organizations.

Internal Business Processes

This perspective provides data regarding the internal business results against measures that lead to financial success and satisfied customers. To meet the organizational objectives and customer expectations, organizations must identify the key business processes at which they must excel. Key processes are monitored to ensure that outcomes are satisfactory.

Internal business processes are the mechanisms through which performance expectations are achieved.

Learning and Growth

This perspective captures the ability of an organization's employees, information systems, and organizational alignments to manage the business and adapt to change. Processes only succeed if adequately skilled and motivated employees, supplied with accurate and timely information, are driving them.

This perspective takes on increased importance in organizations that are undergoing radical change. In order to meet changing requirements and customer expectations, employees may be asked to take on new responsibilities, and may require skills, capabilities, technologies, and organizational designs that were not available before.

Financial

In government organizations, the financial perspective differs from that found in the private sector. Private sector financial objectives generally represent clear long-range targets for profit-seeking organizations, operating in a purely commercial environment.

For government organizations, financial considerations have an enabling or a constraining role, but are rarely the primary objective for business systems. Therefore, success for such organizations should be measured by how effectively and efficiently these organizations meet the needs of their constituencies. In government organizations, this perspective captures cost efficiency, delivering maximum value to the customer for each dollar spent.

7.7 The DOE Personal Property BSC Program

Background

In 1995, DOE reengineered its programs for oversight of Federal and contractor property management systems. It replaced Headquarters-based, process-oriented review programs with a single model that relied on local assessment of performance against Departmental expectations.

Through the use of a self-assessment approach developed through a DOE Federal and contractor partnership, DOE fundamentally redesigned its approach to performance assessment when it released its "Value-Based Self-Assessment" (VBSA) Model.

Consistent with the DOE long-term strategy and building on the VBSA Model, the DOE business systems assessments model evolved into the BSC approach to performance measurement and management.

Expectations

DOE Federal and contractor operations having personal property management responsibilities are expected to achieve cost effective results while:

- Meeting DOE performance expectations, customer needs, legislative and regulatory requirements, and contract obligations.
- Applying sound business management practices.

Core and Optional Measures

The core performance objectives and measures established under the BSC are applicable to all DOE Federal and contractor operations having personal property management responsibilities. The core measures are exclusive of additional optional measures that DOE expects its field offices and contractors to develop and implement. DOE field offices and contractors are responsible for determining the best optional measures to use for their specific situations.

Self-Assessments

Performance measures should be developed, targets established, and measurements taken to monitor and manage the BSC program. Formal, documented self-assessments are the principal data gathering sources. Measurements should be used to report performance status to management and customers, and feedback should be used to drive corrective or improvement actions as appropriate.

Measurement Baselines and Methodologies

The first step in each performance measurement area is the establishment of a baseline against which future performance is compared. The objective is to show continuous improvement trends affecting program performance.

To ensure that the data shows trends and is reliable, the same measurement methods used to establish the baseline should also be applied in subsequent assessments. It is recognized that the results may not be directly comparable from one DOE Federal or contractor operation to another.

Business Systems Management Goals

DOE seeks to:

- Translate its vision into clear, measurable outcomes that define successes that will be recognized and shared throughout DOE and with its contractors.

- Continue to shift from prescriptive, audit and compliance-based oversight to an ongoing, forward-looking strategic partnership involving Headquarters, the field, and contractors.
- Provide a tool whereby the efficiency and effectiveness of business systems can be assessed, managed and improved.
- Include measures of quality, cost, speed, customer service, and employee alignment, motivation, and skills to provide an in-depth, predictive performance management system.
- Replace current business systems self-assessment models with an improved and more consistent approach to performance measurement and management.

Web Site

Detailed information regarding the DOE Federal and Contractor Personal Property Balanced ScoreCard Program can be found on the Headquarters Office of Procurement and Assistance Management web site. The site provides a link to the Balanced Scorecard (BSC) home page.

CHAPTER 8

PRINCIPLES, STANDARDS, AND PRACTICES

[References: 41 CFR 101-25 thru 27; 41 CFR 102; 48 CFR 970.5204-21; OMB Circular A-119; DOE Accounting Handbook; Department of Energy Guidelines and Operating Procedures for Use of the GSA SmartPay Purchase Card by DOE and Contractor Employees; and ASTM International Practices E 2131-01, E 2132-01, and E 2135-01]

8.1 Overview

This chapter addresses the use of Federal and DOE principles, voluntary consensus standards, and DOE practices for the control and management of personal property.

8.2 Guiding Principles

Cost-effective 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 voluntary consensus standards and practices whenever practical and cost effective.

8.3 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.

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.

The private sector manages and administers voluntary consensus standards. While Federal law does not mandate the use of these standards, DOE is committed to replacing longstanding,

DOE-unique personal property management standards and practices with voluntary consensus standards wherever possible.

The voluntary consensus standards cited in this Guide are available from ASTM International for a small fee. Further information is available on the ASTM International and NPMA web sites at <http://www.astm.org> and <http://www.npma.org>, respectively.

8.4 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.

Abandoned and Forfeited Personal Property

The following abandoned or forfeited personal property may be acquired for medicinal, scientific, or any other official purposes for which appropriated funds may be expended:

- Drug paraphernalia
- Distilled spirits
- Wine
- Malt beverages

When acquiring this type of property, transfer orders should be forwarded to the Property Executive for approval and forwarding to GSA.

Use of the Exchange/Sale Authority

The FMR, at 41 CFR 102-39, identifies the types of property that:

- May not be exchanged or sold under the exchange/sale authority.
- May be exchange or sold only if appropriate determinations/certifications are made or clearances/waivers are obtained.

For property requiring determinations/certifications or clearances/waivers, they will be made or obtained by an official designated by the HFO, HCA or Director, Office of Administration, as appropriate.

In addition to the exchange/sale prohibitions listed in the CFR, items in the following FSCGs are not eligible for exchange/sale processing by DOE organizations and contractors:

20 Ship and marine equipment

22 Railway equipment

GSA SmartPay Purchase Card Purchases

The DOE Guidelines and Operating Procedures for Use of the GSA SmartPay Purchase Card by DOE and Contractor Employees establishes guidelines for the use of the Government purchase card by authorized cardholders. This document, which is available on the Headquarters Office of Procurement and Assistance Management web page, also contains guidance on:

- The responsibilities of the HCA, cardholder, and approving official.
- The reporting, management, and accountability requirements for SmartPay Purchase Card purchases of personal property.
- Prohibited conduct for purchase cardholders.

GSA Customer Supply Centers (CSC)

DOE organizations and contractors should establish controls to ensure that:

- The use of CSC accounts is limited to the purchase of items for official Government use.
- The CSC customer access codes assigned for their accounts are properly protected.

Office Furniture and Office Machines

DOE organizations and contractors should make the determinations, required by the FPMR, regarding the utilization of furniture and office machines already owned by DOE to meet requirements.

Economic Order Quantity Principle

The economic order quantity (EOQ) principle is used to replenish inventories of stock items having recurring demands. However, when considered more suitable, DOE organizations and contractors may use other generally accepted economic ordering approaches.

Systems Contracting

Systems contracting, or just-in-time contracting, is a proven cost-effective approach to meeting procurement needs for supply operations. DOE organizations and contractors should implement it wherever significant cost savings can result. Impacts on local suppliers and small and disadvantaged business concerns should be considered in the overall business strategy.

Systems contracting may be used instead of or along with the EOQ principle when:

- Feasible and cost effective, as determined from the results of a feasibility study.
- Adequate controls are established to ensure its proper use.

A feasibility study may be accomplished over a period of time, until all commodity groups have been considered. Feasibility studies generally consider functional requirements; activity levels of commodity groups and individual items; and potential impacts on local suppliers as well as small and disadvantaged businesses. An industrial relations analysis of existing labor relations and union contracts may also be necessary.

When implementing systems contracting, appropriate property management controls should be established and periodically evaluated.

DOE organizations and contractors are required to consider the use of GSA supply sources when economically advantageous to the Government. These sources should also be considered when conducting the feasibility study.

Prior to approving the implementation of systems contracting, DOE contracting organizations should evaluate the cost-benefit studies performed by contractors to verify the savings and other benefits. In instances where a cost benefit study was previously performed, the DOE contracting organization should evaluate the study and approve the use of systems contracting in writing.

DOE organizations should periodically reevaluate systems contracting operations conducted by their organization and contractors to ensure that required property management controls are being followed.

8.5 Borrowing of Personal Property

Government personal property may be borrowed within DOE or from other Federal agencies when:

- It is practical and economical.
- The property is required for short periods of time (one year or less).

The terms and conditions of the borrowing arrangement should be included in a written agreement and controls established, as necessary, to ensure the prompt return of the property to the lender.

8.6 Furnishing of Government Clothing and Individual Equipment

Government-owned clothing and individual equipment may be furnished to employees:

- For protection from physical injury or occupational disease.
- When employees could not reasonably be required to furnish them as a part of the personal clothing and equipment needed to perform the regular duties of the position to which they are assigned or for which their services were engaged.

This does not apply to uniforms or uniform allowances under the Federal Employees Uniform Allowance Act of 1954, as amended.

8.7 Receiving

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

- Maintain a copy of the requisition or purchase document reflecting the items and quantities ordered.
- Inspect the property upon receipt for obvious damage.
- 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 SmartPay purchase card should be tagged or marked and recorded in the personal property management system, as appropriate.
- Segregate and safeguard the property while in the receiving area.
- Release the property to the requiring organization as indicated on the requisition or purchase document.

8.8 Identification and Marking

DOE identification and marking standards and practices are addressed in DOE O 580.1, *Department of Energy Personal Property Management Program*. These standards also apply to personal property purchased with the GSA SmartPay purchase card and hand carried by the purchaser.

8.9 Records Management

The types of property control records and the basic data elements that are required for DOE-owned property are addressed in DOE O 580.1, *Department of Energy Personal Property Management Program*. Unless the personal property is otherwise exempt from formal property control records, these requirements apply to items purchased with the GSA SmartPay purchase card and delivered by the vendor or hand carried by the purchaser. See the DOE Guidelines and Operating Procedures for Use of the GSA SmartPay Purchase Card by DOE and Contractor Employees for additional record keeping requirements for SmartPay purchases of personal property.

While formal property control records are not required for administratively controlled items, the following types of records, where appropriate, are useful in maintaining visibility over this type of property:

- Calibration records.

- Maintenance records.
- Tool crib records.
- Equipment pool records.

8.10 Movement

Movement of property should be controlled so that property reaches its destination in a timely fashion and records can be updated to show changes in location and use status.

8.11 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 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.
- Signs should be prominently posted to indicate that the property being stored is U.S. Government property.
- Access to storage areas should be restricted to authorized personnel only.
- Property should receive:
 - Appropriate climate, light and odor control.
 - Preservation, when appropriate, to prevent deterioration.
 - Protection from theft, vermin infestation, fire, and destruction.
- Property subject to deterioration should be issued on a first-in, first-out basis.
- Hazardous, contaminated, and suspect personal property should not be commingled with other property. Rather, 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.

8.12 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 are used to protect property and prevent loss, theft, or unauthorized removal of property. Physical controls should include, as appropriate:

- A property pass system.
- Memoranda records.
- Check-out procedures for transferring or terminating employees.
- Perimeter fencing.
- Gate checks.

8.13 Physical Inventories

ASTM International Standard

DOE has adopted the ASTM International voluntary consensus standard for physical inventories. The standard is called Practice E 2132-01 Standard Practice for Physical Inventory of Durable, Moveable Property. The following guidance supplements the information contained in the standard.

Procedures

The OPMO reviews and approves the DOE office and contractor physical inventory procedures and methods. Procedures that provide for a check-off from a list of property without actual verification of the physical existence and location of the property do not meet the requirements of a physical inventory and are not acceptable.

Roles

Personnel other than the property custodians complete the physical inventories unless staffing constraints or other considerations apply. In those instances, custodians may perform physical inventories as long as an independent second party verifies the results.

To the extent necessary, independent representatives, such as finance, audit, or property personnel, may observe physical inventories or conduct follow-on audits 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 responsible official at least one supervisory level above the supervisor in charge of the warehouse or storage facility, reviews and should approve the supporting adjustment records.

An acceptable percentage of shrinkage for stores inventories should be determined by the OPMO or PA on a location-by-location basis, based upon the type and cost of the materials, historical data, and other site-specific factors. The determination should be in writing and supported by appropriate documentation.

Items on an inventory adjustment report that are not within reasonable tolerances for particular items should be thoroughly investigated before the report is approved. Adjustment reports should be retained on file for inspection and review.

Reports

After reconciling the physical inventory results with the property records and financial accounts, they should be reported to the OPMO within 30 days of the reconciliation.

8.14 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.

8.15 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 only against valid requirements.
- The return of unneeded materials to stores for future use.

8.16 Utilization

Official Use

DOE personal property should be used only in the performance of official work for the United States Government, 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, HFOs, or a contracting officer for contractor-held property.

Maximum Use

Personal property management practices should assure the best possible use of personal property. Supplies and equipment should generally be limited to those items needed to carry out DOE programs efficiently.

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 them available for use elsewhere.

When a facility is placed in standby status, an initial review should be made to determine which items could be made available for use elsewhere within the established start-up criteria for the facility. Periodic and special reviews, when circumstances warrant, should then be conducted to determine if there is a need to continue retaining the property.

Equipment pools

Documentation of evaluations conducted on the use and effectiveness of equipment pools should be maintained by DOE laboratories and made available for review by contractor management, DOE offices, and audit teams. HFOs and HCAs should require periodic independent reviews of equipment pool operations.

8.17 Retirement of Property

A retirement work order should be used to report Government property that is worn out, lost, stolen, destroyed, abandoned, or damaged beyond economical repair. While there is no DOE retirement work order form, forms or formats in use should provide the following basic information:

- Property number;
- Item description (nomenclature, part number, manufacturer, etc.);
- Acquisition cost;

- Acquisition date;
- An explanation why the property is being retired;
- Signature blocks for the report initiator and the manager approving the report.

CHAPTER 9

FEDERAL OVERSIGHT OF OFF-SITE CONTRACTORS

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

9.1 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.

9.2 Guiding Principles

The cognizant Federal agency is responsible for performing the review and approval of a contractor's property control system.

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

9.3 DOE PA Role

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

9.4 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 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.

Balanced Scorecard

The DOE PA may offer an off-site contractor the opportunity to participate in the DOE Contractor Personal Property Balanced Scorecard Program if the off-site contractor:

- Qualifies for limited oversight.
- Has a good performance record.

If an off-site contractor agrees to participate in the program, the self-assessment, operational awareness, and reasonable assurance that guidance contained in Chapter 7 of this Guide applies.

Contractors that are under the cognizance of another Federal agency should not be offered the opportunity to participate in the DOE Contractor Personal Property Balanced Scorecard Program. Instead, the guidance in paragraph 17.4 applies.

9.5 Interagency Agreements

The FAR requires that Federal agencies avoid performing duplicate audits, reviews, inspections, and examinations of contractors through the use of interagency agreements.

When the DOE PA determines that DoD or other Federal agencies have contracts with a DOE off-site contractor, the following guidance applies:

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 was negotiated between DOE and the Defense Contract Management Agency (DCMA). See Attachment 9-A of this chapter for details of the interagency agreement.

Interagency Agreements with Other Federal Agencies

Interagency agreements are negotiated on an as needed basis. Currently, DOE does not have an agreement with any other Federal agency covering the administration and oversight of Government property located in contractor facilities where both DOE and other Federal agency property are located.

If an interagency agreement becomes necessary, the DOE PA will advise the OPMO. The OPMO, in turn, will notify the Property Executive who will negotiate an agreement on behalf of DOE.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE DEFENSE CONTRACT
MANAGEMENT AGENCY AND THE U.S. DEPARTMENT OF ENERGY**

1. PURPOSE

This Memorandum of Understanding (MOU), between the Defense Contract Management Agency (DCMA) and the U.S. Department of Energy (DOE), is entered into in order to establish policy and procedures for the administration and oversight of DOE property located in contractors' facilities where Department of Defense (DoD) property is located.

2. AUTHORITY

- a. Federal Acquisition Regulation, 48 CFR Part 42, Contract Administration and Audit Services
- b. Federal Acquisition Regulation, 48 CFR Part 45, Section 45.104, Review and correction of contractors' property control systems
- c. DoD 4161.2-M, DoD Manual for the Performance of Contract Property Administration
- d. DCMA Directive 1, Contract Management "One Book"
- e. Department of Energy Acquisition Regulation, 48 CFR 945.102-71, Maintenance of records

3. SCOPE

This MOU is entered into with the understanding that:

- a. The DCMA property administration and oversight practices will be performed as prescribed in the editions of the Federal Acquisition Regulation (FAR), DoD Manual for the Performance of Contract Property Administration, and the Contract Management "One Book" that are in effect on the effective date of this agreement. Any significant change to DoD and/or DCMA property administration and oversight policies, procedures, and practices resulting from the ongoing effort to rewrite FAR Part 45 may result in a renegotiation or termination of this MOU.
- b. DOE property will not be included in the Property Control System Analyses (PCSAs) performed by DCMA.
- c. The delegation of property management and oversight responsibilities to DCMA will not be required.
- d. As required by 48 CFR 1-45.104, DCMA will accept the results of the DOE personal property management system appraisals and DOE will accept the results of the DCMA PCSAs and Risk Assessments.

4. PROVISIONS

- a. On an annual basis, DOE Property Administrators (PAs) will contact each of their assigned DOE off-site contractors to determine which, if any, receive property management oversight from the DCMA.
- b. If a DOE off-site contractor receives oversight from DCMA and the preponderance of the property located at the contractor's facility belongs to DOE, the DOE PA will:
 - (1) Conduct property administration and oversight functions in accordance with current DOE requirements.
 - (2) Upon written request from the cognizant DCMA field office, provide to DCMA at no cost the results of the latest personal property management system appraisal performed by DOE on the contractor.
- c. If a DOE off-site contractor receives oversight from DCMA and the preponderance of the property located at the contractor's facility belongs to DoD, the DCMA PA will:
 - (1) Conduct property administration and oversight functions in accordance with current FAR, DoD, and DCMA requirements.
 - (2) Upon written request from the cognizant DOE field office, provide to DOE at no cost the results of the latest PCSA and the most recent system and function Risk Assessment performed by DCMA on the contractor.

5. EFFECTIVE DATE

This MOU is effective as of May 15, 2001, and will remain in effect for five years from this date unless it is terminated before that date.

6. EXTENSION

This MOU may be extended by agreement of both parties.

7. TERMINATION

Either party may terminate this MOU, provided that the other party receives 60 days written advance notice.

EDWARD M. HARRINGTON
Brigadier General, USA
Director, DCMA

RICHARD H. HOPF
Acting Director, Management and
Administration
Department of Energy

CHAPTER 10

CONTRACTOR OVERSIGHT OF SUBCONTRACTORS

[Reference: None]

10.1 Overview

This chapter addresses the responsibilities of:

- DOE PAs for ensuring that subcontracts and purchase orders flow down applicable property management requirements to subcontractors.
- DOE contractors for the oversight of their subcontractors having DOE-owned personal property.

10.2 Guiding Principle

Contractors are responsible and accountable for Government-owned personal property acquired by or furnished to their subcontractors for the performance of subcontracts.

10.3 General

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

Contractors should also include provisions in their personal property management systems that provide for the oversight of subcontractor personal property management practices.

10.4 DOE PA Role

The cognizant DOE PAs:

- Review 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, 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 (see paragraph 10.5).

Ensure that DOE contractors conduct adequate oversight of their subcontractors.

10.5 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.
- The property 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 expectations.

10.6 Official Property Control Records

In government contracting, it is standard practice for prime contractors to 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 PA.

10.7 Oversight

The written personal property management systems of DOE contractors should include procedures for the performing 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 or
- 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, which 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 11

LOANS OF PERSONAL PROPERTY

[Reference: None.]

11.1 Overview

This chapter addresses the issuance and management of domestic and foreign loans of DOE personal property.

11.2 Purpose

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.

11.3 Exceptions to the DOE Loan Policy

Upon appropriate Departmental notification of emergency conditions, field offices may loan property to local agencies in support of military operations or in consideration of health, safety or security requirements.

11.4 Applicability

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.

11.5 General

DOE personal property may be loaned in support of research activities as outlined in Chapter 4-Research, Section 31 of the Atomic Energy Act of 1954, 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 offices and contractors, Government agencies, or organizations that have a valid Federal contract, grant, treaty, international or collateral agreement, or other documentation substantiating that the loaned property will be used only for official purposes. Only the property custodian, Loan Agreement Coordinator, or other authorized person may initiate a loan of idle property.

Preloan Considerations and Determinations

Before entering into a loan arrangement, the loan initiator determines and considers whether or not:

- The DOE mission will be affected.
- Proper inventory control procedures are used.
- Funds are available to reimburse DOE in the event of loss or needed repairs.
- The borrower has exhausted all other supply sources prior to loan initiation.

The initiator indicates whether or not the property was fabricated at the DOE facility or purchased custom-fabricated. If applicable or required, a risk assessment determination is made that considers any additional terms or requirements.

Required Approvals

Prior to the removal of any property from a DOE facility for loan purposes, the initiator obtains the following required site office approvals:

- The hazard control office approval if hazardous characteristics are inherent in the property.
- The Patent Office approval if there are any patentable aspects inherent in the property (except for commercially available property).
- High risk review certification and export control office approval if the property has a high risk potential.

DOE reviews and approves or disapproves loan packages within 21 calendar days after submission.

Title to loaned property remains with the U.S. Government and accountability rests with DOE contractors and subcontractors, as appropriate.

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

11.6 Documentation

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

11.7 Domestic Loans

The OPMO or authorized designee approves domestic loans for one loan period. Domestic loan renewals may be requested in three-year increments; however, the manager of the initiator's organization reviews and the OPMO or authorized designee concurs with all renewals.

Initiating a Loan

When initiating a domestic loan:

- The initiator completes DOE F 4420.2 and obtains the required signatures.
- The initiator or Loan Agreement Coordinator completes all supporting documentation, obtains all necessary concurrences, and ensures that the loan is entered in the site property control system.

Adding to an Existing Loan

When adding to an existing domestic loan, the initiator completes a Loan Add-On Request, which is a memo or shortened version of the original loan request form.

The Contractor Property Manager or OPMO approves additions to existing domestic loans.

Extending a Loan

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

If a loan renewal has not been previously requested, the Loan Agreement Coordinator determines in writing, four to six weeks 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 offered for transfer, reported excess, or abandoned.
- The loan should be closed because the property has been reutilized.

The contractor may approve extensions of existing loans for one loan period. Further renewals are approved by the OPMO or authorized designee.

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 terminate the loan at any time by returning the property to the lender in accordance with the terms of the agreement. The loan can only be closed after the Loan Agreement Coordinator accounts for all the items listed on the DOE F 4420.2.

11.8 Foreign Loans

The site DOE Property Manager or authorized designee and the OPMO review and approve or disapprove foreign loan packages within 10 calendar days of submission. The cognizant Headquarters offices concur, approve, or disapprove the packages within 21 calendar days after receipt. The loan period for foreign loans that are authorized under a treaty or international agreement may extend to the end of the treaty or agreement.

Hand-carried property that remains in the custody of DOE or contractor personnel does not require a loan agreement unless the property is left unaccompanied at the foreign destination for more than 90 calendar days.

For all foreign loans, the loan package:

- Is submitted through the DOE site manager.
- Includes a copy of any existing country-to-country or collaborative agreement pertinent to the loan request; and
- Includes the name of the cognizant Headquarters program officer or person that supports the effort that the loan benefits.

Initiating a Loan

The initiator completes DOE F 4420.2 and forwards it to the DOE site property office for review.

The form is accompanied by a copy of any country-to-country or collaborative agreement related to the loan request and a document from the initiator that:

- Specifies the purpose and duration (not to exceed five years) of the loan.
- Includes the name and telephone number of the cognizant Headquarters program officer or person that supports the effort that the loan benefits;
- Provides the name of the Headquarters program office contact person that wants the property to be loaned;
- States if a license is required to export the property. If one is required, a copy of the license accompanies DOE F 4420.2; and
- Indicates that high risk, hazardous, and export reviews have been completed with signature of the High Risk/Export Control Reviewer.

The DOE site property office forwards the completed DOE F 4420.2 through the OPMO to the appropriate Headquarters office for concurrence or approval:

- If approved, the Headquarters office returns the completed DOE F 4420.2 to the requesting office for action.
- If not approved, DOE F 4420.2 may be resubmitted, with further justification, for reconsideration.

Adding to an Existing Loan

To add property to an existing loan, the initiator of the original loan completes a new DOE F 4420.2. The OPMO or authorized designee reviews, concurs in, and approves additions to existing loans.

Extending a Loan

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

If a loan renewal has not been previously requested, the Loan Agreement Coordinator determines in writing, four to six weeks 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.
- The loan should be closed because the property has been returned.

Renewals of foreign loans are approved by the manager of the initiator's organization and the OPMO or authorized designee.

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 terminate a loan at any time by returning the property to the lender in accordance with terms of the agreement. The loan can only be closed after the Loan Agreement Coordinator accounts for all the items listed on the DOE F 4420.2.

Transfer of Title

The 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 OPMO and forwarded to the Property Executive who will submit the request to the Headquarters General Counsel for General Law for review.

Abandonment or Destruction

Property may be abandoned or destroyed only after a written finding has been made by the OPMO that either:

- The property has no commercial value, or
- The estimated cost of its continued care would exceed the estimated proceeds from its sale.

The abandonment or destruction may be completed only after the finding is approved by the Director, Office of International Science and Technology Cooperation and coordinated with the U.S. Department of State.

CHAPTER 12

LOSS, DAMAGE, OR DESTRUCTION OF PERSONAL PROPERTY

[References: 48CFR 1-45.103, 45.104, 45.503, 45.504, and 45.508-2]

12.1 Overview

This chapter addresses the process for reporting, investigating, and documenting instances of loss, damage, destruction, or excessive consumption of personal property.

12.2 Guiding Principle

All instances of loss, damage, destruction, or excessive consumption of personal property should be investigated to determine:

- The causes.
- The appropriate corrective action required to prevent recurrences.

12.3 ASTM International Standard

DOE has adopted the ASTM International voluntary consensus standard for assessing loss, damage, or destruction of personal property. The standard is called Practice E2131-01 Standard Practice for Assessing Loss, Damage, or Destruction of Property. The guidance in this chapter supplements the information contained in the standard.

12.4 General

DOE organizations, contractors, and subcontractors should report, investigate, and document all instances of loss, damage, destruction, or excessive consumption of personal property.

12.5 Initial Report

As soon as any loss, damage, or destruction of personal property (including subcontractor held property) in their possession or control becomes known, DOE organizations and contractors should report them to the OPMO or PA, as appropriate, and to security or law enforcement offices when appropriate.

Physical inventory shortages should be reported to the OPMO or PA, as appropriate, within 90 days of completing the physical inventories.

12.6 Investigation

All incidents are investigated and documented to determine:

- The cause or origin.

- The action(s) that should be taken to prevent:
 - Further loss, damage, or destruction of personal property.
 - Repetition of similar incidents.

12.7 Documentation

After the investigation is completed, a written report should be submitted to the appropriate DOE, contractor, and law enforcement organizations, containing all known information regarding the circumstances surrounding the loss, damage, destruction or excessive consumption to include:

- The DOE organization or contractor's name and contract number, as appropriate.
- A description of the property.
- All known facts, including the date, time (if pertinent), and cause or origin.
- Actions taken to prevent further loss, damage, destruction, or unreasonable consumption, and to prevent repetition of similar incidents.
- Cost of the property and cost of repairs in instances of damage (in the event the actual cost is not known, use a reasonable estimate).

12.8 Liability Determination

As appropriate, the HFO or contracting officer 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 OPMO or PA and the contractor.

12.9 Follow-up Action

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

12.10 Retirement Work Order

A retirement work order should be used to retire personal property that is lost, damaged beyond economical repair, or destroyed from the official property control records. See Chapter 8.17 for guidance on retirement work orders.

12.11 Recovery of Costs

Costs associated with instances of loss, damage or destruction of personal property or for physical inventory shortages may be assessed against an individual or a contractor within the

terms of the contract. See Chapter 17.17 for further guidance on the recovery of costs for damaged motor vehicles.

12.12 Credit for Found Items

Credit should only be applied if found items that were previously reported as lost are uniquely identifiable. General physical inventory write-ons should not be used as a credit.

12.13 Unsatisfactory Property Systems

When the calculated overall or instantaneous loss, damage, or destruction ratios exceed the acceptable high-risk and non high-risk loss, damage, or destruction ratios established in the ASTM standard, the PA should evaluate the affected segment(s) of a contractor's personal property management system to determine if they protect DOE interests in a satisfactory manner.

If a segment of a contractor's personal property management system is determined to be unsatisfactory, the PA should increase the surveillance of that segment of the system to prevent any loss, damage, destruction or unreasonable consumption of personal property.

Any loss, damage, destruction or unreasonable consumption that occurs during a period when a contractor's personal property management system is not approved should be investigated before approval or reinstatement of approval is considered.

CHAPTER 13

ACTIVITY ADDRESS CODES

[References: FAR Subpart 51.1, DEAR Subpart 951.1, FPMR Subpart 101-26.2]

13.1 Overview

This chapter addresses the processing of activity address code (AAC) related transactions.

13.2 Guiding Principle

The use of Federal supply sources should be maximized when they save time and money.

13.3 General

In order to use Government supply sources, including the Energy Assets Disposal System (EADS), DOE Federal and contractor operations must have an AAC. The AAC is a required data element on:

- Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) requisitions sent to GSA and the Veterans Administration.
- Military Standard Requisitioning and Issue Procedures (MILSTRIP) requisitions sent to the DoD.
- EADS reports and transactions.

13.4 General

GSA Headquarters issues and controls AACs assigned to DOE Federal and contractor operations. Through this process, GSA maintains:

- Data on designated DOE lead field organizations, points of contact (POC's), and sample signatures.
- An AAC database. Data for DOE offices and DOE contractors is maintained under Code 89. GSA also periodically provides AAC listings generated from its database to DOE field offices for validation.

The Headquarters Office of Resource Management:

- Serves as the Department's focal point on policy matters related to the issuance and control of AACs.
- Posts the names and telephone numbers for the AAC POCs on the Headquarters Office of Procurement and Assistance Management web page.

DOE field organizations designated as lead offices:

- Process routine AAC related transactions for their own and other DOE field offices within a specified group (see Attachment 13-A of this chapter for lead office and group designations).
- Provide the names, telephone numbers, and sample signatures of new POCs to GSA and advise the Headquarters Office of Resource Management of all POC changes.

Subordinate DOE field organizations should verify the need, purpose, and validity of their transactions prior to forwarding them to their lead office for processing.

13.5 Contractor Eligibility

DOE contractors are eligible to receive an AAC when:

- Performing under a cost-reimbursement contract.
- Authorized to use Federal supply sources under a formal letter of authorization (LOA) signed by the DOE contracting officer.
 - When requesting a new AAC, an original LOA is provided to GSA, identifying its expiration date and the contract number.
 - When extending a contractors authority to requisition from Federal supply sources, a new LOA is furnished

to GSA prior to the expiration of the current LOA. Otherwise, GSA will delete the AAC number.

13.6 Processing AAC Related Transactions

Requesting a New AAC

When requesting a new AAC, the three address types that follow must be provided to GSA. If appropriate, one address may be used for all three types.

- Type 1 - Mail/parcel post (ordering office) address.
- Type 2 - Freight (shipping) address. Must be a freight deliverable address, not a post office box.
- Type 3 - Billing address.

Changing an Address

An address change affecting an existing AAC should be reported to the lead office POC as soon as it occurs. A contractor address change does not require the issuance of a new LOA.

Extending an AAC Assignment

GSA issues an AAC expiration notice 90 days before a LOA is due to expire. To extend a contractor's authority to use an assigned AAC, a new LOA must be received by GSA prior to the expiration of the current LOA. Otherwise, GSA will cancel the AAC.

Deleting an AAC

A request to delete an AAC should be sent to GSA whenever:

- An AAC assigned to a DOE organization is no longer needed.
- An AAC assigned to a DOE contractor is no longer needed and a LOA expiration notice has not been received from GSA. Note: If GSA has issued a LOA expiration notice, no action is required. GSA automatically cancels AACs that have not been extended by the LOA expiration date.

**LEAD OFFICE ASSIGNMENTS
AND
SUBORDINATE OFFICE DESIGNATIONS**

Bonneville Power Administration
Manager, Contracts and Property
P.O. Box 3621
Portland, OR 97208-3621

Chicago Operations Office
Director, Information Management and
Support Division
9800 South Cass Avenue
Argonne, IL 60439-4899
Chicago Operations Office
Ohio Field Office

Headquarters
Director, Office of Management Support
950 L'Enfant Plaza
Washington, DC 20585
Headquarters Procurement Operations
Office of Administration
Federal Energy Regulatory Commission
Conservation and Renewable Energy

Oak Ridge Operations Office
Director, Procurement and Contracts
Division
P.O. Box 2001
Oak Ridge, TN 37831
Oak Ridge Field Office
Strategic Petroleum Reserve Project
Office
CEBAF Project Office

Savannah River Operations Office
Director, Contracts Division
P.O. Box A
Aiken, SC 29802

Savannah River Operations Office
Southeastern Power Administration
Morgantown Energy Technology Center
Pittsburgh Energy Technology Center

Western Area Power Administration
Director, Procurement and Support Services
Division
P.O. Box 281213
Lakewood, CO 80228-8213

Western Area Power Administration
Alaska Power Administration
Southwestern Power Administration

CHAPTER 14

[Reserved]

SECTION III
ASSET MANAGEMENT

CHAPTER 15

HIGH RISK PERSONAL PROPERTY

[Reference: Requirements refer to 41 CFR 109; FAR 45; DEAR 945; DEAR 970.5204-21(e); 41 CFR 101, Subchapter H; 10 CFR 600.130; 10 CFR 600.232; and 22 CFR 121]

15.1 Overview

This chapter addresses the life cycle management and control of DOE personal property categorized as high risk.

15.2 Guiding Principles

High risk personal property should be managed and controlled in an efficient manner throughout its life cycle.

High risk personal property 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 high risk personal property is subject to special considerations.

15.3 Applicability

This 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.

15.4 Deviations

Requests for approval to deviate from DOE policy regarding the management and control of high risk personal property policy are made through the cognizant HFO to the Director, Headquarters Office of Procurement and Assistance Management who will obtain the concurrence of the

Office of the Assistant Deputy Administrator for International Security and Nonproliferation when appropriate.

15.5 Types of Controls

Items of high risk personal property are categorized by the types of controls they receive:

- Items subject to personal property management controls.
- Items subject to other life cycle management controls.

Personal Property Management Controls

Items in this category have no clear, specific life cycle management controls in laws, regulations, or DOE orders. Therefore, DOE and contractor personal property management programs should provide for their identification, accounting, control, and disposal. The items include:

- Information technology.
- Especially designed or prepared property.
- Export controlled property.
- Nuclear weapon components or weapon-like components.
- Proliferation sensitive property.

Other Life Cycle Management Controls

Items in this category have life cycle management controls clearly specified in laws, regulations, or DOE Orders. They include:

- Export Controlled Information.
- Hazardous Property.
- Radioactive Property.
- Special Nuclear Material.
- Unclassified Controlled Nuclear Information

15.6 Title to High Risk Property

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

- 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.

However, 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 high risk personal property covered in this chapter.

15.7 Roles

HFOs and OPMOs should assure that their DOE organizations, contractors, and financial assistance recipients develop cost effective personal property management systems, providing life cycle controls for high risk personal property and covering all of the operational responsibilities addressed in this chapter.

In addition, OPMOs 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.

15.8 High Risk Controls Determination

The HFO may approve a contractor or financial assistance recipient personal property management program containing controls other than the life cycle controls addressed in this chapter. When the HFO takes this course of action, the decision should be justified in writing and a copy sent to the Director, Headquarters Office of Procurement and Assistance Management along with a detailed description of the program controls that were approved.

The HFO decision not to provide life cycle controls should take into account:

- The nature and extent of the high risk personal property typically:
 - Acquired by DOE, its contractors, or financial assistance recipients or
 - Otherwise brought to a DOE site, designated contractor facility, or financial assistance Recipient organization.
- The projected stability of the DOE, contractor, or financial assistance recipient operations.
- The degree of confidence in the property control measures available at disposition.

15.9 Identification, Marking, and Control

High Risk Assessments

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

- Ensure appropriate treatment at its disposal.
- Prevent the inadvertent, uncontrolled release of high risk personal property.

Identification, Marking, and Control

Special inventories for the identification of high risk personal property are not required. The following are recommended methods for ensuring the proper identification, marking and control of high risk personal property:

- Newly acquired high risk personal property should be identified, marked, and tracked upon acquisition by DOE organizations, contractors and financial assistance recipients.
- All personal property in use or awaiting use should be reviewed for high risk identification, marking, 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 high risk personal property 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 high risk personal property. 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.

Marking Exemption

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

Reporting Lost and Missing Items

If high risk personal property is determined to be lost or missing, the responsible DOE program office must notify the appropriate security and export control office immediately.

15.10 Disposition

DOE organizations and contractors should ensure that the disposition of these types of high risk personal property 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 high risk personal property are subject to applicable provisions of the FMR, FPMR, DOE O 580.1, and the DOE Guidelines on Export Control and Nonproliferation.

High Risk Assessments

The disposition of high risk personal property is subject to special considerations. Therefore, all proposed disposition actions involving high risk personal property must 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 high risk personal property and control its disposition to eliminate or mitigate such risks. In no case should personal property be transferred or disposed before an assessment is made to:

- Determine if it is high risk personal property.
- Ensure that it is handled in accordance with the guidance in this chapter.

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 Suppliers Group Trigger List.
- The Nuclear Suppliers Group Dual-Use List.
- The United States Munitions List published by U.S. Department of State.

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

Scrap and Destruction Dispositions

Destruction of excess or surplus high risk information technology, as defined in this Guide, is mandatory.

Unless alternative disposition options appear to be in the best interest of the Government, the following 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 an alternative disposition may be made, through the cognizant Assistant Secretary, to the Assistant Secretary for Nonproliferation and National Security.

Verification of Destruction

The responsible DOE organization, contractor, or financial assistance recipient should verify any disposition by destruction of high risk personal property.

Documentation

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

- Reviews and assessments.
- Certifications and clearances.
- Destructions verifications.
- End use certification.

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 and end use certification.

15.11 Approvals, Restrictions, and Conditions Applicable to Certain Transactions

Determination of Need

Certain sales, transfers, or other offerings of high risk personal property 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 risk personal property.

Approvals

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 Resource Management.
- Assistant Secretary for Nonproliferation and National Security.
- Cognizant program office.

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

- The prior and potential use of the ADPE.
- 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.

HFO 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 following Export Restriction Notice, or an approved equivalent notice from the sites or financial assistance recipient organizations property management system, should be included in all transfers, sales, or other offerings:

EXPORT RESTRICTION NOTICE

The use, disposition, export and reexport of this property are subject to all applicable U.S. laws and regulations, including 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 (50 U.S.C. Append 2401 *et seq.*); 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 Regulation (22 CFR parts 120 *et. seq.*); Export Administration Regulations (15 CFR part 730 *et seq.*); Foreign Assets Control Regulations (31CFR parts 500 *et seq.*); and the Espionage Act (18 U.S.C. 793 *et seq.*) which among other things, prohibit:

- The making of false statements and concealment of any material information regarding the use or disposition, export or reexport of the property; and
- Any use or disposition, export or reexport of the property that is not authorized in accordance with the provisions of this agreement.

15.12 End Use Certificate

An End-Use Certificate, DOE F 580.1 (OMB Control Number 1910-5121) must be completed by the recipient of high risk personal property and approved by the approving official and, as necessary, the Assistant Secretary for Nonproliferation and National Security. The completed certificate becomes part of the transfer records.

CHAPTER 16

PRECIOUS METALS

[Reference: 41 CFR 102-40.115]

16.1 Overview

This chapter addresses the DOE program for the management and recovery of DOE-owned precious metals and precious metals bearing scrap.

16.2 Guiding Principle

The effective management of DOE-owned precious metals, and the recycling of precious metals bearing scrap, can reduce research, development, production, and other program related costs.

16.3 DOE Business Center for Precious Metals Sales and Recovery

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

- Recycles, at minimum cost to participants, DOE- owned precious metals (pure metals, fabricated products, parts, catalysts, or solutions) within DOE.
- Accepts precious metals that are not needed for current or known future requirements, scrap, shapes, and radioactively contaminated precious metals in any form.
- Provides procedures and instructions for the return of precious metals, including their packaging, shipping, and security.
- Manages the BCPMSR assets based on annual, long-range forecasts, provided annually by the program participants upon request, of anticipated returns to and withdrawals from the program.
- Ships pure metals, parts, fabricated products, catalysts, or solutions, to fulfill fabrication requirements.
- Disposes of DOE-owned precious metals that are excess to DOE needs.

The BCPMSR Operating Procedure, DOE/ORO/2041, 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. The procedure is available on the Headquarters, Office of Procurement and Assistance Management web page.

The Chief, Property Management Branch, Oak Ridge Operations Office (865-576-1002) maintains and provides information regarding the operation of the BCPMSR (including the operating contractor's name, address, telephone number, and processing charges).

16.4 Precious Metals Control Officer

Each DOE organization and contractor with precious metal holdings 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:

- Assures that 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.
- Insures that physical inventories are performed as required by DOE O 580.1 and witnesses their completion.
- Performs periodic unannounced inspections of custodial precious metals stocks and records.
- Conducts annual reviews of precious metals holdings to identify excess quantities.
- Prepares and submits to the BCPMSR an annual forecast of anticipated withdrawals from, and returns to, the program.
- Conducts a program for the recovery of silver from used hypo solution and scrap film.

16.5 Acquisition

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

16.6 Physical Protection and Storage

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

16.7 Physical Inventories

Physical inventories are conducted in accordance with the requirements of DOE O 580.1 by the custodian of the precious metals and witnessed by the Precious Metals Control Officer (PMCO) or designee. 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.

16.8 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 as specified in DOE O 580.1.

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.

16.9 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.

16.10 Management Reviews and Audits

Unannounced inspections of a custodian's precious metals inventory and records may be conducted between physical inventories.

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

Terminated and transferred employees should be cleared for precious metals possession.

16.11 Precious Metals Recovery

The HFOs and the Director, Office of Administration are responsible for the establishment and maintenance of programs within their organizations for the recovery of precious metals, including the recovery of silver from used hypo solutions and scrap film.

16.12 Disposition

Excess precious metals should be turned in to the BCPMSR except when the program is unable to accept a specific precious metal. When the program is unable to accept a specific metal, the using activity may dispose of the precious metal through the normal disposal process when directed by the program.

CHAPTER 17

MOTOR EQUIPMENT

References: Requirements refer to 41 CFR 109; 41 CFR 102-5 and 102-34, Executive Order 13149, Energy Policy Act of 1992, and Energy Conservation Reauthorization Act of 1998]

17.1 Overview

This chapter addresses the life cycle management of motor equipment, including passenger motor vehicles and watercraft.

17.2 Guiding Principles

The acquisition and retention of motor equipment items should be limited to the minimum number required to meet program requirements.

Controls and practices should be established to achieve the most practical and economical utilization of motor equipment.

Electric vehicles should be used, wherever feasible, to further the goal of fuel economy.

Motor equipment should be operated in such a manner as to realize maximum energy conservation benefits.

17.3 Executive Order 13149, Greening the Government through Federal Fleet and Transportation Efficiency

DOE organizations and contractors should meet or exceed the guidelines established by DOE in the U.S. Department of Energy Compliance Strategy for E.O. 13149, which is available on the Headquarters Office of Procurement and Assistance Management web page. When possible, DOE organizations and contractors should use biodiesel blend in diesel vehicles, alternative fuels in alternative fuel vehicles, re-refined lubricating oils meeting manufacturer's performance standards, and retread tires and tires with recycled content when they are reasonably available and meet performance standards.

17.4 Acquisition of Motor Vehicles

General

DOE organizations should include in their budget submissions the number of passenger motor vehicles they propose to acquire during the fiscal year. The proposed acquisitions are identified as either:

- Additions to the motor vehicle fleet or
- Replacement vehicles.

Authority for the acquisition of passenger motor vehicles is contained in the Department's annual appropriation act. To ensure that DOE does not exceed its annual acquisition authorization for passenger motor vehicles, the Director, Headquarters Office of Procurement and Assistance Management, or designee, informs field organizations, in writing, of the number of passenger motor vehicles which may be acquired under each appropriation.

The statutory allocations and price limitations imposed on motor vehicles should not be exceeded.

Fuel Efficient Motor Vehicles

Requisitions for fuel efficient passenger automobiles larger than class I (subcompact), class II (compact), or class III (midsize) are forwarded with justification to the Departmental Motor Equipment Fleet Manager (DMEFM) for approval and certification of compliance with the fuel economy objectives listed in 41 CFR 102-34.

Requests to exempt the acquisition of certain light trucks from the fleet average fuel economy standards are provided with justification to the DMEFM for review and approval.

Acquisition Justifications

Requisitions for additions to the passenger motor vehicle fleet and replacement vehicles should contain adequate justification of need. The justifications should be prepared by the Motor Equipment Fleet Manager (MEFM) and approved by the Organizational Motor Equipment Fleet Manager (OMEFM).

Vehicle Additions

The justifications for additions to the passenger motor vehicle fleet should include:

- A statement as to why the present fleet size is inadequate to support requirements.
- A statement addressing the efforts made to achieve maximum use of on-hand motor vehicles through pool arrangements, shuttle buses, and taxicabs.
- The programmatic requirement for the motor vehicles and the impact on the program or project if the requisitions are not filled.
- The established DOE or local utilization objectives used to evaluate the utilization of passenger motor vehicles and a statement addressing whether or not the objectives were approved by the OMEFM.
- The date of the last utilization review and the number of passenger motor vehicles that did not meet the established utilization objectives and the anticipated mileage to be achieved by the new motor vehicles.

Vehicle Replacements

Requisitions for replacement passenger motor vehicles should include:

- A statement that by the MEFM and the OMEFM considered pools, shuttle buses, taxicabs, and utilization data.
- Specific information on the identification, age and mileage of the motor vehicles being replaced.
- A description of the condition of the vehicle when the passenger motor vehicle being replaced does not meet Federal replacement standards.

A motor vehicle may be replaced without regard to the replacement standards in 41 CFR 102-34:

- If it needs body or mechanical repairs that would cost more than the fair market value of the vehicle.
- The Director of Administration or HFO certifies that replacement is required.

Purchases from GSA

When submitting orders for passenger and law enforcement motor vehicles, the orders may be placed online using the GSA AutoChoice program or by faxing or mailing a requisition (GSA Form 1781).

- When ordering online through AutoChoice, the DMEFM, or designee, should be notified, via E-mail, when the order is in the AutoChoice garage. The E-mail should include a justification for the purchase, the agency code, bureau code, appropriation number used for the purchase, a statement certifying that funds are available, and if the purchase is for replacement vehicles, a description of the vehicles being replaced. The order should be reviewed and approved by the DMEFM before release to GSA for processing.
- Hard copy requisitions should be submitted for review, as required, and include justification for purchase, appropriation number used for the purchase, a statement certifying that funds are available, and if the purchase is for replacement vehicles, a description of the vehicles being replaced. The requisition should be forwarded to the DMEFM for approval and submittal to GSA.

Requisitions for all other types of motor vehicles may be submitted directly to GSA; however, an information copy of the requisition should be submitted to the DMEFM. Any order placed through AutoChoice should be handled the same as orders for passenger motor vehicles.

Direct Purchases

Passenger motor vehicles and trucks may be purchased directly, rather than through GSA, when GSA grants a waiver. Written requests for waiver, justifying the procurement, are submitted for review, as required, and forwarded to the DMEFM for submission to GSA.

If GSA refuses to grant a requested waiver, and it is believed that procurement through GSA would adversely affect or otherwise impair a program, the HFO may submit a written request to the DMEFM for authority to purchase the specific motor vehicles directly. The vehicles may be purchased upon receipt of written authorization from the DMEFM.

Used Motor Vehicles

Acquisitions by Purchase. Normally, DOE does not purchase, or authorize contractors to purchase, used motor vehicles. However, the Director, Office of Administration and HFOs may authorize the purchase of used motor vehicles where justified by special circumstances, such as:

- When new motor vehicles are in short supply.
- Motor vehicles are to be used for experimental or test purposes.
- Motor vehicles are acquired under the exchange/sale authority.

Acquisition by Transfer. Acquisitions of passenger motor vehicles by transfer from another Federal agency or DOE organization are authorized, provided they are:

- Considered as additions to the motor vehicle fleet of the receiving office.
- Acquired for replacement purposes and an equal number of replaced motor vehicles are reported for disposal within 30 days.
- For temporary emergency needs exceeding three months and approved in writing by the DMEFM.
- For emergency needs of three months or less and acquired in lieu of commercial rentals (these transfers do not count toward the fleet allocation).

Statutory Allocation Requirements

The statutory passenger motor vehicle allocation requirements apply to:

- Any purchase of used passenger motor vehicles except for motor vehicles to be used exclusively for experimental or test purposes.
- The acquisition of passenger motor vehicles by transfer from another Federal agency or DOE organization.

17.5 Identification Decals

Standard DOE motor vehicle decals are available from the DMEFM. Requests should be made by E-mail to the DMEFM, or designee. The decals include:

- DOE Form 1530.1, which is a window decal.
- DOE Form 1530.2, which is a door decal for use only on vehicles without windows.

17.6 License Tags

U.S. Government License Tag Numbers and Tags

The DMEFM assigns blocks of U.S. Government license tag numbers to DOE organizations, via E-mail, and maintains a current record of such assignments. Additional blocks are assigned upon request.

Designated ordering officials order all license tags from Federal Prison Industries, Inc. (UNICOR) through web site <http://www.unicor.gov>, or by faxing or mailing a purchase order to Unicor/Amerimac, Ltd.

Each DOE field organization and contractor maintains a current record of all individual license tag assignments for the motor vehicles under their jurisdiction.

Unissued license tags should be stored in a locked drawer, cabinet, or storage area with restricted access to prevent possible fraud or misuse.

Damaged or unusable tags are safeguarded until they are destroyed. Records of destruction are maintained by designated license tag ordering officials at the respective DOE field organizations.

District of Columbia License Tags

The Director, Office of Administration:

- Approves requests for regular District of Columbia license tags.
- Annually furnishes the name and specimen signature of each representative authorized to approve such requests to the District of Columbia Department of Transportation.

Foreign Country License Tags

Motor vehicles used in foreign countries are registered and carry license tags in accordance with the existing motor vehicle regulations of the country concerned.

The person responsible for a motor vehicle in a foreign country should inquire at the U.S. Embassy, Legation, or Consulate concerning regulations that apply to registration, licensing, and operation of motor vehicles and should be guided accordingly.

Lost, Stolen, or Missing Tags

If license tags are lost, stolen, or missing, DOE organizations and contractors should immediately notify the OMEFM or PA, as appropriate. The OMEFM or PA should then notify local security and law enforcement offices. The OMEFM should also notify the DMEFM.

17.7 Tag and Decal Display Exemptions

For vehicles not already covered by the display exemption provisions of 41 CFR 102-34.195, requests for exemption from the requirement for displaying U.S. Government tags and other U.S. Government identification are made pursuant to the provisions of 41 CFR 102-34.180 and 102-34.185. These requests are sent to the DMEFM through normal administrative channels.

For motor vehicles leased from GSA, the DMEFM furnishes to GSA copies of exemption certifications. To extend a requirement for exemption of a motor vehicle leased from a GSA fleet, a copy of the recertification is sent, through normal administrative channels, to the DMEFM for approval and forwarding to GSA.

Upon request from GSA, the DMEFM submits a report of exempted motor vehicles. In support of this request, DOE field organizations should be able to provide a listing, by type, of their exempted motor vehicles operated during the previous fiscal year, including each motor vehicle on hand at the beginning of the year and each newly authorized vehicle during the year. The information to be provided includes:

- The name and title of authorizing official (including any authorization by Headquarters and GSA).
- The date the exemption was authorized.
- The justification for exemption and any limitation on the use of the exempted motor vehicle.
- The date of discontinuance for any exemption discontinued during the year.
- The probable duration of the exemptions for motor vehicles continuing in use.

17.8 Utilization Controls and Practices

Utilization controls and practices apply to all DOE-owned and commercially leased motor equipment and to GSA Interagency Fleet Management System (IFMS) motor vehicles. Utilization controls and practices used by DOE organizations and contractors should include:

- The maximum use of motor equipment pools, taxicabs, shuttle buses, or other common service arrangements.
- The minimum assignment of motor equipment to individuals, groups, or specific organizational components.

- The maintenance of individual motor equipment use records, such as trip tickets or vehicle logs, showing the date used, name of the operator, destination, times of departure and return, and mileage or hours of use, as appropriate.
- The rotation of motor vehicles between high and low mileage assignments to maintain the fleet in the best overall replacement age and mileage balance and operating economy.
- The charging, if feasible, to the user organization for the direct and indirect cost of operating and maintaining motor vehicles assigned to groups or organizational components.
- The use of dual-purpose motor vehicles capable of hauling both personnel and light cargo to avoid the need for two motor vehicles when one can serve both purposes.
- The use of motor scooters and motorcycles in place of higher cost motor vehicles for certain within plant applications, such as messenger and mail service and small parts and tool delivery.
- The use of electric vehicles for certain applications.

17.9 Utilization Standards for Motor Vehicles

DOE utilization standards are established as objectives for motor vehicles generally operated for the purposes for which acquired. The standards listed below are approximations:

- Sedans and station wagons, general-purpose use—12,000 miles per year, per vehicle.
- Light trucks (4X2's) and general-purpose vehicles, one ton and under (less than 12,500 GVWR)—10,000 miles per year, per vehicle.
- Sports Utility Vehicles (4X4's and 4X2's) and all other all-wheel-drive vehicles—7,500 miles per year, per vehicle.
- Medium trucks and general-purpose vehicles, 1-1/2 ton through 2-1/2 ton (12,500 to 23,999 GVWR)—7,500 miles per year, per vehicle.
- Heavy trucks and general-purpose vehicles, 3 ton and over (24,000 GVWR and over)—7,500 miles per year, per vehicle.
- Truck tractors—10,000 miles per year, per vehicle.

Other motor vehicles—No utilization standards are established for other trucks, ambulances, buses, law enforcement motor vehicles, or special purpose vehicles. However, the MEFM should review the use of these motor vehicles at least annually to verify that they are required to meet programmatic, health, safety, or security requirements.

When operating circumstances prevent the above motor vehicle utilization standards from being met, local utilization objectives should be established and used (see paragraph 17.11 of this chapter).

17.10 Utilization Criteria for Other Motor Equipment

Utilization standards are not established for motor equipment other than motor vehicles. However, each DOE organization should:

- Establish, through an agreement between the MEFM and the OMEFM, utilization criteria for other motor equipment, including heavy mobile equipment.
- Review, adjust, and approve the utilization criteria annually.

The utilization of various classifications of other motor equipment can be measured through various criteria including miles, hours of use, number of trips, and fuel consumption. Therefore, a utilization review of other motor equipment should be performed at least annually by the MEFM to justify the retention of needed items and the disposition of excess items not needed to fulfill Departmental, programmatic, health, safety, or security requirements.

17.11 Local Utilization Objectives

Local objectives may be established when the utilization of individual motor vehicles could not be measured or evaluated strictly on the basis of miles operated or against any Department-wide mileage standard. For example, light trucks specifically fitted for use by a plumber, welder, etc., to perform work assignments have uniquely tailored use objectives. Therefore, local utilization objectives for measuring use, for planning, and for evaluating future motor vehicle requirements should be established by the MEFM. The objectives should be based on past performance, future requirements, geographic considerations, and special operating requirements.

The local utilization objectives should be reviewed at least annually and adjusted as appropriate by the MEFM. The reviews should be documented. The OMEFM is responsible for reviewing and approving all proposed local utilization objectives.

The MEFM should review, at least annually, the motor vehicle utilization statistics. All motor vehicles failing to meet the applicable DOE utilization standard or local utilization objective should be identified and one of the following actions should be taken:

- Reassign the underutilized motor vehicles.
- Dispose of the underutilized motor vehicles.
- Obtain a special justification from users documenting their continued requirements for the motor vehicle and any proposed actions to improve utilization. Any requirement for underutilized motor vehicles that the MEFM proposes to continue in its assignment is to be submitted in writing to the MEFM for approval.

Both the Department-wide standards and the local utilization objectives should be applied in such a manner that their application does not stimulate motor vehicle utilization for the purpose of meeting the standards or objectives. The ultimate objective against which motor vehicle utilization should be measured is the retention of the minimum number of motor vehicles needed to satisfy program requirements.

17.12 Official Use of Motor Vehicles

Statutory Provisions

31 USC 1349(b) provides for the suspension from duty of any officer or employee of the Federal Government who willfully uses, or authorizes the use of, a Government passenger motor vehicle for other than official purposes. The suspension is:

- Issued by the head of the department concerned.
- Without compensation.
- For not less than one month, (the suspension may be for a longer period or the officer or employee summarily removed from office if circumstances warrant).

18 USC 641 provides that any person who knowingly misuses any Government property (including Government motor vehicles) may be subject to criminal prosecution and, upon conviction, to fines or imprisonment.

17.13 Home-To-Work Use of Motor Vehicles

DOE Employees

Government motor vehicles may be used only for official use and for the incidental purposes described in 41 CFR 102-5 and this chapter.

Official use does not include the use of vehicles between home and a place of work except for the circumstances addressed in this chapter. Therefore, the Director, Headquarters Office of Administration and the HFOs should establish controls to ensure that the use of motor vehicles for home-to-work transportation is in accordance with the provisions of 41 CFR 102-5.

A Government motor vehicle may be issued to a DOE employee at the close of the preceding workday when the employee is authorized to travel by Government motor vehicle and either of the following situations apply:

- There is a significant savings in time by permitting a departure from home.
- Is scheduled to depart for temporary duty, in the interest of the Government, before the beginning of regular work hours.

Similarly, when an employee is scheduled to return after regular work hours, the motor vehicle may be returned the next regular workday.

This type of use of a Government motor vehicle is not regarded as prohibited by 31 USC 1344 (25 Comp. Gen. 844).

Contractor Employees

Contractor employees can use Government motor vehicles for home-to-work transportation when both of the following conditions are met:

- A home-to-work determination, addressing one of the authorizing circumstances listed in 41 CFR 102-5, is prepared in writing.
- The Secretary of Energy authorizes the home-to-work use as required by 41 CFR 102-34.

The comfort, convenience, or managerial position of contractor employees is not considered a justification for authorizing home-to-work use.

Contractors should maintain logs and other records on the use of a Government motor vehicle for transportation between an employee's residence and place of employment. As a minimum, these logs should indicate:

- The employee's name.
- Date of use.
- Time of departure and arrival.
- Miles driven.
- Names of other passengers.

Contractors should provide cognizant finance offices with applicable data on employees who use Government motor vehicles for home-to-work travel so that the provisions of the Deficit Reduction Act of 1984 concerning the taxation of fringe benefits may be complied with.

17.14 Emergency Use of Motor Vehicles

Contractors should have procedures in their approved property management systems for authorizing their employees to use Government motor vehicles in emergencies, such as:

- Unscheduled overtime.
- Situations at remote sites where prior approval is not possible.

The procedures should include examples of emergency situations warranting such use.

Records detailing instances of emergency use should be maintained. The records should be reviewed and certified through established audit procedures on at least annually by the OMEFM.

In limiting the use of Government motor vehicles to official purposes, there is no intent to preclude their use in emergencies threatening the loss of life or property. Such use should be documented, with the documentation retained for three years.

17.15 Motor Vehicle Operator Instructions

DOE organizations and contractors should ensure that their employees operating Government motor vehicles are informed concerning:

- The statutory requirement that Government motor vehicles are to be used only for official purposes.
- The penalties for unauthorized use of Government motor vehicles.
- Personal responsibility for safe driving and operation of Government motor vehicles.
- Compliance with Federal, state, and local laws and regulations.
- Accident reporting requirements.
- The need to possess a valid State, District of Columbia, or commonwealth operator's license or permit for the type of vehicle to be operated and some form of agency identification.
- The prohibition against providing transportation to strangers or hitchhikers.
- The proper care, control and use of Government credit cards.
- The mandatory use of seat belts by each employee operating or riding in a Government motor vehicle.
- The prohibition against the use of tobacco products in GSA IFMS and DOE-owned motor vehicles.
- The discouraged use of hand-held wireless telephones while operating a moving Government motor vehicle.
- Any other duties and responsibilities assigned to operators with regard to the use, care, operation and maintenance of Government motor vehicles.
- The potential income tax liability when a Government motor vehicle is used for transportation between residence and place of employment.
- Protection for DOE employees under the Federal Tort Claims Act when acting within the scope of their employment.

17.16 Scheduled Maintenance

Commercial services facilities should be utilized for the maintenance of motor vehicles whenever practical and cost effective.

A maintenance record should be kept on each motor vehicle to document past repairs, prevent unnecessary repairs and excessive maintenance, and to determine the most economical time for replacement.

The MEFM should establish one-time maintenance and repair limitations. The approval of the MEFM should be obtained to exceed the repair limitations.

Motor vehicles under manufacturer's warranty will be repaired under the terms of the warranty.

When motor vehicles are maintained in Government repair facilities in isolated locations that are distant from franchised dealer facilities, or when it is not practical to return the vehicles to a dealer, a bill-back agreement should be sought from manufacturers to permit warranty work to be performed on a reimbursable basis.

17.17 Damaged Motor Vehicles

Recovery of Costs

The cost of damage caused to a vehicle that adversely affects the resale of a vehicle should be recovered from the vehicle user.

Contractors should charge the user organization for all costs resulting from damage to a DOE vehicle that occurs while the vehicle is assigned to an employee of that organization. The recovered charges will be used to repair the vehicle. Organizations should be charged for:

- Vandalism, theft, and parking lot damage.
- Damage caused by misuse or abuse inconsistent with normal operation and local conditions.
- Repair costs which are incurred as a result of the user's failure to obtain required preventative maintenance.
- Unauthorized purchases or repairs, including credit card misuse, provided there is a clear, flagrant, and documented pattern of such occurrences.

Costs Excluded From Recovery

The user organization should not be charged for damage that results from:

- The negligent or willful act of a party other than the organization or its employee and the responsible party has been determined.

- Mechanical failure and the employee was not otherwise negligent. Proof of the failure must be provided.
- Normal wear comparable to similar vehicles.

17.18 Disposal of Motor Vehicles

After receipt of a replacement passenger motor vehicle, the replaced vehicle should be removed from service and disposed. No later than 30 days after the disposition of a replaced passenger motor vehicle, the motor vehicle fleet manager should provide to the OMEFM written certification that disposal action has been completed for the vehicle.

As necessary, the responsible contracting officer signs the Standard Form 97, The United States Government Certificate to Obtain Title to a Vehicle. The Director, Headquarters Office of Administration and HFOs may delegate the authority to sign the Standard Form 97 to responsible DOE personnel under their jurisdiction.

17.19 Motor Vehicle Reports

The Director, Office of Administration and OMEFMs should establish adequate records for accounting and reporting purposes.

Accident Reports

When a DOE-owned motor vehicle is involved in an accident, the driver of the vehicle should notify the appropriate local law enforcement agency, his or her supervisor, and the MEFM in accordance with internal procedures. Accident reports and related records should be retained, maintained and accessible in the MEFM's office. Motor vehicle accident reporting requirements defined in FMR 102-34.300 should be followed. Other reporting requirements and guidelines are addressed in DOE Order 231.1, Environment, Safety and Health Reporting.

Federal Automotive Statistical Tool (F.A.S.T.)

DOE organizations and contractors operating GSA leased, DOE-owned, or commercially leased motor vehicles enter data into the electronic F.A.S.T. system for their entire fleet, including security vehicles. Data is entered into the system through the F.A.S.T. web site at <http://fastweb.inel.gov> and should be completed 30 days after the end of the fiscal year. The DMEFM, or designee, provide user IDs and passwords to obtain access to the F.A.S.T. system.

Other Reports

Other annual motor vehicle reports include:

- Motor Vehicle Appropriations Request (COBRA), due August 15.
- Motor Vehicle Statement, due July 14.

OMEFMs receive notifications and instructions for completing these reports prior to the due dates.

17.20 GSA Fleet Programs

IFMS Program

The Director, Headquarters Office of Administration and HFOs:

- Designate a representative to coordinate with GSA concerning the establishment of a GSA fleet management system to serve their organization.
- May appeal, or request an exemption from, a determination made by GSA concerning the establishment of a fleet management system. A copy of the appeal or request should be forwarded to the DMEFM.
- Make the determination that an unlimited exemption from inclusion of a motor vehicle in a fleet management system is warranted. A copy of the determination should be forwarded to GSA and to the DMEFM.
- May seek unlimited exemptions from the fleet management system.

If circumstances arise that justify discontinuance or curtailment of an interagency fleet management system, the participating DOE organization should forward complete details to the DMEFM for consideration and possible referral to the Administrator of General Services.

DOE activities using GSA IFMS motor vehicles should review vehicle utilization statistics provided by GSA in order to determine if miles traveled justify vehicle inventory levels. Activities should retain justifications for the retention of vehicles not meeting DOE utilization guidelines or established local use objectives, as appropriate. Those vehicles not justified for retention should be returned to the issuing GSA interagency fleet management center.

Fleet Credit Card Program

The DMEFM is the DOE coordinator for the Fleet Credit Card Program. In that capacity, the DMEFM is accountable and responsible for the card program within DOE.

The Director, Office of Administration and HFOs are responsible for establishing administrative control procedures for the fleet credit cards obtained from GSA for GSA vehicles. As a minimum, the controls should provide for:

- Reconciling on-hand credit cards with the inventory list provided by GSA.
- Furnishing instructions to motor vehicle operators regarding the use and protection of credit cards against theft and misuse.

- Notifying the paying office immediately in the event a fleet credit card is lost or stolen to minimize the use of the card for unauthorized purchases.
- Validating credit card charges to ensure they are for official use only items.
- Being on the alert for any unauthorized bills.

DOE field organizations electing to participate in the Fleet Credit Card Program for DOE-owned or commercially leased motor vehicles, as defined in the SmartPay contract issued by GSA, should establish accounts with the authorized vendor by contacting the DMEFM.

The fleet card should be used only for the purchase of fuel and maintenance incurred for DOE owned/leased vehicles while conducting official Government business. To alleviate the risk of misuse and ensure that DOE is not negligent in this area, DOE and contractor fleet managers should closely monitor charges incurred on the credit cards. DOE and contractor fleet managers should also instruct card holders/users of their responsibilities.

17.21 Watercraft

No person may operate a watercraft on a waterway until basic watercraft knowledge and operating skills have been demonstrated.

Operators should check the watercraft to ensure that necessary equipment required by laws applicable to the area of operation are present, properly stowed, and in proper working order.

Operators must comply with all applicable Federal, State and local laws pertaining to the operation of watercraft.

Operators should not use watercraft or carry passengers except in the performance of official Departmental assignments.

Identifying numbers, whether issued by the U.S. Coast Guard, State, or local field organization, should be displayed on all watercraft in accordance with applicable requirements.

CHAPTER 18

IDLE EQUIPMENT

[Reference: FMR 102-32 and FPMR 101-27]

18.1 Overview

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

18.2 Guiding Principle

The classification and retention of equipment as spare equipment and EHFFP should be limited to those items needed to meet current and planned DOE program requirements.

18.3 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 PA and the OPMO. The walk-throughs should cover all operating and storage areas.

OPMOs 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.
- 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 laboratory or facility is

at the discretion of the laboratory or facility management. However, DOE field organizations may require contractors to submit walk-through reports to the OPMOs.

18.4 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 the 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 others.
- Declared excess when no longer needed.

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.
- Rejustifications for retention.
- Documentation of management reviews.

Justification and Review Procedures

EHFFP justification and review procedures should provide for the following:

- The justification to classify and retain equipment as EHFFP should provide sufficient detail to support the need for retaining the equipment. It should cite the future project, the use to be made of the equipment, or other reasons for retention.
- The initial EHFFP classification should be reviewed by a level of management above the individual making the initial determination.
- Retention of equipment as EHFFP is rejustified annually to ensure that the original justification remains valid. The rejustifications should contain sufficient detail to support the continued retention. When equipment is retained as EHFFP for longer than:

- One year, the rejustification is reviewed by management at least two levels above that of the individual making the determination to retain the EHFFP.
- Three years, the rejustification is approved by the head of the DOE field organization.

Program Review

OPMOs or PAs 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.

18.5 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, the engineering drawing number, and the purpose for retention as a spare.

Biennial technical evaluations should be conducted to determine the continued need for the 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 shall be established to provide for the identification and reporting of unneeded spare equipment as excess property.

CHAPTER 19

[Reserved]

CHAPTER 20

[Reserved]

SECTION IV
UTILIZATION AND DISPOSAL

CHAPTER 21

ROLES, SYSTEMS, REPORTS, AND SPECIAL HANDLING AND/OR APPROVALS

[References: The Federal Property & Administrative Services Act of 1949, as amended; 41 CFR 101-45; 41 CFR 102-38; 41 CFR 109; EADS Users Guide; and FEDS Users Guide]

21.1 Overview

This chapter addresses key roles in the utilization and disposal process, the Federal Disposal System/Energy Asset Disposal System (FEDS/EADS), the non-Federal recipients report, and excess property requiring special handling.

21.2 Guiding Principles

Timely and accurate reporting of excess personal property saves time and money.

Special care by DOE organizations and contractors prevent the unauthorized release of proliferation-sensitive, high-risk, contaminated, classified, and other items requiring special handling.

21.3 Roles

The OPMOs approve utilization and disposal procedures and monitors transactions to ensure compliance with the above cited references.

21.4 FEDS/EADS

General

EADS Reporting

Excess property is reported to EADS except property that is authorized for direct transfer or property that qualifies for one of the eleven exceptions at 41 CFR 102-36.220.

FEDS is the GSA system for reporting, tracking, and controlling the nationwide inventory of excess and surplus personal property of the Federal Government. EADS is a module within FEDS that provides DOE-wide systems support for Departmental screening of reportable excess DOE personal property. Property not transferred via EADS is automatically report to FEDS.

EADS Processing

Reportable excess personal property is screened for reutilization within DOE via EADS for a 15-day period. Prospective users of EADS should refer to <http://professionals.pr.doe.gov> and click on personal property for information on:

- Obtaining access to EADS.
- The EADS Users Guide that contains DOE policy for reporting, searching, freezing, and transferring procedures.

For purposes of the EADS internal screening process, excess DOE personal property is reported and coded in EADS as normal (NA), high risk (HR), Economic Development (ED), or Energy Related Laboratory Equipment (ERLE), as appropriate.

- Property coded NA that is not frozen by a DOE activity is automatically reported to FEDS after the internal DOE screening period ends.
- Property coded HR is tagged with a Drop After Internal Screening Flag (code HR) and is not reported to FEDS after internal DOE screening ends. See Chapter 15 of this Guide for further guidance on high risk personal property.
- Property coded ED is processed in accordance with Section 1355 of Public Law 103-160, the National Defense Authorization Act of 1994. Economic Development items that are not accepted when offered to the Community Reuse Organization (CRO) are reported to FEDS. See Chapter 26 of this Guide for further guidance on the disposal of Economic Development property.
- Property coded ERLE is processed in accordance with the Used Energy-Related Laboratory Equipment Grant Program, authorized by the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974; The Department of Energy Organization Act; and Title 10, Part 600, DOE Assistance Regulations, Financial Assistance Rules. ERLE items that are not acquired by an authorized organization are reported to FEDS. See Chapter 24 of this Guide for further guidance on the disposal of ERLE grant property.

FEDS Processing

If excess DOE property is not reutilized within DOE and it is eligible for FEDS screening, it is reported by EADS automatically to FEDS for Federal agency screening in accordance with the provisions of 41 CFR 102-36. For additional information on FEDS, visit the Headquarters Office of Procurement and Assistance Management web page.

Transfer Documentation

Transfers of excess property within DOE or to other Federal agencies are documented using a Standard Form 122, Transfer Order - Excess Personal Property or automated equivalent.

Except for contractors authorized by the DOE contracting officer to execute transfer orders, the cognizant DOE PAs approve the SF 122 transfer orders for their assigned contractors.

Property Not Reported In FEDS/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.

21.5 Property Requiring Special Handling and/or Approvals

The following categories of personal property require special handling and/or approval by the HFO 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 will sanitize the hard-drive with approved sanitization software. The person sanitizing the hard-drive will 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 will be removed and destroyed in accordance with approved standards.

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

Classified Personal Property

Classified personal property that is excess to DOE needs 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.

Defective or Unsafe Personal Property

Personal property that is considered defective or unsafe is mutilated prior to shipment for disposal.

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

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 Procurement and Assistance 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.

Hazardous Property

Excess or surplus hazardous personal property should not be commingled with nonhazardous 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 program office for appropriate action.

The utilization and disposal outside of DOE of excess and surplus personal property that is radioactively or chemically contaminated is accomplished in accordance with applicable Federal, State, and local regulations governing radiation/chemical exposure and environmental contamination.

Qualified program personnel should process excess personal property, including scrap, having a history of use in areas where radioactive or chemical contamination existed.

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

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

Suspect personal property whose contamination does not exceed applicable contamination standards may be utilized and disposed of in the same manner as uncontaminated personal property. Recipients should be advised if specific controls for shipment are required by 49 CFR 171–179. If personal property is screened within DOE, reported to GSA, or otherwise disposed of, the kind and degree of contaminations should be plainly indicated on pertinent documents.

Nuclear-Related or Proliferation-Sensitive Personal Property

The program office is responsible for physically tagging all excess nuclear-related and proliferation-sensitive personal property with a certification tag signed by an authorized program official. The authorized program official should be designated in writing by the program office.

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

E.O. 13148, Greening the Government through Leadership in Environmental Management requires all Federal agencies to coordinate with DoD prior to disposing of their ozone-depleting substances (ODS). Guidance on the utilization and disposition of excess DOE ODS is contained in a report, titled A Plan and Guidance to Implement EO13148, Requirements to Achieve Ozone-Depleting Substance Reductions, which is available on the Headquarters Office of Procurement and Assistance Management web page.

United States Munitions List Items

HFOs determine the demilitarization requirements for combat material and military personal property using the Defense Demilitarization Manual, DoD 4160.21-M-1, as a guide.

Donations to Public Bodies

The HFOs and the Director, Office of Administration:

- Appoint officials, as required by 41 CFR 101-44, to make, review and approve the findings justifying the donation of property to public bodies.
- Are responsible for the safeguards, notifications, and certifications required by 41 CFR 101-42.

Gifts

The HFO or the Director, Office of Administration, as appropriate, takes the actions required by 41 CFR 102-36 when conditional and unconditional gifts are offered.

Grants and Cooperative Agreements

The HFO approves transfers of property to a grantee or cooperative when the total dollar amount of property to be transferred exceeds the dollar value of the grant or cooperative agreement.

21.6 Abandonment and Destruction

The OPMO makes, and the HFO approves, 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 11, Loans and Chapter 28, Personal Property in Foreign Areas.

21.7 Non-Federal Agency Screeners

The contracting officer 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 contracting officer should advise GSA if an authorization is cancelled prior to the contract completion date.

21.8 Non-Federal Recipients Report

The report of personal property furnished to non-Federal recipients, submitted annually to GSA by the Property Executive, covers all transfers, gifts, loans, leases, license agreements, and sales of personal property to non-Federal recipients that occurred during the prior fiscal year.

DOE organizations should submit the information required by 41 CFR 102-36 in feeder reports to the Property Executive no later than November 15 of each year covering all non-Federal recipient transactions that occurred during report period.

- The Office of Science submits a feeder report for all ERLE program related transactions.
- All other DOE organizations submit feeder reports covering excess personal property, furnished to DOE contractors, off-site contractors, and financial recipients, that was:
 - Obtained from other Federal agencies.
 - No longer needed by a DOE organization.

CHAPTER 22

SALE OF SURPLUS PERSONAL PROPERTY

[Reference: 41 CFR 101-45, 41 CFR 102-38]

22.1 Overview

This chapter addresses the sale of surplus DOE personal property using:

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

22.2 Guiding Principles

Internet sales can reduce the disposal processing time and costs and increase sales proceeds.

22.3 Roles

HFOs and the Director, Headquarters Office of Administration, 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 one or more 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.
- Make the compelling reason determination required by 41 CFR 102-38 when entering into a contract for the purchase of surplus personal property by a debarred or suspended contractor.

The Director, Headquarters Office of Procurement and Assistance 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.

OPMOs 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.

22.4 Special Sale Requirements

Processing Requirements

The following surplus personal property may be sold only if the appropriate special processing requirements discussed in Chapter 21 are met:

- 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 invitations for bid:

Personal property purchased from the U.S. Government may or may not be authorized for export/import from/into the country where the personal property is located. If export/import is allowed, the purchaser is solely responsible for obtaining required clearances or approvals. The purchaser also is required to pass on this export control guidance if the property is resold or otherwise disposed.

Antitrust Review

When a proposed sale requires review for compliance with antitrust laws, the information required by the FPMR is submitted to the Director, Headquarters Office of Procurement and Assistance Management for forwarding to the Attorney General and GSA.

22.5 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 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 contracting officer 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, HFOs 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 FPMR.

22.6 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.

22.7 Internet Sales

Site-Specific Sales Arrangements

DOE organizations and contractors that wish to negotiate their own Internet sales arrangements with commercial Internet auction service providers should consult the Guide for Internet Auctions developed by the DOE Savannah River Site (SRS). The guide, available on the Headquarters Office of Procurement and Assistance Management web page, provides:

- An overview of the steps needed to establish a sales program using commercial Internet auction sites.
- A set of lessons learned by SRS from implementing their Internet sales program.

DOE-Wide Sales Arrangements

The DOE Integrated Contractor Purchasing Team negotiates basic ordering agreements (BOAs) to meet DOE-wide needs for Internet auction sale services.

The BOAs are designed for use by:

- DOE organizations.
- DOE on-site and off-site contractors and their subcontractors.

Information on Internet auction service BOAs that are currently in effect is posted on the Headquarters Office of Procurement and Assistance Management web page.

GSA On-Line 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.gsaauctions.gov>.

22.8 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, including Standard Form 119, Contractor's Statement of Contingent or Other Fees, together with 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.

22.9 Negotiated Sales Reports

DOE organizations should submit the report of negotiated sales to the Property Executive by November 15 of each year. The Property Executive, in turn, furnishes a consolidated report to GSA.

CHAPTER 23

FIREARMS

[References: 41 CFR 101-42.1102-10]

23.1 Overview

This chapter addresses the transfer, loan, and disposal of excess and surplus DOE firearms.

23.2 Guiding Principles

Firearms are destroyed when they are no longer safely usable.

Firearms in excess of quantities needed to meet mission needs are processed for disposal.

Firearms not loaned within 90 days of becoming excess are processed for disposal.

In addition to cost, DOE organizations should consider the benefits and the risks of each disposal option.

23.3 DOE Screening

DOE organizations should screen their usable excess firearms Department-wide to determine if there is a DOE need. DOE organizations that are authorized to acquire firearms may requisition excess firearms for their own use.

23.4 Loans

A DOE organization may loan usable excess firearms to a State or local law enforcement entity that provides law enforcement support to the DOE organization. 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.

23.5 Returned Firearms

When loaned excess firearms are returned, the DOE organization:

- May make them available to another State and local law enforcement entity that provides support to DOE under a written agreement as long as the firearms are in usable condition; or
- Processes them for disposal when they cannot be placed with another supporting State or local law enforcement entity within 90 days of their return to the DOE organization.

23.6 GSA Screening

Usable excess firearms no longer required within DOE are reported to GSA (7FB-8), Denver, CO 80225-0506 for Federal agency screening.

The provisions of 41 CFR 101-42.1102-10 apply except for subparagraph (b) that addresses the donation of surplus firearms to State and local law enforcement entities. When reporting firearms to GSA, the following statement is included:

The firearm(s) listed on this document is/are available for Federal agency use only. The firearm(s) is/are not available for donation to State or local law enforcement entities.

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.

23.7 On-Site 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 4160.21-M-1, Defense Demilitarization Manual.

23.8 Disposal Assistance

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, and Firearms (BATF).

DRMS Assistance

To obtain assistance from DRMS, DOE organizations follow the guidance contained in the memorandum of understanding (MOU) negotiated between DOE and DRMS (see Attachments 23-A and 23-B for details and points of contact). Under the provisions of the MOU:

- Headquarters DRMS records the surplus DOE firearms in the DoD Small Arms Serialization Program (SASP) prior to their delivery/shipment to the designated DRMS disposal support activity. The generating DOE organization mails or faxes to the Headquarters DRMS SASP point of contact a copy of each disposal turn-in document or a list containing the following information:
- National stock number (when available) or item description (nomenclature, part number, and manufacturer).
- Serial number.
- Turn-in document number.
- The activity address code of the generating DOE organization.
- The point of contact (name, address, phone and fax numbers) of the generating DOE organization.
- Upon receipt of notification to proceed from Headquarters DRMS, the generating DOE organization delivers or ships the surplus firearms to the Defense Reutilization and Marketing Office in Crane, Indiana (DRMO Crane). The method of delivery or shipment is coordinated with DRMO Crane to ensure that it meets all Federal requirements for the transportation or shipment of firearms.
- The firearms become DoD property upon receipt by DRMO Crane. The DRMO destroys the firearms utilizing the standard demilitarization procedures in DoD 4160.21-M-1, Defense Demilitarization Manual. DRMO personnel process, witness and document the destruction. The DRMO provides a copy of the disposal document to the DOE generating site, certifying that the destruction of the firearms was completed. There is no DOE involvement in the DRMS destruction process.

BATF Assistance

To obtain assistance from the BATF, the DOE organization contacts the nearest BATF field office (see Attachment 23-C for a list of BATF field offices) and requests the name, phone number, and point of contact for the nearest commercial operation—smelter, chipper, cutter, or shredder—used by BATF to dispose of its confiscated and unneeded firearms. Once the commercial operation is identified, the DOE organization:

- Contacts the commercial operation, identifies the types and number of firearms to be destroyed, and requests a price quote for destroying the firearms in a manner that is consistent with the guidelines contained in DoD 4160.21-M-1, Defense Demilitarization Manual.
- Delivers the surplus and unusable firearms to the commercial operation and ensures that they are destroyed properly and completely. Two individuals representing the DOE

organization, one being a knowledgeable DOE contractor employee and the other a DOE Federal employee, witness the destruction. The residue is thoroughly inspected to insure that no usable components remain.

- Fully describes (i.e., item description, part number, and serial number) each firearm that is destroyed on a disposal document and has the two witnessing individuals sign the document.

BATF field offices have no role in this process other than identifying their commercial disposal sources. Control of and accountability for the firearms remain 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.

ATTACHMENT 23-A
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
DEFENSE REUTILIZATION AND MARKETING SERVICE
AND THE
DEPARTMENT OF ENERGY

This Memorandum of Understanding is made this 4th day of June 1998 by and between the Defense Reutilization and Marketing Service (DRMS) and the Department of Energy (DOE).

1. PURPOSE

This Memorandum of Understanding (MOU) is entered into in order to establish policies and procedures under which the DRMS will provide disposal support to the DOE and its field sites for the purpose of receiving and demilitarizing excess/surplus DOE small arms weapons. This MOU is executed in accordance with the provisions of Section 202 of the Federal Property and Administration Services Act of 1949, as amended.

2. PROVISIONS

- a. Department of Defense (DoD) standard turn-in procedures and documents, as outlined in DoD 4000.25-M-1,¹ Military Standard Requisitioning and Issue Procedures (MILSTRIP) and DoD 4160.21-M, Defense Materiel Disposition Manual will be used. For the purposes of this MOU, one DD Form 1348-1 disposal turn-in document (DTID) may be used to turn in multiple quantities of weapons with the same part/model number provided that a list of the weapons= serial numbers is attached to the DTID. Advance notification to the designated DRMS disposal support activity, i.e., the Defense Reutilization and Marketing Office in Crane, IN, will be required. In addition, a list of the weapons, identified by nomenclature, manufacturer, model number, and serial numbers, and their shipping document numbers will be forwarded to Headquarters DRMS for entry into the DoD Small Arms Serialization Program (SASP) prior to shipment or delivery of the weapons to DRMO Crane, IN. Authorization to ship will be granted to each DOE field site by DRMS after the weapons information is input into the SASP.
- b. Each DOE field site will be responsible for shipping or delivering the weapons to the DRMO Crane, IN. The DRMO should be contacted to discuss and determine the shipping or delivery method. DRMS personnel will not pick up property at the DOE field site. The DOE field site must have a Federal Standard

¹The In-Transit Accountability requirements of DoD 4000.25-M-1 are not applicable to Federal Civil Agency turn-ins accomplished under this MOU.

Requisitioning and Issue Procedures (FEDSTRIP) number (i.e., DOE Activity Address Code plus document control number) on each DTID that is prepared.

- c. If at any time there is a problem with documentation, identification, quantity, serial numbers, etc., all shipments or deliveries will cease until resolution of the problem.
- d. The DOE weapons will not be screened by DRMS for reutilization, transfer, or donation. DRMS agrees to demilitarize the weapons after they are received from the DOE.
- e. The DOE field site is required to provide a fee of \$25.00 per weapon for DRMO processing of the property. The processing fee will be forwarded to DRMO Crane, IN, in the form of a check made payable to the United States Treasury.
- f. Proceeds generated from the sale of weapon residue/scrap will be deposited into DRMS=s General Fund Receipt Account 97X4930.5N54 S33181. No reimbursement of proceeds will be made to the DOE.

This MOU does not supersede any previous MOU already in effect with the DOE.

3. EFFECTIVE DATE

This MOU is effective as of 4 June 1998 and it will remain in effect until 4 June 2001 unless it is terminated before that date.

4. EXTENSION

This MOU may be extended by agreement of both parties until completion of demilitarization services provided by DRMS of small arms weapons.

5. TERMINATION

This MOU may be terminated by either party, provided the other party receives 60 days written advance notice.

MEMORANDUM OF UNDERSTANDING POINTS OF CONTACT

Defense Reutilization and Marketing Service

Memorandum of Understanding Point of Contact:

Headquarters, Defense Reutilization and Marketing Service (DRMS)
ATTN: DRMS-USD
74 N. Washington Avenue
Battle Creek, MI 49017-3092
(616) 961-7151

Small Arms Serialization Program Point of Contact:

Headquarters, Defense Reutilization and Marketing Service (DRMS)
ATTN: DRMS-C (SASP)
74 N. Washington Avenue
Battle Creek, MI 49017-3092
(616) 961-7304
(616) 961-5654

Designated DRMS Disposal Support Activity Point of Contact:

Chief, Defense Reutilization and Marketing Office (DRMO) Crane, IN
Building 300, Highway 361
Crane, IN 47522-5091
(812) 854-1554

Department of Energy

Headquarters, Department of Energy
Office of Procurement and Assistance Management
Office of Resource Management
Personal Property Management Division
1000 Independence Avenue, SW
Washington, DC 20585
(202) 586-4157

**BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS (BATF)
POINTS OF CONTACT**

DOE Site	BATF Office	Phone Number
Albuquerque (TSD, CTA, LANL, SNL)	Albuquerque Field Office Resident Agent in Charge	(505) 766-2271
Amarillo	Dallas Field Division Office Assistant Special Agent in Charge	(214) 767-2250
Argonne	Chicago Field Division Office Assistant Special Agent in Charge	(312) 353-6935
Bettis Laboratory	Pittsburgh Field Office Resident Agent in Charge	(412) 644-2912
Brookhaven	New York Field Division Office Assistant Special Agent in Charge	(212) 466-5150
Kansas City	Kansas City Field Division Office Assistant Special Agent in Charge	(816) 421-1329
Nevada	Las Vegas Field Office Resident Agent in Charge	(702) 388-0166
Oak Ridge	Knoxville Field Office Resident Agent in Charge	(423) 545-4505
Ohio	Cincinnati Field Office Resident Agent in Charge	(513) 684-3354
Richland	Seattle Field Office Resident Agent in Charge	(206) 220-6440
Rocky Flats	Denver Field Office Resident Agent in Charge	(303) 844-3421
Sandia (Livermore)	San Francisco Field Division Office Assistant Special Agent in Charge	(415) 744-7001
Savannah River	Charleston Field Office Resident Agent in Charge	(803) 727-4275
Strategic Petroleum Reserve	New Orleans Field Office Resident Agent in Charge	(504) 589-2563
West Valley	Buffalo Field Office Resident Agent in Charge	(716) 551-4041

CHAPTER 24

USED ENERGY-RELATED LABORATORY EQUIPMENT (ERLE) GRANT PROGRAM

[References: ERLE Users Manual, 10 CFR Part 600, 41 CFR 109]

24.1 Overview

This chapter addresses the granting of used energy-related laboratory equipment to colleges, universities, and other nonprofit educational institutions of higher learning in the United States for use in energy oriented education programs.

24.2 Guiding Principle

The granting of used, energy-related laboratory equipment saves taxpayers millions of dollars each year.

24.3 Authority

The ERLE Grant Program is authorized under the following legislative authorities:

- Chapter 4-Research, Section 31, Atomic Energy Act of 1954, as amended.
- Section 103, Energy Reorganization Act of 1974.
- Title III, Department of Energy Organization Act of 1977, as amended.

24.4 Background

The ERLE Grant Program was established by DOE to assist universities, colleges, and other nonprofit educational institutions of higher learning (junior colleges, hospitals, technical institutes and museums) located in the United States in equipping their science and engineering laboratories with used energy-related laboratory equipment for use in the following energy-oriented education programs:

- Energy related research and development.
- Teaching in the environmental, physical, and life sciences, and in engineering.

24.5 Roles

The DOE Office of Science manages the ERLE Grant Program.

The DOE Office of Scientific and Technical Information provides the ERLE database, ERLE Users Manual, and ERLE web page.

24.6 Grant Process

Used energy-related laboratory equipment that is excess to the needs of DOE is made available to the ERLE program for 30 days. Grants of this equipment may be made to eligible institutions prior to making it available to GSA for Federal reutilization screening.

Any eligible institution that is interested in receiving an ERLE equipment grant may place a hold or a “freeze” on the equipment and submit an equipment proposal request to the DOE field organization where the equipment is located, stating the objective(s) to be met through use of the equipment.

If the equipment proposal request is accepted, an equipment grant is issued to the institution. A copy of the completed grant agreement is used to transfer title and drop accountability of the granted equipment from the financial records.

A copy of each equipment agreement should be forwarded to the Office of Science.

The following grant related costs should be borne by the receiving institution:

- Any cost of care and handling the equipment (packing, crating, shipping, insurance, etc.) that is incident to the grant.
- The cost of any appropriate repair and/or modification done to the equipment.

24.7 Equipment Eligibility

Generally, items of equipment classified in Federal Supply Classification Group (FSCG) 66, Instruments and Laboratory Equipment, are eligible for granting under the ERLE Grant Program. In addition, other selected items designated by the Office of Science and approved by the Property Executive can be made available under the program.

Personal property items not classified in FSCG 66 generally are ineligible for granting under the ERLE Grant Program. In addition, the following types of property are not provided:

- Any otherwise eligible equipment still required by DOE Federal or contractor operations.
- Office equipment and supplies, machine tools (lathes, presses, etc.), hand tools, and general plant and equipment items (furnaces, jacks, cranes, hoists, refrigerators, etc.)

Additional, specific examples of the types of items that are eligible and ineligible for granting through the ERLE Grant Program are listed on the ERLE web page.

24.8 ERLE Web Page

Access to the ERLE web page is available through the Headquarters Office of Procurement and Assistance Management web page. The ERLE web page provides an overview of the ERLE Grant Program, eligibility guidelines, the ERLE Drug-Free certification form, procedures, a list of available equipment, and other ERLE program related information.

24.9 ERLE Users Manual

The ERLE Users Manual provides detailed instructions on how to:

- Access the ERLE web page.
- Use the OPMO Site Processing Interface.
- List or search for equipment.
- Apply on-line for grants of equipment.

This manual is available on the Headquarters Office of Procurement and Assistance Management web page.

24.10 Reports

As required by the FMR, grants made under the ERLE Grant Program are included in the annual report of property transferred to non-Federal recipients (see Chapter 21 of this Guide).

CHAPTER 25

OTHER EDUCATION ENHANCEMENT PROGRAMS

[References: None]

25.1 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 modern computer technology an integral part of every classroom.

25.2 Authorities

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

- E.O. 12999, Educational Technology: Ensuring Opportunity for All Children in the Next Century, dated April 17, 1996.
- Federal Property and Administrative Services Act of 1949 (Ch. 288, 63 Stat. 377).
- Pub. L. 96-480, Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3701 et seq.).
- Pub. L. 101-510, Department of Energy Science Education Enhancement Act (42 U.S.C. 7381 et seq.).
- Pub. L. 102-245, American Technologies Preeminence Act of 1991 (15 USC 3710).
- Pub. L. 104-106, National Defense Authorization Act of 1996.

25.3 Computers for Learning

E. O. 12999, Educational Technology: Ensuring Opportunity for All Children in the Next Century, 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 E.O., 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>.

25.4 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.

25.5 Education Partnerships

Purpose

The Department of Energy Science Education Enhancement Act 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 to the institutions (see Chapter 11 of this Guide).
- 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:

<u>FSCG</u>	<u>Description</u>
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 or 4 as defined in the FMR. 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:

- Which schools 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 (see paragraph 25.5).
- 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.

25.6 Reports

Gifts made under these programs are included in the annual report of property transferred to non-Federal recipients, as required by the FMR (see Chapter 21 of this Guide).

EQUIPMENT GIFT AGREEMENT

(Reference Number)

Between
The U.S. Department of Energy
and

(Name of Eligible Recipient)

1. PURPOSE

The U.S. Department of Energy shall provide as a gift excess and/or surplus education-related and Federal research equipment to (Name of Eligible Recipient), hereafter referred to as the Recipient, for the purpose of improving the Recipient's math and science education curricula or for the Recipient's conduct of technical and scientific education and research activities.

2. AUTHORITIES

- a. Executive Order 12999, Educational Technology: Ensuring Opportunity for All Children in the Next Century, directs Federal agencies, to the maximum extent permitted by law, to give highest preference to elementary and secondary schools in the transfer or donation of education-related Federal equipment, at the lowest cost permitted by law.
- b. The Stevenson-Wydler Technology Innovation Act of 1980, as amended by the American Technologies Preeminence Act of 1991 (15 U.S.C. 3710(i)), authorizes the Director of a laboratory, or the head of any Federal agency or department to give excess research equipment to an educational institution or nonprofit organization for the conduct of technical and scientific education and research activities.
- c. The Department of Energy Science Education Enhancement Act (42 U.S.C. 7381 et seq.) authorizes U.S. Department of Energy research and development facilities to transfer equipment that is excess to U.S. Department of Energy needs to educational institutions in the United States (including local educational agencies, colleges, and universities) that have entered into education partnership agreements with U.S. Department of Energy for the purpose of encouraging and enhancing study in scientific disciplines at all levels of education.

3. AGREEMENT

- a. The U.S. Department of Energy agrees to provide the equipment, identified in the attached equipment gift list, as a gift for the purpose of improving the Recipient's math and science curricula or for the Recipient's conduct of technical and scientific education and research activities.
- b. Title to the education-related and Federal research equipment, transferred under this agreement, shall vest with the Recipient upon the Recipient's written acknowledgment of receipt of the equipment. The acknowledgment shall be provided to (Name of the U.S. Department of Energy signatory) at (address).
- c. The Recipient shall be responsible for any repair and modification costs to any equipment received under this gift agreement.
- d. The Recipient hereby releases and agrees to hold the Government, the U.S. Department of Energy, or any person acting on behalf of the U.S. Department of Energy harmless, to the extent allowable by State law, for any and all liability of every kind and nature whatsoever resulting from the receipt, shipping, installation, operation, handling, use, and maintenance of the education-related and Federal Research equipment provided as a gift under this agreement.
- e. The Recipient agrees to use the gift provided herein for the primary purpose of improving the math and science curricula or for the conduct of technical and scientific education and research activities.
- f. The Recipient agrees to provide for the return of the equipment if the equipment, while still usable, has not been placed in use for its intended purpose within one year after receipt from the U.S. Department of Energy.

(U.S. Department of Energy Office)

(Name Recipient)

(Signature of Approving DOE Official)

(Signature of Official)

(Typed Name)

(Typed Name)

(Date)

(Date)

CHAPTER 26

ECONOMIC DEVELOPMENT PROPERTY

[Reference: Personal Property Letter 970-1]

26.1 Overview

This chapter addresses the transfer of DOE personal property:

- Identified as necessary for economic development, and
- Located at DOE sites and facilities that are undergoing, or are expected to undergo, reconfiguration, closure, termination or other significant transition due to the downsizing of the Department's nuclear weapons production mission.

26.2 Statutory Authority

The transfer of personal property for economic development purposes is authorized under Section 3155 of Public Law 103-160, the National Defense Authorization Act of 1994 (42 U.S.C. 72741). The Office of Worker and Community Transition administers the program on behalf of DOE.

26.3 General

The Secretary of Energy is authorized to transfer for consideration, all rights, title, and interest of the U.S. Government in and to excess (and under certain circumstances nonexcess) DOE personal property and equipment if the Secretary determines that such transfers will mitigate the adverse economic consequences that might otherwise arise from the closure of a DOE facility.

The personal property and equipment transferred under this program must be:

- Identified by established Community Reuse Organizations (CROs) as necessary for local economic development, and
- Determined by DOE to mitigate the adverse economic consequences that might arise from facility reconfigurations or closures.

26.4 Expedited Procedures

Delays in the transfer of DOE personal property and equipment from DOE facilities undergoing changes and downsizing to the commercial market place could:

- Result in reduced business opportunities.
- Contribute to the loss of a highly skilled workforce.

- Decrease the value and marketability of the property itself.

Therefore, all such personal property is subject to expedited reutilization and transfer procedures for economic development.

26.5 Role of the CRO

Since community involvement is essential to successful local economic development, DOE requires that communities affected by the reconfiguration or closure of nearby DOE facilities establish a CRO.

The primary mission of the CRO is to determine and sponsor actions the community may take to offset the consequences of DOE downsizing. It is the policy of DOE to work only with the CRO as the community's single voice for economic development issues.

26.6 Exempted Personal Property

Certain types of personal property are exempt from the economic development initiative, including:

- Weapons, nuclear ordnance, ammunition and explosives, guided missiles, aircraft and aircraft components, space vehicles, ships and marine equipment.
- All equipment identified as necessary for nonnuclear reconfiguration. This property is shipped to other DOE sites to reestablish key technologies for National Defense programs.

26.7 High Risk Screening

All DOE personal property is subject to the DOE High Risk screening process before conveyance to internal or external users. The process calls for the review of property for export restrictions, proliferation concerns, public and worker health and safety, and environmental issues. See Chapter 15 for guidance on the High Risk property screening process.

26.8 Economic Development Plan

The DOE Operations Office, Field Office, or Area Office is expected to assist the local CRO in developing a local economic development program plan. The plan should describe any personal property needed for specific economic development projects to be accomplished.

26.9 Excess Determination

An inventory of personal property identified for local economic impact is prepared and provided to the CRO. However, transfer of possession or title to the equipment will not occur until the property is determined to be excess to the needs of DOE. Notwithstanding the excess reporting requirements of Chapter 21, the below reporting policy is available at economic development sites:

Group 1—Local DOE Screening

The excess determination decision may be made by the activity where the property is located, after completion of local screening, for personal property:

- Classified in the FSCGs listed in Group 1 (see Attachment 26-A), and
- Having an acquisition cost of less than \$5,000.

Group 2—Expedited DOE Screening

Personal property that is occasionally reutilized within DOE is subject to EADS screening, but for only 15 days. That includes items:

- Classified in the FSCGs listed in Group 2 (see Attachment 26-B), and
- Having an acquisition cost of less than \$5,000.

Group 3—Normal DOE Screening

All other personal property, not classified in either Group 1 or Group 2, undergoes EADS screening for 30 days.

EADS procedures for processing personal property identified for economic development are at Attachment 26-C.

26.10 Inventory Database

A local personal property inventory database is used to identify all personal property that has been:

- Determined excess to DOE needs.
- Identified as having possible application to local economic development projects.

26.11 Transfer of Excess Property

When it is determined that there are no DOE requirements for eligible items of personal property, a DOE activity may offer the property to the CRO for economic development purposes in exchange for reasonable consideration.

The amount of consideration to be received is determined by the HCA. The amount may be less than the fair market value of the property if the HCA, acting on behalf of the Secretary, determines that receipt of the lesser amount is in accordance with the purpose of transfers under Public Law 103-160.

If the CRO and the DOE activity agree on the amount of consideration, the DOE activity transfers the property to the CRO and moves it to an area controlled by the CRO. In the event

that it is not feasible to move the property to the CRO controlled area, DOE will notify the CRO to coordinate a removal plan to insure compliance with applicable environmental, safety and health regulations. All rights, title, and interests of the U.S. Government in the personal property conveys at the time of transfer.

26.12 Transfer of Nonexcess Property

Nonexcess personal property that is located at a site to be closed or reconfigured may also be transferred to a CRO for consideration when:

- It is determined to be nonexcess by the property manager.
- The replacement cost of the property does not exceed an amount equal to 110 percent of the cost to relocate the property to another DOE facility. Relocation costs may include storage, protection, removal, transportation, insurance if any, and other associated costs.

26.13 Program Need Determination

When personal property is identified as needed for economic development and for a DOE program, the cognizant DOE Operations or Field Office Manager may make a need determination to claim the property for the DOE program.

If the Cognizant DOE Operations or Field Office Manager elects not to make a determination to resolve the competing claims for property, the issue is forwarded to Director of Procurement and Assistance Management for a final decision.

Except as provided elsewhere in this chapter, property is not transferred until the competing claims are resolved and it has been determined to be excess to DOE needs.

26.14 CRO Rejection of Property

When a CRO declines to accept property offered to it, the DOE activity will proceed with disposal processing in accordance with the appropriate provisions of the FMR and FPMR.

GROUP 1—LOCAL DOE SCREENING

Property classified in the following FSCGs and having an acquisition cost is 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, when the acquisition cost is less than \$5,000, requires a 15-day Departmental reutilization screening period 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

EADS PROCEDURES FOR ECONOMIC DEVELOPMENT PROPERTY

“(ED)” is entered at the end of the description of the property entered into EADS. This identifies items as property desired for economic development. All requests to freeze items for reutilization during the EADS screening should be honored.

The requirement must be identified. The first request places the freeze; subsequent requests are placed on a “wait list” in Format 903. The freeze remains in effect for up to 60 days pending a determination by the Manager of the DOE Operations or Field Office.

Freezing Property — Data Collection Format 903

For each item identified as “(ED),” the holding activity user records the freezes as follows:

- C Transaction ID Code (TIC)—“B” Frozen for a DOE Activity
- C DOE Activity Address Code —89 ____

Freeze remains in effect for up to 60 days.

Multiple Freezes for Same Property—Data Collection Format 903

If more than one DOE activity requests the same property, the holding activity user records the freezes as follows:

- C Transaction ID Code (TIC)—“S” Put on Waiting List
- C DOE Activity Address Code—89 ____

Transfer of Property—Data Collection Format 903

For each item identified as “(ED),” the holding activity users record the transfers as follows:

- For transfer at the holding activity:
 - C Transaction ID Code (TIC)—“A” Withdrawn for Use
- For transfer to another DOE activity:
 - C Transaction ID Code (TIC)—“H” Transfer to Another DOE Activity
 - C DOE Activity Address Code—89 ____

All other (ED) items that have no requests for DOE reutilization should be reflected as a “Change” with Transaction Identifier Code “A” to withdraw the items for further screening by the CRO. For items remaining after Departmental and economic development screening, update Format 903 to cancel the withdrawal by selecting the Action Code D=DEL. This causes returned

items to complete the rest of the screening cycle automatically. These items are not screened again within the Department.

Normal Departmental Screening

Items identified for economic development (ED) and items listed in Group 1 and Group 2 having an acquisition cost greater than \$5,000 undergo the complete EADS screening cycle for Departmental reutilization. Also included in the normal departmental screening is all property not covered in either of the Group 1 and Group 2 lists. These items are screened in accordance with the procedures contained in the FPMR and the guidance contained in Chapter 21 of this Guide.

CHAPTER 27

PERSONAL PROPERTY IN A MIXED FACILITY

[Reference: None]

27.1 Overview

This chapter addresses the process involved when selling or otherwise transferring DOE personal property located in a mixed facility to the contractor who is the operator of that facility.

27.2 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

27.3 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.

27.4 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, including:
- The selling price.
- The priority that will be given to DOE work that requires use of the sold or transferred personal property.
- The basis for any proposed charge to DOE for amortizing the cost of the DOE plant and equipment items.
- The recapture of the DOE personal property if DOE foresees a possible future urgent need.
- The delivery terms for the property, whether “as is, where is,” etc.

27.5 Benefit to DOE Programs

When seeking approval for a programmatic disposal 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.
- The sale of property to the contractor will remove obstacles which otherwise might discourage entry into the energy field.

CHAPTER 28

PERSONAL PROPERTY IN FOREIGN AREAS

[References: 41 CFR 102-36.380]

28.1 Overview

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

28.2 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 with U.S. foreign policy.

28.3 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 generally wish to be consulted before U.S. Government property is disposed of in their countries.

28.4 Exclusions

Excess and surplus DOE-owned high risk personal property (see Chapter 15 of this Guide) should not be disposed in foreign areas.

28.5 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 must approve the sale of this property in advance.

Before the sale of surplus DOE personal property located in foreign areas that has a total acquisition cost of \$250,000 or more, plans for such sale should be reported to the Property Executive to allow consideration of possible foreign policy issues and solicitation of advice from the U.S. Department of State.

Regardless of the total acquisition cost of the surplus DOE personal property involved, 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 the U.S. Department of State.

Matters concerning customs duties, taxes, or other similar charges may require a prior agreement with the foreign government involved. The U.S. Department of State should be contacted regarding these issues.

Whenever the advice or approval of the U.S. Department of State is required or sought, it may be obtained:

- From the foreign service post in the foreign area involved, or
- From U.S. Department of State Headquarters in Washington, DC.

If the issue is presented to the U.S. Department of State Headquarters in Washington, DC, it should be referred, through appropriate administrative channels, to the Director of Procurement and Assistance Management for review, coordination, and handling.

28.6 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.

28.7 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 accountable 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.

28.8 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.

28.9 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.

28.10 Import Duties and Taxes

Sales documents should clearly state and provide that:

- 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.

28.11 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.

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

- The property has no commercial value or the estimated care and handling costs exceed the estimated proceeds from its sale.
- 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.

28.12 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 are 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 will be handled.

28.13 Transaction Accounting

Instructions for reporting utilization and disposal transactions for excess and surplus DOE property located in foreign areas are contained in the DOE Accounting Handbook.