

HEALTH AND HUMAN SERVICES

LOGISTICS MANAGEMENT MANUAL (LMM)
POLICY and PROCEDURES



MANAGED BY

OS/ASAM/OAMP
DIVISION OF LOGISTICS & POLICY

July 2009

Record of Changes				
Change	Date	Page(s)	Section	Editors Initials
Original	23 Feb 2007			
1	30 June 2009	All	All	PDC/AD

DEVIATIONS/REVISIONS

The Logistics Management Manual (LMM), Code of Federal Regulations (CFR), Title 41, Public Contracts and Property Management and the HFPMRH/HFMRH are applicable to all HHS operating and staff divisions. They shall not be deviated from, except as specifically authorized by the Department and GSA.

A deviation is considered to be any of the following:

1. Any policy, procedure, method, or practice inconsistent with that prescribed in this manual.
2. Use or alteration of a Standard Form or HHS Form except as authorized by this manual.

Requests for deviation shall state clearly the nature of the required deviation and the circumstances justifying the deviation. Requests should be submitted through administrative channels to the Division of Logistics Policy and Programs (DLP), which falls under the Assistant Secretary for Administration and Management (ASAM), Office of Acquisition Management and Policy (OAMP), and contain the following information:

1. The title and citation of the CFR and or FPMR/FMR provision from which the agency wishes to deviate.
2. The name and telephone number of an agency contact who can discuss the reason for the deviation.
3. The reason for the deviation.
4. A statement about the expected benefits of using the deviation (to the extent possible, expected benefits should be stated in measurable terms).
5. A statement about possible use of the deviation in other agencies or Government-wide.
6. The duration of the deviation.
7. Each notice will be serially numbered and will specify the material transmitted, material superseded (if any), filing instructions and distribution codes. When appropriate, background information discussing the reasons for the transmittal will be included.

After review by DLP, the request for deviation from the CFR and or FPMR/FMR will be forwarded to the Deputy Assistant Secretary, OAMP for appropriate action, or returned for additional information. In the interest of establishing and maintaining uniformity to the maximum extent feasible, deviations from the LMM shall be kept to a minimum.

Executive Summary

The purpose of the HHS Logistics Management Manual (LMM) is to provide the policy, procedures, and guidance to support the implementations and supplements of applicable General Services Administration (GSA), Federal Property Management Regulations (FPMR), Federal Management Regulation (FMR), and Title 41 Code of Federal Regulation (CFR) 101 – 200. Material in this manual is based upon existing laws, executive orders, and mandatory regulations of control agencies, and Departmental policies which are incorporated for use by the HHS Operating Divisions (OPDIVs) and Staff Divisions (STAFFDIVs).

The LMM designates the roles and responsibilities of the Department's Property Management Officers (PMOs), Property Accounting Officers (PAOs), Budget Officials and Fleet Managers responsible for the "management of property and other programs and activities"; to include ordering, receiving, storing, distributing, accounting for, maintaining, and disposing of supplies and equipment. This includes the Departmental Property Management Information System (PMIS), which is used to track Property Plant and Equipment (PP&E) records. PMIS provides reasonable assurances that funds, property, and other assets are protected against waste, loss, unauthorized use, or misappropriation. The PMIS is the enterprise-wide PP&E management system as mandated by ASAM) on June 24, 2004.

The LMM is posted on the HHS website for use by HHS personnel and support contractors at <http://www.hhs.gov/oamp/policies/index.html>.

In efforts to communicate with the system users, the DLP has established the HHS Enterprise Portal-OAMP/DLP webpage, to capture user feedback and allow the Department to analyze the effectiveness of communication and dissemination of information.

INTRODUCTION

Overview of Logistics Management

The Department of Health and Human Services (HHS) is an executive agency of the Federal Government of the United States. The Federal Property Management Regulations (FPMR) and the Federal Management Regulation (FMR) were developed by the General Services Administration (GSA) to govern and guide executive agency officials in prescribing regulations, policies, procedures, and delegations of authority pertaining to the management of property and other programs and activities. (Code of Federal Regulations (CFR), Title 41, Public Contracts and Property Management, Chapter 101 Subchapter A, Part 101, Subpart 101-1 and Chapter 102 Subchapter A, Part 102, Subpart 102-1).

The "management of property and other programs and activities" is considered to be "logistics." Logistics is more concretely defined as the ordering, receiving, storing, distributing, accounting for, maintaining, and disposing of supplies and equipment. Controlling and synchronizing these and other interrelated processes in order to accomplish HHS missions and functions is considered "logistics management".

This manual is the HHS Logistics Management Manual (LMM). It prescribes policies and procedures that are intended to influence the performance of logistics processes and logistics management within the HHS and its OPDIVs and STAFFDIVs.

Mission Performance and Logistics Management

The HHS OPDIVs and STAFFDIVs are responsible for accomplishing a variety of complex and challenging missions and tasks. They are provided resources to accomplish these responsibilities, and the prudent management and careful stewardship of scarce resources is an integral part of the OPDIV and STAFFDIV missions and responsibilities.

This manual, therefore, is an important part of the system used by HHS to control its resources and perform its missions. To most effectively and efficiently carry out its responsibilities, HHS must effectively and efficiently manage logistics. A high degree of teamwork and communication between the consumers and providers of logistics services are required to do this. This manual is intended to enhance teamwork and communication.

Purpose of the Manual

The LMM implements and supplements the applicable portions of the FPMR/FMR. Material published in the LMM expands upon related material in the FPMR/FMR. Supplementing material deals with subject matter not specifically covered in the FPMR/FMR. Sections and paragraphs of this manual are cross-referenced to the FPMR/FMR where and when appropriate. When applicable, cross-reference citations are made at the end of sections or paragraphs.

Applicability

The material in this manual is applicable to all units of the Department unless otherwise specified.

Authority for Issuance

Authorities for issuing the HHS Logistics Management Manual are 5 U.S.C. 301, 40 U.S.C. § 524, and Chapter 2-500, Title 41 CFR, Public Contracts and Property Management, Chapter 101, Subchapter A, Part 101, Subpart 101-1 and Chapter 102, Subchapter A, Part 102, Subpart 102-1. Additional authorities and references include:

- TITLE 18 USC, Section 641, on the Care and Protection of Government Property.
- Federal Acquisition Regulation (FAR), which prescribes policies and procedures for the acquisition of supplies and services with appropriated funds.
- Federal Electronics Challenge Guidance, supports efforts to continuously improve environmental stewardship of electronic assets government-wide, including: Executive Order 13423, the Office of Management and Budget Environmental Stewardship Scorecard, and the Federal Electronics Stewardship Working Group.
- Department of Health and Human Services Purchase Card Guide, Version 5.0, dated July 2009, which establish the procedures for using the government purchase card at HHS.
- Department Accounting Manual, which provides guidance regarding accounting principles, standards, and related requirements for agencies to use in development of their accounting systems and internal auditing programs.
- Department of Health and Human Service Acquisition Regulation (HHSAR), issued as Chapter 3, Title 48, the Federal Acquisition Regulations System, which established uniform acquisition policies and procedures within the Department.

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Organization of the Manual

This edition of the LMM has been extensively reorganized and renumbered. To aid in navigating the new LMM a cross-reference table outlining the relationship between the old and new numbering schema is provided below:

LOGISTICS MANAGEMENT MANUAL CROSS-WALK REFERENCE TABLE	
NEW LMM STRUCTURE	OLD LMM STRUCTURE
<u>Part 1</u>	103-1 <i>et seq.</i>
<u>Part 2</u>	103-25 <i>et seq.</i>
<u>Part 3</u>	103-26 <i>et seq.</i>
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<u>Part 5</u>	103-37 <i>et seq.</i>
<u>Part 6</u>	103-40 <i>et seq.</i>
<u>Part 7</u>	103-41 <i>et seq.</i>
<u>Part 8</u>	103-42 <i>et seq.</i>
<u>Part 9</u>	103-43 <i>et seq.</i>
<u>Part 10</u>	104-44 <i>et seq.</i>
<u>Part 11</u>	103-45 <i>et seq.</i>
<u>Part 12</u>	103-46 <i>et seq.</i>
<u>Part 13</u>	103-48 <i>et seq.</i>
<u>Part 14</u>	103-49 <i>et seq.</i>

PART 1: PERSONAL PROPERTY SYSTEMS

1.1.0 GENERAL

This subpart introduces a system by which the Department of Health and Human Services (HHS) carries out and supplements the Federal Property Management Regulations (FPMR) ([41 CFR Chapter 101](#)) and the Federal Management Regulation (FMR) ([41 CFR Chapter 102](#)) issued by the General Services Administration (GSA).

1.1.1 FEDERAL PROPERTY MANAGEMENT REGULATION SYSTEM

The Federal Property Management Regulations (FPMR) 41 CFR 101 and the Federal Management Regulation (FMR) 41 CFR Chapter 102 prescribe the Federal policies, procedures, and delegations of authority on the management of property, and other logistics programs and activities. Proposed changes to the FPMR/FMR are published in the Federal Register. Agencies are provided time to review proposed changes and provide their comments. The FPMR/FMR are issued in loose leaf and bound format. As primary sources of the guidance contained in this manual, copies of the FPMR/FMR should be kept in all OPDIV and STAFFDIV logistics management activities.

1.1.2 STATUTORY PROVISIONS

Material in this manual is based upon existing laws, executive orders, and mandatory regulations of cognizant agencies. The Federal Property and Administrative Services Act of 1949 ([FPAS](#)), as amended Title 40, Public Buildings, Property and Works, Section 524(a) ([40 USC 524 \(a\)](#)) states: "Each executive agency shall (1) maintain adequate inventory controls and accountability systems for property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) promptly report excess property to the Administrator of General Services, (4) perform the care and handling of such excess property, and (5) transfer or dispose of such property as promptly as possible in accordance with authority appointed and regulations prescribed by the Administrator". (United States Code (31 USC, Money and Finance) 31 USC 3511(a)). The Comptroller General shall prescribe the accounting principles, standards, and requirements that the head of each executive agency shall observe (P.L. 97-258, Sept 13, 1982, 96 Stat. 959). 31 USC 3512 requires that the accounting system of each agency shall include monetary property accounting records. 31 USC 902 requires that administrative controls of each executive agency shall be established to provide reasonable assurances that funds, property, and other assets are protected against waste, loss, unauthorized use, or misappropriation. The Chief Financial Officers Act (CFO) of 1990 (P.L. 101-576), 31 USC 902, requires that certain activities within HHS prepare auditable financial statements annually. This would include the application of

the agency's Property Management Information System (PMIS), and as the designated HHS-wide system for personal property and inventory management and control.

The National Technology Transfer and Advancement Act of 1995 (Pub. Law 104-113, 15 U.S.C. 3701 *et seq.*) encourages the use of consensus technical standards by Federal agencies. Federal agencies shall consult with voluntary, private sector consensus standard bodies and participate in the development of technical standards

1.1.3 TEMPORARY HHS LOGISTICS MANAGEMENT ISSUANCES

The LMM also includes manual circulars which are interim instructions, each with a fixed effective duration. Interim instructions may be issued in circular form when time or exceptional circumstances do not allow publication of a final policy. The effective dates of the interim instructions will be stated on the circular, with conversion to permanent form made as necessary.

1.1.4 PUBLICATION AND DISTRIBUTION

Material published in the LMM and manual circulars pertaining thereto will not be published in the Federal Register unless it affects the public. The LMM will be posted on the OS/ASAM/OAMP website for use by HHS employees. The FPMR/FMR and LMM are available to HHS employees whose responsibilities require them. They should be directed to all levels of management where determinations regarding logistics, including personal property, supply, transportation and warehousing, etc., are considered. Distribution is made to offices that have requested placement on the manual mailing lists. All Office of the Secretary (OS), Operating and Staff Divisions (OPDIV and STAFFDIV), and Regional Office (RO) logistics offices shall submit copies of their implementing policies and procedures for logistics management to the Office of Acquisition Management and Policy (OAMP) under the Assistant Secretary for Administration and Management (ASAM) for review and approval prior to their issuance.

1.1.5 MAINTENANCE OF ISSUANCES

Recipients of the FPMR/FMR and LMM should file all new material promptly. New policies and procedures requiring implementation or a change in operations should be reported to the appropriate logistics management staff. Changes or additions to the LMM will be forwarded to recipients with a covering transmittal notice. Each notice will be serially numbered and will specify the material transmitted, material superseded (if any), filing instructions and distribution codes. When appropriate, background information discussing the reasons for the transmittal will be included. Upon separation or transfer to other Department positions, employees should leave the LMM for successors. In unusual circumstances, an employee may be permitted to retain copies

when the need is adequately justified and approved by the OPDIV Administrative Officer and Property Management Officer.

1.1.6 HHS IMPLEMENTATION AND SUPPLEMENTATION OF FPMR/FMR

The LMM implements and supplements the applicable portions of the FPMR/FMR. Material published in the LMM expands upon related material in the FPMR/FMR. Supplementing material deals with subject matter not specifically covered in the FPMR/FMR. Sections and paragraphs of this manual are cross-referenced to the FPMR/FMR where and when appropriate.

1.1.7 PERFORMANCE MEASURES

OS and OPDIV and STAFFDIV Heads shall implement the HHS Logistics Performances Measures to monitor the effectiveness, efficiency, and control of their logistics programs.

1.1.8 HHS PROPERTY MANAGEMENT INFORMATION SYSTEM (PMIS)

HHS logistics OPDIVs and STAFFDIVs shall use the Department's PMIS as the PP&E System of Record. All other legacy systems are not the System of Record, and shall be decommissioned. We recognize that the system will evolve over time and the PMIS Change Control Board (CCB) will continue to review quarterly and contemplate development of or changes to the Department's PMIS or HHS logistics business processes and forms. These actions shall first be done through the ASAM/OAMP. Logistics staff shall use the performance measures developed for the logistical processes when planning any automated systems (i.e., supply, personal property, transportation, etc.).

1.1.9 OFFICIAL USE OF GOVERNMENT PROPERTY

No employee of the Department shall use or authorize the use of Government property for other than official purposes. Each OPDIV and STAFFDIV shall maintain effective personal property accountability and control system that meets the requirements of this manual. The prohibition and the penalty for misuse of government property is: Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof; or whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been embezzled, stolen, purloined or converted shall be fined under this title or imprisoned not more than ten years, or both. If the value of such property does not exceed the sum of \$1,000, the individual shall be fined under

this title or imprisoned not more than one year, or both. The word “value” means face, par, or market value, or cost price, either wholesale or retail, whichever is greater. ([18 U.S.C. 641](#)) Employee misuse of a Department vehicle is subject to disciplinary action which may range from a suspension of one (1) month or, up to and including, removal from Government employment ([31 U.S.C 1349](#)). See also Standards of Conduct, [5 CFR 2635.101\(a\), \(11\)](#).

1.2.0 RESPONSIBILITIES

1.2.1 GENERAL

This part establishes authorities, roles, and responsibilities within HHS as they pertain to the planned acquisition, efficient utilization, physical/automated property systems accounting, and the appropriate disposition of personal property. This includes the management of supply, aircraft, motor vehicles, and transportation and traffic management.

It is HHS’ policy that each OPDIV and STAFFDIV establish and support logistics management functions in its organization and ensure that the logistics functions meet program needs economically and efficiently, according to applicable Federal statutes, regulations and the Logistics Management Manual (LMM).

1.2.1.1 GOALS

Objectives of the HHS logistics management program are to provide:

- A system to effectively manage Government personal property and supplies in the custody or used by HHS employees, HHS organizations, HHS contractors, and HHS grantee/cooperative agreement organizations.
- Uniform principles, policies, standards, and procedures for economical and efficient management of Government personal property that are (a) sufficiently broad in scope; (b) flexible in nature to simplify adaptation to local needs; and (c) various kinds of operations.

These include:

1. Effective planning and scheduling of logistics requirements to assure that supplies, equipment, and transportation are available to serve operations while, maintaining inventory levels at the lowest practicable level.
2. Assurance through leadership and direction that HHS will:
 - 2.1 Obtain maximum utilization of property for official purpose only.

- 2.2 Maintain adequate inventory levels and accountability records and controls.
- 2.3 Avoid unnecessary costs of acquisition by ensuring use of existing property has been considered prior to acquisition.
3. Care for property through proper preservation, preventive maintenance, handling and storage.
4. Assurance that property is available for reassignment to HHS OPDIVs and STAFFDIVs and other Government activities when such property is no longer required for existing or pending projects or programs.
5. Inspection of new property to assure receipt of proper quantities in acceptable condition, and that it complies with specifications and standards.
6. Submission of logistics management reports as required.
7. Conduct of periodic management reviews of logistics activities, including internal control reviews under the FMFIA program for determining compliance with prescribed policies and regulations, and the need for guidance or training. The reviews shall be conducted by qualified personnel preferably assigned positions not directly accountable or responsible for the property in the area reviewed.

1.2.2 ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT (ASAM)

The Secretary has delegated to the Assistant Secretary for Administration and Management (ASAM) the authority and primary responsibility for providing direction, leadership, and general supervision in the development and administration of an effective and efficient logistics management system:

1. Under the direction of the ASAM, the Office of Acquisition Management Policy (OAMP) is responsible for:
 - Establishing Departmental policies and procedures satisfying the requirements of law, regulations, and sound management practice in the functional areas of acquisition, logistics and travel.
 - Deciding the necessity for, and making the appropriate recommendation to the Secretary regarding the use of Government- owned or controlled motor vehicles between home and place of employment by officials and employees of the Department

2. The ASAM is responsible for developing, promoting, monitoring, administering, coordinating, and evaluating the Department-wide logistics management program and shall:
 - 2.1 Develop and maintain Departmental logistics management policies, standards and procedures;
 - 2.2 Develop and publish Departmental issuances relating to logistics management;
 - 2.3 Represent the Department with GSA and other agencies on matters relating to logistics management;
 - 2.4 Submit consolidated Departmental reporting to GSA, Congress, and other Federal agencies, as required;
 - 2.5 Provide staff assistance to OPDIVs and STAFFDIVs performing logistics management functions;
 - 2.6 Develop logistics performance measures; provide training, information and procedures to help OPDIVs and STAFFDIVs in managing vital programmatic logistics resources.
 - 2.7 Conduct reviews and appraisals of Departmental personal property, supply, and transportation management functions.
 - 2.8 Oversee and provide executive management guidance with respect to the policies outlined in the Logistics Management Manual (LMM).
3. The ASAM shall also establish the HHS Logistics Management Committee (LMC) to assist in executing the primary responsibilities for logistics management. The LMC is chaired by the Director, Division of Logistics Policy and Programs (DLP) in OAMP. Members are the incumbents of the senior logistics positions within the OPDIVs and STAFFDIVs. The positions held by LMC members are normally the heads of administrative areas which would include logistics management (i.e. Director, Office of Management Services, Director, Division of Logistics Services, or similar logistics related positions). The LMC has specific responsibility to assist in the planning, development and distribution of policies and related information for Department-wide logistics management. The LMC shall meet no less than twice annually.

1.2.3 RESPONSIBILITY OF OPERATING AND STAFF DIVISION HEADS

The heads of OPDIVS and STAFFDIVS have an inherent responsibility to manage all assets under their jurisdiction. Specifically, they are responsible for:

- The effective utilization of the HHS' Property Management Information System (PMIS) for all assets within the OPDIV or STAFFDIV. The PMIS shall be consistent with the requirements of this manual and shall be uniformly applied throughout the OPDIV and STAFFDIV community.
- The establishment of an internal standard operating guide or policy that ensures management's accountability at each echelon and provides optimum protection against fraud, waste, misuse, and abuse of Government property during the receipt, use, movement, maintenance, and disposal of equipment.

OPDIV and STAFFDIV guides and/or policies shall not weaken any HHS policies and must be consistent with the requirements of this manual. OPDIV and STAFFDIV Heads will formally appoint a Property Management Officer (PMO). The PMO, in turn, has the discretionary authority to appoint Supply Management Officers (SMO) and/or Property Accountability Officers (PAO), as needed. The Head of the OPDIV or STAFFDIV may act as the Determining Authority or formally appoint someone at the Administrative Officer level or higher to this position so long as it is not the Property Management Officer. (See Part 16, Appendix A: Report of Survey Policy)

1.2.4 RESPONSIBILITIES OF PROPERTY MANAGEMENT OFFICERS (PMO)

Property Management Officers are the officials assigned to operate logistics management organizations. Their actions and those of their employees support the execution of the responsibilities assigned to the PMO. They work with other members of the activity to coordinate property planning and utilization to ensure effective and economical service in meeting operational needs.

The PMO is the individual who has the knowledge, position and authority to account for the effective control of the acquisition, use and disposal of personal property. The PMO of each OPDIV and STAFFDIV should make program management officers aware of the need to keep him/her fully informed of program objectives and changes affecting logistics management. The PMO is responsible for coordinating his/her analysis of program needs directly with the personnel responsible for the various segments of the total operation such as property accountability, supply, motor vehicle/aircraft, and transportation/traffic management. Their responsibilities include the following:

1. Provide leadership, and guidance in the proper accounting, utilization, care, and disposal of property.
2. Determine the requirements development for property based on a determined need within the program objectives.

3. Decide property condition, including its serviceability and repairability.
4. Coordinate the process of board-of-survey actions according to instructions contained in the LMM (see section 1.2.2.) to the point of completion.
5. Ensure through staff leadership and technical assistance that prescribed property accountability and property inventory records are maintained and that controls on property are made known (where their supervisor's jurisdiction encompasses one or more accountable property areas).
6. Assure that property accountability records are reconciled by periodic inventories of property.
7. Establish policies and procedures that satisfy LMM requirements and the various laws and regulations referenced therein.
8. Ensure effective utilization of the HHS' PMIS for all assets for which they have been designated the property management officer.
9. Ensure that proposed acquisitions are reviewed for satisfying requirements through potential reutilization or required source methods and application of use standards outlined in the LMM (see section 1.2.)
10. Ensure the establishment, training, and maintenance of the logistics management network comprised of all appointed and re-appointed positions. (see sections 1.2.9 to 1.2.11)
11. Ensure review, study, evaluation, and improvement of the logistics program, functions, operations and procedures.
12. Provide technical advice and assistance to OPDIVs/STAFFDIVs on matters pertaining to logistics management and serving as the point of reference with the Department and external agencies on logistics matters.
13. Develop and implement inventory schedules for OPDIVs/STAFFDIVs, monitoring inventory progress, and providing assistance to support headquarters activities.
14. Ensure that required reports are provided.
15. Appoint, in writing, a Property Accountable Officer (PAO) to account for and control personal property assigned within his/her jurisdiction.

16. Ensure that management and or organization supervisors designate in writing, applicable Inventory Managers (IM), Inventory Clerks (IC) and Asset Center Representatives (ACR) to assist the PAO in accounting and controlling personal property in his/her asset area.
17. In the absence of a designated representative for an asset area, designate in writing a manager or supervisor to assume interim responsibility for assets until a permanent IM, IC or ACR is designated.
18. Function as the coordination point for reuse and disposal of excess personal property which includes providing property staff with disposition instructions in accordance with the FPMR/FMR.
19. Ensure that excess personal property is deleted from the PMIS.
20. Assist OPDIV/STAFFDIV management in the development and operation of internal control systems and ensure their compatibility with Departmental programs and policies.
21. Coordinate with the Executive Officer on all matters pertaining to effective management and control of OPDIV and STAFFDIV personal property located in the regional offices.

1.2.5 RESPONSIBILITIES OF PROPERTY ACCOUNTABILITY OFFICERS (PAO)

Property Accountability Officers, as appointed by a PMO, are responsible for:

1. Ensuring effective administration and maintenance of a property accountability and control system within the accountable area for which they have been designated.
2. Determining the definition of asset areas within the accountable area; recommending the designation of an Inventory Manager (IM) for each asset area; ensuring that IMs have current records of the property for which they are responsible; that physical inventories are taken; that property is protected and maintained; and that survey reports for lost, damaged, or destroyed property are promptly prepared and processed.
3. Sharing joint responsibility with the OPDIV/STAFFDIV Financial Management Officer for personal property reports, and as necessary, in reconciling personal property accounting records and financial accounting records.
4. Providing reports as necessary to provide indicators of status, success, and/or weaknesses in the property management program.

1.2.6 RESPONSIBILITIES OF SUPPLY MANAGEMENT OFFICERS (SMO)

The Supply Management Officer is principal official appointed by the OPDIV and STAFFDIV head and is responsible for providing functional management, leadership and assistance in the implementation of an effective supply management program including:

1. Ensuring that procedures related to this manual are developed, implemented and maintained.
2. Managing the OPDIV supply management system in accordance with this manual and with financial management policies.
3. Determining items to be designated for control in a supply management system.
4. Designating storage areas and supply points which provide for the preservation and protection of supply inventories.
5. Sharing joint responsibility with Financial Management Officer for supply fiscal reports, and as necessary, in reconciling inventory records and financial records.
6. Ensuring that the OPDIV is kept advised of significant supply matters.
7. Assisting OPDIV in the development and operation of internal control systems and ensuring their compatibility with Departmental programs and policies.
8. Conducting reviews and assessments of materials inventory management activities and reporting findings, facts and trends to appropriate OPDIV/STAFFDIV management officials.

1.2.7 TRANSPORTATION AND TRAFFIC MANAGEMENT OFFICER (TMO)

The Transportation and Traffic Management Officer is designated by the OPDIV and STAFFDIV Head and has responsibilities for all phases of freight transportation and traffic management. The Transportation and Traffic Management Officer is responsible for:

1. Interpreting, adapting, and implementing Federal traffic and transportation regulations through development of policies and procedures, and directives designed to establish an effective freight transportation and traffic management program.

2. Developing specific guidelines for packing, crating, and consolidation of shipments to assure safe and economical transit to destinations.
3. Maintaining a close liaison with Federal regulatory agencies, carrier representatives and HHS employees to accomplish the required objectives of the transportation and traffic management program.
4. Considering type and purpose of each shipment, handling required to meet speed and convenience requirements, carrier dependability and ability to render special services, etc.
5. Recommending alternatives for movement of freight to meet emergency situations such as time limits, breakdowns in carrier schedules, excessive temperature variations, etc.
6. Studying and analyzing of the many factors that affect traffic management services; e.g., tariffs, rates, routes, carriers' operating practices and equipment, freight movement patterns, safety requirements, shipping facilities, packing and loading methods, and receiving functions.
7. Investigating cases of lost or damaged shipments, processing of claims for loss, damage, excessive charges, etc., and negotiation with carriers for settlement.
8. Evaluating, analyzing and consolidating report data.

1.2.8 DEPARTMENT FLEET MANAGEMENT OFFICER (FMO)

The Department Fleet Manager, located in the Assistant Secretary for Administration and Management (ASAM), Office of Acquisition Management and Policy (OAMP), is responsible for establishing and monitoring the Departmental motor vehicle program, including developing adequate accounting and reporting of motor vehicles.

1.2.8.1 OPDIV FLEET MANAGEMENT OFFICER (OPDIV FMO)

The OPDIV Fleet Manager is designated by the OPDIV Head and is responsible for:

1. Implementing HHS policy and direction.
2. Developing and implementing local policy guidance to the OPDIV's local motor vehicle managers.
3. Providing advice and guidance to the OPDIV's local motor vehicle managers.

4. Investigating reports of vehicle misuse.
5. Analyzing vehicle usage to assure maximum economies are achieved
6. Reviewing national vehicle operations to assure FPMR/FMR and HHS requirements are carried out.
7. Planning and executing Departmental Transportation Management programs and procedures as detailed in Executive Orders, (e.g. EO 13423 Strengthening Federal Environmental, Energy, and Transportation Management) and/or Code of Federal Regulations 41 C.F.R. 102-117.

1.2.9 RESPONSIBILITIES OF INVENTORY MANAGERS (IM)

The IM is designated by the OPDIV and STAFFDIV Head for the immediate physical custody of all personal property under their control. The designation as IM may or may not correspond to the individual's official job title. The IM is responsible for:

1. Maintaining current inventory records for all in-use accountable personal property within their assigned asset area(s).
2. Initiating or processing documents affecting accountability or custody of equipment.
3. Ensuring that all movement of accountable and non-accountable personal property into or out of the asset area is documented, and that documentation is provided to the PAO.
4. Continuing surveillance to ensure that property is accorded proper maintenance and protection, and is used only for official purposes.
5. Identifying and reporting to the PAO any property which is not required for use in the asset area.
6. Ensuring that property determined to be missing is promptly reported to the security office.
7. Ensuring the prompt submission of a Report of Survey for Lost, Misused, Damaged, or Destroyed Property.
8. Assisting the OPDIV or STAFFDIV property management office in the taking of a physical inventory and conducting his/her own personal physical inventory when deemed appropriate.

9. Assisting in exit clearance procedures including accounting for all assigned property.
10. Conducting periodic utilization surveys to ensure compliance with prescribed use standards and to screen for excess property;
11. Ensuring that additions, transfers, and deletions are fully supported and entered in the HHS' PMIS in a timely manner.

1.2.10 RESPONSIBILITIES OF INVENTORY CLERKS (IC)

The IC is an optional function designated by the Property Management Officer¹ to assist the designated organization's IM or other established authority for the immediate physical custody of all the personal property in one or more specific areas under their control. The designation as IC may or may not correspond to the individual's official job title. (Not all organizations will require this role, the size of the organization will determine if this position is necessary.) The IC is responsible for:

1. Maintaining current inventory records for all in-use accountable personal property within their assigned asset area(s).
2. Initiating or processing documents affecting accountability or custody of equipment.
3. Ensuring that all movement of accountable and non-accountable personal property into or out of the asset area is documented, and that documentation is provided to the PAO.
4. Continuing surveillance to ensure that property is accorded proper maintenance and protection, and is used only for official purposes.
5. Identifying and reporting to the PAO any property which is not required for use in the asset area.
6. Ensuring that property determined to be missing is promptly reported to the security office.
7. Ensuring the prompt submission of a Report of Survey for Lost, Misused, Damaged, or Destroyed Property.

¹ Establishment of a Property, Plant & Equipment (PP&E) Inventory Clerk (IC) shall be determined by the Property Management Officer (PMO) in consultation with the OPDIV Head based upon the size and complexity of the OP/STAFF Division's PP&E portfolio

8. Assisting the OPDIV or STAFFDIV property management office in the taking of a physical inventory and conducting his/her own personal physical inventory when deemed appropriate.
9. Assisting in exit clearance procedures to ensure that all assigned property is accounted for.
10. Conducting periodic utilization surveys to ensure compliance with prescribed use standards and to screen for excess property.
11. Ensuring that additions, transfers, and deletions are fully supported and entered in the personal property control system in a timely manner.

1.2.11 RESPONSIBILITIES OF THE ASSET CENTER REPRESENTATIVE (ACR)

The ACR is designated by the PMO or other established authority to assist the designated organization's IM for the immediate physical custody of all personal property under their control. The designation as ACR may or may not correspond to the individual's official job title. (Not all organizations will require this role, the size of the organization will determine if this position is necessary.) The ACR is responsible for:

1. Maintaining current inventory records for all in-use accountable personal property within their assigned asset area(s).
2. Continuing surveillance to ensure that property is accorded proper maintenance and protection, and is used only for official purposes.
3. Identifying and reporting to the IM and/or PMO any property which is not required for use in the asset area(s).
4. Ensuring that property determined to be missing is promptly reported to the security office.
5. Assisting the OPDIV property management office in the taking of a physical inventory and conducting his/her own personal physical inventory when deemed appropriate.
6. Conducting periodic utilization surveys to ensure compliance with prescribed use standards and to screen for excess property.

1.2.12 RESPONSIBILITIES OF REGIONAL OFFICES (RO)

HHS OPDIVs have the authority to organize themselves into multiple geographic Regions

in order to better execute their statutory duties. Within said Regions, the Director of each Region in turn is authorized to designate a Regional PMO (RPMO). Notice of such designation shall be forwarded to the Director of Logistics Branch (DLB), Program Support Center (PSC) and ASAM/OAMP/DLP. The RPMO is the individual appointed within each Region who has knowledge, stature, authority, and accountability required to control and provide periodic assurance that the logistics management actions of all components, including regional Operating and Staff Divisions, located in their respective Region are being correctly performed.

In addition, the RPMO shall provide status reports to the PSC, to assure that all logistics management actions of the entities in their respective Region are being performed correctly. RPMOs are responsible for the following logistics functions:

1. Implementing, administering and maintaining the logistics management program within the region.
2. Supporting the region's logistics management network, comprised of PAOs, IMs, Boards of Survey, and coordinating the regions logistics activity.
3. Training the region's PAOs, IMs, and Boards of Survey, and providing assistance as necessary.
4. Submitting the proper paperwork or data for any property, that has been approved as excess by an OPDIV, to the General Services Administration.
5. Managing the HHS' PMIS and control the assignment of bar code labels or other identifiers to personal property items.
6. Scheduling inventories and utilization walkthrough surveys, monitoring inventory progress, providing guidance and assistance as required, and reporting the status of inventories to the Director, PSC, and ASAM.
7. Reviewing the acquisition process to assure compliance with regulations pertaining to supply sources and to maximize the use of excess property.
8. Developing and maintaining logistics management operations procedures.
9. Submitting annual reporting requirements to the DLP.
10. Keeping ASAM advised, quarterly or more frequently if warranted, of the progress being made to resolve deficiencies where findings of material weaknesses, management letters, or other serious problems within the property management areas have been uncovered based on HHS Inspector General, Government

Accountability Office, law enforcement, or independent audit findings

1.2.13 BOARDS OF SURVEY (BOS) AND SURVEY OFFICERS

PMOs, having been designated the authority by OPDIV heads (see Part 16, Appendix, A) to appoint, either permanently or on an as-required basis, Boards of Survey (BOS) consisting of three or more members or a Survey Officer to review and investigate incidents involving loss, damage, misuse, or destruction of Government property. The Board of Survey or Survey Officer will also make recommendations to the appropriate Office of the General Counsel with respect to any financial liability for such property and provide authorization for removal of items from official property records. Procedures and actions to be taken are found at Part 16, Appendix A, "Report of Survey Policy". Responsibilities of the BOS include:

1. Investigating circumstances surrounding the reported loss, theft, damage, or destruction of personal property.
2. Providing recommendations regarding proposed cannibalization, scrap, salvage, abandonment or destruction of personal property having a unit acquisition cost of \$1,000 or more. In the event the ROS is for an item with a unit acquisition cost less than \$1,000, the Survey Officer can provide recommendations without convening a BOS.
3. Determining if reported loss, damage or destruction of Government property was the result of employee negligence, misconduct or reckless disregard for the property and providing findings and recommendations of employee liability to OGC and the appropriate line managers.
4. As appropriate, forwarding reports with findings and recommendations to legal and investigative offices for further review and action.

1.2.14 RESPONSIBILITIES OF CONTRACTING OFFICERS AND GRANTS MANAGEMENT OFFICERS (CO & GMO)

Contracting Officers in coordination with the OPDIV logistics office shall assure that all contracts that involve government furnished property contain the applicable Federal Acquisition Regulation (FAR) property clause; and assure that contractors' property control systems are reviewed, appraised, and approved as provided in FAR 45.104. *See also*, Part 16, Appendix O.

Grants Management Officers shall ensure that any Government property acquired by a commercial organization under an HHS grant or cooperative agreement is administered in the same manner as contractor held property. (See HHS Grants Administration and 45

CFR Part 74 et seq.).

1.2.15 HHS EMPLOYEES

Each HHS employee who has use of, supervises the use of, or has control over Government property is responsible for that property. The responsibility may take either or both of the following forms:

1. Supervisory responsibility, in which an officer-in-charge, an administrative officer, or supervisor is obligated to establish and enforce necessary administrative and security measures to ensure proper preservation and use of all Government property under his/her jurisdiction.
2. Personal responsibility, in which each employee of the Department is obligated to properly care for, use, and protect Government property issued, assigned or loaned to for the employee's use at or away from the office or station. Employees shall notify their organization's IM and/or property management activity when property is lost, stolen, damaged, or destroyed. For additional information please see the Office of Government Ethics "Standards of Ethical Conduct for Employees of the Executive Branch" at [5 CFR Part 2635](#).

1.2.16 REMOVING PROPERTY FROM HHS OFFICES

The LMM establishes the primary guidance regarding procedures for removing property from HHS offices. All employees will use [HHS Form 439](#) to document said removal. OPDIVs and STAFFDIVs are free to establish additional procedures for employees for removing Government property from Government offices, however, said procedures cannot be less stringent than the LMM. Internal procedures must include documentation and tracking of these assets.

1.2.17 RESPONSIBILITIES FOR DEPARTMENTAL REPORTING

Reports are an integral part of logistics management and provide managers with indicators of the status, success or weaknesses in the program. Unless otherwise directed within this manual, or other Departmental reference, required recurring logistics reports listed in the Reports Calendar in Part 7 shall be received by the ASAM/OAMP on time, and as required. The PMO is responsible for the Personal Property Reports. Report information, formats, and instructions are reflected in the report references.

The OPDIVs and STAFFDIVs shall submit the logistics reports to the Director, Program Support Center for consolidation and submission to ASAM/OAMP.

Consolidated Departmental reporting, as required by the FPMR/FMR, shall be done by a single submission from the ASAM/OAMP using as a base, the reports submitted according to Part 7.

PART 2 ACQUIRING PERSONAL PROPERTY AND SUPPLIES

2.1.0 GENERAL

This section implements and supplements 41 CFR 101-25, Supply and Procurement. It contains guidance about the general area of supply management designed to support the logistical programs of the Department.

2.1.1 USE OF GOVERNMENT PERSONAL PROPERTY AND NONPERSONAL SERVICES

Government-owned or leased property in the control of the Department shall not be used for any purposes other than in the performance of work of the Department, except in emergencies threatening loss of life or property, or as may be authorized by law. Emergency is defined in the FPMR 101-25.100.

2.1.2 EMPLOYEE RESPONSIBILITY

Each employee shall be held responsible for the proper use and protection of any property that may come into his/her custody or control. No employee shall appropriate for personal use any article of Department property, including that property which has been ordered abandoned or destroyed.

2.1.3 CRITERIA FOR DETERMINING METHOD OF SUPPLY

Criteria have been established by the general services administration that governs the selection of methods of supply that are to be used. These criteria are applicable to all executive agencies. They are specifically defined in FPMR 101-25.101 methods prescribed are: storage and issue; consolidated purchase for direct delivery to use points; indefinite quantity and requirement contracts; and local purchase.

2.1.4 EXCHANGE OR SALE OF PERSONAL PROPERTY FOR REPLACEMENT PURPOSES

OPDIVs shall review property for eligibility for exchange/sale (trade-in or reimbursable sale), when replacing existing property as a means to reduce general expenditures. However, the use of exchange/sale authority is limited to certain categories of property (ADPE, vehicles, office equipment and scientific equipment). It does not apply to furniture or office supplies, and should be considered as only one factor within the total context of acquisition decision-making. Specific guidance can be found in FMR 102-39 on the use of the exchange/sale authority *see also*, 41 CFR Ch102-36.150 through 102-36.470.

2.1.5 PROMOTIONAL MATERIALS, TRADING STAMPS AND BONUS GOODS

Promotional materials that are received as a result of official business are the property of the government, except unsolicited advertising or gifts of nominal value (e.g., pens, pencils, note pads, calendars, etc.) which can be accepted by departmental employees (see 5 CFR Part 2635H). Other materials, such as rebates, merchandise, or similar material will be given into the custody of an administrative official designated by the head of the OPDIV and STAFFDIV.

Any questions concerning the acceptance of these materials, gifts, etc. should be referred to the appropriate ethics counselor.

The material mentioned above may be accumulated and forwarded to the Public Health Service/Indian Health Service hospitals/clinics for recreational activities of patients served by those institutions.

Travel bonuses should be forwarded to the travel unit of the OPDIV/STAFFDIV's financial management activity.

2.1.6 ACCEPTANCE AND USE OF DEMONSTRATION EQUIPMENT

The use of demonstration equipment is not permitted. This prohibition does not preclude suppliers from demonstrating equipment as long as the equipment is removed immediately after the demonstration.

2.1.7 ACQUISITION OF OFFICE FURNITURE AND OFFICE MACHINES

Maximum use of redistribution, repair and rehabilitation will be made to meet needs before the acquisition of new office furniture. Property Management Officer (PMO) or appointed representative shall validate each requisition to decide if suitable items are available from the excess inventory in other HHS OPDIV and STAFFDIVs. Property management offices shall circulate the Standard Form 120, Report of Excess Personal Property and/or lists of usable excess property to Department OPDIVS and STAFFDIVs. Further guidance may be found in Part 9.

2.1.8 SERVICING OF OFFICE EQUIPMENT

If deciding whether office machines will be serviced by using an annual maintenance contract, justification supporting this decision shall be approved by the OPDIV/STAFFDIV Administrative Officer in coordination with the PMO. Property management offices or the local asset areas where the equipment is used are encouraged to maintain equipment history information so that it can serve as a factor in making the determination for using an annual maintenance contract.

2.1.9 LABORATORY AND RESEARCH EQUIPMENT

Effective procedures shall be applied in planning for, allocation of, safety practices and disposal of laboratory and research equipment. Disposition will be done in accordance with existing policy and procedures as included within the LMM and within the individual OPDIVs, if extant.

2.2 DETERMINATION OF PERSONAL PROPERTY REQUIREMENTS

2.2.0 GENERAL

This section provides general policies governing the development of personal property requirements and determination of need. OS, OPDIVs, STAFFDIVs, and ROs shall limit the quantity and quality of property to be acquired to the minimum necessary for effective and efficient performance of assigned functions and responsibilities. PMOs will coordinate with OPDIV and STAFFDIV Program Managers to accurately determine their proper needs and effective utilization of acquired property. The determination of requirements for supplies, materials, and equipment shall be governed by standards established for use and replacement of items. When standards do not exist, they shall be developed and applied locally.

2.2.1 DEVELOPMENT OF REQUIREMENTS

To achieve efficient program operations, it is essential that equipment and supplies necessary to support the operations are on hand when required. To this end the planning of equipment and supply requirements should be done concurrently with program operations planning, both immediate and long range. Requirements determination will provide the basis for development of the budget estimates of funds needed for material to support the planned objectives.

2.2.2 PLANNING AND SCHEDULING ACQUISITIONS

In the interest of providing equipment and supplies when needed and avoiding peak loads in purchasing and contracting, the responsible procuring activity in coordination with PMOs are responsible for informing Program Managers and Project Officers of the necessity to provide sufficient lead time when placing requisitions to enable Purchasing Agents and Contracting Officers to schedule and obtain property in an efficient and orderly manner. Once funds are available, requirements should be filled; requirements should not be allowed to accumulate until the last two quarters of the fiscal year.

End of the year requirements for acquisition of property from GSA sources of supply shall conform to the funding restrictions as stated in the FPMR 101-26.104.

2.2.3 HHS METRIC PROGRAM

When planning for procurement solicitations, OPDIVs and STAFFDIVs are required to use the metric system of measurement, or a dual system stating both metric and inch-pound units, in all procurement documents where measurements are required unless such use would be impracticable or would likely cause significant inefficiencies or lost markets to United States firms. Refer to HHS Chapter 8-25, General Administration Manual (GAM) for Departmental policies, procedures, and responsibilities for implementing the Metric Conversion Act of 1975.

2.2.4 ACQUIRING PROPERTY

It is the responsibility of the PMO to use the most efficient means to meet the needs of the Program Manager. Careful consideration must be given to the following possible means of supply: loan, transfer, rental, or purchase. Priority in the use of supply sources which are listed in Part 2, section 2.2.8 must be followed.

2.2.5 BORROWING PROPERTY/USE OF PRIVATELY OWNED PROPERTY

Borrowing property from the private sector or use of privately owned property by the Government is not permitted unless approved by ASAM. Such practice often leads to claims against the Government for damage to, or loss of, the borrowed or privately owned property. It may raise questions concerning augmentation of appropriation conflicts of interest and unfair favors or advantage in receiving contracts or grants. Property is authorized for acceptance as a loan on behalf of the Department only when the property is not otherwise available to the borrowing activity and is necessary to: maintain essential functions of the Department; enable personnel to discharge their duties; and the appearance of which does not create a conflict of interest or unfair competitive advantage.

Records are to be established to provide control over borrowed or privately owned property.

Personal property obtained by loan from OPDIVs or STAFFDIVs within the Department or from other Government agencies will be repaired when necessary to place it in as good a condition as when borrowed and allowing for fair wear and tear, unless otherwise agreed upon at the time of the loan. Such expenses will be charged to appropriations available to the borrowing agency.

Repair of privately owned property shall not be made at Government expense.

2.2.6 USE OF GOVERNMENT-OWNED PROPERTY AT EMPLOYEE RESIDENCE

OPDIVs and STAFFDIVs may place equipment such as computers and telecommunications equipment, etc. in their employees' homes while retaining ownership and control of hardware, software, and data. All Government provided equipment is for official business and employees are prohibited from using such equipment for private purposes. HHS is responsible for maintaining and repairing such equipment. Other criteria to follow are:

- Assure that proper safeguards and instructions have been provided to the employee to preclude abuse or misuse of equipment.
- Determine benefits of allowing employee to use equipment away from the office versus the cost to the OPDIV/STAFFDIV of the physical loss or damage to the equipment; the compromise of data stored within; and the potential liability.
- Consult recent OMB guidance regarding Federal agencies and end user computing off site (see OMB M-06-16).

Document all equipment assigned to an employee that is to be used at home on form HHS-439, "Personal Custody Property Record/Hand Receipt". This documentation shall be kept on file with the organization's IM, IC or ACR. This location of property must be annotated as "HOME USE" in the HHS PMIS. Also a properly completed form HHS-679 or similar internal form shall be executed each time the equipment leaves a government building.

OPDIVs and STAFFDIVs shall also consult with their local procurement office to determine if there are any restrictions (i.e. site license agreements). The following is additional reference guidance:

1. Privacy Act of 1974 (P.L. 93-579)
2. HHS Automated Information Systems Security Handbook
3. Computer Security Act of 1987 (P.L. 100-235)
4. Computer Fraud and Abuse Act
5. Circular A-123, Internal Control Systems
6. Circular A-130, Management of Federal Information Resources
7. U.S. Copyright Act (Title 17 of the US Code)

2.2.7 LEASING OR RENTING PERSONAL PROPERTY

Items of personal property will be rented when it is in the best interests of the Government to do so. For example, when:

- The property cannot otherwise be obtained;

- The need for the property is temporary and it is not practical or possible to borrow from another HHS OPDIV/STAFFDIV or other Government agency or its purchase would not be economical; or
- Known obsolescence warrants rental (Example: rapidly changing technology in copying and automatic data processing equipment).

2.2.8 PRIORITIES FOR USE OF GOVERNMENT SUPPLY SOURCES

HHS OPDIVs and STAFFDIVs shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority as prescribed in the 41 CFR 101-26.107:

1. Supplies.
2. Agency inventories.
3. Excess from other agencies.
4. Federal Prison Industries, Inc.
5. Procurement lists from the Committee for Purchase from the Blind and Severely Handicapped.
6. Wholesale supply sources, such as stock programs of the PSC Supply Service Center, GSA (see FPMR 101-26.3), the Defense Logistics Agency (see FPMR 101-26.6), Department of Veterans Affairs (see FPMR 101-26.704) and military inventory control points.
7. Mandatory Federal Supply Schedules.
8. Optional use Federal Schedules.
9. Commercial sources (including educational and gateway.html institutions).
10. Services.

Sources other than those listed above may be used as prescribed in 41 CFR 101-26.301 and in an unusual and compelling urgency as prescribed in 41 CFR 101-25.101-5.

2.3 INTERAGENCY PURCHASE ASSIGNMENTS

2.3.0 GENERAL

This part prescribes policy for interagency purchase assignments within the Executive branch of the Government.

Normally GSA will make purchases and contracts regularly for articles and services for the Executive branch of the Government in the interest of lower prices, improved quality, and service.

A designated Federal agency, however, will exclusively make purchases and contracts – other than with GSA – when it has been decided that the participating agency is best

equipped to do so. For example, the Defense Logistics Agency buys petroleum and subsistence products for other Agencies.

Items or services may be purchased independently by HHS when such articles or services are not assigned to GSA or another executive agency for purchasing or contracting.

The industrial funding program managed by GSA provides latitude to purchase goods or services from sources other than the GSA Supply Catalog, which are at the lowest price. For example:

1. When a total value of a line item requirement is less than \$100, procurement from other sources is authorized.
2. When total value of a line item requirement is \$100 or more, but less than \$1,000, procurement from other sources is authorized: Provided that written justification is prepared and placed in the procurement file.
3. When the total value of the line requirement is \$1,000 or more, but less than \$5,000, procurement from other sources is authorized: Provided that written justification is prepared following the paragraph (2), above.

2.4 USE STANDARDS

2.4.0 GENERAL

Among the management responsibilities of Property Management Officer is the necessity to develop viable use standards for application throughout the organization. Use standards are tools used by management to obtain the best balance between property assets and property needs at all levels of operation. Use standards are criteria for deciding when, and in what quantity, certain types of property are authorized for use. Besides the use standards prescribed in FPMR 101-25.3, OPDIVs and STAFFDIVs should, whenever practicable, develop meaningful use standards for property under their control. Individuals should reference the HHS OCIO Policy for Personal Use of Information Technology Resources.

2.4.1 RESPONSIBILITIES OF PROPERTY MANAGEMENT OFFICERS FOR USE STANDARDS

PMOs are responsible for:

- Applying established use standards when determining needs for personal property.

- Developing appropriate and cost effective use standards for personal property without established standards.
- Providing the lowest cost equipment adequate for a task and ensuring effective utilization of property through the application of use standards.
- Promptly redistributing as excess all items of property that do not meet use standards and are determined to be excess for the needs of the accountable area.

2.4.2 POOLING EQUIPMENT

Each OPDIV and STAFFDIV of the Department shall establish equipment pools and sharing programs to the maximum extent possible to reduce procurement and increase utilization, including, but not limited to, such items as:

1. Engineering, laboratory, and scientific research instruments and associated equipment.
2. Instruments for measuring, controlling, and showing physical characteristics.
3. Optical instruments.
4. Transcribing, duplicating, calculating, typing, automatic data processing, and audiovisual equipment.
5. Motor vehicles.

Equipment pools will be developed from:

1. Excess property.
2. Property not fully used by one laboratory or office.
3. New equipment, when there is recurring needs in several activities and it would be economically feasible.

2.4.3 OFFICE FURNITURE, FURNISHINGS, AND EQUIPMENT

To comply with GSA space reduction requirements and reduce facility requirements, HHS OPDIVs and STAFFDIVs shall use systems or modular type furniture to the maximum extent possible when relocating to new or different work space. OPDIVs and STAFFDIVs shall establish a single point for coordination, evaluation and approval of systems furniture requirements. Refer to the GSA Systems Furniture Guide available from the Federal Acquisition Service, GSA on the website for methods to evaluate systems furniture.

OPDIVs and STAFFDIVs shall use a prototype system (numbers of panels, work surfaces etc.) that will provide information regarding the layout of each office or cubicle. Also, OPDIVs and STAFFDIVs shall keep on hand an inventory listing of materials for any add-

on or reconfiguration of existing systems furniture.

OPDIV and STAFFDIV logistics offices may establish their own criteria for the use of office furniture, furnishings, and equipment. Such criteria shall be in consonance with the provisions of FPMR 101-25.104 pertaining to office furniture and equipment and shall be limited to the minimum essential requirements as established by the head of the OPDIV/STAFFDIV. New furniture will not be purchased unless the property management staff has found that no suitable furniture exists in excess or is available from a property rehabilitation program. Open market purchase will not be made unless there is a written determination that GSA does not have a suitable item.

Beyond use in administrative offices, office furniture and furnishings may be provided for use in laboratories, clinics, wards, diagnostic rooms and in other non-administrative areas where there is a demonstrated need for items of this nature. Office furniture such as desks, tables, etc., shall not be substituted for benches or other equipment for which technical or specialized fixtures or equipment may be obtained. Use of office furniture and furnishings in other than administrative areas do not change their categorization as office furniture and furnishings. The least expensive items of standard metal, wood, or renovated furniture available from GSA shall be obtained when excess or excess property is not available.

Limitation on Expenditure for Presidential Appointees' Offices. Section 713 of the Consolidated Appropriations Act of 2008 has set a \$5,000 limit on expenditures to furnish or redecorate (purchase furniture or make improvements) for Presidential appointees' offices. The areas covered by the limitation include, but are not limited to, Presidential appointees' conference rooms, waiting rooms, and immediate staff offices. The limitation applies during the appointee's term of office. Questions can be directed to the Division of Special Programs Coordination, PSC/OS.

Items of office equipment, used only occasionally, should be pooled following section 2.4.2 and made available to HHS programs as necessary.

2.5 EMBLEMS, FLAGS, AND SYMBOLS

2.5.0 GENERAL

This section provides authority and policy for the acquisition, display, and disposal of emblems, indoor flags and symbols, also for acquisition and disposal of flags acquired for outdoor display, and criteria for proper positioning of all flags, as required U.S.C. Title 36, Section 175.

The United States flag, Departmental flag and a plastic reproduction of the HHS Seal, are authorized for display by OPDIV and STAFFDIV heads, ROs, major field installations,

Food and Drug Administration offices, in the auditorium and main conference room of the principal administration building at headquarters and at similar locations for Departmental activities in the field. At installations where HHS is the sole occupant of the building, these flags and seals are also authorized for display in the main lobby. In addition, at Indian Health Service Hospitals and clinics operated or owned by a tribal organization, the tribal flag is authorized for display with the United States flag. A plastic reproduction of the HHS Seal is authorized for display in areas where display of the HHS flag is not authorized, but where display of the seal is desirable because of the presence of the public.

2.5.1 FLAG OF THE SECRETARY

The flag of the Secretary is authorized for indoor display in:

1. The immediate office and conference room of the Secretary.
2. In any conference room, auditorium, or other location where an official meeting is being conducted and the Secretary is the principal speaker.

The Secretary's flag will not be displayed in other Department offices, conference rooms, auditoriums, or other locations when the Secretary is not present.

2.5.2 FLAGS OF THE DEPUTY SECRETARY AND ASSISTANT SECRETARIES

The flags of the Deputy Secretary and Assistant Secretaries are authorized for indoor display as follows:

1. In their immediate offices and conferences rooms.
2. In any conference room, auditorium, or other location where an official meeting is being conducted and they are the principal speakers.

Flags of the Deputy Secretary and Assistant Secretaries will not be displayed in other Department offices, conference auditoriums, or other locations when they are not present.

"Assistant Secretaries", as used in this subpart, includes Heads of major operating activities such as the PHS, etc.

2.5.3 FLAGS OF THE PUBLIC HEALTH SERVICE

Public Health Service Officials, who are entitled to flags denoting their departmental rank, may continue to display these flags in lieu of the Department flag. For additional information relative to display of flags of the PHS, see the PHS Commissioned Corps Personnel Manual.

2.5.4 VARIATIONS

Requests for authority to display indoor flags or seals under circumstances other than authorized in this subpart shall be submitted in writing to heads of OS, OPDIV and STAFFDIV or Regional Offices. Such requests shall fully describe the proposed use of flags or seals, and the location and size of installation (e.g., number of employees).

2.5.5 ACQUISITION OF FLAGS

OPDIVs and STAFFDIVs of the Department shall obtain U.S. Flags and stands according to FPMR 101-26.3.

OPDIVs and STAFFDIVs shall obtain Department flags and plastic reproductions of the Department seal by submitting a memorandum, to the Logistics Services Branch, Program Support Center, and ASAM following internal instructions. A statement shall be made on the memorandum certifying that display of the Department flag and/or seal is authorized according to this part.

2.5.6 DISPOSITION OF FLAGS

Whenever the United States flag, Department flag, or a flag of an official denoting his/her departmental rank is soiled, torn, or no longer usable, it shall be turned in to the OPDIV/STAFFDIV property management office, of the using activity, who will decide the condition and make proper disposal by burning or other approved methods to assure against misuse of the flag. If the using OPDIV/STAFFDIV finds that a flag has some historical significance, a request shall be sent to the historical office at the headquarters office of the OPDIV/STAFFDIV, recommending retention or disposition other than destruction. The request shall provide all acts and circumstances to support the recommendation concerning retention or other disposition of the flag. *See also* Part 9.

2.5.7 AWARDS OF FLAGS AND/OR SEALS

A ceremonial flag, plaque, or seal, etc. may be presented to employees if these are included in the organization's award program. Objects obtained with appropriated or working capital funds can be used to purchase items presented for awards in accordance with Subparts C through I, the Government Employees Incentive Awards Act of 1988, 5 U.S.C. §§ 4501-4507. *See also* GAO Decisions, B-256399, June 27, 1994, and B-243025, May 2, 1991.

2.6 MOTOR VEHICLES

2.6.0 GENERAL

OPDIVs, STAFFDIVs, and RO's shall limit the use of motor vehicles to the minimum required to carry out authorized programs. They shall meet requirements by using the GSA Interagency Fleet Management System (IFMS) to the maximum practical extent. Passenger vehicles may be purchased or leased only if legislative authority exists.

2.6.1 AVAILABILITY OF SEDANS, AND LIMOUSINES

Motor vehicle policy is set forth in FMR 102-34 and Part 4. Unless justified to the HHS Fleet Manager, Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM), vehicles will be acquired using the size guidelines set forth in FMR 102-34.45. If approved, the HHS Fleet Manager will then certify the need to GSA.

2.7 REFRIGERATORS

OPDIVs and STAFFDIVs should refer to the use standards below for all types of refrigerators contained in the Department of Health and Human Services (HHS):

1. Explosion proof refrigerators approved by the Underwriters' Laboratories or other nationally recognized testing laboratories will be used for temporary storage of flammable liquids and volatile solvents.
2. All non-explosion proof refrigerators assigned for use at facilities will be distinctly labeled in a conspicuous place as follows: "NOT FOR THE STORAGE OF FLAMMABLE LIQUIDS."
3. Where appropriate, refrigerators are also authorized for spaces when employees cannot leave the area during a standard 8 hour cycle or more and when approved by the agency head or designee.
4. HHS Operating/Staff Division Heads may make a determination regarding the use of appropriated funds to purchase kitchen equipment, including refrigerators, microwaves and commercial coffee makers for common work areas when they determine that these appliances reasonably relate to efficient performance of activities and provides other benefits, including the assurance of a safer workplace. It is important that the equipment purchased with appropriated funds not be reserved for the sole use of an individual, and must be located only in common areas where they are available for use by all personnel.
5. See Department of Energy Energy Star ratings program.
6. See also 41 CFR 101-26.103-2 entitled "Restrictions on personal convenience items.

(See Part 16, Appendix K: Refrigerator Policy. See also B-302993, June 25, 2004.)

2.8 FURNISHINGS FOR PERSONNEL QUARTERS

Housekeeping quarters will be equipped with smoke detectors, a cooking stove, a refrigerator and where not installed, kitchen cabinets and a medicine cabinet. Items essential to the protection or maintenance of housekeeping quarters may also be furnished. Such items are:

1. Fireplace equipment (andirons, tools, screens).
2. Doormat.
3. Rods, curtain or drapery.
4. Waste receptacles (outside use only).

NOTE: Carpeting (wall-to-wall) or rugs and rug cushions are authorized for use only in the living room, dining room, den, library, combination living and dining areas, bedrooms, hall and stairways, and in kitchens and bathrooms when deemed necessary by the Facility Director.

Besides the quarters specified in the paragraph (A) of this section, housekeeping quarters, when available, may be equipped with furniture and furnishings to fit married residents, assigned on a continuing rotating schedule. Items furnished will be limited to those needed to provide a reasonable degree of livability and will be obtained from excess sources when possible.

Furniture and furnishings presently assigned to housekeeping quarters may, when necessary, be repaired, if the immediate or cumulative cost of such repairs, including labor and material, shall not exceed 55 percent of the cost to replace the item. The Facility Director will, under any of the circumstances cited in this paragraph, have all furniture and furnishings not authorized by this section removed from housekeeping quarters when:

1. The quarters are vacated, and it is found that the condition and quantity of the furniture are such that the quarters may not be considered adequately furnished.
2. The incoming occupant of the quarters requires less than 50 percent of the furniture.
3. The Facility Director decides that the quarters will be rented at the unfurnished rate.
4. Furniture should be used to upgrade similar furniture in other housekeeping quarters, or used elsewhere at the facility. Items not used will be disposed of following personal property utilization and disposal procedures.

2.9 PROTECTIVE CLOTHING AND EQUIPMENT

Department policy for acquisition and use of protective clothing and equipment is stated in Chapter 8-10, HHS Safety Management Manual. Regulations about uniforms are stated in Part II HHS General Administration Manual.

2.10 SAFES, VAULTS, AND OTHER DEPOSITORIES

Safes, vaults, and other depositories are authorized for safeguarding funds, controlled substances, ammunition, hazardous materials, alcohol, precious metals and other sensitive items. Safes, vaults and other depositories shall always be locked.

2.11 POTENTIALLY HAZARDOUS PRODUCTS

GSA issues Safety Alerts on potential or actual hazardous items under its contracts. Other Government agencies may issue notices of hazardous products under their jurisdiction. Also, manufacturers may issue warnings or recalls on their products. Also, the Government-Industry Data Exchange Program (GIDEP) issues "Non-Conforming Products Notices" that include Alerts, Safe-Alerts, and Problem Advisories.

Upon receipt of these alert notices, the Assistant Secretary for Administration and Management (ASAM), Office of Acquisition Management and Policy (OAMP) will forward the notice to the OPDIVs and STAFFDIVs through the Executive Committee for Logistics with instructions for carrying out the required action. The original notice will be retained in the OAMP file.

OPDIVs and STAFFDIVs will establish written procedures to comply with the instructions in safety alerts and/or remove hazardous products from the facilities. Staff should coordinate with their procurement and/or environmental/safety offices to carry out effective removal of any hazardous product. *Refer* also to Part 8.

2.12 REPLACEMENT STANDARDS

2.12.0 GENERAL

Effective and economical replacement of personal property requires the same coordinated planning and scheduling for the program officers, procurement, and property management personnel as is required to establish the initial requirement. To ensure that funds are available for timely replacement of property, the PMOs in each OPDIV/STAFFDIV, along with the Program Officers should develop and maintain a plan for the replacement of equipment. This plan will provide input for the budget process.

2.12.1 REPLACEMENT CRITERIA

A decision to replace a piece of equipment must comply with the following conditions:

1. Continued use of the item does not conform to existing equipment use standards.
2. The cumulative cost of repair exceeds the economical repair limits prescribed and would not extend the useful life of the equipment beyond the normal replacement period.
3. The new item will serve the same or similar purpose as the replaced item and the replaced item has been carried on and will be retired from the asset account. The item being replaced should be used as a trade-in or sold in accordance with the exchange/sale provisions of FMR 102-39. When replaced property is considered for sale by GSA or the activity, a cost/benefit analysis should be performed to find if the expected sales proceeds would exceed holding costs. Replaced property will not be retained by the HHS OPDIV/STAFFDIV under any circumstances.
4. Continued use of the item is a safety/occupational health hazard, which cannot be economically corrected.

Items may be retained for use although standards allow replacement, provided the items can be used or operated without excessive maintenance cost or substantial reduction in trade-in value.

The determination that an item should be replaced involves the following considerations:

1. The operating requirements of the using service.
2. The advice and recommendations of technical repair personnel on the feasibility of repairs.
3. The application of repair and replacement criteria.
4. The availability of funds.

2.12.2 EXCEPTIONS TO REPLACEMENT STANDARDS

Field activity requests to replace an item that does not meet the specific item replacement standards must be approved by the Director of the servicing procurement activity in coordination with the appropriate OPDIV/STAFFDIV official.

Written justification by the official requesting the replacement item is required when:

1. Replacement is made before the expiration of the useful life of the item.

2. Replacement is made of property found in a used-good or better condition, including property that has reached its replacement date.

2.12.3 OPERATING PLAN FOR REPLACEMENT OF EQUIPMENT

As necessary, OPDIV and STAFFDIV logistics managers shall initiate and assist administrative and budget offices by reviewing the property records during the second quarter of each fiscal year and identify items due for replacement during the next budget year based on life expectancy. Replacement planning and budgeting for major equipment systems on long lead times should be initiated at least two years prior to the year in which replacement is needed.

Items shall be evaluated to decide if there is sufficient useful life remaining to continue using the item beyond the established replacement date without excessive repair and maintenance costs, or material reduction in trade-in value. The replacement year in the property record shall be updated with the revised replacement year.

OPDIVs and STAFFDIVs will establish replacement costs for use in budget projections and coordinate this information during the budget submission process for the next budget year. Besides the current contract price of an item, such costs shall include:

- Installation costs.
- Transportation charges.
- Disposition costs.

2.13 GUIDELINES FOR MAKING PURCHASE OR LEASE DETERMINATIONS

2.13.0 GENERAL

See FAR Subpart 7.4 for guidelines for determining whether to acquire equipment by purchase or by lease. Separate guidelines for automatic data processing equipment and telecommunications equipment are contained in the HHS Information Resources Management Manual and OMB Circular A-130.

2.14 DISPOSITION OF UNFIT HORSES AND MULES

Subject to applicable regulations under 40 U.S.C. § 1308 and Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. § 251 et seq.), horses and mules belonging to the Federal Government that have become unfit for service may be destroyed or put out to pasture, either on pastures belonging to the Government or those belonging to financially sound and reputable humane organizations whose facilities permit them to care for the horses and mules during the remainder of their natural lives, at no cost to the Government.

2.15 ILLUSTRATION OF FORMS

See FPMR 103-25.49, the HHS Forms Catalog, and the appropriate HHS Logistics Procedural Guides for illustration of forms. The HHS Forms Catalog and Procedural Guides may be obtained on line at the HHS forms websites:

INTRANET (INTERNAL) FORMS: <http://intranet2.hhs.gov/forms>

INTERNET (PUBLIC): <http://www.hhs.gov/forms>

PART 3 PROCUREMENT SOURCES AND PROGRAMS

3.1.0 GENERAL

This part provides general guidance concerning procurement of lowest cost items from GSA supply sources.

3.1.1 PROCUREMENT OF LOWEST COST ITEMS

When the item(s) required are available from the PSC Supply Service Center, GSA or DLA and Federal Supply Schedule (FSS), normally the source having the lowest cost item that serves the required purpose (functional end use) will be used. However, if for a particular purchase an OPDIV or STAFFDIV seeks to purchase based on the best value, they will need to submit documentation for that purpose to the procurement official. Wherever possible, a single order for total requirements will be placed with GSA Customer Service Center (CSC), Defense Logistics Agency (DLA), or the Federal Supply Service (FSS) contractor. Normally when purchasing items from GSA and DLA, the administrative costs will be substantially less when acquired by means of a FEDSTRIP requisition, than those incurred through FSS purchases.

Refer to FPMR 101-26.107 and FPMR Amendment E-268 for information on "Sources of Supply for Goods and Services." This information provides clarification and guidance on current policies for using GSA supply sources.

Refer to FAR Part 8.002 and the HHS Acquisition Regulation (HHSAR).

3.1.2 REQUESTS FOR WAIVERS

Requesting offices shall request a waiver from the use of priority sources, including the Federal Prison Industries (FPI), and GSA stock or schedule items, as specified in current FPMR/FMR regulations or in the relevant sections of the FAR (i.e. FPI – see FAR 8.604), and terms of the contract.

In cases where a waiver has been denied by GSA or FPI, and an OPDIV and STAFFDIV believes the denial is unreasonable or is not being processed timely, the Assistant Secretary for Administration and Management (ASAM), Office of Acquisition Management and Policy (OAMP) should be contacted for guidance or assistance.

3.1.3 WARRANTIES

Items or services obtained from GSA that requires corrective action according to an included warranty, shall be processed as stated in FPMR 101-26.100-3. Also, to ensure that a warranty will be honored:

- Records of warranty data are to be maintained.
- IMs and end users must know warranty periods and provisions.
- Warranty provisions are reviewed before approving the repair of personal property to decide if the terms apply.
- Uniform commercial code applies for items/services not obtained through GSA.

3.1.4 SPECIAL BUYING SERVICES

GSA will, upon request of HHS offices and operating units, do purchasing services for items in quantities above those contained in GSA catalogs and Federal Supply Schedules, on either a national or regional basis. HHS requests for this service shall emanate from the applicable HHS procurement organization.

3.1.5 ESTABLISHING THE NEED FOR REQUIREMENTS OF PERSONAL CONVENIENCE ITEMS

See 41 CFR 101-26.103-1 Policy for Personal Property and 41 CFR 101-26.103-2 Restrictions on Personal Convenience Items.

3.1.6 RESTRICTIONS ON PERSONAL CONVENIENCE ITEMS

After review and approval by the OPDIV and STAFFDIV Head, appropriations may be expended for work related programs, consistent with the agency mission, but not for the personal convenience of an employee. Government funds may be expended for pictures, objects of art, and plants for common-use corridors or lobbies when approved by the agency head or designee.

Appropriated funds will not be expended for:

1. Beverages (including coffee or tea) and related equipment and supplies for offices, office reception areas, or conference rooms.
2. Radios, refrigerators, microwave ovens, televisions, general interest newspapers or magazines, or voice amplification equipment designed for use with telephones, unless:
 - a. The individual or staff cannot be required to perform regular duties without the item(s) and,
 - b. The item(s) acquired will be used with regular duties and not merely in emergencies or at infrequent intervals.
3. Paperweights, ashtrays, plaques or similar items for distribution as public relations or mementos of cooperation.
4. Business (calling), seasonal or greeting cards.

5. Bottled drinking water, unless it is shown that available water is detrimental to the health of Government employees.

See also B-302993, June 25, 2004

3.1.7 CONSOLIDATION OF REQUIREMENTS

Every effort will be made to consolidate small volume requirements when lower prices are available in the market place for larger volume procurement. This policy does not apply to GSA stock items and items obtained from GSA Customer Supply Centers (CSCs). CSCs are designed to support small requirements at the local level by permitting simplified ordering via phone, mail, walk-in, or by using the U.S. Bankcard (credit card) issued to Federal agencies by GSA. The CSCs stock items such as office supplies, janitorial supplies etc.

3.1.8 PRIORITIES FOR USE OF SUPPLY SOURCES

Priorities for supplies and services shall be obtained and used in the order shown in 41 CFR 101-26.107.

3.1.9 PROCUREMENT LEAD TIMES

Procurement lead times in calendar days of commodities by Federal Supply Classification are contained in FAR 17.1. These lead times should be used to estimate delivery dates of items purchased by GSA following section 3.1.4.

3.1.10 INTERAGENCY AGREEMENTS

Instructions on the use of HHS Agreements, governing the acquisition of supplies and services from federal agencies other than GSA, are contained in the HHS Procedural Guide, Inventory Control and Accounting, and in FAR Part 17.5.

3.1.11 USE OF GSA SUPPLY SOURCES BY HHS CONTRACTORS

Contractors working on a cost reimbursement basis are permitted to use GSA supply sources and services in the support of such contracts. A cost reimbursement contractor cannot transfer procurement authorization to a third party leasing company to use GSA sources of supply and services, unless the leasing company has an independent authorization to use GSA contracts. Refer to FAR Part 51.1.

3.1.12 USE OF GSA SUPPLY SOURCES BY HHS GRANTEEES AND COOPERATIVE AGREEMENTS

Except for the acquisition of excess personal property, HHS grantees are ineligible to use GSA sources of supply and services. Excess property may be provided to grantees only under the special conditions stated in FMR 102-36.155.

3.1.13 REVIEW OF REQUISITIONS

All properly approved requisitions for new equipment and furniture shall be forwarded by the OPDIVs and STAFFDIVs to their PMO, or his/her designee, who shall:

- Attempt to furnish all or part of the item(s) from the priority sources of supply including excess/excess or rehabilitated sources.
- Certify on the requisition that the equipment was not available from the priority sources and forward the requisition to the procurement activity for processing. If excess/excess or rehabilitated property is available and not used, justification for not using it shall be documented and made part of the purchase file. The use of a stamp, initials, or other form of acknowledgment of review by the PMO (or his/her designee) is sufficient compliance.

3.1.14 RECEIVING REPORTS

HHS OPDIVs and STAFFDIVs shall establish effective procedures to ensure that the receiving office, upon acceptance of personal property, notifies (in a timely fashion) financial, property, and procurement management offices to hasten payment and the addition of property into the HHS property system of record. For information regarding reporting financial data to UFMS, see the website.

Receiving documents shall, at a minimum, include the following information:

1. Signature of the accepting official.
2. Date of receipt.
3. Complete description of the item(s), including:
 - Manufacturer's name.
 - Serial number(s)
 - Barcode/Decal number.
 - Final location (asset area) of the item.
4. Partial or complete delivery notation
5. Defects or damage notation.

3.2 FEDERAL REQUISITIONING SYSTEM

This part prescribes a uniform requisitioning and issue system for use in obtaining supplies and equipment from GSA, Department of Defense (DOD) and Department of

Veterans Affairs (DVA) sources.

3.2.0 GENERAL

The Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) system will be used to requisition items from GSA, Department of Defense (DOD) and the Department of Veterans Affairs (DVA).

The GSA handbook, "FEDSTRIP Operating Guide" prescribes the methods for obtaining supplies from GSA, DOD and VA.

Federal Supply Service (FSS) personnel at each GSA regional office will help agency field activities concerning FEDSTRIP actions.

3.2.1 ACTIVITY ADDRESS CODES (AAC)

Authority for activity address codes necessary for completion of single line FEDSTRIP form 1348 or multi-line requisitions shall be obtained by the requiring component from the OS, OPDIV and STAFFDIV or RO head. Each OPDIV and STAFFDIV shall maintain records for those individuals authorized the use of activity address codes.

3.3 PROCUREMENT OF GSA STOCK ITEMS

This part sets forth the policy governing the procurement of items stocked by GSA.

3.3.0 GENERAL

All HHS OPDIVs and STAFFDIVs shall requisition requirements of GSA stock items from GSA Customer Supply/Distribution Centers. For procedures refer to FPMR 101-26.3 and FPMR Amend. E-268 "Sources of Supply for Goods and Services" for current policies on using GSA supply sources.

While GSA is not a mandatory source of supply for items in the GSA Supply Catalog when an individual requirement is below \$100, it is Departmental policy to requisition stocked items from GSA, when time and circumstances permit, if cost savings will occur. Requirements shall not be split to avoid requisitioning from GSA.

3.3.1 SIMILAR ITEMS

When an operating division decides that items available from GSA stock will not serve the required functional end-use purpose, a request for waiver to use other sources of supply shall be processed following section 3.1.2 and FPMR Amend. E-268.

3.3.2 OUT-OF-STOCK ITEMS

Before commercial acquisition of out-of-stock items normally obtained from GSA, ordering activities shall:

1. Ask the earliest estimated delivery date of the prime item required; &
2. Explore the availability of substitute items.

3.3.3 CANCELLATION OF ORDERS OF GSA STOCK ITEMS

Discretion will be used in canceling low dollar value orders since it is costly and interferes with normal order processing.

3.3.4 ORDERING ERRORS

HHS OPDIVs and STAFFDIVs may return, for credit, stock items ordered in error if the return meets the following provisions:

- The items have been offered on an intra-agency (reimbursable or non-reimbursable) basis as excess, and;
- The items have been offered on an interdepartmental (reimbursable) basis for the same amount offered by GSA. In this regard, agency PMOs will inform Departmental counterparts of all items being considered for return to GSA and the amount of reimbursement required.

3.5 PURCHASE OF ITEMS FROM FEDERAL SUPPLY SCHEDULE (FSS) CONTRACTS

This part covers the mandatory and non-mandatory Federal Supply Schedules and their exceptions, automatic data processing equipment, and multiple award schedules.

3.5.1 PRIMARY SOURCE OF SUPPLY CONCEPT

HHS OPDIVs and STAFFDIVs will follow the applicable stipulations in the Federal Supply Schedules (FSS).

3.5.2 PERFORMANCE AND DEFAULT UNDER FEDERAL SUPPLY SCHEDULE CONTRACTS

HHS OPDIV and STAFFDIV procurement officials may deal directly with Federal Supply Schedule contractors in ordering, making payments, deciding whether items or services meet contract terms, arranging for inspections, (unless the schedule provides for GSA inspection) and taking appropriate action relative to delinquent performance, contract disputes, default declaration of the contractor by HHS or GSA, and reporting failures to collect excess costs (unless the schedule provides for GSA inspections). HHS OPDIVs and

STAFFDIVs may arrange for inspection assistance by GSA where specifications and technical descriptions are involved.

3.5.3 INSPECTION

Inspection and acceptance of items under Federal Supply Schedules shall be conducted according to the FPMR. When source inspection is not provided by GSA, ordering offices are responsible for inspection and acceptance as specified in FAR Part 8.405-3. At a minimum each acquisition shall be inspected for proper identity, quantity, and shipping damage before acceptance.

3.5.4 AUTOMATIC DATA PROCESSING EQUIPMENT

Refer to FAR Part 39, HHSIRMM, and OMB Circular 130 covering the procurement of automatic data processing equipment (also known as federal information processing equipment (FIP)), software, maintenance services and supply.

3.5.5 MULTIPLE AWARD CONTRACTS

Orders should be placed with the contractor offering the lowest price available. Justification should be included in the procurement file for any orders over \$500 per line item placed at other than the lowest price.

When requirements can be met by items of foreign and domestic origin, and the lowest priced acceptable item(s) is of foreign origin, the percentage factor set forth in FAR Part 25 will be applied to decide whether a foreign or domestic item shall be purchased.

When items meeting the user's needs are available from two or more contractors at the same net delivered price, selection of a contractor will be based on the priorities established in FAR Part 8.404-1. However, if circumstances require the selection be made from other than a labor surplus area concern or a small business concern, a statement fully justifying the action signed by the chief procurement official of the ordering activity shall be retained in the procurement file.

Items which are from the GSA customer supply centers and which are \$500 or less per line item are exempt from the requirement to justify purchasing other than the lowest cost item.

3.6 GSA PROCUREMENT PROGRAMS

See FPMR 101-26.5

3.7 PURCHASE OF NEW MOTOR VEHICLES

Acquisition of motor vehicles for transportation of officers or employees of the Department shall conform to types of vehicles authorized for departmental use in section 2.6.1 and FPMR 101-26.501.

When a OPDIV or STAFFDIV has approval for the purchase of new motor vehicles all requisitions are to be submitted to GSA according to FPMR 101-26.501-3. Unless a waiver is granted by GSA, all motor vehicles shall be purchased by GSA. OPDIV and STAFFDIV activities with specialized requirements for passenger motor vehicles and trucks showing a need for procurement from sources other than GSA, shall forward each request for waiver, justifying such procurement to GSA as outlined in FPMR 101-26.501-1(b), through the Assistant Secretary for Administration and Management (ASAM), Office of Acquisition Management and Policy (OAMP). Specific guidance for the purchase and leasing of motor vehicles is contained in FMR 102-34.35.

Used vehicles being replaced will be disposed of following FMR 102-34.310. If vehicles are disposed of or transferred, property managers shall notify manufacturers of the exact address to which Motor Vehicle Defect Notices are to be sent.

3.8 INTERNATIONAL PURCHASES OF NEW MOTOR VEHICLES

See Part 16, Appendix N.

3.9 PROCUREMENT SOURCES OTHER THAN GSA (DOD)

This part prescribes the policies and limitations relating to the use of procurement sources of the Department of Defense (DOD) which include the Defense Logistics Agency (DLA). As part of the national supply system generally managed by GSA, DLA is directly responsible for managing certain machinery parts, hardware, and other items. Items from DLA's defense supply centers are described in the GSA supply catalog for civil agencies, published by GSA.

3.9.1 FUELS AND PACKAGED PETROLEUM PRODUCTS OBTAINED FROM THE DEFENSE LOGISTICS AGENCY

Departmental activities shall obtain fuels and packaged petroleum products from the Defense Logistics Agency (DLA) (excluding service station delivery items) unless:

1. Annual Requirements Are Less Than Those Stated In FPMR 101-26.602, or
2. Granted local purchase authority by DLA.

Annual requirements for fuels and packaged petroleum products, for activities receiving such support from DLA, shall be solicited by each applicable property or supply management activity, according to due dates for the procurement programs cited in the FPMR.

3.9.2 SUBSISTENCE ITEMS AVAILABLE FROM DOD

Perishable subsistence items may be obtained by HHS hospitals using the procurement and supply sources of the Defense Personnel Support Center, DPSC/DLA. Procedures are contained in the HHS Procedural Guide, Inventory Control and Accounting.

3.10 PROCUREMENT SOURCES OTHER THAN GSA AND THE DEPARTMENT OF DEFENSE

This part sets forth procedural guidance concerning procurement from sources of supply other than GSA and DOD. In the event of a conflict between this manual and the FAR or the HHSAR, the FAR and HHSAR take precedence.

3.10.1 PURCHASE OF PRODUCTS FROM THE BLIND OR SEVERELY HANDICAPPED PERSONS.

Provisions of section 3.1.1 apply where products are carried in GSA supply service centers. Purchase of products or services not carried in GSA supply distribution facilities must be made following the procurement list published by the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. The list may be obtained from any GSA regional office. See [FAR Part 8.7](#).

3.10.2 PURCHASE OF PRODUCTS MANUFACTURED BY THE FEDERAL PRISON INDUSTRIES, INC.

A schedule of products made in the federal penal and correctional institutions is available from the Federal Prisons Industries, Inc., c/o Department of Justice, Washington, D.C. 21537. When supplies manufactured by an agency for the blind are identical or similar to those manufactured by the federal prison industries, inc., priority of procurement shall be given to the Federal Prison Industries, Inc. See [FAR Part 8.6](#).

3.10.3 PROCUREMENT FROM PHS SUPPLY SERVICE CENTER (SSC), PERRY POINT, MD

It has been determined that the best interests of the Department will be served by requiring the SSC to compete for the medical supply business of HHS OPDIVs on the basis of service and pricing rather than by compelling the OPDIVs to buy from the SSC as a mandatory source. However, the SSC is considered as a government wholesale supply source along with the DLA and DVA and procurement shall be made from the least costly of those supply or other sources.

3.10.4 PROCUREMENT OF MEDICAL SUPPLIES FROM THE DEPARTMENT OF VETERANS AFFAIRS (DVA)

HHS OPDIVs and STAFFDIVs having health units or clinics may use DVA sources of supply for medical supplies and equipment not available from departmental sources of supply, if less costly. The DVA is the other major government entity, besides GSA and DLA, which is responsible for part of the national supply system. The DVA purchases and stocks a variety of medical, dental, and hospital supplies and equipment. Use of this source of supply is limited to HHS health units and clinics headed by a physician or registered nurse.

3.10.5 PROCUREMENT FROM THE GOVERNMENT PRINTING OFFICE (GPO)

Items for use, within the metropolitan Washington, D.D. area, listed in the GPO catalog and price list (e.g., blank paper and envelopes) shall be acquired from GPO or GSA stores. Although acquisition of such items from these sources is not mandatory outside the metropolitan Washington, D.C. area, it should be used in all instances where economically feasible.

3.11 USE OF THE U.S. GOVERNMENT BANKCARD

For purchases under the micro-purchase threshold, the bankcard is a unique charge card issued under contract by GSA.

HHS OPDIVs and STAFFDIVs shall use this procurement/payment tool to the maximum extent practicable to help reduce workload and paperwork processing; improve cash management practices; and provide procedural checks to improve management control and decision making.

The Bankcard is for official use only; no personal or personalized items may be acquired, and the government takes title to all goods ordered.

The ordering office that uses a Bankcard is responsible for performing the "receiving" functions for these goods and/or services. If the shipping destination is different than the ordering office location, an official in the destination office can confirm receipt by acknowledging receipt to the ordering office.

All purchases of accountable personal property shall be tracked in the HHS' PMIS and reported following the policies and procedures outlined in section 3.16. For further information, please review the HHS Purchase Card Program Guide.

3.12 DISCREPANCIES OR DEFICIENCIES IN GSA OR DOD SHIPMENTS, MATERIALS, OR BILLINGS

A uniform system has been established and will be used for reporting quality deficiencies in GSA or department of defense shipments and material and processing requests for documenting adjustments in billings. Procedures are contained in the FPMR and the GSA handbook, discrepancies or deficiencies in GSA or DOD shipments, materials, and billings.

3.13 ILLUSTRATION OF FORMS

Refer to FPMR 101-26.49, the HHS forms catalog and the appropriate HHS procedural guides for illustration of forms.

3.14 ACCOUNTABILITY AND PROPERTY RECORDS

3.14.0 GENERAL

The requirements for accountability and property records prescribed in this part are the minimum necessary for effective acquisition, management during use, and disposal of personal property. Accountability requirements and records for supplies are discussed in section 3.16.

3.14.1 PERSONAL PROPERTY MANAGEMENT

Personal property is an important resource that shall be managed as closely as financial and employee resources are managed. Every Department employee has a responsibility to safeguard personal property from loss and misuse. Managers have the additional responsibility to have policies and procedures in place to ensure personal property is acquired, distributed, maintained, and disposed of in a manner that maximizes its utilization in carrying out the missions of the OPDIV or STAFFDIV and for the Department. To assist employees and managers in carrying out their responsibilities for safeguarding and maximizing the utilization of personal property, the Department establishes personal property accountability policies and procedures, professional property management positions and organizations. The property management professionals primarily involved in property accountability are the Property Management Officer (PMO) and the Property Accountability Officer (PAO). Assisting these officials at the local level are Inventory Managers, Inventory Clerks and Asset Center Representatives appointed by OPDIV and STAFFDIV Head. Authority for and descriptions of the responsibilities of these personal property management officials are provided in section 1.2.0 *et seq.*

3.15 PROPERTY MANAGEMENT AREAS AND OFFICERS

3.15.0 GENERAL

The OPDIV and STAFFDIV and PHS property management officers shall divide the organizations that they are responsible for into accountable areas. The property accountability officers shall divide their accountable areas into asset areas. The size of accountable areas and asset areas shall be determined by considering the amount of property to be managed, the level of property management activity in the organization, and the geographical location of the organization. Normally, major geographically remote locations should be separate accountable areas.

3.15.1 DESIGNATION OF THE PROPERTY ACCOUNTABLE OFFICER (PAO)

With the concurrence of the head of the accountable area, the Property Management Officer shall designate in writing an employee as the Property Accountable Officer for the accountable area(s). The head of the accountable area(s) shall perform the functions of the PAO during any period when a PAO has not been designated or has not accepted accountability unless the Property Management Officer accepts responsibility for the accountable area(s). The employee appointed as a PAO should be experienced in property matters in order to perform the responsibilities listed in section 1.2.5.

3.15.1.1 ASSUMPTION OF ACCOUNTABILITY

The PAO shall assume responsibility for the personal property assigned to his/her accountable area(s) in writing. This statement of acceptance of responsibility shall include a description of the accountable area(s) and a list of the accountable property in the accountable area. The list should be based on a physical inventory of the accountable property.

3.15.1.2 RELIEF FROM ACCOUNTABILITY

A PAO is relieved of his/her responsibility only in writing by the acceptance of responsibility for the property by his/her successor or the property management officer.

3.15.2 DESIGNATION OF ASSET AREAS AND INVENTORY MANAGERS (IM)

3.15.2.1 ESTABLISHING ASSET AREAS

Asset areas shall be established by the PAO. Asset areas will coincide with structured elements of the major organization. The number of asset areas shall be based on the minimum required for effective management of personal property.

3.15.3 DESIGNATION OF INVENTORY MANAGERS

The Inventory Manager is an employee designated in writing to be responsible for the proper use, maintenance, and protection of property entrusted to his/her possession or charged to his/her asset area. Specific duties are listed in 1.2.9.

Selection: Individuals selected to serve in an asset management capacity should be, whenever possible:

1. Employed in a position carrying administrative responsibilities for direction and/or supervision of an organizational unit or reporting to an official with such responsibility.
2. Relatively free from duties requiring any appreciable amount of travel.

Designation:

1. Heads of program offices, field offices and field installations and appropriate organizational units shall recommend to the PAO the employees to be designated as Inventory Managers, Inventory Clerks or Asset Center Representatives.
2. IMs, ICs or ACRs for mobile or temporary activities shall be designated by the chief of the administrative office to which they report.

3.15.4 RECORDS OF PROPERTY ASSIGNED TO ASSET AREAS

When property is put to use, custodial responsibility shall be vested with a designated IM, IC or ACR within the using area. Records which indicate the articles of property that are charged to each asset area will be maintained by the IM or IC. Accountability for property assigned to asset areas rests with the IM or IC for that area.

As a minimum, asset records will document the asset area inventory and additions to and subtractions from the inventory. Additional records which may be helpful and procedures for their use are contained in the PMIS User Administration Guide. A copy of documents indicating issue and receipt for the property by the IM or IC shall be maintained in the assigned asset area. Evidence of the joint inventory serves as an opening receipt for a new or successor IM's or IC's account.

3.16 PROPERTY RECORDS AND DOCUMENTATION REQUIREMENTS

3.16.0 GENERAL

Accountability of property is accomplished with records. Property records are official

documents which reflect the date of acquisition or disposal of property; a cross-reference to the acquisition or disposal voucher; the cost or affixed valuation of property; the quantity and value affected by each transaction.

Each accountable area within HHS shall maintain records of its accountable personal property in the HHS' PMIS. The system shall be integrated with the financial records system and the procurement system of the accountable area and provide subsidiary ledgers to the general ledger. The system will provide for the separate identification of capitalized and non-capitalized property, and an accurate method of documentation for recording additions to and subtractions from inventory (both in terms of items and in dollar values).

3.16.1 AUTOMATION

HHS property management will use the HHS PMIS. Electronic signatures are authorized as long as they use appropriate safeguards (i.e., secure passwords) on all property management forms. For a list of property forms refer to the forms link found on the PMIS home page.

3.16.2 DATA ELEMENTS

Accountable property records will at a minimum contain the following data elements:

Acquisition cost	Location
Acquisition date	Maintenance contact code
Common Account Number (CAN)	Manufacturer
Condition code	Model Number
Cumulative depreciation (CAP items only)	Object classification
Asset Area code	Purchase order number
Decal/bar code number	Receiving organization
Estimated life	Serial number
Federal stock classification	Transaction date
Item description	Transaction code
Lease buy-out costs	Warranty expiration date
Lease expiration date	
Lease Cost	

3.17 PROPERTY TRANSACTIONS

All increases and decreases in personal property shall be documented and acknowledged by the appropriate property management official. Increase can occur as a result of purchases, transfers, gifts, depreciation, or discovery during an inventory.

Decrease can occur as a result of transfers, disposals, and losses.

3.18 DOCUMENTATION

Examples of various HHS forms that have been used to document property transactions are illustrated in the Inventory Control and Accounting Procedures Guide.

Minimum forms include completed HHS 292, purchase card invoice for any equipment object class 31, signed purchase order signed by contract officer for any equipment object class 31, any invoice fro PP&E including object class 31.

3.19 GIFTS, DONATIONS AND TRANSFERS

Accountable personal property acquired by gift, donation, or by expenditure of funds donated for that purpose and transfers-in from other federal agencies, shall be recorded in the property records. Procedures for valuation of donated property are contained in the HHS department accounting treatment manual ([website](#)). Whenever possible, transferred-in property should be valued at the acquisition amount shown on the original owner's property records.

3.20 RECEIPTS FOR PROPERTY

3.20.1 SIGNATURE AUTHORITY

All property acquired by an HHS OPDIV and STAFFDIV head shall be signed for by an individual designated to receive property for the activity. Each OPDIV and STAFFDIV shall establish procedures to designate in writing the individual(s) authorized to receive items.

3.20.2 AUTOMATED RECEIVING PROCEDURES

Hand signature receiving reports are not required for those HHS activities that have developed and implemented automated receiving systems.

3.20.3 MARKING PROPERTY

All accountable property, including sensitive items should be identified with an HHS decal/bar code number. Capitalized personal property shall also be marked with a capitalized property decals. Property which by its nature cannot be marked is exempted from this requirement; however, if it is accountable personal property, it shall have a bar-code number assigned to it.

3.21 LIFE EXPECTANCY, DEPRECIATION, AND UNIFORM DESCRIPTION CODES

3.21.0 GENERAL

To support consolidated HHS financial accounting requirements, the PMIS resource will be used to compute depreciation for all newly acquired assets. Property management calculates and provides information on depreciation of capitalized personal property to their financial offices. Section 1-30-20 of the department Accounting Treatment Manual contains instructions on computing depreciation for capitalized equipment. any "old" capital assets being migrated into PMIS will be accomplished using the UFMS/PMIS interface.

3.21.1 LIFE EXPECTANCY

Life expectancy (identified in years) provides data for determining depreciation and replacement. To establish uniformity in the department's financial records, the life expectancy (le) tables shown in the veterans administration (VA Catalog no. 3, section v) non-expendable items will be used as a guide for the uniform establishment of the standard le. The life expectancy tables do not imply that equipment scheduled for replacement in a given year has to be replaced or should not be replaced prior to or after that date. Obsolescence and abnormal circumstances of use may affect predetermined useful life of equipment. In most instances, a physical inspection of the equipment is required to determine if a replacement is in order.

3.21.2 DEPRECIATION

The HHS' PMIS will calculate depreciation on capitalized personal property to the unified financial management system (UFMS) in accordance with the department accounting manual at 1-30-20d.

3.21.3 UNIFORM CLASSIFICATION AND DESCRIPTION CODES

Uniform descriptions are required for use by all HHS activities to promote government-wide uniformity. The Federal Supply Classification (FSC) is a four digit number which groups similar items into commodity classes. Related to each number or code is a description of the type items classified in each commodity class. They are contained in Cataloging Handbook H-2, which may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. *See also* online edition at DLA.

3.22 PERSONAL CUSTODY PROPERTY

3.22.0 GENERAL

Personal custody property consists of personal property items issued for the exclusive use of an employee, including all items of accountable property used by personnel while in travel status.

3.22.1 RECORD AND RECEIPT

When an item designated as personal custody property is issued for the personal use at a location other than normal duty station of an individual or a unit, a Personal Custody Property Record/Hand Receipt (HHS 439) shall be prepared. The employee to whom the property is issued shall acknowledge receipt of the property by signing a Personal Custody Property Record/Hand Receipt.

The signed Personal Custody Property Record/Hand Receipt shall be retained by the IM or IC.

Employees to whom items of personal custody property are issued shall account for such items at the time of transfer, separation, change in duties, or on demand by the proper authority.

3.22.2 ACCOUNTING FOR LEASED PROPERTY

The IM or IC shall maintain an accountable property record in the HHS' PMIS, for each item leased by the organization for his/her asset area(s). In addition to the information kept on accountable property, the records shall contain the following information:

- Condition when received, whether used or new.
- Reference to the lease, contract or agreement including lease rates.
- Length of lease agreement.
- Whether the item is leased under conditions that will lead to ownership, and the date when the ownership option should be decided.
- Property having a value of \$5,000 or more that is being leased to ownership can be accessed by the UFMS.

3.23 EVALUATION AND MEASUREMENT IN HHS PERSONAL PROPERTY MANAGEMENT

3.23.0 GENERAL

This part establishes the requirement for OPDIV and STAFFDIV logistics programs to

implement an internal process designed to evaluate and measure HHS personal property management programs. *See also* part 16, Appendix O

3.24 RECONCILIATION OF PROPERTY AND FISCAL ACCOUNTS

3.24.0 GENERAL

This part establishes departmental policy and provides criteria for the integration of item records for capitalized property with general ledger control accounts maintained by finance and accounting offices. The integration and periodic reconciliation of these accounts are required by the Budget and Accounting Procedures Act of 1950 (P.L. 784, 81st congress). In order to facilitate the reconciliation of finance and property records, OPDIVs and STAFFDIVs shall develop an integrated financial management system that share procurement, financial and property data.

3.24.1 CONTROL ACCOUNTS

Control account is a term to designate accounting records maintained in terms of dollars by the financial accounting organization. These accounts (1750 series, see departmental accounting manual exhibit 4-20-a) reflect the acquisition dollar values of capitalized property on hand. They serve as a control since their values are used as a base figure against which the sum total of individual capitalized property records maintained by the personal property accountability office must balance. Imbalances between the two values can be caused by posting errors, losses, misappropriation of property, etc.

3.24.2 CONTROL ACCOUNTS ARE ESTABLISHED IN THE GENERAL LEDGER

Property records are necessary to provide the supporting data for financial accounting. Both property and fiscal records should reflect equal value. In order to insure that they reflect equal value in the correct ledger account, it is essential that:

The pertinent data on documents reflecting transactions affecting the value and/or status of personal property is entered in both the property and fiscal records. This is most easily accomplished by complying with the legal requirement to have integrated financial systems.

Changes in the status of property, such as when the property changes from capitalized to non-capitalized or vice versa because of additions or deletions of components or when property is moved from "in-use" to "government furnished property", are provided to the office of finance.

Time targets for accomplishing recordings shall be established. For example, where both fiscal and property records are maintained at the same installation, a reasonable time to process the property vouchers for recording transactions in both property and fiscal

records is five workdays.

All items recorded on property records as capitalized must also be reflected in the fiscal records.

3.24.3 DOLLAR VALUES

Each unit of accountable personal property received is to be given an acquisition value, whether the unit was purchased, agency fabricated, or received by donation or transfer.

3.24.4 PURCHASE PRICE

Purchase price shall be increased by transportation and/or installation costs and decreased by discounts if these amounts materially affect price (if below +/- 2%). If a purchase price is not available (including for donated and excess property), an estimated value will be established based on the value of similar items or prices listed in commercial catalogs.

3.24.5 FABRICATED PRICE

The value of agency fabricated equipment is to be based on direct material and labor costs together with an amount representing overhead. (e.g. Based on market survey and analysis using organization labor, material and technology resources.)

3.24.6 FREQUENCY OF RECONCILIATION OF PROPERTY AND FISCAL RECORDS

Reconciliation between the subsidiary capitalized accounts and the fiscal general ledger accounts shall be accomplished monthly.

3.25 LOAN OF PERSONAL PROPERTY

3.25.0 GENERAL

Personal property (except motor vehicles) may be loaned on a temporary basis to a nonfederal institution, an organization, or an individual when determined to be in the best interest of the government by the heads of OPDIV AND STAFFDIV, the Regional Directors, and Director, Program Support Center, OS (or their designees) or specifically authorized under laws, rulings, or regulations. Loans from commercial manufacturers are not permitted.

3.25.1 POLICY

3.25.2 LOAN CRITERIA

When it has been determined that the loan of HHS personal property to a non-federal element would be beneficial to the Government, the loan may be made, provided:

- The property is not currently required by another HHS organization, and its absence and use would not be used to justify new procurement of a similar article of property or acquiring a similar item from excess.
- The property is not excess. Excess property will be made available for other Federal use.
- The permitted use of the property will not cause the article to be destroyed or damaged.
- The agreement is subject to termination by the Government at any time at the discretion of the HHS authorizing official.
- The loan is for a specified time period.

For the period of possession of the loaned Federally-owned personal property, the Grantee covenants and agrees, for itself, its successors and assigns, that by execution and acceptance of this temporary use of Federally-owned personal property, it will comply with the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-532), Section 504 of the Rehabilitation Act of 1973, (P.L. 93-112), Title IX of the Education Amendments of 1972 (P.L. 92-318) and the Age Discrimination Act of 1975 (P.L. 94-135), and all requirements imposed by or pursuant to applicable Federal regulations issued pursuant to said Acts.

3.25.3 APPROVING LOANS

The heads of OPDIV and STAFFDIV, the regional directors, and director, program support center, OS (or their designees) are responsible for making the determination that the loan of the property will serve a useful purpose or benefit the government and for approving the loan. All approvals shall be transacted by a formal agreement. Each loan agreement shall contain at a minimum statements denoting:

- A review period for the loan to an individual for twelve months, and every twelve months until the loan is completed.
- The intended use of the items(s) and purpose.
- The loaned property is nontransferable by the nonfederal recipient.
- The borrower will give the Government written advance notice of intent to return the property in sufficient time so as to facilitate receipt by the Government.
- The provision for termination of the loan agreement at any time by the Government.
- The stipulation of reimbursement for its absence when property is not timely returned after HHS' request for return.

- The borrower's responsibility for the delivery and/or return of the property at their own expense in as good a condition as when loaned.
- The loan criteria stated in section 3.25.2 above has been met.
- The benefits to be derived by the Government, directly or indirectly, as well as other considerations to be provided the Government by the borrower.

3.25.4 ACCOUNTABILITY AND CONTROL OF LOANED EQUIPMENT

Property on loan shall remain in the subsidiary records and general ledger accounts of the activity making the loan. A memorandum account is to be established by the property accountability officer to reflect and contain:

An approved Personal Property Loan Record HHS Form 557 signed and dated by the borrower indicating receipt of property. Records shall also contain:

- A copy of the agreement with the borrower.
- Period of loan.
- Periodic confirmation of the existence of the loaned item.

3.25.5 LOANS OF HHS PERSONAL PROPERTY DURING DISASTER

The Robert T. Stafford Disaster Assistance and Emergency Relief Action, 42 USC 5121 *et seq.*, authorizes Federal agencies on direction of the President to provide personal property and other resources to state and local governments during any major disaster declared by the President.

HHS organizations shall cooperate fully when a request is received for available personal property from the Executive Office of the President; the Federal Emergency Management Administration (FEMA) of the Department of Homeland Security; a Governor or his/her authorized representative; or any supporting agencies under the National Response Framework, State agency head or his/her authorized representative. Such property may be loaned under terms and conditions as promulgated by FEMA in execution of the President's declaration of a major disaster. Property accountability officers will maintain proper and accurate records of loaned personal property. After the circumstances necessitating the loan have passed, property will be returned or disposal action will be taken in accordance with LMM Parts 8 through 14 as applicable.

3.25.6 LOANS WITHIN HHS AND TO OTHER FEDERAL AGENCIES

Personal property may be loaned or borrowed within the department, and to or from other government agencies, whenever there is a temporary or emergency need. Approval, justification, and documentation shall be the same as that prescribed in section 3.25.1.

3.25.7 ACCOUNTABILITY

Accountability for property loaned to another internal organization or to other Government agencies will remain with the HHS accountable area authorizing the loan. The Property Accountable Officer, for the activity using borrowed property, shall be responsible for maintaining a record on each item. The record shall include as a minimum a signed loan agreement and HHS 557.

3.26 PROPERTY FURNISHED CONTRACTORS AND GRANTEES

3.26.0 GENERAL

Government Property Furnished Contractors and Grantees and Contractor and Grantee Acquired Property will be managed in accordance with LMM Part 16, Appendix Q.

3.27 BOARD OF SURVEY PROCEDURES

3.27.0 GENERAL

This part describes the Board of Survey process that will be used by OPDIVs and STAFFDIVs to investigate all losses, stolen, damage and destruction of government property, to establish liability for the loss or damage and to provide relief from accountability. *See also* Part 16, Appendix A.

3.27.1 REPORTING

Any employee who detects or suspects a loss of, damage or destruction to government property shall immediately report the situation to his or her supervisor and the IM/IC for that area.

The IM/IC shall immediately make a preliminary investigation and report the facts using the report of survey to the property accountable officer (PAO).

The PAO shall review the report of survey for completeness and add any additional information available to him or her. The OPDIV and STAFFDIV PAO must coordinate with the PSC PAO's to ensure all disposal avenues have been fully investigated. The PAO will

forward the report to the PMO.

3.27.2 PMO AUTHORITY AND RESPONSIBILITY

The PMO or the Survey Officer, designated by the PMO, shall investigate, review, approve, accept recommendations and assign financial responsibility on Reports of Survey; except losses of property by individuals and organizations under the PMO's immediate supervision. The PMO may sign off on losses by his/her subordinates when the subordinate assumes financial liability for the loss.

The PMO shall continually analyze the Reports of Survey to determine if the Reports indicate trends, such as repeated losses from one location, losses of personal appeal items (weapons, precious metals, hand tools, etc) or losses that indicate systemic failures, that warrant further analysis and corrective action.

3.27.3 USE OF BOARDS OF SURVEY

The PMO may use Boards of Survey at his/her discretion to investigate losses, damage and destruction and to review and make recommendations, including relief from accountability, to the Determining Authority on Reports of Survey when an impartial third party opinion will benefit the survey process or give additional authority to recommendations. The PMO shall use Boards of Survey for losses of property under the PMO's responsibility.

3.27.4 DETERMINING AUTHORITY APPROVAL

The Determining Authority shall review and approve or return for reconsideration Reports of Survey from the Board of Survey. *See also* Part 16, Appendix A.

3.27.5 APPEALS

Decisions by the Determining Official may be appealed to the OPDIV and STAFFDIV Head.

3.27.6 ADJUSTMENTS TO THE GENERAL LEDGER

The PMO, PAO or their designee shall provide to his/her finance office copies of all Reports of Survey that recommend deleting capitalized items of property from the OPDIV and STAFFDIV property records.

3.27.7 APPOINTMENTS TO BOARDS OF SURVEY

The Determining Authority, or their delegate, will appoint employees to serve on Boards of Survey based on recommendations of the PMO. Employees of the immediate office

and subordinate offices of the office reporting the loss and employees of the property management office shall not be appointed to the Board.

3.28 INVENTORYING PERSONAL PROPERTY

3.28.0 GENERAL

A physical inventory is necessary to verify the accuracy of records which reflect the status of personal property; to reconcile the property records with the fiscal records; discover the need for additional safeguards to prevent misuse, theft, and other losses; and to disclose procedural weakness in routing vouchers and posting inventory records. The inventory process can also include one or more of the following:

- Utilization surveys of equipment in use.
- Preventive maintenance inspections where practicable to assure proper care of property.
- Scheduled equipment maintenance or replacement program actions.

3.28.1 FREQUENCY

Accountable personal property, including sensitive items, shall be inventoried annually. Personal custody property shall be included in the annual inventory. When an employee is authorized to remove personal custody items from HHS facilities, a physical inventory is not required. However the employee shall be required to make signed, written statement that the property is still in his or her possession.

3.29 SUPPLY SUPPORT

3.29.0 GENERAL

This part of the LMM has three purposes. To accomplish the three purposes of this part, the discussion is divided into Supply Support Planning, Performance Measurement, and Inventory Management.

The first purpose is to set forth the policies, principles, and guidelines that should be applied when developing supply support strategies. The policies, principles, and guidelines should lead to responsive support strategies that optimize total costs over the life of supported programs. The policies, principles, and guidelines should also be acceptable to both customers and suppliers.

The second purpose of this part is to describe performance measures that can provide the feedback necessary to evaluate supply support in order to assure that it is, in fact, responsive and cost-effective.

The third purpose of this part is to describe inventory management methods that produce high levels of customer service at reasonable cost when investment in HHS owned inventory assets is appropriate and selected as the preferred support strategy.

1. These three elements are intertwined threads of the overall HHS supply support fabric; the three can never actually be separated.
2. Decisions related to the management of an item while in inventory can be as important to customer service and cost effectiveness as the decision to stock an item in inventory in the first place.
3. All supply support planning and inventory management decisions are reflected, implicitly or explicitly, in system performance.

3.29.1 ORGANIZATION

As discussed above, this part is divided into Supply Support Planning, Performance Measurement, and Inventory Management. The appreciation of the indivisibility of supply support planning and inventory management and their combined impact on system performance is not easily gained from reading the FPMR. The two functions are discussed in different parts of the FPMR and the relationship between them as related to customer service and cost performance standards is not discussed. The criteria shown below have been reorganized from LMM Subchapter E- Supply and Procurement. Their order is changed and the language used to describe each method has been "updated" to provide the necessary guiding principles for HHS OPDIV and STAFFDIVs. Other criteria (particularly Inventory Management, Storage and Distribution, and Federal Product Descriptions) not discussed may be found in the FPMR and that guidance should be followed accordingly.

3.30 SUPPLY SUPPORT PLANNING

3.30.0 GENERAL

Customer requirements have traditionally been divided into those for products and those for services. Each of these types of requirements is ordinarily processed in a different manner. In HHS, the type of a customer's requirement determines the process used to satisfy it, i.e., the method of supply. Today's highly competitive and constantly changing business world requires that supply support processes be "flexible," and capable of rapidly adapting to changing technologies, cost structures, economic circumstances and customer preferences. For this reason, supply support channels and processes, old and new, must be constantly evaluated on the basis of cost and quality of service. Adjustment requires that a fresh look is taken at the criteria used for selecting methods of supply. In addition to citations to various sections of the FMR and/or the FPMR, please refer (generally) to the HHSAR.

3.30.1 DETERMINING REQUIREMENTS

While determining requirements and developing support strategies, OPDIVs and STAFFDIVs should also limit the quantity and quality of supplies to be acquired to the minimum necessary for effective and efficient performance of assigned functions and responsibilities.

OPDIVs and STAFFDIVs shall develop requirements and supply support strategies. The determination of requirements and methods of supply for supplies and materials is governed by standards established for use, reuse and replacement of items. When standards do not exist, they shall be developed and applied locally. To achieve efficient, cost-effective program operations, it is essential that required equipment and supplies are on hand when needed. To this end, developing equipment and supply requirements and planning the methods of supply should be accomplished at the same time that short and long range program operations are planned. Requirements should not accumulate until the last two quarters of the fiscal year. End of the year requirements for acquisition of material from GSA and other sources of supply should conform to the funding restrictions stated in the FPMR 101-26.104.

3.30.3 SOURCING AND ACQUIRING PROPERTY

FPMR 101-26.107 lists the priority order of sources for obtaining supplies.

3.30.4 CRITERIA FOR DETERMINING METHOD OF SUPPLY

Criteria have been established by GSA to govern the selection of methods of supply. These criteria are applicable to all HHS OPDIVs and STAFFDIVs . They are described in FPMR 101-25.101-101.25.103. The methods of supply described include indefinite delivery contracts (including definite quantity, requirements contracts, and indefinite quantity contracts), consolidated purchase for direct delivery to users, local purchase (including blanket purchase agreements and credit cards), and storage and issue.

This list of methods of supply should be considered neither exhaustive nor restrictive. Other supply support alternatives that are less costly, more responsive, or both should be actively sought and developed even if they are only minor variations of more frequently and commonly used methods.

Seizing opportunities to be responsive to customer needs and to avoid unnecessary inventory expense should be high among the goals of HHS Agency Heads, Property Management Officers (PMO), Supply Management Officers (SMO), and others involved in supply support planning.

OPDIV and STAFFDIV strategic plans should explicitly reflect cost-effective supply support strategies and processes to ensure successful mission performance. This is accomplished by developing sound professional and creative relationships with supply entities, governmental or commercial businesses, for responsive delivery of bundled products and services. Some common methods of supply are discussed below.

3.30.5 INDEFINITE DELIVERY CONTRACTS

Refer to FPMR 101-25.101-4 and HHSAR.

3.30.6 CONSOLIDATED PURCHASE FOR DIRECT DELIVERY

Some items can be most advantageously supplied through consolidated purchase for direct delivery to points of use. This typically happens when requirements for delivery of equipment or supply items to specific points of use are known with certainty or can be accurately forecast. Refer also to FPMR 101-25.101-3.

3.30.7 DIRECT DELIVERY PROGRAM

OPDIVs and STAFFDIVs needing to ship large quantities of supplies to widely dispersed offices on a scheduled delivery basis, may establish a Direct Delivery Program (DDP) if cost-effective. See the Supply Support planning and strategy determination discussion above.

The DDP supply support strategy results in the shipment of supplies directly from the manufacturer to OPDIV field offices. "From the manufacturer" distinguishes this procedure from normal ordering. Normal ordering usually results in the delivery of material from the OPDIV's supply management activity's warehouse. A direct delivery program contractually schedules the delivery of large-volume, high-rate-of-consumption items to specified customer locations on a recurring basis.

Heavily demanded office supplies may also qualify but only if not available from GSA. DDP is mandatory, meaning that forms and supplies obtainable through the Program cannot be acquired through normal ordering as an alternative source. Since direct deliveries are made according to contracts with vendors, and since contracts cannot be frequently adjusted once made, offices can change the shipment months or the items available under the Program only by working with the contracting office that made the contract award.

OPDIV supply management activities shall determine which items lend themselves to the DDP. They shall work with the ordering and contracting offices to establish the shipping schedule. Decisions shall be coordinated with other elements of the OPDIV operations and program staffs.

3.30.8 SUPPLY THROUGH LOCAL PURCHASE

Refer to FPMR 101-25.101-5 and the HHSAR.

3.30.9 STORAGE AND ISSUE

Though not often a desirable supply support strategy, storage and issue of items sometimes cannot be avoided. When this condition exists, OPDIVs and STAFFDIVs shall maintain control of expendable supply inventories in a manner that assures total costs are kept to the minimum consistent with program needs. Refer also to FPMR 101-25.101-2.

3.31 PROPERTY INFORMATION MANAGEMENT SYSTEM (PMIS)

3.31.0 GENERAL

The purpose of PMIS is to create a single unified acquisition and logistics system collecting the PP&E of the individual HHS OPDIVs into a single instance that will provide the department leadership with both macro- and micro-level views of HHS' PP&E inventory and allow the department to focus on effective stewardship of the entire HHS PP&E portfolio. PMIS is the focal point for HHS readiness with respect the overall health mission. Simply put, PMIS allows HHS to deliver health to the United States by effectively managing the people, money, things and systems appropriated for those health missions. Namely ASAM uses PMIS to assess and provide oversight related to the effectiveness or materiality of personal property stewardship in accordance with the CFO Act of 1990 and the Joint Financial Management Improvement program (JFIMP). ASAM and ASRT use PMIS in concert with standard accounting practices and procedures. *See also* Part 16, Appendix F.

Within PMIS, HHS tracks two categories of property – “accountable”, defined as personal property with a value of \$5,000 and greater, and “sensitive”, which is defined as personal property with a value of less than \$5,000 that is deemed sensitive in nature. GSA has defines sensitive as “all items, regardless of value, that require special control and accountability due to unusual rates of loss, theft or misuse, or due to national security or export control considerations.” For both accountable and sensitive property, HHS must track the asset for the life of the asset till final disposition. This includes any an all intervening transfers (movement of the asset within an STAFFDIV/OPDIV or between STAFFDIVs and OPDIVs).

3.31.1 CUSTOMER ORDERING OF SUPPLIES

The following provides the guidelines that customer level activities can use in requesting

supply stock. OPDIVs and STAFFDIVs, in turn, must assess their managerial needs in accomplishing and implementing similar procedures for acquiring the stocks they need to satisfy customer requests.

The first step in ordering forms, publications, operating supplies, and administrative office supplies, scientific supplies, etc. is to locate them in HHS OPDIV or STAFFDIV catalogs, and through catalogs available from GSA, DLA or other sources.

The OPDIV or STAFFDIV catalog shall show what can be ordered and how it can be ordered. OPDIVs and STAFFDIVs not maintaining a catalog will supply the needs of its customers by means of local procedures defined and coordinated by the OPDIV and STAFFDIV's logistics management staff. OPDIV and STAFFDIVs are encouraged to make the catalogs and other pertinent supply management information available electronically.

Catalogs will be indexed to make it easy to locate forms, publications, administrative office supplies and items obtainable from various supply sources.

Catalogs will contain appropriate GSA, DLA or other source items that may or may not be stocked. OPDIVs and STAFFDIVs may control customer access to items at their discretion consistent with the need to provide high quality customer service.

3.31.2 FEDERAL AUTOMATED SUPPLY ORDERING SYSTEMS

HHS OPDIVs and STAFFDIVs are encouraged to use the GSA and DOD electronic supply ordering systems. These systems allow customers to place orders via their desktop computer. The program is most useful to customers with a centralized ordering system where computer operators place orders for a number of offices or activities. In addition, automated detailed billing information can usually be downloaded to the OPDIV and STAFFDIV's information management systems. These files can be used to obligate the funds necessary to pay GSA bills and can aid in OPDIV and STAFFDIV internal control procedures. More information about these systems can be found in the GSA and DOD catalogs.

3.31.3 NORMAL ORDERING PROCEDURES

Where the OPDIV and STAFFDIV's supply system is complex, more than one method of supply may be in operation. In such cases, procedures for meeting routine requests will be established.

1. Routine ordering may take the form of manual paper or electronically transmitted requests.
2. Customers should use electronic transmission means to submit their orders when possible. For non-cataloged supplies customers should submit

completed requisitions, with written justifications if required by the OPDIV or STAFFDIV, to the supply inventory management activity or other location as specified by the OPDIV or STAFFDIV.

3. Requisitions may be submitted on various documents and/or forms including, HHS-393, Purchase/Service/Stock Requisition (used by most OPDIVs and STAFFDIVs as the requesting document to obtain items through the acquisition process) and GSA Form 524, Authorization for Property Release.

OPDIV/STAFFDIV supply systems shall provide customers with the status of their orders. Status includes information on items that the inventory management activity has backordered or is processing for shipment, and items that are forwarded to GSA and other supply sources for supply action. Status also provides other pertinent information such as whether the stock is frozen for inventory or has been discontinued.

The OPDIV/STAFFDIV supply system that processes customer orders and produces status for the customer should also produce warehouse pick lists. Pick lists are forwarded to the OPDIV's warehouse. Customer orders are picked from storage bins/racks etc, packaged and shipped.

1. The customer shall verify the shipment by comparing it to his/her order and to the items received.
2. As required, customers shall follow-up on an order's status to ensure its completion.

In order to provide timely supply support, complete status, and required documentation, supply systems should be automated. Orders should be received electronically, stock availability should be assessed, shipment documents should be produced, or purchase orders printed in a single computer process that occurs within less than one calendar day.

3.31.4 UNSCHEDULED AND EMERGENCY ORDERS

Not all requests for supplies are routine. Emergency orders may be submitted by customers. The OPDIV supply network must be capable of reacting more quickly than normal to deliver supplies on an emergency basis.

In emergency cases, customers should determine whether another office in their locale can provide enough of the required material to sustain supply until the next regularly scheduled order.

1. If the loan of supplies is not feasible, the local PMO/SMO should be consulted to determine if the need can be met locally by some other means. This action alerts the PMO/SMO to the emergency and informs him or her of its nature.

2. Higher levels of management may be asked to support satisfaction of the requirement by such actions as the emergency diversion of resources.

Exceptions to normal ordering procedures should be made only for special reasons, and should be monitored closely. Exceptions add cost to the supply system and divert resources from providing routine customer services and supply support.

3.32 ACCOUNTABILITY REQUIREMENTS

3.32.0 GENERAL

Accountability is defined as the possession and use of the PP&E of another with delegated duties and responsibilities, subject to penalty in cases of default or loss. In the context of HHS PP&E, this encompasses the actions and records (such written memoranda of any kind that can be used to control/track items) required of those individuals within HHS designated as such by the OS, OPDIV, or STAFFDIV PMO.

3.32.1 DESIGNATION OF THE SUPPLY ACCOUNTABLE OFFICER (SAO)

Supply assets shall be carried as accountable records. As accountable records they are subsidiary records to the general ledger accounts. Accountability for the inventories of all supplies and materials is part of the PMO/SMO's responsibilities. As such, the PMO/SMO shall designate in writing an employee as the Supply Accountable Officer for the OPDIV's supply management activity. Refer also to section 1.2.6.

3.32.2 ACCOUNTABILITY DATA INFORMATION STANDARDS (Data Elements)

The following are the minimum accountability data information fields that should be used to track inventories and provide the necessary managerial information.

Supply item Information	
Inventory data:	Status:
Stock number	Receipts
Description	Issues (Damaged, Delivery/PO mismatch, etc.)
Unit of Issue	Review point quantity
Unit price	Adjustments
Quantity on hand	Disposals
Value	
Items due in	
Items due out	
Storage location- EOQ	

OPDIVs and STAFFDIVs may collect any other data determined necessary to properly manage and account for supplies. In addition, OPDIVs and STAFFDIVs should refer to section 3.16.2.

3.32.3 SUPPLY TRANSACTIONS AND FILES

Receipts and miscellaneous transaction documents (receipts, issues, returns, excess documents, Reports of Survey, inventory adjustments, etc.) shall be assigned voucher numbers. Voucher numbers assigned to miscellaneous transactions will be taken from the appropriation to which the transactions apply.

Copies of receipts will be filed and retained in accordance with the OPDIV/STAFFDIV's records retention schedules. Copies of unposted receipts and miscellaneous transactions need not be retained.

Supply issues will be assigned a transaction number which will be recorded in the automated supply system. These transactions will be numbered on a monthly basis using a numerical prefix designating the month in which the transaction occurred. Completed transactions will be filed in numerical sequence and retained in accordance with the OPDIV/STAFFDIV's records retention schedules.

All receipts of and issues of controlled substances (Schedules 1-5) will be assigned a consecutive document number or annotated separately within an automated supply system for transactional purposes. The transaction control file will show the document control number, date of receipt by an authorized employee, organizational identifier or location of a program receiving issue assigned to the document. Refer also to the Controlled Substances Act Title II implementing the Comprehensive Drug Abuse Prevention and Control Act of 1970.

3.32.4 RECONCILIATION WITH FINANCIAL RECORDS

Perpetual inventory records of supplies and materials and the general ledger accounts shall be reconciled each month to ensure that the supply data correspond with the OPDIV/STAFFDIV's financial records. Discrepancies shall be reviewed to determine the source of any variance between the subsidiary ledger and the general ledger accounts. Refer also to the Department's Accounting Manual, Section 1-30 Reconciliation and Adjustment and to 3.24.6.

3.32.5 PROCESSING RECEIVING REPORTS AND INVOICES

All receiving reports and invoices that do not coincide in quantity and price shall be brought to the attention of the responsible PMO/SMO, who will make a determination

as to whether payment will be made or if further contact with the vendor is required.

3.32.6 FINANCIAL INVENTORY MANAGEMENT

HHS supply management officers must balance the desire for low levels of inventory investment against the desire for high levels of customer service for items supplied using a storage and issue supply support strategy. To achieve the desired balance managers need basic financial inventory data. This data provides the means for planning and measuring progress toward management goals. The data is used to:

1. Determine the degree of compliance with and adequacy of program and policy guidance.
2. Compare the best practices of supply operations of different agencies and external organizations by networking with other supply managers, reading trade publications and participating in professional associations.
3. Consider trends in inventory status and activity.
4. Compare available assets with authorized stock levels and acquisition objectives.
5. Compile aggregate demand and issue data.
6. Determine inactive, obsolete, excess and surplus items.
7. Determine other areas requiring control by HHS managers at all levels.

The primary objective of inventory management is to align the comparison of requirements and assets with supply control decisions. Financial inventory management permits, on a common denominator dollar basis, a time-phased simulation of procurement and issue actions causing changes in supply position. Such a simulation provides the basis for management through financial control of procurement, requisitioning, budgeting, and financial status reporting. This is done by converting the requirement for asset comparison to the common denominator of dollars. A means is established to provide for dollar value inventory goals and measurement of progress toward those goals. The data is useful in justifying supply budgets. Action is initiated based on individual item requirements and assets. Actions may include:

1. Establishment and testing of the reorder level
2. Determination of order quantity requirements
3. Derivation of procurement directives and contract data
4. Return of material
5. Schedules of contract delivery
6. Non-reimbursable transfer determinations
7. Retention and disposal

Requirement elements/levels (backorders, safety level, operating level, lead time level, etc.) on the item are used to calculate the reorder level and to determine the immediate

shortage quantity and other supply imbalances. To establish the supply status of an item, the requirement/asset comparison is made in terms of the capability of meeting projected demands on the supply system. Requirement elements/levels are arrayed in priority sequence for stock reservation or issue. Assets are applied in order against these elements/levels to arrive at the supply status. When the dollar value of all elements/levels for all items are summed or aggregated, financial information or data is available for management purposes.

OPDIVs and STAFFDIVs may evaluate agency supply management operations on the basis of the performance measures previously discussed as well the information developed during financial inventory management analyses.

3.32.7 PHYSICAL INVENTORY

In order to verify the accuracy of supply records, a physical inventory shall be taken at regular intervals. This procedure is necessary as a check on the effectiveness of the supply inventory accounting procedures to provide adequate and accurate information on all significant changes in the investment of supply assets. The frequency of physical inventories, which may be taken on a cyclical basis over a period of time, should be determined on the basis of such factors as nature and value of the supplies; physical security and control procedures relating to the receipt, issuance, turnover, and results of previous inventories.

3.32.8 BOARD OF SURVEY

See section 3.27.3 and Part 16, Appendix A.

3.33 MAXIMIZING USE OF INVENTORIES

3.33.0 GENERAL

OPDIVs and STAFFDIVs shall utilize effective intra- and inter-component matching of material assets and requirements before material becomes excess, to avoid unnecessary procurements and inventory investments. Supply management officers must remain alert for signs of potential long supply such as declining demand, new technologies, and inventory record imbalances. They must take timely action to reduce assets to the authorized acquisition objective. Long supply can be redistributed to other organizations having near term requirements. Refer also to FPMR 101-27.3. The following sections describe responsibilities and major action areas associated with warehousing operations. Efficient and effective warehousing processes are fundamental to the sound practice of inventory management. Consult the Department's LogNet to view the Joint Services Manual (JSM) for Storage and Materials Handling. This document was

developed by the joint DOD services and provides excellent storage and materials handling procedures.

3.33.1 RESPONSIBILITIES

OPDIVs and STAFFDIVs are responsible for exercising overall supervision and control over the warehousing operations at their facilities. They shall:

1. Ensure that receiving, storing, inventorying, issuing, and shipping operations are completed efficiently.
2. Establish necessary controls by ensuring that personnel who receive and issue items on behalf of the OPDIV/STAFFDIV are not the same personnel who certify invoices for payment or who certify inventory counts.
3. See that any discrepancies discovered through inventorying are investigated and properly reported.
4. Ensure that local requisitioning and issuing procedures are developed and implemented.
5. Provide adequate safeguards to ensure against loss, damage, or theft of OPDIV/STAFFDIV property held at their facilities.

3.33.2 RECEIVING OPERATIONS

OPDIVs and STAFFDIVs shall:

1. Promptly and accurately process receipts, including inventory updating, maintenance of due-in information, prompt and accurate checking and recording of shipments received and efficient handling and storage.
2. Ensure all incoming items are accompanied by receiving documents such as Order-Invoice-Voucher, Material Inspection and Shipping Report, Material Safety Data Sheets, Vendor packing slip, etc. If there are no receiving documents with the shipment, the person who receives the items shall prepare a report to the appropriate supervisory personnel, fully explaining the circumstances.
3. Verify that receiving documents are certified and signed by personnel authorized in writing to accept goods on behalf of the OPDIV/STAFFDIV.
4. Plan for supply arrival dates, type and quantity of supplies and whether discounts can be credited.
5. Provide for the accurate checking of shipments for efficient storage and related record control activities. Each shipment, upon arrival, shall be physically checked against the related freight bill or other delivery document prior to signing of receipt

3.33.3 AUTHORITY TO SIGN RECEIVING DOCUMENTS

OPDIV and STAFFDIVs shall designate in writing the personnel authorized to sign

receiving documents and thereby finally receive shipments.

3.33.4 NOTIFICATION TO AUTHORIZED RECEIVING PERSONNEL

Personnel in charge at the dock must promptly notify authorized receiving personnel when items are received.

3.33.5 SUSPENSE FILES AND RECEIVING ACTIVITY PLANNING

Receiving personnel are responsible for maintaining a tickler-type suspense file to organize documentation on all shipments. File contents shall be reviewed for planning purposes to facilitate accurate, orderly and expeditious processing of receipts. Copies of purchase orders containing prompt payment discount provisions should be flagged. When feasible, arrangements for handling and storing a large-volume shipment shall be made prior to the shipment's actual arrival.

3.33.6 CHECKING SHIPMENTS AND DOCUMENTATION

Orders shall be verified for accuracy as soon after delivery as possible to avoid delay in reporting discrepancies. The accuracy of all shipments should be checked by comparing the receipts with the delivery information provided on the packing list.

3.33.7 DISPOSAL

Refer to LMM Parts 8-14 as appropriate.

PART 4 MOTOR VEHICLE AND WATERCRAFT MANAGEMENT

4.1.0 GENERAL

This part supplements Parts FMR 102-34 and FPMR 101-39 concerning the management and control of motor vehicles and watercraft. Material in this part should be read in conjunction with the FPMR. This part does not repeat GSA material.

4.1.1 POLICY

Motor vehicles and watercraft shall be acquired, maintained and utilized in support of HHS programs in the minimum quantity required and in the most practical and economical manner consistent with program requirements, safety considerations, fuel economy, and applicable laws and regulations.

Appropriations will not be expended to lease or purchase passenger motor vehicles except as authorized by law or to reimburse the General Services Administration for passenger vehicles acquired from the Fleet Management Division.

Each of the HHS OPDIV and STAFFDIVs shall designate a fleet manager to be responsible for motor equipment operations and to serve as a single point of contact for issues, information and reports on motor equipment.

Each OPDIV and STAFFDIV will maintain vehicle use and mileage records including home-to-work usage. Records will be maintained for a period of three years. (*See* section 4.4.6)

All requests to the Federal Supply Service, GSA, along with requests for waivers from GSA regulations, and all certifications to GSA shall be reviewed by the OPDIV and STAFFDIV Fleet Manager before being sent to GSA through the Department Fleet Manager.

No employee shall use a government vehicle for transportation between their home and place of employment without the expressed written approval of the Secretary of Health and Human Services.

All Government-owned and leased motor vehicles shall be operated and used by HHS officers, employees and contractors in a manner that does not bring discredit or public ridicule to the Department, or the appearance of impropriety.

4.2 MOTOR VEHICLE ACQUISITIONS

4.2.1 AUTHORITY FOR THE ACQUISITION OF MOTOR VEHICLES

It is the policy of HHS to use the GSA Fleet Management Center (FMC) as its first source of supply for all motor vehicles. *See also* 40 U.S.C. § 602.

In accordance with 31 U.S.C. 1343, authority to acquire passenger motor vehicles (lease or purchase) is contained in the annual appropriation act for the OPDIVs and STAFFDIVs of HHS. Unless Congress specifically authorizes purchases or leases in an OPDIV's or STAFFDIV's appropriation act, the OPDIV and STAFFDIV is not authorized purchase passenger vehicles and may only lease passenger vehicles from the FMC, GSA. Currently within HHS, only OS, FDA, IHS and NIH have authority to obtain vehicles from sources other than the FMC.

4.2.2 JUSTIFICATIONS AND APPROVAL TO ACQUIRE MOTOR VEHICLES

Each October OPDIV and STAFFDIVs will survey their programs to determine their needs for vehicles for the next year. Subdivisions of OPDIV and STAFFDIVs wishing to acquire additional vehicles for their fleet are authorized to request up to five vehicles annually for their local GSA FMC.

Requests for ALL vehicles shall be processed through the OPDIV and STAFFDIV Fleet Manager.

When the local GSA Fleet Management Center is unable to fill a request for an additional vehicle, requests will be transmitted to the OPDIV and STAFFDIV Fleet Manager for transmission through the Department Fleet Manager to GSA Fleet headquarters. OPDIV and STAFFDIVs, that have legal authority, shall indicate if they wish to commercially lease or purchase if GSA is unable to furnish the requested vehicle(s). Commercial leases or purchases shall be made using GSA leasing or purchasing programs. (*See* GSA 751 Program).

Requests to commercially lease vehicles for periods longer than 59 days will only be approved on the basis that the GSA FMC is unable to provide the vehicle. OPDIV and STAFFDIVs wishing to commercially lease a vehicle will submit a written request including a description of the vehicle and an explanation of the need for the vehicle. The description of the vehicle will not be brand name or model specific unless no other brand or model will satisfy the OPDIV and STAFFDIVs need.

Requests for permission to purchase vehicles will include a justification for why ownership is the least costly method for the OPDIV and STAFFDIV to obtain, operate, and dispose of the vehicle. This justification should include a comparison of costs

associated with the following three methods of acquiring vehicles: purchases (including purchase, maintenance, and disposal costs), commercials lease, and GSA Fleet Lease Program.

Requests from contractors for GSA Fleet Lease vehicles must ensure that the requirements in FAR 51.202 are met and include the concurrence of their contracting officers and the OPDIV and STAFFDIV Fleet Manager.

4.2.3 ACQUISITION OF FUEL EFFICIENT MOTOR VEHICLES

In accordance with FMR 102-34.45, HHS shall acquire and operate only fuel efficient passenger vehicles (Class III midsize or smaller) and light trucks unless a larger vehicle is absolutely essential to carrying out the OPDIV and STAFFDIVs mission. Except for the offices listed in (b), administrative offices will use compact sedans (Class II) or midsize alternative fueled vehicles (Class III). For administrative offices, with appropriate justification, the following size passenger vehicles may be approved:

- Immediate Office of the Secretary - two large sedans (Class IV).
- HHS Southwest Complex motor pool - midsize (Class III).
- OPDIV AND STAFFDIV headquarters motor pools - midsize (Class III).
- Regional Offices - compact (Class II) or alternative fueled midsize (Class III).
- District Offices, Offices of Center Directors, Area Offices, etc. shall use compact (Class II) or alternative fueled midsize (Class III) passenger vehicles.

In accordance with Executive Order 13423 and the Energy Policy Act of 1992 (42 USC 6201 et. seq.), not less than 75 percent of the light duty vehicles acquired by any HHS OPDIV and STAFFDIV (e.g., includes owned, GSA leased, or commercially leased) shall and must be configured in a manner that enables the use of alternative fuel. If an OPDIV and STAFFDIV fails to meet the latter requirement during a specific fiscal year, the OPDIV and STAFFDIV must address the conditions that lead to the failure and offer a corrective action plan in its Annual Motor Vehicle Fleet Report (AMVFR). The report shall detail how the alternative fuel vehicle acquisition program will be planned, organized, focused, controlled and reported so as to meet the federally mandated targets in subsequent years.

4.2.4 USE OF MOTOR VEHICLE MANAGEMENT INFORMATION SYSTEM (MVMIS)

Each HHS OPDIV and STAFFDIV is required to use the HHS Motor Vehicle Management Information System (MVMIS) as a means to plan, organize, direct, control and report the status of the OPDIV and STAFFDIV Fleet Programs.

Each HHS OPDIV and STAFFDIV is required to use the HHS Motor Vehicle Management Information System (MVMIS) as the formal system of record for all OPDIV and STAFFDIV owned, GSA Leased and/or Commercially Leased (or Rented) fleet assets.

Each HHS OPDIV and STAFFDIV is required to use the HHS Motor Vehicle Management Information System (MVMIS) as the officially sanctioned means by which compliance data for each vehicle is developed and entered as part of the official record and archived. Further, the latter data shall be exported (moved), as required during each fiscal year, from the MVMIS resource to the GSA Federal Automotive Statistical Tool (F.A.S.T.) in accordance with EO13149 and EAct of 1992. This action shall be used to create the official Department “performance” standard and will be delivered to the Executive Office of the President via the Office of Management and Budget (OMB).

Each HHS OPDIV and STAFFDIV shall use the HHS Motor Vehicle Management Information System (MVMIS) as the officially sanctioned means by which planned, projected and forecast budget estimates are determined and formatted. The latter is the official Department business process, leading to the “input”, “process” and “output” of aggregate OPDIV and STAFFDIV dollars anticipated for fleet operations, (including planning and execution of Executive Orders and/or Federal Regulations). The MVMIS resource shall be used to consolidate, i.e., “rollup”, the HHS aggregate planned, projected and forecast data as outlined in the Office of Management and Budget (OMB) A-11 annual data call. The latter data call typically is submitted from the Department to OMB via the Department of Energy (DOE)/General Services Administration’s Federal Automotive Statistical Tool (F.A.S.T.) in mid August of each fiscal year².

Fiscal Year Fuel/Mileage and Maintenance Process must be carried out all year. (See MVMIS reports tab for process requirements.)

Each HHS OPDIV and STAFFDIV shall use the Environmental Compliance Dashboard as a method for validating compliance with EO13423 and the Environmental Policy Act of 2005.

4.2.5 SELECTION OF TYPE OF MOTOR VEHICLES

All motor vehicles acquired for use shall be limited to the minimum body size, engine size, and optional equipment necessary to fulfill program needs.

With the exception of Alternate Fuel Vehicles (AFV), the least expensive unit overall shall be acquired considering acquisition costs, operating costs and disposal costs.

² The HHS MVMIS system is used to consolidate Department data. The data is subsequently “pushed” to the F.A.S.T. resource and reported to OMB.

Dual-purpose motor vehicles capable of hauling both personnel and light cargo shall be used whenever appropriate to avoid the need for two motor vehicles when one can serve both purposes.

The following also govern the selection of motor vehicle type:

- [Energy Independence and Security Act of 2007](#)
Energy Security and Independence Act (ESIA) Section 141 of the ESIA amends Section 303 of the Energy Policy Act of 1992 concerning vehicle emissions requirements by prohibiting Federal agencies from acquiring a light duty motor vehicle or medium duty passenger vehicle that is not a low greenhouse gas emitting vehicle. Section 142 of EISA adds Section 400 to the Energy Policy Act of 1992 detailing the requirements for the mandatory reduction in petroleum consumption by Federal Fleets. Section 246 of the EISA requires installation of at least 1 renewable fuel pump at each Federal fleet fueling center in the U.S. under the jurisdiction of the head of the Federal agency no later than January 1, 2010. Sections 431 through 441 pertain to the implementation of High Performance Federal Buildings, including energy and water efficiency requirements. Title V (sections 501 – 548) of EISA addresses energy saving at the U.S. Capitol, energy savings performance contracts (ESPCs), and energy efficiency in Federal agencies. A fact sheet is available [here](#). Text of the law is available [here](#).
- [Energy Policy Act of 2005 \(HTM 1.95 MB\)](#)
This act was signed into law on August 8, 2005. The Act contains a multitude of provisions covering energy production, distribution, storage, efficiency, conservation, and research. The Act requires efficiency standards for certain large appliances and extends Daylight Saving Time to reduce consumption. It provides funding to improve efficiency in low-income housing and expands the Energy Star program. It also requires the federal government to increase the efficiency of its buildings and vehicles and provides tax credits for certain energy efficient purchases or improvements. Other topic of note are: renewable energy, expanding of the Strategic Petroleum Reserve, fuel production access in federal lands, the banning of drilling in the Great Lakes, electricity reliability, hydrogen vehicles, vehicle efficiency and alternative fuels, ethanol and motor fuels.

- [Executive Order 13423](#)
Strengthening Federal Environmental, Energy, and Transportation Management
24 January 2007
Executive Order 13423 "Strengthening Federal Environmental, Energy, and Transportation Management", signed by President Bush on January 24, 2007. The order sets goals in the areas of energy efficiency, acquisition, renewable energy, toxics reductions, recycling, renewable energy, sustainable buildings, electronics stewardship, fleets, and water conservation. In addition the order requires more widespread use of Environmental Management Systems as the framework in which to manage and continually improve these sustainable practices.
- [Instructions for Implementing EO 13423: Strengthening Federal Environmental, Energy, and Transportation Management \(PDF 154.47 KB\)](#)
In accordance with Section 4(b) of Executive Order 13423, "Strengthening Federal Environmental, Energy, and Transportation Management", implementing instructions have been issued to Federal agencies to provide detail and direction to agencies as the work to fulfill the goals and requirement of the Executive Order. Section 8 of these instructions are specific to pollution prevention. These instructions are dated March 29, 2007.
- [Memorandum April 11, 2006: Next Steps in Successfully Meeting Executive Order Requirements For Effective Environmental Management \(PDF 43.65 KB\)](#)
This memorandum, jointly issued by OMB and CEQ, encourages all agencies to adopt and implement EMS, including the establishment of a firm date for final completion of the efforts. Additionally, agencies are encouraged to work with the January 2006 scorecard initiative launched by OMB. The January 11, 2006 scorecards address Environmental Stewardship, Transportation Management, and Energy Management.
- [Memorandum for the Heads of Executive Departments and Agencies](#)
SUBJECT: Energy and Fuel Conservation by Federal Agencies
Issued September 26, 2005, this memorandum directing the heads of executive departments and agencies to take appropriate actions to conserve natural gas, electricity, gasoline, and diesel fuel to the maximum extent consistent with the effective discharge of public responsibilities.
- [Memorandum May 3, 2006: Office of Management and Budget Scorecards \(PDF 263.64 KB\)](#)
This memorandum, issued by OMB, issue the changed and finalized scorecards for Environmental Stewardship, Transportation Management, and Energy Management.

- [Pollution Prevention Act](#)
The 1990 Pollution Prevention Act focused industry, government, and public attention on reducing the amount of pollution through cost-effective changes in production, operation, and raw materials use. Opportunities for source reduction are often not realized because of existing regulations, and the industrial resources required for compliance, focus on treatment and disposal. Source reduction is fundamentally different and more desirable than waste management or pollution control.
- [Questions and Answers on the Renewable Fuel Standard \(RFS\) Program](#)
This document (EPA420-F-07-041a, August 2007) was prepared by EPA's Office of Transportation and Air Quality (OTAQ) in response to questions about the implementation of the RFS Program. The RFS Program went into effect on September 1, 2007. This document will be periodically updated.
- [Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users \(SAFETEA-LU\)](#)
Signed on August 10, 2005 SAFETEA-LU authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 5-yr period 2005-2009.
- [Waiver Requests under EPCACT 2005 Section 701](#)
Section 701 of the Energy Policy Act of 2005 requires Federal agencies to use alternative fuel in their dual fuel vehicles except where the fleet has received a waiver from DOE. The guidance on obtaining waivers from the EPCACT requirement to use alternative fuel was published March 2007.

4.2.6 INTERAGENCY TRANSFER OF VEHICLES

All such transfers will be accomplished using GSA Form 2552.

4.3 REGISTRATION, IDENTIFICATION, AND EXEMPTIONS

4.3.1 REGISTRATION AND INSPECTION

OAMP/DLP has a Memorandum of Understanding with UNICOR for the acquisition of HHS license plates. For HHS-owned vehicles it is normal practice to tag those vehicles with a special HHS license plate. There are exceptions to this policy where different tagging procedures are appropriate. The HHS policy regarding the issuance of registration tag for any vehicle designated for on-the-road use will operate with one authorized registration tag, and not more than one. The OPDIV and STAFFDIV Fleet Manager is the authorizing official for issuance and control of tags.

Requests for HHS tags (license plates) will be submitted by the OPDIV or STAFFDIV Fleet Manager to the Division of Logistics Services of the National Institutes of Health. Unissued tags shall be stored in a locked drawer, cabinet or storage area with restricted access to prevent possible theft or misuse. For accountability purposes, an inventory log shall be maintained for all tags in your possession. To report lost or stolen plates, notify your OPDIV or STAFFDIV Fleet Manager, the local security office (or equivalent) and the local police department. See FMR 102-34.150.

Motor vehicles used in foreign countries are to be registered and carry tags in accordance with the existing motor vehicle regulations of the country concerned. The person responsible for a motor vehicle in a foreign country shall make inquiry at the United States Embassy, Legation, or Consulate concerning the regulations that apply to the registration, licensing, and operation of motor vehicles and shall comply accordingly. International Cooperative Administrative Support Services (ICASS), which is equivalent to GSA overseas.

Note: Vehicles registered in D.C. may have special requirements. Please see FMR 102-34.190 (formerly 102-34.170)

4.3.2 AGENCY IDENTIFICATION

Each OPDIV AND STAFFDIV that owns or commercially leases motor vehicles shall display, in accordance with the requirements of FMR 102-34.110, sufficient identification to identify them as government vehicles.

4.3.3 EXEMPTIONS

Certifications for exemptions related to the placement of Federal markings other than those listed in FMR 102-34.195 shall be submitted by the OPDIV and STAFFDIV Fleet Manager directly to GSA in accordance with the criteria listed at FMR 102-34.185. Copies of the certifications will be sent to the Department Fleet Manager.

By October 30 of each year, the OPDIV AND STAFFDIV Fleet Manager shall provide a list of all unmarked vehicles in their fleet to the Department Fleet Manager indicating which unmarked vehicles are exempt by regulation FMR 102-34.195(K) and which are certified to GSA as justified as law enforcement or as required for the safety of the occupant. An additional notification method is via the HHS MVMIS, select the icon for emergency and law enforcement vehicles. The process is to submit a memorandum to ASAM/OAMP, Division of Logistics Policy.

4.4 AUTHORIZED USE OF GOVERNMENT MOTOR VEHICLES

4.4.0 GENERAL

Vehicles assigned to or purchased or leased by HHS are intended for official business as authorized by FMR 102-34.220. HHS motor vehicles are not provided for the convenience of HHS employees. Government vehicles should only be used when it is: (1) the least costly method of transportation available (considering the value of employee time and actual transportation costs) or (2) when no other practical method of transportation is available considering the mission to be performed; the location; and any equipment needed to be transported to support the mission.

Common carriers (air, rail, and bus) shall be used in lieu of transportation by motor vehicle, unless the use of the motor vehicle is clearly more economical and practicable, and in the government's interest, such as:

- The employee's itinerary requires a number of stops and the scheduled arrival and departure of public transportation does not coincide with the timetable of the itinerary, resulting in undue loss of government time;
- It is necessary to transport a considerable amount of equipment with the employee;
- The nature of the employee's work necessitates the use of transportation at a time of day or week when it would be highly impracticable to use public transportation; or
- Such officers and employees are continually engaged in law enforcement work affecting public health and welfare, and the use of a common carrier is impracticable and not in the best interest of the government.

Each employee of HHS is responsible for providing his or her own transportation to the work place. Transporting an employee between home and work is not an official use of a government vehicle except as provided in FMR 103-34.225 (*See also* Public Law – 199550, 31 USC 1344 and Appendix T: Home to Work Policy).

Any officer or employee who willfully uses or authorizes the use of a vehicle for other than official business is subject to a suspension of at least one month or, up to and including, removal by the head of the OPDIV and STAFFDIV under 31 U.S.C. 1349.

Contractor use of Government owned or leased fleet resources are applicable when the function is “mission” specific. Further, negotiated contracts shall include provisions as outlined in FMR 102-34.230(c) and FAR Part 45, Government Property.

4.4.1 TRANSPORTING PERSONNEL OF OTHER FEDERAL AGENCIES

Transportation of personnel from other Federal agencies in a HHS vehicle is authorized when it is in the interest of the government and does not interfere with accomplishment of the HHS employee's primary business.

4.4.2 TRANSPORTING OTHER THAN A FEDERAL EMPLOYEE

The OPDIV or STAFFDIV Fleet Manager or designee may authorize the transportation of personnel other than Federal employees when necessary in the performance of official business or in the best interest of the Department. An HHS employee may also transport a person or persons other than a Federal employee in a government vehicle when the use of the vehicle is a means of alleviating pain or injury; when preventing loss of life or serious damage to property; and when the person is the Secretary's spouse and is being transported to join the Secretary at a function where the Secretary is an official representative of the government and the spouse, according to diplomatic or social custom, is expected to attend with the Secretary.

4.4.3 TRANSPORTATION OF DEPENDENTS

An HHS employee, who is authorized and assigned to use a government vehicle for specific duties (such as a field investigator or traveling auditor) and whose duties result in extended detail to another region or location (e.g. this includes employees on approved official travel status) or frequent change in duty post, may transport dependents at the time the detail or change of duty post is accomplished. Transporting of the dependent shall not cause additional cost for the government or cause the employee to deviate from his/her official itinerary. However, prior approval must be obtained from the OPDIV or STAFFDIV Fleet Manager or their designee and annotated on the travel order.

4.4.4 EXCLUSIVE ASSIGNMENTS OF MOTOR VEHICLES

No government motor vehicle shall be assigned for the exclusive use of any officer or employee, except for the Secretary.

4.4.5 USE OF GOVERNMENT VEHICLES BETWEEN HOME AND PUBLIC CARRIER TERMINALS AND BETWEEN PUBLIC CARRIER TERMINALS AND TEMPORARY DOMICILE OR TEMPORARY DUTY STATION

Government-owned or leased motor vehicles may be used by officers and employees in travel status for transportation between home and rail, air, bus, or boat terminals between the terminal and place of temporary employment or temporary domicile if no less costly method of transportation is available. It is prohibited for an employee to park a Government owned/leased vehicle at a public parking facility for an extended

period of time (more than 1 week) without advance approval from the HHS Fleet Manager. In general, it is most advantageous for the Government to reimburse the traveler for use of their own POV and parking.

While on a temporary duty assignment (TDY), Government-owned or leased motor vehicles may be used for transportation between the temporary domicile and place of employment, to obtain meals, or to obtain services required for the well being of the employee, e.g., laundry, dry cleaning, drug store, etc.

4.4.6 USE OF GOVERNMENT VEHICLES BETWEEN RESIDENCE AND PLACE OF EMPLOYMENT

Restrictions on use of government vehicles between residence and place of employment Government policy on the use of government-owned or -leased vehicles is established by P.L. 99-550. The use of Government vehicles between residence and place of employment shall be restricted to the Secretary, the Deputy Secretary if directed by the Secretary, employees engaged in field work as defined by functional descriptions outlined in Public Law 99-550, and other officials or employees on an exception basis when a clear and present danger, emergency or a compelling operational consideration exists. This restriction does not apply to employees on official travel who have been authorized to take a vehicle home on their travel order. Employees are expected to provide their own transportation between residence and place of employment including for overtime. Inconvenience, awkwardness with a car pool arrangement, or difficulties with a personal vehicle do not justify furnishing government transportation.

Only the Secretary may approve the use of government vehicles between residence and place of employment. No employee shall use a government vehicle for transportation between their home and place of employment without the expressed written approval of the Secretary of Health and Human Services. The approval process for the use of vehicles between residence and place of employment will be different based on the reason for the request. The Secretary may direct that portal-to-portal transportation by government vehicle be provided for the Deputy Secretary for the purpose of insuring availability to the Deputy Secretary of reliable and secure transportation with appropriate communications capability and considering the requirements incumbent upon the Deputy Secretary in Departmental management, emergency response, continuity of operations, continuity of government and other requirements and circumstances.

Employees engaged in fieldwork will be approved on the basis of positions ONLY. Each office requesting approval of vehicle use between residence and place of employment for employees engaged in field work shall submit justification, in memorandum form, through the OPDIV and STAFFDIV Fleet Manager to the Assistant Secretary of

Acquisition and Management (ASAM), Office of Acquisition and Management Policy (OAMP), Division of Logistics Policy and Programs (DLP); Attention: HHS Fleet Manager.

This justification shall include the position title and series, number of employees affected, name and title of person requesting approval, dates, location of official duty station, frequency and duration of the field work, and justification for the use of the vehicles.

After the initial justification for each position has been approved, the requesting office should reassess and resubmit justification no later than April 30th on a biannual basis every even year (e.g. 2004, 2006, & 2008).

If a position is approved for the use of a vehicle between residence and place of employment based on fieldwork, the approval is only in effect when an employee is actually engaged in fieldwork and should not be interpreted as authorization to use the vehicle at anytime other than when conducting fieldwork.

Requests for approval based on a clear and present danger, an emergency or a compelling operational consideration shall be submitted by the requesting office through its OPDIV and STAFFDIV Fleet Manager to the ASAM, OGAM, DLP; Attention: HHS Fleet Manager. The justification shall be submitted in memorandum form. The same information as required for fieldwork shall be submitted. See Public Law 99-550 section 1344.

Approvals shall initially be for a period not to exceed 15 calendar days. Extensions of up to 90 calendar days may be requested as long as the underlying circumstances continue to exist.

Requests for contingent approvals are permitted. They shall include, in addition to the information identified in B above, a statement on what administrative controls have been established to assure that any contingent approval is not abused. Requests should be submitted to the HHS Fleet Manager as described in B above. If the contingent approval is exercised, the requesting office will immediately notify the HHS Fleet Manager and provide him/her with the following additional information: name of the individual using the vehicle, the reason that justified the use of the contingent approval and the starting date and ending date (or anticipated ending date) of the authorization.

Personnel for who portal-to-portal use of a government vehicle has been approved by the Secretary may use the government vehicle for non-official use provide the non-official use is (a) *de minimus*; i.e., the non-official use causes no substantial increase in cost to the official use of the vehicle and (b) the non-official use is merely incidental to the official use. Employees and supervisors are expected to exercise good judgment in such use and due diligence in monitoring such use.

When a vehicle is used for non-official purposes as described above, additional passengers may accompany the employee who is authorized to use the vehicle only if the presence and purpose of accompanying passenger(s) is consistent with and does not contravene the criteria established above and provided any requirements imposed by the Department as regards waivers of liability for such passengers are satisfied.

Each employee using a vehicle between his or her residence and place of employment will maintain a record identifying the vehicle used (license plate number), destination, starting and ending mileage and purpose of trip. This record must be forwarded to the office of the official who initially requested the approval upon completing the approved home-to-work use of the vehicle but no less frequently than quarterly. The record(s) shall be maintained together with the request for and approval of the use of a government vehicle between residence and place of employment. These records shall be readily available for audit until disposed of according to established record management schedule.

Categories. There are 4 categories of Home To Work (HTW); (a) a position designated by law, (b) law enforcement, (c) field work, and (d) HTW for individuals as described below.):

- **A Position Designated by Law.** The position of the Secretary of the Department of Health and Human Services is granted HTW privileges IAW Public Law 99-50 and 31 USC 1344. The Secretary is the only position in the Department in this category. Except for the Secretary, it should never be assumed that HTW privileges are authorized.
- **Law Enforcement.** The category of law enforcement is governed by 31 USC 1344 Section (a)(2)(B). The Secretary of HHS may grant HTW privileges under law enforcement for any period of time. If secretarial approval is granted, supervisors must develop an office procedure for authorization and annual review of privileges.
- **Field Work.** The category of field work is governed by 31 USC Section 1344 and 41 FMR 102. The Secretary of HHS may grant HTW privileges under Field Work for a maximum of two years. If secretarial approval is granted, supervisors must develop an office procedure for authorize and annual review of privileges.
- **Approval for Individuals.** HTW authorization for individuals is governed by 31 USC Section 1344 and 41 FMR 102. The Secretary of HHS may grant HTW privileges for an individual for an initial period of not more than fifteen days. After the initial approval, extensions for not more than ninety days may be

requested for the same individual. Request for authorization must include one of the following headings for justification: Clear and Present Danger, an Emergency, or Compelling Operational Consideration. Enough detail must be included to allow for a legal review by the Office of General Counsel.

- **Authorization Process.** Authorization for HTW privileges is a two step process. First, the Secretary of HHS must authorize the group or individual under one of the above categories. After the HHS authorization is granted, the operational supervisor must determine if HTW privileges are required for performance of the duty and identify in writing the individuals and the period the authorization will be enacted.

Requesting HHS Approval. Requests for HHS approval for law enforcement or field work shall be submitted to OS/ASAM/OAMP Division of Logistics Policy and Programs (DLP), HHS Fleet Manager through the program sponsor at the OP/STAFF Division HQ level for consideration. The HHS Fleet Manager will not accept any requests from field units. All request memos from HQ program sponsors shall identify the number of all possible billets included in the law enforcement or field work category, the number of vehicles employed in the missions and the expected number of billets that may require HTW authorization during a typical year. Requests for individual HTW privileges (for temporary authorization for clear and present danger, an emergency or compelling operational consideration) shall be submitted to DLP, HHS Fleet Manager through the appropriate chain of command and must identify the individual and his/her position, the reason the privilege is required and the required start date. DLP, HHS Fleet Manager will obtain the appropriate OP/STAFF Division HQ concurrence and submit the package to HHS OS/ASAM for approval recommendation to the Secretary of HHS and respond in writing to the requested.

Supervisor Approval. Supervisors must grant HTW authorization for each position in writing. Documentation must include, at a minimum, the individual's position, the period of authorization (not more than a year) and the authority (Secretarial Approval). Vehicle logs must note each time a vehicle was used under HTW authority with the name of the individual(s). Each employee shall keep a record of their HTW use which includes the vehicle identification (tag number), date and reason.

Justification for HTW Authorization. Request for HTW authority shall include a justification based on one of the categories addressed in this section. Requests that cannot demonstrate that authorization is required for safe completion of an HHS mission, rather than convenience of the employee, will not be approved. HTW authorization cannot be approved on the basis of physical security of the vehicle or the price of secure parking. Locations where theft or vandalism is an issue, units must arrange for secure parking as close to the OP/STAFF Division's facility as possible.

4.4.7 USE OF GOVERNMENT VEHICLES BETWEEN RESIDENCE AND PLACE OF EMPLOYMENT WHILE ON TEMPORARY DUTY

When an employee on temporary duty (with travel orders) is authorized to travel by government motor vehicle, and in the interest of the government, is scheduled to depart before the beginning of regular working hours, or if there will be a significant savings in time, a government motor vehicle may be issued at the close of the preceding working day and taken home. Similarly, when an employee is scheduled to return after the close of working hours, the motor vehicle may be taken home and returned the next regular working day, unless the OPDIV and STAFFDIV motor pool has provisions for after hour returns.

4.4.8 USE OF GOVERNMENT-OWNED MOTOR VEHICLES BY COST REIMBURSEMENT TYPE CONTRACTORS

Cost reimbursement type contractors and Native American organizations that have "Compact Agreements" may be authorized to use government-owned vehicles when such authorizations are incorporated in the contract in order to meet performance needs of the contract (Public Law 638 Native American Self Determination Act). Vehicles provided shall be used for official purposes only in the execution of the contract. Note: Other laws notwithstanding, these transactions may require further dispensation. Vehicles provided may be acquired from excess of other Federal agencies. Such vehicles are then controlled by the contract as contractor inventories of government property. Cost reimbursement type contractors may also be authorized to use vehicles from GSA Fleet Management Centers in lieu of obtaining loaned vehicles from the agency involved. The contracting officer, in consultation with the OPDIV and STAFFDIV Fleet Manager, shall provide written approval.

Contractor use of motor vehicles owned or leased by the Federal Government shall comply with requests of FMR 102-34.230.

4.4.9 UNAUTHORIZED USE AND MISUSE

In accordance with FMR 102-34.240, employees who willfully use or authorize the use of a motor vehicle for other than official purposes is subject to established reprimands. Incidents of alleged unauthorized vehicle use are to be reported to the OPDIV and STAFFDIV Fleet Manager for investigation and, where appropriate, corrective actions and recommendations for disciplinary actions.

When incidents of alleged unauthorized vehicle use or misuse of a vehicle are reported by GSA, the OPDIV and STAFFDIV Fleet Manager will respond directly to GSA according to their instructions. See FMR 102-34.235.

OPDIV and STAFFDIV Fleet Managers will provide the HHS Fleet Manager with a copy of all vehicle misuse complaints and corrective action plans.
See also 41CFR 102.

4.4.10 INSTRUCTIONS TO HHS MOTOR VEHICLE OPERATORS

All Government-owned/leased motor vehicles shall be operated and used by HHS officers, employees and contractors in a manner that does not bring discredit or public ridicule to the HHS, or the appearance of impropriety.

Each OPDIV and STAFFDIV shall establish a system to inform HHS employees, who use government vehicles, concerning:

- The statutory requirement that government motor vehicles shall be used only for official purposes.
- Personal responsibility for safe driving and operation of government motor vehicles, and for compliance with Federal, State, and local laws and regulations including any penalties incurred for violations thereof, and all accident reporting requirements (*see* FMR 102-34.250 and 255).
- The penalties for unauthorized use of government motor vehicles.
- The prohibition against picking up strangers or hitchhikers and limitations on the transportation of non-official passengers.
- The proper care, control and use of government credit cards.
- Mandatory use of seat belts by each occupant operating or riding in a government motor vehicle or POV while on “official business.” (Executive Order 13043; FMR 102-34.260).
- Any other duties and responsibilities assigned to motor vehicle operators with regard to the use, care, operation, and maintenance of government motor vehicles.
- Their potential income tax liability when they use a government motor vehicle for transportation between home and place of employment.
- The prohibition against smoking in government vehicles (*see* GSA FMR Bulletin B-3).

- Alternative fuels should be used in accordance with EPA Act of 2005, Section 701 and EO 13423.
- Driver's license in compliance with local jurisdiction where vehicle is permanently garaged is a minimum requirement for operating a government vehicle.
- Protection for HHS employees under the Torts Claim Act (28 USC 2671) when acting within the scope of their employment.

The General Services Administration's FMR Bulletin B-2 discourages the use of hand held wireless phones while operating Government Vehicles. A number of states and local jurisdictions have made it illegal to use hand held wireless phones while operating a motor vehicle. To enhance motor vehicle safety, anyone operating a Government vehicle is prohibited to use a hand-held wireless phone or other wireless devices while the vehicle is moving. If the operator of a Government vehicle is ticketed or involved in an accident due to the use of a hand-held phone or other device, the operator will be fully responsible for any legal action that may result.

A placard should be placed in each Government-owned or leased vehicle with the following:

"Safe Driving is Your 1st Priority"

Use of a hand-held wireless phone by the driver is NOT PERMITTED while this vehicle is moving. If the driver is ticketed or involved in an accident due to the use of a hand-held phone or other device the driver will be fully responsible for any legal action that may result."

4.5 GUIDANCE FOR MOTOR VEHICLE REPLACEMENT STANDARDS

4.5.0 General

See FMR 102-34.265

4.5.1 PROMPT DISPOSAL OF REPLACED MOTOR VEHICLES

A replaced motor vehicle shall be removed from service and disposed of prior to or as soon as practicable after delivery of the replacement motor vehicle to avoid concurrent operation of both motor vehicles.

Because of disposal problems, there may be occasions where quick disposal of the old motor vehicle may not be feasible or advantageous to the government, e.g., it may be

determined that there is an insufficient number for economical sale, or that sale would bring substantially better prices at a later date because of seasonal effects on sale prices. Under such circumstances, temporary retention of the replaced motor vehicle may be justified. However, such retention may not be used as justification for concurrent operation of the new and replaced motor vehicles. The replaced motor vehicle must be placed in an inactive status. Vehicles should be disposed of through normal GSA procedures. See FMR 102-34.310 thru 320.

4.5.2 UTILIZATION OF MOTOR VEHICLES

It is HHS policy to keep the number of motor vehicles to the minimum needed to satisfy programmatic requirements.

To attain this goal, controls and practices shall be established which will achieve the most practical and economical utilization of motor vehicles. These controls and practices apply to all HHS owned and leased, and GSA Fleet Management Center motor vehicles. Periodically, local fleet managers should compare the costs of using FMC passenger vehicles against the cost of reimbursing employees for using their personal vehicles.

In making this determination the local fleet manager should also take into consideration other factors, such as local road conditions would cause excessive wear and tear on the POV, the nature of the mission to be performed would be enhanced by the use of an "official" vehicle, and the nature of the mission to be performed causes the vehicle to have low usage, etc.

4.6 SCHEDULED MAINTENANCE

4.6.1 HHS GUIDELINES

Whenever practicable and cost effective, government service facilities shall be utilized for motor vehicle maintenance.

Individual vehicle maintenance records shall be kept to provide records of past repairs. These serve as a control against unnecessary repairs and excessive maintenance and as an aid in determining the most economical time for replacement.

One-time maintenance and repair limitations shall be established by the OPDIV and STAFFDIV Fleet Managers for HHS owned vehicles and for commercially leased vehicles if not specified in the lease. Approval of the OPDIV and STAFFDIV Fleet Manager is required to exceed repair limitations.

HHS OPDIV and STAFFDIVs will take full advantage of manufacturer warranties. 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 billback agreement shall be sought from manufacturers to permit warranty work to be performed on a reimbursable basis.

4.7 REPORTING MOTOR VEHICLE ACCIDENTS/INCIDENTS

4.7.0 UNITED STATES FEDERAL TORT CLAIMS ACT

The Federal Tort Claims Act is the statute by which the United States authorizes tort suits to be brought against itself. With exceptions, it makes the United States liable for injuries caused by the negligent or wrongful act or omission of any federal employee acting within the scope of his employment, in accordance with the law of the state where the act or omission occurred. Three major exceptions, under which the United States may not be held liable, even in circumstances where a private person could be held liable under state law, are the *Feres* doctrine, which prohibits suits by military personnel for injuries sustained incident to service; the discretionary function exception, which immunizes the United States for acts or omissions of its employees that involve policy decisions; and the intentional tort exception, which precludes suits against the United States for assault and battery, among some other intentional torts, unless they are committed by federal law enforcement or investigative officials. See Part 16, Appendix S. See also Principles of Federal Appropriations Law (Red Book) 3rd ed., Volume I, January 2004 at 4-181

4.7.1 REPORTING ACCIDENTS

All motor vehicle accidents shall be reported to the OPDIV and STAFFDIV Fleet Manager. In turn, the OPDIV/STAFFDIV Fleet Manager shall report to the HHS Fleet Manager all accidents that:

1. Result in loss of life or personal injury to:
 - a. passenger(s) in a Federally owned or leased vehicle,
 - b. passenger(s) in a Federal vehicle – Contractor operated
 - c. passenger(s) in a Federal vehicle – Contractor owned or operated which are deemed to be Government Furnished Equipment (GFE).
 - d. passengers in one or more vehicles involved in an accident/incident with a federal vehicle (*on-road or off-road*)

and/or
2. Result in any property damage to a vehicle and/or other personal or real property at a level equal to or greater than \$5,000.00.

Reporting HHS Fleet Accidents will include a formal accident report to HHS Fleet Manager and the HHS Office of Facilities Management Safety Office (OS/ASAM/OFMP).

A copy of the report must also be sent to the HHS Office of General Counsel (OGC), Claims & Employment Law Branch. A copy of the report shall be forwarded to the OP/STAFF Division's General Counsel Office as appropriate.

Reporting Form(s): The Standard Form 91, Motor vehicle Accident Report will be used to record information, data and disposition of accidents. When completing the SF-91, the OPDIV Fleet Manager must include a summary of the accident. Details regarding the accident will include (a) any reported fatality, (b) any personal injury that necessitates hospitalization, and (c) personal and/or real property damages which rise a level equal to or greater than \$5,000.00 in property damage (e.g., involving one or more vehicles) as well as any real property damage appertaining.

In addition, a Standard Form 94, Statement of Witness, should be completed by any witness to the accident. Copies of the SF-94 shall be transmitted to all recipients of the SF-91.

Any accidents that have been determined to be the fault of the government motor vehicle operator may be reviewed by a Board of Survey. If gross negligence has been determined, a copy of the results of the Board of Survey shall be provided to the HHS Fleet Manager.

In accordance with FMR 102-34-305, OPDIV and STAFFDIV Fleet Managers shall establish internal procedures for reporting accidents. Accidents involving motor vehicles acquired from the GSA Fleet must be reported to GSA in accordance with FPMR 101-39.4.

4.7.2 HHS FEDERAL FLEET ASSETS AND SELF-INSURANCE

HHS policy regarding self-insurance for fleet assets follows federal precedence and case history in this area. Namely, owned fleet assets are covered under the principle of self-insurance. Specifically, the Joint Federal Travel Regulation, vol. I, para. U3415C2a, which prohibits the purchase of optional extra collision insurance, applies for HHS fleet units in CONUS. Additional background information is provided in the form of questions and answers. See below. This information is part of frequently asked questions regarding "self-Insurance" for federal assets.

1. What guidance applies relative to insurance requirements, if any, for Federal Fleet Assets?

Code of Federal Regulations 41 § 101-39.406 Responsibility for damages:

(a) GSA will charge the using agency all costs resulting from damage, including vandalism, theft, and parking lot damage, to a GSA Interagency Fleet Management

System (IFMS) vehicle which occurs during the period that the vehicle is assigned or issued to that agency, to an employee of that agency, or to the agency's authorized contractor; however, the using agency will not be held responsible for damages to the vehicle if it is determined by GSA, after a review on a case by case basis of the documentation required by § 101-39.401, that damage to the vehicle occurred:

(1) As a result of the negligent or willful act of a party other than the agency (or the employee of that agency) to which the vehicle was assigned or issued and the identity of the party can be reasonably determined;

(2) As a result of mechanical failure of the vehicle, and the using agency (or its employee) is not otherwise negligent. Proof of mechanical failure must be submitted; or

(3) As a result of normal wear and tear such as is expected in the operation of a similar vehicle.

(b) Agencies using GSA IFMS services will be billed for the total cost of all damages resulting from neglect or abuse of assigned or issued GSA IFMS vehicles.

(c) If an agency is held responsible for damages, GSA will charge to that agency all costs for removing and repairing the GSA IFMS vehicle. If the vehicle is damaged beyond economical repair, GSA will charge all costs to that agency, including fair market value of the vehicle less any salvage value. Upon request, GSA will furnish an accident report, where applicable, regarding the incident to the agency. Each agency shall be responsible for disciplining its employees who are guilty of damaging GSA IFMS vehicles through misconduct or improper operation, including inattention.

(d) If an agency has information or facts that indicate that it was not responsible for an accident, the agency may furnish the data to GSA requesting that costs charged to and collected from it be credited to the agency. GSA will make the final determination of agency responsibility based upon Government findings, police accident reports, and any available witness statements.

(e) When contractors or subcontractors of using agencies are in accidents involving GSA IFMS vehicles, the agency employing the contractor will usually be billed directly for all costs associated with the accident. It will be the responsibility of the using agency to collect accident costs from the contractor should the contractor be at fault.

2. What is the case background for Self-Insured Policy of the Federal Government Relative to Vehicles?

The self-insurance rule applies to tort liability as well as property damage. *See* 19 Comp. Gen. 798 (1940). At present, the Federal Tort Claims Act, 28 U.S.C. §§ 2671 et seq., provides the exclusive remedy for claims against the United States resulting from the negligent operation of motor vehicles by government employees within the scope of their employment. Thus, insurance questions have become largely moot. Nevertheless, the self-insurance rule has been involved in several situations involving the operation of motor vehicles.

A 1966 decision, 45 Comp. Gen. 542, involved Internal Revenue Service (IRS) employees classified as "high mileage drivers." They were assigned government-owned cars for official use and, when warranted, could drive the cars home at the close of the workday so that they could proceed directly to an assignment from home the next morning. The Treasury Department asked whether IRS appropriations were available to reimburse the employees for having their commercial liability insurance extended to cover the government vehicles. Applying the self-insurance rule, and noting further that the travel would most likely be considered within the scope of employment for purposes of the Federal Tort Claims Act, the Comptroller General concluded that the funds could not be so used. GAO similarly denied the claims of six Navy members for reimbursement of extra collision insurance they purchased on rented trucks. They were authorized to rent trucks to perform their official duties and were even directed to obtain extra collision insurance. Nonetheless, GAO denied reimbursement because the insurance had been purchased in violation of the Joint Federal Travel Regulation, vol. I, para. U3415C2a, which prohibits the purchase of optional extra collision insurance. B-256669, Aug. 31, 1994. *See also* B-261141, Nov. 9, 1995. Collision damage waiver coverage on commercial rental vehicles is discussed in the section entitled "Damage to Commercial Rental Vehicles" in Chapter 12 (Volume III of the second edition of Principles of Federal Appropriations Law).

In B-127343, Dec. 15, 1976, the Comptroller General concluded that the Federal Tort Claims Act applied to Senate employees operating Senate-owned vehicles within the scope of their employment. Therefore, the purchase of commercial insurance would be neither necessary nor desirable.

4.8 U.S. GOVERNMENT FUEL/MAINTENANCE CREDIT CARD

4.8.1 ADDITIONAL HHS CONTROLS ON FUEL/MAINTENANCE CREDIT CARDS

The GSA contractor issued fleet charge card is the only government issued charge card that may be used for GSA motor vehicles. GSA issued charge cards may be used for government owned and commercially leased vehicles. For further information on acquiring these fleet charge cards and their use, contact GSA.

All motor vehicle operators shall be provided with appropriate instructions regarding the use and protection of credit cards against theft and misuse.

In the event a fuel credit card is lost or stolen, reasonable precautions shall be taken to minimize the opportunity of purchases being made by unauthorized persons. The OPDIV and STAFFDIV Fleet Manager and paying office shall be notified immediately of the loss or theft and to be on the alert for any unauthorized bills.

4.9 FEDERAL MOTOR VEHICLE FLEET REPORT

4.9.1 REPORTING HHS MOTOR VEHICLE DATA

Each OPDIV and STAFFDIV will maintain vehicle use and mileage records including home-to-work usage. Records will be maintained for a period of three years. HHS OPDIV and STAFFDIVs shall report to the HHS Fleet Manager the number of owned and commercially leased motor vehicles no later than December 1 of each year via MVMIS. In accordance with FMR 102-34.85, negative reports are required even if no vehicles are purchased or leased that year. (See Motor Vehicle Fleet Report for additional information and Part 16, Appendix C.)

4.10 LOCAL MOTOR VEHICLE MANAGEMENT

4.10.1 LOCAL MOTOR VEHICLE MANAGER RESPONSIBILITIES

Each local HHS office that operates motor vehicles, shall designate in writing a local motor vehicle manager who shall be responsible for directing the operation of the motor vehicle fleet, and shall:

- Operate the fleet in accordance with applicable laws and regulations, and HHS and local directives.
- Ensure that an adequate system of records including logs of home-to-work usage is established and maintained.

- Perform and document reviews at least annually of fleet assignments to individuals under the aegis of Public Law 99-550 (31 U.S.C § 1344) or organizational components to determine if continued assignment is justified. A bi-annual determination is required for any staff eligibility to participate in home-to-work use of fleet resources. This determination must be forwarded via the OPDIV and STAFFDIV Fleet Manager to OS/ASAM/OAMP/Division of Logistics Policy attention HHS Fleet Manager.
- Perform and document an annual review of motor vehicle utilization statistics to identify underutilized motor vehicles as prescribed in FMR 102-34.345. Vehicles not meeting the use standards should be declared excess and disposed of or justification for continued usage should be prepared and submitted to the OPDIV and STAFFDIV Fleet Manager for review and concurrence.
- Rotate motor vehicles between high and low mileage assignments.
- Perform documented trend analyses of the annual costs of the motor vehicle fleet and review present operations and new requirements for the purpose, where feasible and cost effective, of establishing alternative sources for the motor vehicle fleet operation, e.g., pooling arrangements, shuttle bus service, taxicabs, and joint utilization by several groups.
- Assure the maintenance of individual motor vehicle use records, such as trip tickets or vehicle logs, showing sufficiently detailed information to evaluate appropriateness of assignment and adequacy of use being made. If one-time use is involved, such as assignments from motor pools, the individual's trip records must, at a minimum, identify the motor vehicle and show the name of the operator, dates, destination, time of departure and return, and mileage.

HHS provides all OPDIV and STAFFDIVS access to the HHS Motor Vehicle Management Information System (MVMIS) through the delegation of an OPSIV/STAFFDIV Fleet Manager. The following recurring reports are mandatory and must be administered via MVMIS:

- Annual Alternate Fuel Vehicle Report (October)
- Annual Federal Automotive Statistical Tool (FAST) (October)
- Annual OMB A-11- Fleet Planned, Projected and Forecast Submission (August)

4.10.2 LOCAL USE OBJECTIVES

Individual motor vehicle utilization cannot always 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., in the

performance of daily work assignments, would have uniquely tailored use objectives, different from those set forth for a truck used for general purposes. Accordingly, efficient and cost effective local use objectives, which represent practical units of measurement for motor vehicle utilization and for planning and evaluating future motor vehicle requirements, must be established and documented by the local motor vehicle manager. The objectives should take into consideration past performance, future requirements and special operating conditions.

These objectives shall be reviewed and adjusted as appropriate at least annually by the OPDIV and STAFFDIV Fleet Manager. The reviews shall be documented and provided to the HHS Fleet Manager when requested.

4.10.3 APPLICATION OF USE GOALS

At least annually, the local motor vehicle manager will review motor vehicle utilization statistics and all motor vehicles failing to meet the applicable GSA utilization standard or local use objective must be identified.

Prompt action must be initiated to (1) reassign the underutilized motor vehicles, (2) dispose of the underutilized motor vehicles, or (3) obtain a special justification from users documenting their continued requirement for the motor vehicle and any proposed actions to improve utilization. Any requirement for underutilized motor vehicles which the local motor vehicle manager proposes to continue in its assignment must be submitted in writing to the OPDIV and STAFFDIV Fleet Manager for approval.

4.11 WATERCRAFT

4.11.0 GENERAL

This section establishes basic policies and procedures that apply to the management of watercraft operated by HHS organizations and contractors.

4.11.1 WATERCRAFT OPERATIONS

No person may operate a watercraft on a waterway until skill of operation, knowledge of "Rules of the Road", and basic watercraft knowledge have been exhibited to his supervisor and the supervisor has attested in writing that the employee is qualified to operate the watercraft. Operators shall complete either a Coast Guard, Corps of Engineers, or state boating safety course before operating government watercraft.

Before a watercraft is put underway, the operator shall check the vessel to ensure that the vessel is seaworthy and that the necessary equipment, including personal flotation devices, lights, radio, and flares or other emergency signaling devices, as required by

laws applicable to the area of operation, are present, properly stowed and in proper working order. Optional equipment recommended by the U.S. Coast Guard or other competent authority shall also be included when determined to be necessary by the responsible field office.

Operators shall comply with all applicable Federal, state and local laws pertaining to watercraft operation.

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

4.11.2 WATERCRAFT IDENTIFICATION AND NUMBERS

Watercraft in the custody of HHS or HHS contractors shall display identifying numbers, issued by the U.S. Coast Guard, U.S. Corps of Engineers, State government or local field office, in accordance with applicable State requirements.

4.11.3 DISPLAY OF FLAGS AND SEAL

Watercraft with overall length of twenty (20) feet or more, except barges, shall display the U. S. Ensign (National Flag). The display of the Departmental flag is optional. Location and times of display of flags shall be in accordance with accepted practice. (See, this site for instructions.)

4.12 HHS POLICY ON EXECUTIVE MOTOR POOL

The DHHS provides a pool of motor vehicles and drivers to support the local, official transportation requirements of a limited number of executive personnel in the Washington, DC metropolitan area. The general authority for this motor pool is found in ASAM Memorandum, Dated August 4, 2006, which serves as the basis for this policy. The service is provided by the Program Support Center, AOS/DPM/LSB (Logistics Services Branch). *See also* Part 16, Appendix I.

Authorized Users – The following officials are authorized to use the Executive Motor Pool:

- Assistant Secretaries
- Deputy Assistant Secretaries
- Officials of Equivalent Rank

A current listing of specific personnel authorized to use the Executive Motor Pool is attached (Part 16, Appendix I). Use of this service by other than the personnel identified on this list is not authorized. Personnel representing these approved officials in the

performance of an approved official's duties are not authorized to use this service. Offices are required to provide the ASAM with names and titles of authorized personnel and to keep the ASAM informed of changes in eligibility. The ASAM will maintain the consolidated, official list of approved users for this service, and will provide the LSB with changes to the list as they occur.

Authorized Use – This service is provided to assist in the conduct of official business only. Transportation to and from a private residence is not permitted under any circumstances. The senior official in the party will certify in the vehicle log at the start of the trip, through direct signature, that the trip is for official business. Where all passengers are of equal seniority, one of the passengers may sign for all. Executive personnel traveling to the same site, as determined by the Dispatcher/Driver Supervisor, are expected to share the ride. Passengers may accompany the authorized user if they ride as part of the “office business” party. Family members and personal guests are not authorized to use this service without the justification of official business. All passengers must wear seat belts.

Authorized Transportation Area – For purposes of this policy, the “local transportation” area is defined as within 30 miles of the Hubert H. Humphrey Building in Washington, DC. Travel to/from the CMS location in Baltimore, MD and the three local airports (Dulles, BWI and Reagan National) is also authorized. Travel outside of this area must be approved in advance by the Chief, LSB. Travel to “off-site” meetings outside the local area defined above will generally not be authorized.

Driver Assignment – Drivers will be assigned to meet requests for support on a “first come, first served” basis. No driver will be permanently assigned to any particular office or authorized user. Drivers will be assigned with due consideration of the driver's knowledge of the destination, duty hours, the expected duration of the transport and the desire to avoid overtime. Requests for a specific driver will not generally be considered, except as backup drivers for the Secretary and Deputy Secretary.

Service Availability – Driver service is available between the hours of 8:00 AM and 7:00 PM daily. Authorized Priority 1 and Priority 2 users may request driver service outside these hours for official business, with advance notice to ASAM, providing the nature of the after-hour business. The drivers work staggered shifts that maximize the number of personnel available between the core business hours of 9:00 AM and 3:30 PM.

Overtime – The driver supervisor will schedule staff so as to minimize the need for overtime. When it is unavoidable and for all after-hours services, the office requesting services that will result in approved overtime will be asked to provide a CAN for the funding of the overtime costs in advance. The requesting office may then cancel the request prior to committing to the overtime requirement. Unscheduled transport delays resulting in the accretion of overtime for the drivers will be funded by the office

causing the delay. Overtime created as a result of transport delays due to vehicle failure will be funded by the LSB. Traffic conditions causing overtime-qualifying delays will be funded by the office requesting the transport.

Scheduling – Administrative Staff scheduling trips for authorized users will call ahead to schedule a driver and vehicle, and to arrange a time for starting the trip. To the degree that drivers are available, the trip will be confirmed. Follow on calls will continue to be scheduled, in the order they are received, and commensurate with driver and vehicle availability.

Delayed Arrival – For the three buildings in the SW complex, delays of more than 15 minutes in the arrival of a scheduled passenger will result in moving that ride to the end of the queue of scheduled rides. When drivers are available, this has no impact; the available driver and vehicle will take the delayed passenger to his/her destination, in accordance with the originally scheduled trip. When the drivers are otherwise occupied however, either with delivering or picking up otherwise scheduled, authorized passengers, those other scheduled passengers have first access to the available drivers, and the delayed passenger must wait for the first unscheduled driver.

Delayed Return/Pickup – The available pool of drivers and vehicles is very limited. Drivers are authorized to wait up to 15 minutes picking up an authorized passenger at a site other than the SW Complex. This period can be extended as necessary, assuming the authorized passenger contacts the driver either directly (all drivers have cell phones) or indirectly through the passenger's administrative operation. Drivers will contact their supervisor prior to leaving a pick up point to confirm that no call has been received asking for a longer wait to cover the delayed passenger's arrival. The supervisor can also extend the wait, as required, so long as no subsequent, scheduled rides and/or passengers are affected by the delay.

Planned In-Transit Delays – Drivers will generally not wait at a destination site while the passenger conducts his/her business. Planned delays of up to 30 minutes at a destination site may be approved by the driver supervisor if the planned delay is part of the original scheduling call and if workload permits the driver to be out of service for that length of time. Planned delays of longer than 30 minutes will generally not be considered. Of consideration in a driver's wait determination is the availability of parking. Drivers are not authorized to take action that may create an unsafe condition, such as "double parking", or resulting in the receipt of a traffic citation. They will also not be permitted to simply "drive around" while waiting for their passenger. Where safe and legal "wait conditions" cannot be established, the driver will return to the SW Complex site and await a call requesting pick up.

Transportation of Individuals with Disabilities – HHS policy regarding the transportation of individuals with disabilities is to provide transport to any qualified

personnel within the local transportation area (as defined above), on demand. The executive driver pool has a properly equipped vehicle and a driver for this purpose, although the driver does drive other vehicles when there is no demand for the special vehicle. In the event that all drivers are busy and a conflict arises between driving an individual with a disability and an executive, the priority shall go to the individual with a disability. Transportation of individuals with disabilities under this policy refers to official business travel only, not daily transportation to/from the residence.

Use of Drivers for Other than Passenger Transportation – The primary purpose of the driver pool is to provide local transportation support for designated executive personnel. To the degree that the use of drivers and vehicles to pick up/deliver correspondence, cables, packages etc. doesn't interfere with the operation of the driver pool, such support will be provided. Under no circumstances will drivers enter an overtime status to perform these secondary missions, nor will the driving supervisor schedule a secondary mission that delays or causes a primary mission transport to be delayed or cancelled.

4.13 IDENTIFYING AND REGISTERING MOTOR VEHICLES AND USE OF MORE THAN ONE REGISTRATION TAG FOR ANY SINGLE VEHICLE

4.13.0 GENERAL

The Department general policy related to the practice of maintaining more than one tag for any single vehicle is prohibited. This means that the latter policy will preclude any new or continuing business practice where a Federal Fleet asset, either leased via GSA, Commercial lease or owned, retains two registration(s) and/or Tags. Here's why:

Security Considerations:

- (1) A deployed Fleet asset with two tags introduces an increased frequency and risk of loss or theft of either a G Tag and/or A State Tag.
- (2) A deployed Fleet asset with two tags introduces an increased frequency and risk of federal tags in the execution of criminal activity at U.S. locations at or near border locations.

Operational Considerations:

- (1) A deployed Fleet asset with two tags introduces an increased frequency and risk illegal actions by the drivers of a Federal asset. For example, display of G Tags so as to circumvent parking, standing or storage of Federal Fleet assets in an illegal manner. Each driver participating in illegal activity, e.g., illegal parking

is personally subject to the fines appertaining.

(2) A deployed Fleet asset with two tags introduces an increased frequency and risk of drivers of a Federal asset, switching tags, to gain access to facilities where a routine State Tag would require additional scrutiny at the point of entry.

(3) A deployed Fleet asset equipped with State Tags because of the nature of the work, e.g., undercover investigations, etc., shall continue the use of the State Tag for the duration of the lease agreement. Retaining two tags is prohibited.

(4) The Department maintains a central repository of all fleet assets in its MVMIS data management resource. The baseline of the data is sustained with a single TAG number not two.

(5) The Department will entertain an emergency exemption from the normal rule which calls for one tag for one vehicle.

It is anticipated that GSA is contemplating a discontinuance of the use of G Tags with exceptions allowed only as outlined in Code of Federal Regulation 41 §102.34 Subpart C- Identifying and registering Motor Vehicles (Motor Vehicle Identification).

4.14 USE OF GSA FLEET VEHICLES BY TRIBAL ORGANIZATIONS

See Appendix U: GSA Fleet and Tribal Organizations

PART 5 AIRCRAFT MANAGEMENT

5.1.0 GENERAL

This policy should be read after reading OMB Circular No. A-126 "Improving the Management and Use of Government Aircraft", GSA Aircraft Regulations and Guidance Overview, 41 CFR 101-37 "Government Aviation Administration and Coordination". The Circular and the regulation are considered part of the policy and are not repeated or paraphrased.

When considering air transportation resources, every effort should be made to choose the best, most safe and least costly air transportation solutions that fit the constraints of 41 C.F.R Parts 101-37, 300-3, 301-10 and 301-70.

5.2 DEFINITION

Component as used in this part means OS and the OPDIV and STAFFDIVs.

5.3 POLICY

HHS meets its requirements for routine air transportation, such as attending meetings and visiting field installations, through the use of commercial airline service. Aircraft charter services may be used for medical evacuations and, in limited circumstances, for transportation of equipment and supplies in remote locations.

Aircraft charter services, instead of commercial airlines, may also be used in the conduct of official travel when it is demonstrated to be less costly to the Department.

Aircraft charter services, instead of commercial airlines, may also be used in limited circumstances related to a compelling emergency (e.g. natural disaster or emergency relief efforts) or mission critical travel conducted by the Secretary of HHS and his staff. In rare circumstances, the HHS Secretary and his staff may be required to travel via chartered aircraft to conduct travel to multiple places in a very short timeframe when travel by commercial airlines is not possible due to the critical nature of the trip. Aircraft charter services may also be necessary to accommodate situations when Secret Service Agents carrying weapons create security problems in foreign countries. In all circumstances, the proper procedures for chartering must be followed. In addition, ALL requests for use of chartered aircraft services must be authorized through the Assistant Secretary for Administration and Management (ASAM). (See Part 16, Appendix M)

NOTE: This type of travel must be reported to the GSA semi-annually on the Senior Federal Travel Report.

Components will not obtain ownership of aircraft or enter into leases or rent aircraft without crew or operate aircraft without authorization of the Department Fleet Manager, Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM).

HHS components that have missions requiring the chartering of aircraft will develop internal guidance to assist their field managers in making decisions about aircraft usage. As a minimum these procedures will provide guidance on approval authority for aircraft usage, on selecting aircraft type, on safety requirements, on conducting the cost/benefit analysis, and on completing the required aircraft records and reports. A copy of this guidance will be provided to the Department Fleet Manager, Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM) upon issuance.

In accordance with 41 CFR 101-37.507, components chartering aircraft will complete and submit through their Component Fleet Manager to the Department Fleet Manager, Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM) completed electronic copies of GSA SF-3554-A "Aircraft Contract, Rental/Charter and Support Services Cost Data Form-Aircraft" upon award of agreements for aircraft services, and GSA SF-3551 "Contract Charter/Rental Aircraft Cost and Utilization" no later than December 15th of each year using the Federal Aviation Management Interactive Reporting System (FAIRS). Access and participation in the FAIRS reporting requires individual – secure access permission through HHS Office of Acquisition Management and Policy (OAMP)/Division of Logistics Policy (DLP) – Department Fleet Manager. It is sanctioned by the General Services Administration (GSA) Aircraft Management Policy Division (MTA). Data compiled in this system is reported to HHS, Congress, and OMB.

5.4 PROCEDURES

The process for chartering aircraft must follow the guidelines set forth in the April 11, 2005 Memo, "Changes in Regulations Regarding Use of Charter Planes and Other Government Aircraft" (*See also* Part 16, Appendix M). The Assistant Secretary for Administration and Management will have signature authority to approve all requests. General Counsel and the Assistant Secretary for Resources and Technology (ASRT) will provide concurrence/review before final approval is granted by the ASAM.

PART 6 TRANSPORTATION AND FREIGHT MANAGEMENT

6.1.1 GENERAL

This chapter sets forth Department of Health and Human Services (HHS) policy and procedures applicable to the management of transportation and freight. This involves using commercial transportation resources worldwide and, Department of Defense (DOD) single manager transportation resources, where applicable, to, from and between overseas areas. The purpose of this chapter is also to:

Standardize procedures for HHS transportation and traffic management functions. Supplement, and be used in conjunction with, current editions of the Federal Property Management Regulations (FPMR), Part 101-40; the Federal Management Regulations (FMR) and applicable Defense Traffic Management Regulation (DTMR) for those using military transportation services, by OPDIV and STAFFDIVs responsible for shipping and receiving freight shipments for the account of HHS.

6.1.2 TRAFFIC MANAGEMENT POLICY

This section prescribes basic policy governing the use of commercial transportation services.

Shipments shall be routed using the mode of transportation, or individual carrier or carriers within the mode that can provide the required service at the lowest overall delivered cost to the Government.

When deciding how to route a freight shipment, the main factors for consideration, in their relative order of importance, are: Satisfactory service, aggregate delivered cost, least fuel-consumptive carrier/mode, and equitable distribution of traffic.

Consideration of the following factors shall be used when determining whether a carrier or mode of transportation can meet your service requirements for each individual shipment:

1. Availability and suitability of carrier equipment.
2. Shipping and receiving facilities at origin and destination.
3. Pickup and/or delivery service (including inside pickup or delivery), if required.
4. Availability of required accessorial and special services, if needed.
5. Estimated transit time.
6. Record of past performance of the carrier.

6.1.3 AGGREGATE DELIVERED COSTS

In addition to the actual transportation rates and charges, other cost factors should be considered in determining the most economical routing. Examples of other cost factors are packing, blocking, bracing, tonnage, drayage, loading, and unloading.

6.1.4 MOST FUEL EFFICIENT CARRIER/MODE

When more than one mode, or more than one carrier within a mode, can satisfy the service requirements of a specific shipment at the same lowest aggregate delivered cost, the carrier or mode determined to be the most cost and fuel efficient shall be selected.

6.1.5 EQUITABLE DISTRIBUTION OF TRAFFIC

When all the factors shown above are equal, traffic shall be distributed as equally as practicable among the modes and among the carriers within the modes. When socially or economically disadvantaged carriers are among the eligible competing carriers, positive action will be taken to include such carriers in the equitable distribution of traffic.

6.1.6 OPDIV AND STAFFDIV SELECTION

General Services Administration (GSA) regional offices provide transportation/traffic management data to enable personnel to effectively handle activation, deactivation, expansion, reduction, or change of sites that substantially changes the origin, destination, or volume of material movements.

6.1.7 TRAFFIC MANAGEMENT FACTORS

GSA regional offices also provide traffic management factors to be considered in the procurement (Federal Acquisition Regulation/HHS Acquisition Regulation) and distribution of material and movement of personnel. The following should be considered when making a selection:

Unsatisfactory Service. When the services of a carrier fail to meet HHS requirements, or provisions of a tariff or tender, and written notice to the carrier describing specific deficiencies does not result in satisfactory improvement, the transportation officer invokes the Temporary Nonuse, Disqualification, and Suspension procedures described in enclosure (3).

Insurance against Transportation Hazards:

1. The Government generally (1) retains the risk of loss of and/or damage to its property that is not the legal liability of commercial carriers and (2) does not buy insurance coverage for its property.
2. Under special circumstances, the Government may, if such action is considered necessary and in its best interest, (1) buy insurance coverage for Government property or (2) require the carrier to assume full responsibility for loss of or damage to the Government property in its possession and buy insurance to cover the carrier's assumed responsibility. The cost of this insurance to the carrier shall be part of the transportation cost. Shipments transported under the GSA Standard Tender of Service move at full value of the commodity shipped. Tenders are normally subject to a released value not exceeding (RVNX) \$2.50 per pound.
3. If special circumstances dictate the need for the Government to buy insurance coverage, the contracting officer shall ascertain that there is no statutory prohibition and that funds for insurance are available. The contracting officer shall document the need and authorization for insurance coverage in the contracting file.

6.1.8 OPDIV AND STAFFDIV FREIGHT/TRANSPORTATION CONSIDERATIONS

OPDIV and STAFFDIVs are permitted to supplement this Part with local policies and procedures to meet their specific freight and transportation needs, especially, when it involves the safe handling and transportation of biological, chemical and/or radiological materials.

6.2 APPOINTMENT OF TRANSPORTATION OFFICERS: RESPONSIBILITIES AND DUTIES

6.2.1 TRANSPORTATION OFFICERS (TO)

Each OPDIV and STAFFDIV that needs to obtain transportation service from commercial carriers will appoint a full qualified person as Transportation Officer. In addition, "Alternate Transportation Officers" ATO may be appointed to assist the Transportation Officer. The term "Transportation Officer" applies to any person performing traffic management functions. It is title of the individual and should be reflected in the organizational structure.

6.2.2 SIGNING FOR THE TO

When transportation documents, or annotations on them, are signed by the ATO in the name of the TO or issuing officer, and the name and title of the appropriate individual is shown on such documents, the signature of the ATO will be followed by "ATO for TO." When the appropriate official's name and title are not shown on the transportation

document, the signature of the transportation agent will be followed by the legend "ATO for J. DOE, TO."

6.2.3 ATO AUTHORIZED TO SIGN

When an ATO is authorized to sign transportation documents, only the ATO's signature, name, and title need appear.

6.2.4 DUTIES AND RESPONSIBILITIES

TOs handling freight shipments are responsible for the following traffic management duties:

Liaison With Local Carriers. Conduct official liaison with all carriers serving the OPDIV and STAFFDIV and for local arrangements necessary for the movement of property.

Custody and Shipments. Provide custody and centralized control over all outbound shipments from the time of release by the officer until acceptance by the carrier; and all inbound shipments from the time of delivery by the carrier until delivery to the supply officer or "Marked For" addressee, as appropriate.

Bills of Lading. Provide for custody, accounting, issuing of Government bills of lading; and converting commercial bills of lading.

Routing and Expediting. Route, trace, expedite, consolidate, divert and obtain shipping releases in accordance with applicable directives.

Packing, Crating, and Marking. Provide technical advice to assure conformity in packing, crating, marking, stowage, dimensional clearance, and weight limitation of shipments using carrier requirements.

Loading and Unloading. Technical supervision of loading, unloading, cleaning, and prompt release of carrier's equipment to avoid demurrage or detention charges.

Schedules, Services, and Charges. Maintain familiarity with schedules, services, facilities, rates, fares, charges, and traffic agreements of commercial carriers.

Demurrage/Detention Records. Maintain demurrage and detention records and accounts.

Reporting Transportation Discrepancies in Shipments. Prepare and distribute SF-364, Transportation Discrepancy Report TDR, and other actions taken in connection with reporting, resolving, and preventing of over, short, damaged, lost, or astray freight.

Report planned volume movements and other opportunities for negotiations with commercial carriers as required in section 6.6.1.

Reports. Prepare and forward transportation reports and information as needed to the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM), General Services Administration (GSA), or other cognizant organization.

Traffic Management Advice. Provide or assure the provision of traffic management advice to officials responsible for making decisions pertaining to procurement and distribution actions. GSA regional offices will provide the transportation officer with technical traffic management advice as necessary.

Assistance visits. Whenever traffic management problems pertaining to procurement or the movement of material necessitates person-to-person contact, initiate requests for field assistance visits. If you wish assistance from the appropriate GSA regional office, GSA will conduct field assistance visits at no charge if the visit is in conjunction with other official GSA business. If not, GSA requires requester funding or reimbursement for these assistance visits. GSA also conducts numerous seminars sponsored by the Office of Transportation Audits and Customer Service Directors. The dates and locations are published in the GSA Market Tips and at the GSA website.

Initiate and Receive Shipments. This refers to shipments of property for which the HHS pays the transportation charges or in which the HHS has an interest.

Traffic Management Procedures. Exercise sound procedures and move all traffic at the most economical costs to the Government keeping consistent with delivery and mission requirements.

Local Transportation Resources. Keep familiar with local resources and capabilities so that freight and personal property are moved by the most effective and economical modes and routes.

6.3 MAINTENANCE OF TARIFFS, TENDERS, AND RELATED PUBLICATIONS

6.3.0 GENERAL

Except for security shipments, only tenders conforming to the General Services Administration (GSA) Standard Tender of Service (STOs) will be used. The procurement and maintenance of commercial/Government tariffs, tenders, and related publications are restricted to the minimum required to effectively perform delegated commercial traffic activities. This is the responsibility of the local organization. Tenders should be obtained from several competing carriers servicing the same geographic areas to assure

adequate price and service competition. An annual review of the tariff/tender file should be made to update requirements and assure the currency of editions. The file should be located with ready access by those requiring access. Transportation Officers TOs and transportation personnel should acquire the publications necessary to effectively perform transportation and/or traffic management responsibilities.

6.3.1 AUTHORIZED FUNCTIONS

Provide necessary routing for transportation of materiel.

Obtain proper commodity descriptions for transportation documentation and billing purposes.

Ensure shipments are packed and marked so that, when offered for transportation, they conform to requirements of the tariffs.

Ensure loading of shipments into or on carrier's equipment conforms to safety and tariff requirements.

Enable the Government to plan shipments that obtain maximum use of carrier's equipment.

Enable units which frequently ship mixed carloads or truckloads to load and bill shipments that obtain maximum benefit for the Government.

Ensure that the billing of shipments requiring special service of any kind, such as security or escort service, show complete instructions for furnishing the service in conformance with the tariff.

6.3.2 FUNDING

Publications issued commercially must be locally funded and procured directly from the publisher.

6.3.3 RECEIPT AND DISTRIBUTION OF INDIVIDUAL RATE TENDERS

The only tenders used will be those which the carriers have submitted in writing. Carriers subject to the GSA STOs must use the Optional Form 280. Optional Form 280 is no longer available through the Government Printing Office. Carriers will obtain this form through the American Trucking Association and are responsible for its preparation. Rate tenders that are ambiguous in meaning shall be resolved in favor of the Government; therefore, explicit terms and conditions are necessary to preclude misunderstandings by the parties to the rate tender. For each tender received without

a GSA stamp, submit one signed copy to the GSA National Capitol Region (NCR), 7th & D Streets SW, Washington, DC 20407 and two copies (including at least one signed copy) to GSA Office of Transportation Audits (FW), Washington, DC 20405. GSA also receives voluntary and negotiated tenders and stamps each tender. The carrier who issued the tender is responsible for reproduction and distribution of the tenders to all concerned shipping activities.

6.4 PARTICIPATION IN PROCEEDINGS BEFORE TRANSPORTATION REGULATORY BODIES

6.4.1 GENERAL AUTHORITY OF LOCAL OFFICIALS

In general, no agency subject to the provisions of section 201 of the Federal Property and Administrative Services Act of 1949, as amended, may appear on its own behalf in any proceeding before a transportation regulatory body. Representation is either provided by the Administrator, GSA, or, in certain instances, authority, with the approval of the Administrator, may be delegated to certain officials in GSA or to the head of another executive agency to represent itself. An individual must promptly submit the facts in the case in the following detail:

With respect to carriers' tariffs, rates, and operating authority, requests must be promptly submitted to the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM) along with a recommendation.

When a shipper's affidavit in support of a carrier's application for operating authority is required by law, the requester shall furnish to GSA such information and the appropriate form(s) as may be prescribed by transportation regulatory bodies in proceedings of this kind.

6.5 FURNISHING TRAFFIC AND RELATED INFORMATION TO COMMERCIAL CARRIERS

6.5.1 DATA TO BE FURNISHED TO CARRIERS

Information furnished to carriers concerning freight shipments will be confined to facts, as restricted by security regulations, not opinions or suppositions.

Loss or Damage. Replies to carrier inquiries on loss or damage to Government property shall be confined to facts of knowledge or as revealed by official records. Specify their official nature in statements furnished to carriers. These statements will apply to all matters concerning valuation, packaging, tally records, loading methods, conditions of seals or lading, and freight markings. Do not furnish carriers with opinions or conclusions relative to liability, including findings or recommendations of reports of survey.

6.5.2 LETTERS OF ENDORSEMENT

Carriers occasionally request letters of endorsement regarding service. These letters can be misused by carriers and shall not be provided. All such requests will be passed to the General Services Administration (GSA) via the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM).

6.5.3 TRAFFIC DISTRIBUTION INFORMATION

In order to promote competition among carriers, Transportation Officers (TOs) may discuss distribution of traffic with carrier representatives using the following guidelines:

- Do not reveal sensitive information.
- Confine discussion to traffic routed by the local transportation officer.
- Refer all inquiries regarding traffic controlled or routed by GSA or the Military Traffic Management Command (MTMC) to the office responsible for routing that traffic.

6.5.4 CLAIMS AND LITIGATION

Do not release copies of official records or information that can be used as the basis of a claim against the Government. Such information should only be released within the discharge of official duties. Forward requests for such information, together with any other pertinent data, to Office of The General Counsel for appropriate disposition.

6.5.5 COMMODITY DESCRIPTIONS

Inquiries regarding commodity descriptions may be answered by furnishing information contained in shipping documents, tenders, bills of lading, GSA supply catalogs, or other supporting records.

6.5.6 GUARANTEE OF FREIGHT

No guarantee or promise of tonnage will be made to individual carriers, carrier groups or associations, or the owners of commercial transportation equipment. This will not preclude disclosing potential, non-classified requirements to the carriers selected for movement.

6.6 FREIGHT TRAFFIC NEGOTIATIONS

6.6.0 GENERAL

Except as provided elsewhere in this part, the General Services Administration conducts all transportation negotiations to establish or modify rates, charges, ratings, services, and pertinent rules or negotiations.

6.6.1 VOLUME MOVEMENTS

When the total quantity of property to be shipped exceeds 100,000 pounds per shipment or when the known aggregate (total) of more than one shipment will exceed 100,000 pounds, Transportation Officers (TOs) must submit complete information concerning planned or unplanned volume movements to the appropriate GSA Zone Office, Federal Supply Service, Transportation Management Branch. This is necessary so a cost analysis can be made to determine whether carrier negotiation is appropriate. The information to be furnished shall be detailed and shall include the property characteristics (those requiring shipment in bags, boxes, or bulk; dimensions, density; value; and susceptibility to damage), origin, destination, number of shipments, planned shipping schedule, and planned required delivery dates. Additional information to be submitted includes:

Complete description of commodity, including Federal Stock Number (if assigned), use of article, material from which made, value (if known), and type of inner package. For wide- mixture shipments, furnish complete descriptions of at least two or three of the predominate items.

- Item number and governing freight classification.
- Free On Board (F.O.B.) contract terms (if applicable).
- Estimated total weight of shipment.
- Estimated number of carloads or truckloads.

Data required for light and/or bulky shipments and containerized cargo:

1. Number of units loaded per (size) (type) railcar.
2. Number of units loaded per (size)(type) truck.
3. Cube and physical measurement of each commodity unit.
4. Number of units loaded per (size)and(type)of container.
5. Indicate applicable degree of security classification (i.e., SECRET or CONFIDENTIAL) for classified shipments, or indicate that shipment number consists of protected material. Also specify the type of number intransit protective service required.
6. If an export shipment, show its specific final destination, e.g., "FDA Toxicology Laboratory Jefferson, Arkansas," not just "Arkansas."

6.6.2 CLASSIFICATION RATINGS

Local TOs will forward the information indicated in subpart directly to the GSA regional office in the following circumstances:

- When it is believed that an article of freight is not properly described in the applicable freight classification.
- When it is believed that a rating is unreasonable.
- When it is believed that classification rules or packing specifications should be added or modified.
- When new and unclassified articles, commodities, or weapons are developed that require commercial transportation.

Information Furnished to the GSA regional office:

1. Complete description of article, including use of article and material from which made and Federal Stock Number, if one has been assigned.
2. Manner of shipment (setup, knocked down, etc.).
3. Kind of shipping container, that is, box, crate, etc.(fiberboard, wooden or other).
4. Overall dimensions of shipping container (length, width and height)
5. Gross weight of contents and shipping package.
6. Actual value of article, if known.
7. Weight generally loaded in or on a standard 50foot rail car.
8. Average weight loaded in a trailer (Indicate size of trailer).
9. Copy of technical order, catalog page, photograph, or other available descriptive material.
10. Name and address of manufacturer.
11. Item number and classification description now used.
12. Volume and frequency of movement.
13. Proper shipping description and information required by 49 CFR, Subchapter C as revised.

6.6.3 EXPLOSIVE AND DANGEROUS ARTICLES

Certificated Scheduled/Non-scheduled Air Carriers. Except where the FAA has issued specific waivers, certificated scheduled and non-scheduled air carriers may not transport articles prohibited from airlift in cargo-carrying aircraft and, as further limited in passenger-carrying aircraft, those articles restricted in individual airline tariffs and in the Official Air Transport Restricted Articles Tariff 6-D and the most recent edition of Title 49, Code of Federal Regulations (CFR),Parts 100 through 199.

Small-arms ammunition for personal use by law enforcement may be carried by a passenger in his/her baggage (excluding carry-on baggage) if securely packed in fiber,

wood, or metal boxes, or other packaging specifically designed to carry small amounts of ammunition.

For a listing of materials which may be carried aboard aircraft by passengers, *see* 49 CFR 175.10.

6.4 SHIPMENT BY GOVERNMENT-OWNED TRANSPORTATION EQUIPMENT

6.4.1 POLICY

The preferred method of transporting property for the Government is through the facilities and equipment of commercial carriers. However, as directed by the local OPDIV and STAFFDIV having cognizance, government-owned motor vehicles may be used to transport freight up to 100 miles, one way, except as provided below. For the majority of offices, the metropolitan area of the city is usually the limit for government-owned motor vehicles.

6.4.2 PUBLIC EMERGENCY

When the Secretary of HHS determines that an emergency exists, and the use of government-owned motor vehicles would be in the best interest of the Government, government-owned and operated vehicles may be used to transport freight regardless of the distance involved, provided that state permits are not required because of excessive dimensions or weight. Such cases would involve the movement of high priority material and trips to the nearest airport for movements via U.S. Government aircraft or contract air carrier.

6.4.3 TRANSFER AND RETURN OF GOVERNMENT-OWNED TRANSPORTATION EQUIPMENT

When government-owned transportation equipment is transferred from or returned to the home location to which assigned, such vehicles may be loaded with Government material to be transported, regardless of the distance involved.

6.4.4 DOCUMENTATION OF SHIPMENTS

When government-owned transportation equipment is used for the shipment of material between Federal activities, copies of the basic issue document should be used to control the movement, provided proper accountability, security, and ensure that the necessary receipt procedures are maintained.

6.5 SHIPMENT OF MATERIAL

6.5.1 AUTHORITY

Prior to release to carrier, all material accepted by the Transportation Officer (TO) or their representative must be authorized and documented by appropriate authority, including but not limited to:

- Shipment orders issued by OPDIV and STAFFDIVs, Inventory Control Points ICPs, etc.
- Free on Board F.O.B. origin contracts.
- Approved acquisition documents.
- Letters or messages issued by component authority.

6.5.2 EMERGENCY AUTHORITY

In instances of emergency, disaster, or catastrophe, shipments may be made by any mode of transportation without the prior approval of the cognizant routing office, i.e., the General Services Administration (GSA); and regardless of weight or other factors when, in the judgment of the TO, such action is considered necessary. This procedure applies only when time will not permit contacting the cognizant routing authority for routing instructions and does not waive the policy that shipments be made by the most economical mode consistent with delivery requirements. The circumstances justifying this action must be recorded on the reverse side of the memorandum bill of lading. The original and all copies of the bill of lading will be marked "Emergency Shipment."

6.5.3 ROUTING AUTHORITY

OPDIV and STAFFDIVs should contact the GSA Zone office, and utilize the GSA Interagency Transportation Management System to provide routing assistance along with any restrictions on commodity categories or limitations on weight. Violations of local, state, or Federal laws could subject the shipper to serious legal sanctions.

6.5.4 FORMS AVAILABILITY

An initial supply of GSA Form 420, Freight Rate and Route Request/Response may be obtained from GSA by submitting a letter request to:

General Services Administration
National Forms and Publications Center
Warehouse 4, Dock 1
4900 South Hemphill Street
Fort Worth, TX 76115

Annual requirements for this form should be submitted to the GSA National Forms and Publications Center.

6.5.5 STANDING ROUTE ORDERS

GSA may issue standing route orders to cover normal repetitive movements (two or more shipments per month) of specific items between specified points by any mode of transportation. Ordinarily, a standing route order will be issued when the origin, destination, commodity(ies), and frequency of shipments constitute a repetitive traffic pattern. Normally, GSA will maintain a standing route order file and review routings at 60-day intervals from the date of issuance to assure current application of rates, ratings, routes, and classification. When conditions change, GSA will provide the requestor revised routing instructions.

6.5.6 SELECTION OF CARRIER FACTORS

When the mode of transportation has been determined within the routing authority of TOs, the appropriate carrier or carriers within the mode will be selected. The following factors will be considered in the carrier selection:

Carriers selected must be capable in all respects of performing the services required. Information pertaining to the capability of the carrier(s) may be obtained from GSA or from the local agents of the carriers.

Freight rates vary with the mode of carriage and among the carriers within a mode. An evaluation should be made of the overall cost via each transportation medium under consideration; a further evaluation should be made with respect to the carriers under consideration. Freight rate information may be obtained from the appropriate GSA office. If time doesn't permit obtaining freight rate information for priority shipments from GSA, such information should be requested from local carrier representatives. Rates furnished by carriers are for information purposes only and are not legally binding on the carrier. The legal basis for assessment of freight charges are the rates published in tariffs or special tenders.

6.5.7 SHIPMENT OF HAZARDOUS MATERIAL OR WASTE

Hazardous Material or Waste. Shipments of hazardous material (HM) within the U.S. or overseas must conform to applicable requirements established by statute or by regulatory bodies having responsibility over such traffic. Shipments of HM must not be tendered for transportation in a manner or under conditions which will result in a carrier violation of these requirements. Shipments of HM transported on government-owned equipment over the public highways must also conform to these requirements.

Statutory Requirements. For surface carriers in the United States, the regulations of the Department of Transportation (DOT) governing hazardous material (HM) are binding on all shippers and all common, contract, and private land carriers. Air carriers of HM are governed by packaging requirements of Title 49 Parts 100 to 109, Code of Federal Regulations (CFR), and safety requirements of the Federal Aviation Administration regulations. Water carriers must comply with regulations of DOT (primarily 49 CFR Parts 100 to 109) and the U.S. Coast Guard. Specific precautions may be required by local, city, county, or state regulatory bodies in connection with intrastate shipments, water terminal handling, local hauls, etc. 49 CFR provides for civil and criminal penalties for HM shipment violations. A person who knowingly violates HM shipment requirements is subject to a maximum fine of \$25,000 per day per violation. A person who willfully violates HM shipment requirements is subject to a fine under Title 18, United States Code, and/or imprisonment of up to five years, or both.

CODE OF FEDERAL REGULATIONS. THE FOLLOWING IS A LIST OF PERTINENT PARTS OF THE CODE OF FEDERAL REGULATIONS (CFR) DEALING WITH HM:

- 10 CFR, Part 71 (Radioactive Material).
- 40 CFR, Parts 260-267 (EPA Hazardous Waste Management System).
- 46 CFR, Parts 146-148 (Dangerous Cargoes).
- 49 CFR, Parts 100 to 199 (Hazardous Material Regulations of the U.S. Department of Transportation), revised as of 12/31/91.

CFR publications are available from Superintendent of Documents, U.S. Printing Office, Mail Stop: SSOP, Washington, DC 20402. Telephone (202) 783-3238 or via the GPO web site.

TARIFFS AND REGULATIONS

IMDG - International Maritime Dangerous Goods (IMDG) Code. Provides detailed provisions to assist in compliance with legal requirements of the International Convention for the Safety of Life at Sea. This publication is available in the United States through packaging, labeling, and maritime instrument suppliers.

IATA - International Air Transport Association (IATA)/Restricted Articles Regulations. Provides requirements for entering hazardous material into International Air Flights. For regulatory purposes involving the international transportation of hazardous material, DOT recognizes the International Civil Aviation (ICAO) Technical Instructions, but not those of IATA. However, the IATA Dangerous Goods Regulations are applicable to all airlines which are Members or Associate Members of IATA, all airlines which are party to the IATA Multilateral Interline Traffic Agreement-Cargo, and all shippers and agents that offer consignments of dangerous cargo to these operators. This publication can be

obtained directly from IATA at the address shown below or from companies such as Label-master.

The following tariffs and regulations provide guidance on the shipment of HM:

IATA
1000 Shetbrooke West
P.O. Box 550
Montreal, Que, Canada H3A2R4

ICAO - International Civil Aviation Organization ICAO/Technical Instructions for the Safe Transport of Dangerous Goods by Air. This publication can also be obtained directly from IATA at the address shown above or from companies such as Labelmaster.

Acceptance of Hazardous or Restricted Articles, United States Postal Service Publication 52 and, Radioactive Matter, United States Postal Service - Publication 6. Both available from:

U.S. Postal Service
Eastern Area Supply Center
Somerville, NJ 08877

6.5.8 RESPONSIBILITIES OF HAZARDOUS MATERIAL AND HAZARDOUS WASTE (HAZMAT/HAZWASTE) PERSONNEL

See 49 CFR, Subpart C, for HAZMAT/HAZWASTE requirements.

Hazardous Material and Hazardous Waste (HAZMAT/HAZWASTE) Personnel:

- Must have a working knowledge of HAZMAT/HAZWASTE as defined in the HAZMAT/HAZWASTE regulations.
- Assist packing and shipping personnel to determine the proper shipping name and hazard class for each type of hazardous material or waste shipped.
- Assist shipping personnel in obtaining complete information about the authorized containers that may be used for the quantities and chemical characteristics of the hazardous material or waste to be shipped.
- Assist shipping personnel in preparing specific instructions needed by carrier personnel to handle transportation emergencies involving the hazardous material or waste being shipped.

- Have accurate information about types of containers specified for each class of HAZMAT/HAZWASTE shipped.
- Determine the proper shipping name, hazard class, label(s), and required container marking.
- When repacking or breaking down shipments received from others for further distribution, don't assume that the original shipments were correct. Follow the same checking procedure the same as you would for a shipment originating at your location.
- When calling a carrier for pickup of HAZMAT/HAZWASTE, give them specific information as to proper shipping name, hazard class, and quantity involved.
- Before HAZMAT/HAZWASTE shipments are tendered to carriers, check the following:
 - Make certain that authorized containers have been used.
 - Proper closures have been used and no leaks are evident.
 - Ensure that outside packages are properly labeled and have required outside marking.
 - Ensure that Shipping documents include the proper shipping name, hazard class, signed certificate, and proper count and weight.
 - Ensure that Noncompatible materials are not co-mingled in the same shipment. If non-compatible shipments are tendered to the same carrier, make certain that the carrier recognizes the situation and does not transport in same vehicle. For highway shipments, check the Segregation and Separation Chart of Hazardous Materials found in 49 CFR 177.848. For rail shipments, check 49 CFR, Part 174. If shipment by vessel is involved, check 49 CFR, Part 176.
- Ensure that necessary movement permits and clearances have been obtained by shipper or carrier.
- When tendering a HAZMAT/HAZWASTE shipment to a carrier, make certain that the driver is made aware that it contains hazardous material.
- When HAZMAT/HAZWASTE is loaded by shipper personnel, make certain that a carrier representative has an opportunity to approve the placement, securing, and blocking of the material before closing out and sealing the load, if seals are

used.

- If placards are required, do not permit a carrier to transport your HAZMAT/HAZWASTE shipment unless such placards are properly displayed.

6.5.9 VALUABLES

Shipment of valuables refers to shipment of the following:

1. Money of the United States and foreign countries: Currency, including mutilated and canceled currency and specie "coin."
2. Securities and other instruments or documents, private and public:
 - a) Abstracts of Title
 - b) Assignments
 - c) Bills
 - d) Bonds
 - e) Certificates of Deposit
 - f) Certificates of Indebtedness
 - g) Checks, Drafts and Money Orders
 - h) Coupons
 - i) Debentures
 - j) Deeds
 - k) Equipment Trust Certificates
 - l) Mortgages
 - m) Notes
 - n) Stamps, including Postage, Revenue, License, Food Order and Public Debt
 - o) Stamped Envelopes and Postal Cards
 - p) Stock Certificates
 - q) Trust Receipts
 - r) Voting Trust Certificates
 - s) Warehouse Receipts
 - t) Warrants

Other instruments or documents similar to the foregoing, whether complete, incomplete, mutilated, canceled, in definitive form or represented by interim documents.

Diamonds and other precious stones, gold, silver, and any other precious or rare metal, including articles composed of these metals.

All other valuables, including works and collections of artistic,, historical, scientific, or educational value which are the property of the United States or which may be loaned

to the United States at its request or which may be shipped on authority of the United States for its examination or acceptance as a gift.

6.5.10 PROCEDURES FOR SHIPMENT OF VALUABLES

General. Regulations governing the shipment of valuables pursuant to the Government Losses in Shipment Act of July 8, 1937 (50 Stat. 479) as amended (5 U.S. Code 134-134h) are contained in 31 CFR Parts 361.3.

Preparation for Shipment. Employees must inspect each container of valuables to be shipped before final sealing or locking for delivery to the carrier. The shipment must be sealed or locked in the presence of an employee before leaving their immediate control. These requirements apply irrespective of the carrier or the mode of transportation employed in making the shipments.

Record of Shipment. For each shipment of valuables, the consignor will maintain a permanent record containing the following:

1. The name and address of the consignee.
2. A complete description of the contents. If the shipment comprises securities, the issue, series, denomination, serial number, and a description of the coupons, if any, attached to the securities at the time of shipment.
3. Face or par value of the shipment in the case of securities, currency, etc. Or the replacement value.
4. the registry number or the lock and rotary numbers, if any, under which shipped.
5. The number of the registry receipt or other receipt of carrier.
6. The date and hour of delivery to the carrier.
7. The signature of each employee who inspected the contents of the container and witnessed the sealing or locking.
8. The signature of each employee who, after final sealing or locking, had custody of the shipment until delivered at the post office for registration or deposited with the post office or other carrier for shipment.
9. The name of the carrier.

Note: In addition, the consignor will keep all registry receipts or receipts of other carriers for a reasonable time. The consignor should also keep other documents incidental to the shipment.

Advance of Shipment. The consignor will forward a notice to the consignee immediately after shipment when the value of a single shipment of articles listed above equals or exceeds \$10,000 except in the case of intercity shipments. The notice will include the

following:

1. A complete record of the contents of the shipment.
2. The mode of transportation employed and the name of the carrier.
3. The date of delivery to the carrier.

Shipment Receipt. On receipt of the shipment of valuables, the consignee will be responsible for the following:

1. Shipment will be opened, checked, and inspected by one or more responsible employees of the consignee.
2. Consignee will notify the consignor immediately of any difference between the quantities indicated in his or her notice and in the shipment when opened, checked, and inspected.
3. Consignee will promptly notify the consignor and the post office or other carrier through which delivery would be made if the shipment fails to arrive in due course.
4. The consignor will be advised immediately concerning any damage to the shipment.
5. All findings of the consignee or any irregularities will be made a matter of record. The record may be subject to call or inspection by the Secretary of the Treasury or other duly authorized Government officers in connection with any investigation of the shipment.

Shipment Lost or Damaged. For any situation involving the loss or damage in connection with a shipment of valuables, the following actions should be taken:

1. Complete a report of loss, destruction, or damage.
2. File a claim for replacement.
3. Retain proof of claim and records associated with the loss, destruction or damage.

6.6 TRACING AND EXPEDITING

6.6.1 TRACING

Tracing is the procedure for locating shipments. It is a service that carriers perform for shippers or consignees when it is necessary to locate a shipment en route or when shipment is not delivered. If freight is not delivered within a reasonable time after it is tendered for transportation, the shipper or the consignee will request that the carrier furnish information as to the location of the shipment. Failure to prove delivery will constitute a basis for freight claim action against the origin carrier. A tracer must not be requested until the carrier has had enough time, after receipt of the shipment, to make

delivery at destination. These time frames vary by mode of shipment. Tracing procedures outlined in this part are applicable to all civilian shipments.

6.6.2 EXPEDITING

Expediting is an action taken before the carrier receives a specific shipment to ensure movement from origin to destination in the shortest time possible. This service may be used when a shipment is needed urgently at destination or when congestion is likely to occur on the carrier lines over which the shipment is to move. While most carriers perform this service free of charge to enhance customer relations, extra charges may be assessed. Check with the particular carrier before releasing the shipment. Expediting must not be requested unless it is believed that the shipment may not arrive at destination on time without the service of expediting.

6.6.3 CONTROLS WITHIN THE SHIPPING ACTIVITY

To trace and expedite shipments effectively, it is necessary to maintain coordination from the point of issue through the storage and packing functions into the traffic section. This control is necessary for quick determination of the following:

1. When requests for shipments were received.
2. When material was procured or moved from storage.
3. When and how material was packed.
4. When the material was placed in the hands of the traffic function for eventual shipment. When a determination has been made that the material was shipped, certain additional procedures must be followed to effectively trace the material or expedite the material en route to destination.

6.6.4 PROCEDURE FOR TRACING

Sufficient information must be furnished to the carrier for tracing and locating a shipment. This information varies within the major geographical areas and also with the type of transportation service utilized.

6.6.5 WITHIN THE UNITED STATES - INCLUDING ALASKA AND HAWAII

When shipments have been routed in accordance with instructions furnished by appropriate routing offices, i.e., the General Services Administration the requester will furnish the information listed in section 6.6.8, to the originating carrier or to the routing office which issued the routing instructions.

6.6.6 SHIPMENTS ROUTED BY TRANSPORTATION OFFICERS (TOS) OR GSA

Submit requests for tracing of less than load shipments routed by TOs via rail freight, motor freight, freight forwarder, or domestic air carriers or via coastal or intercoastal vessels to the origin carrier; include the following information:

1. Date of shipment.
2. Shipper.
3. Origin.
4. Consignee.
5. Destination.
6. Description of commodity shipped.
7. Initial carrier.
8. Carrier's waybill or freight bill number, if known.
9. Bill of lading number.
10. Number and type of packages in shipment.
11. Weight of shipment.

6.6.7 Shipments From Outside the United States or From Points in the United States to Overseas Destinations

Requests for the tracing of shipments to locations outside the United States or from the United States to destinations overseas must be handled per section 6.6.8.

6.6.8 PROCEDURE FOR EXPEDITING

When an expedited shipping service is required, the OPDIV and STAFFDIV transportation officer will place a request with the origin carrier involved. Requests for expediting will include the information listed in section 6.6.6, as appropriate.

6.7 LOSS OR DAMAGE

6.7.1 LOSS AND DAMAGE PREVENTION

Transportation Officers (TOs) are responsible for assuring:

- The adequacy of shipping and receiving procedures.
- Use of containers that are properly constructed and suitable for the intended service.
- Compliance with applicable loading, blocking, and bracing requirements.
- Compliance with Federal Property Management Regulations, Part 102-117-Transportation Management. (41 CFR 102-117)

- The preparation and distribution of Standard Form 364, Transportation Discrepancy Report TDR. When SF-364 is used as a notification to the carrier, the statement "Copies of this report will not be furnished to carrier" in block 15 will be deleted by using pen and ink.
- Familiarity with and adequate training in loss and damage prevention procedures and techniques.
- For personnel handling the transportation of commodities:
 - Determination of causes of loss and damage and initiation of preventive measures.
 - Detection and resolution of loss or damage incident to shipment.
 - Proper documentation and reporting of over, short, astray, or damaged freight and other discrepancies as prescribed in regulations.

6.7.2 SURVEY OF CARRIER'S FACILITIES FOR ASTRAY FREIGHT

In order to locate astray freight, TOs will be available to visit the carrier's local terminals or warehouse for the purpose of locating astray HHS and other Government freight. The procedures outlined in Part 102-117-Transportation Management, (41 CFR 102-117), will be followed.

When it is apparent that an astray shipment is Government property, the TO will develop and furnish appropriate forwarding instructions to the carrier. If only shipper's identifying marks are available, the TO will contact the shipper to determine the identity of the consignee, destination, and applicable bill of lading reference. Containers without marks, which are presumed to be Government property, may be opened and examined with the prior approval and the presence of the carrier's authorized representative. Such container may hold packing lists or other evidence to facilitate identification. When there's not sufficient information available to enable immediate disposition or reconciliation of astray freight located in carrier's terminals, procedures in subpart section 6.6.8 regarding preparation of a Transportation Discrepancy Report (TDR) will be followed.

6.7.3 DELIVERING ASTRAY FREIGHT TO LOCAL TOS

Pending determination of final disposition, a carrier may give possession of astray freight, identified as Government property, to the local TO. In such cases, a receipt will be given to the carrier and TDR procedures will be followed. If the freight is

subsequently returned to the carrier for forwarding to the correct destination, cancellation of the receipt previously given will be arranged. When astray freight is not returned to the carrier for onward movement to destination and local disposition is made of the freight, the carrier and all interested persons will be advised of such disposition.

6.7.4 PROCESSING OF OVERAGES, SHORTAGES, AND DAMAGES

A careful examination and count of all containers or pieces in each shipment delivered by commercial carriers will be made by the receiving activity to determine whether overage, shortage, or damage exists. The receipt of shipments with shortage or damage may result in the initiation of freight claims against the commercial carrier transporting the shipment. An overage results from either overshipment or because of a diversion of freight originally intended for another consignee.

When an overage, shortage, or damage exists in connection with a shipment, the receiving unit will follow the procedures outlined in this subpart and in the TDR procedures.

The instructions in this section will supplement those in Reporting of Transportation Discrepancies in Shipments on the preparation and distribution of the TDR. These procedures apply to all overages, shortages, or damages whether determined immediately upon delivery of the shipment or when supplies are unpacked (concealed loss or damage) at some later date. However, accomplishment of bills of lading will be based on piece count and apparent condition of material at the time of receipt and will not be delayed pending inspection of material for concealed damage.

6.7.5 CHECKING SHIPMENTS UPON DELIVERY

Receiving units will check the consignee's copy of the bill of lading against a tally of the shipment delivered by the carrier to determine that the cargo described on the bill of lading has been delivered and the service rendered by the carrier fulfills the requirements of the bill of lading. Copies of applicable tally sheets or carrier delivery documents will be filed with a copy of the bill of lading to provide a complete record of shipment receipt. Receiving units will maintain adequate suspense file copies of bill of lading to identify shipments that have not arrived within 30 days after receipt of the bills of lading.

A careful examination and count of all containers in each shipment received from a commercial carrier will be made by the receiving unit to determine whether overages, shortages, or damages exist at time of receipt. Each billed item will be checked from the carrier's equipment to observe any apparent shortage in or damage to the lading. The checking must proceed concurrently with the unloading. The entire contents of the carrier's equipment will not be unloaded and the items then checked. As such, a check

would create a questionable area in making recovery from the carrier in the event of a discrepancy. At the time the check is performed, a suitable record will be made of the count and condition of the items on a copy of the bill of lading or other approved form which will identify the shipment, carrier's equipment, date, time, and the checker's name. This document will be filed as, or with, the "Property Received" copy of the bill of lading.

6.7.6 INSPECTION OF LADING WHEN DAMAGES EXIST

Any damage, shortage, or loss not of a concealed nature will be noted on the carrier's delivery receipt, signed by the TO, transportation agent, or other qualified person, and acknowledged by the signature of the carrier's representative. Such notations will be of a specific nature. Also, these notations will be made on the consignee's copy of carrier's delivery receipt. Under no circumstances will qualified statements or notations such as "Subject to count and inspection" be made on the carrier's delivery receipt. This requirement is equally applicable to any shipping or receiving document, whether or not irregularities exist.

When damages are discovered in a shipment received from a carrier, the entire lading will be examined immediately. The nearest office of the delivering carrier will be advised immediately, by telephone if located within the vicinity, and requested to inspect the lading. This advice will be confirmed in writing by mailing a TDR to the office contacted. The carrier's inspector will be given a reasonable opportunity, not to exceed 7 calendar days, from the time the first notice is given to make an inspection. The carrier's representative may elect to waive the inspection. In this event, a TDR also will be furnished to the carrier's representative for signature to confirm his waiver. In either case, the signed copy will be made a part of the claim file.

Damaged Packages To Be Opened in Presence of Inspector. Damaged packages should not be opened until the carrier's inspector arrives, unless there is a definite possibility that damage to the material can be reduced by prompt unpacking. If unpacked under these conditions, the packing material is to be preserved for examination by the carrier's inspector.

If the carrier waives inspection of the damaged articles, unpacking may be done immediately. A signed TDR, or statement, will be obtained from the representative of the carrier verifying his waiver. When the carrier's representative makes out his inspection report, a copy will be obtained and retained with the "Property received" copy of the bill of lading. Receiving OPDIV and STAFFDIV personnel will not indicate, in writing, concurrence or non-concurrence in inspection reports prepared by carrier agents. These inspectors are generally independent agents working for the carrier industry.

When the carrier assumes responsibility for the loss or damage upon inspection, a statement to that effect properly certified by the carrier's agent will be obtained if possible. If such a statement is obtained, it will be filed as supporting evidence to the claim file or survey action initiated via the TDR.

When apparent damage or other conditions exist that may result in concealed loss or damage, photographs will be taken before unloading operations are permitted to continue. Ensure that a camera, preferably an instant-type print, is readily available.

6.7.7 ANNOTATION OF CARRIER'S DELIVERY RECEIPT

Before signing the carrier's delivery receipt, the person receiving the shipment will note on the receipt specific details regarding the nature and extent of all apparent overages, shortages, losses, and other discrepancies between the quantity and condition of the property as received and as shown on the covering bill of lading or other transportation document.

Any notation placed on the carrier's delivery receipt will also be shown on the consignee's copy of the delivery receipt or freight bill. The person receiving the shipment will sign and date these notations and request the carrier's driver or representative also to sign the notations. No qualified statements or notations such as "Subject to count and inspection" will be made on the carrier's delivery receipt. This requirement is applicable to statements or notations on any shipping or receiving document, whether or not irregularities exist.

6.7.8 INSTRUCTIONS TO RECEIVING PERSONNEL

Once a delivery receipt is signed "clean" (without any exceptions), it's almost impossible to recover any money for damages the carrier may have caused. Well informed receiving personnel are the first line of defense in protecting the interests of the Government. Therefore, TOs will draw up appropriate instructions for receiving personnel and conduct training, as needed.

6.7.9 SHORTAGE OF CLASSIFIED OR PROTECTED MATERIAL

When a shipment of classified or sensitive material is short upon receipt, the individual discovering the loss, or compromise, will report the facts immediately to the most readily available office. The OPDIV and STAFFDIV receiving the report will take immediate action as required by the HHS Security Manual.

Regulated materials are materials over which the proper authority exercises close supervision of distribution, issue, and use because they are scarce, costly, or of a highly technical, hazardous, or sensitive nature. When a shipment containing protected material is short upon receipt, a report of the shortage will be made by the TO. Included

in this category are money, narcotics, articles difficult to replace, weapons, ammunition, and other similar material. See the general definition of protected cargo in the glossary.

6.7.10 RECEIPT OF SUPPLIES DAMAGED IN TRANSIT

The responsibility of the Government to accept delivery of a shipment on which damage has occurred while in transit is apart from the right to reject material because of nonconformance with the provisions of the contract. When a shipment is damaged while in transit, the consignee will accept delivery from the carrier unless the property has been damaged beyond economical repair. Contractual terms which place risk of loss or damage on the contractor while the shipment is in transit (for example, Free on Board (F.O.B Destination) do not relieve the Government of responsibility to accept the shipment. The F.O.B. and acceptance terms of the procurement contract will determine the procedures under which claims against the carrier will be settled. When loss or damage does occur, the TO or his representative will annotate the carrier delivery receipt as outlined in subpart section 6.7.7.

6.7.11 ACCOUNTING FOR TRANSPORTATION ON ACCOUNT OF THE GOVERNMENT

Under no circumstances will freight be refused and returned to the carrier except as outlined in subpart (c) below. When a carrier offers delivery of supplies which have been damaged in transit and the shipment has been made under a bill of lading, or transportation charges are for account of the government, TOS should determine, if possible, whether or not the supplies have been damaged beyond economical repair.

Where damaged property can be repaired economically and satisfactorily, arrangements shall be made by the unit paying the transportation charges, or its authorized representative, to have the repairs made. This amount will be part of any claim against the carrier thereof. Alternatively, the carrier may be allowed to perform the repairs or make the necessary arrangements therefore, subject to inspection and acceptance by government OPDIV and STAFFDIV inspectors or other designated personnel.

Property may be rejected to the carrier and a claim can be made. If the supplies have been damaged beyond economical repair, TOS will refuse to accept delivery from the carrier. When the extent of the damage cannot be ascertained until after delivery of the supplies, the material will be accepted.

When it's been determined that property has been damaged to the extent that it has no salvage value or is not economically repairable, and that it can be abandoned, the carrier shall be notified promptly of the location of the rejected property and shall be requested to make appropriate disposition of it:

1. If the carrier refused to accept the rejected property, the to shall request, in writing, that the carrier furnish a written statement of the reason for refusing the property. Upon receipt of the written refusal, the unit shall take appropriate action to dispose of the property and treat it as abandoned.
2. If the carrier fails to make appropriate disposition of the rejected property within a reasonable length of time, the to shall notify the carrier, in writing, that the property will be disposed of by the OPDIV and STAFFDIV without further delay.

6.7.12 TRANSPORTATION FOR ACCOUNT OF THE SUPPLIER

When goods are purchased "F.O.B. destination" under a contract, title does not pass from the contractor to the Government until the supplies are accepted at destination by the Government. Under such circumstances, contractors ship under prepaid commercial bills of lading and the carrier acts as an agent for the contractor. Any discrepancies are resolved between the carrier and the supplier. In such instances, the receiving location shall make accurate notations of discrepancies on the carrier's delivery receipt or freight bill. The carrier's driver or representative shall be requested to sign the notations of discrepancies. Prompt notification on the SF-361 shall be furnished to the supplier and the contracting officer. The report shall include supporting documents; e.g., a copy of the annotated delivery receipt, photos, inspection report, or written waiver.

Purchase documents requiring contractors to deliver supplies "F.O.B. origin" generally provide that shipment will be made under a bill of lading. Title passes to the Government as soon as the carrier accepts the shipment at the supplier's premises. On occasion, however, it is desirable or necessary to purchase material F.O.B. supplier's plant and have it shipped at supplier's expense subject to reimbursement by HHS. This is basically transportation for account of the Government and, when supplies are damaged in transit, instructions provided in this subpart pertaining to receipt of damaged material will apply.

6.7.13 RECORD OF SEALS

On carload, truckload, or sea van shipments (sea vans are defined as Government or commercial owned or leased shipping containers), the notation of shortage or damage will indicate whether the original seals were intact upon arrival of the shipment or whether seals were missing, broken, tampered with, or substituted. Seal numbers other than those applied at point of origin will also be recorded. When there is doubt as to the numbers of the original seals applied at point of origin, the TO will contact the shipper for this information.

When a sealed carload, truckload, or container arrives at destination with original seals intact but with a shortage, such original seals will be evidence that the shortage is not the responsibility of the carrier in the absence of evidence to the contrary.

When a sealed carload, truckload, or container arrives at destination with original seals missing, broken, tampered with, or substituted, the fact that seals are not intact may be considered as evidence that the shortage or damage is the responsibility of the carrier, in the absence of evidence to the contrary.

6.7.14 CLEARANCE WHEN SHIPPER ACKNOWLEDGES RESPONSIBILITY

When a shortage notation has been made on the delivery receipt and the issuing officer or shipper acknowledges his responsibility for the discrepancy, the office responsible for payment of the transportation charges (generally the Finance Office) will be notified. A copy of this notification will be given to the delivering carrier.

6.7.15 CLEARANCE WHEN PROPERTY CHECKED SHORT IS RECEIVED LATER

When a shortage notation has been made on the delivery receipt and the property checked short is received later, the consignee will notify the office responsible for processing freight claims. A copy of the notification will be given to the delivering carrier.

6.7.16 LOSS OF ENTIRE SHIPMENT

If no part of a shipment is received at destination within 30 days after receipt of the advance (blue) copy of the bill of lading, the origin carrier or his agent will be informed that the shipment hasn't been received and a claim may be processed against the carrier. A letter will be issued to notify the origin carrier or agent of the planned claim action. A copy of this letter will be forwarded, along with any other pertinent correspondence or information in connection with the investigation of the loss, to the paying office (generally the Finance Office) responsible for payment of the transportation charges. A TDR will be initiated as prescribed in Reporting of Transportation Discrepancies in Shipments and forwarded as the covering document for the claim file. If the consignee has authoritative information from the carrier or other sources that the shipment will not be delivered, the 30-day waiting period may be waived and the TDR will be issued immediately.

6.7.17 DISPOSITION OF OVERAGES

When the number of packages offered for delivery is more than that shown on the applicable bill of lading or other transportation document, and when all packages are marked for the same consignee, the overages will be accepted. The TO will attempt to reconcile overages and astray freight with corresponding shortages associated with other shipments received at the facility.

If excess freight on one bill of lading is identical with a reported shortage on another bill of lading, the excess or overage will be used to offset the reported shortage. If excess freight cannot be identified or used to offset other shortages within seven calendar days after the date of discovery, the receiving office will use an SF-361 to request disposition instructions from the consignor or shipper.

If a carrier attempts to deliver a shipment containing packages which are marked for another consignee or which cannot be identified, the misdirected or astray packages will not be accepted.

When there is an overage because of an actual over shipment and the weight of the overage isn't included in the weight shown on the bill of lading, a letter will be sent to the local agent of the delivering carrier and a copy forwarded to the office responsible for the payment of transportation charges.

A "concealed loss" means a loss that is not evident at the time of delivery but is discovered by the consignee upon opening the package and checking its contents. "Concealed damage" means damage to the contents of a package which is not evident at the time of delivery by the carrier but which is later discovered by the consignee upon unpacking.

6.7.18 NOTICE TO CARRIERS

When loss, damage, or shortage that was not apparent at the time of delivery for domestic shipments is subsequently discovered and the total amount of loss, damage, or shortage, including unearned freight charges, on a single bill of lading or other transportation document, is known to exceed \$500, the delivering carrier will be notified by telephone and requested to inspect the property involved. Unless there are extenuating circumstances, the notification and request for inspection will be made by telephone no later than 15 calendar days from the date of receipt of shipment and confirmed on an SF-364. The SF-364 will include the date the telephone request for inspection was made and the name of the carrier's representative who was contacted. A copy of the notification and request for inspection will be retained for possible claim purposes. Wrappings, packing materials, and any unopened packages shall be retained for the carrier's inspection. A copy of the carrier's inspection report shall be requested for use in determining liability or preparing a claim. If the carrier fails to make an inspection within a reasonable time (usually 5 workdays after notification), or if the carrier waives the opportunity to perform an inspection, the carrier shall furnish an oral or written waiver as provided in SF-364.

When a loss, damage, or shortage on an international shipment that wasn't apparent at the time of removal of the property from the carrier's possession is subsequently discovered when the packages are opened, the carrier will be notified promptly in

writing through use of an SF-364. When an ocean carrier is involved, the written complaint will be given to the carrier or its agent at the port of discharge within 3 calendar days of delivery. When an international air carrier is involved, a written complaint to the carrier will be made within 14 calendar days of receipt of the property. Written notice to ocean and international air carriers shall indicate a reasonable period of time for inspecting concealed loss or damage.

6.7.19 DETERMINED FREIGHT CLAIMS

All shipping and receiving units will minimize freight claim losses to the Government through the proper documentation of freight claims. The documentation of a freight claim includes complete investigation of a transportation exception or discrepancy, the determination of the cause or responsibility for such exception or discrepancy and the preparation and distribution of the documentary evidence proving or disproving carrier, contractor, or HHS liability. As these functions are of a technical nature, they will be performed by the TO, freight claims analyst, or any other qualified transportation personnel at each unit. Specifically, the investigation of a freight claim will include the determination of the following factors:

- Whether any basis for a freight claim exists.
- Responsibility for processing the freight claim against the carrier.
- Responsibility for the act that resulted in the shortage or damaged condition of the freight.

6.7.20 RESPONSIBILITY FOR INITIATION OF CLAIMS AGAINST OCEAN CARRIERS FOR LOSS OR DAMAGE

For HHS shipments moving via the Defense Transportation System (DTS), the Military Sea Lift Command (MSC) is responsible for initiating claims against water carriers for loss or damage in transit.

6.7.21 RESPONSIBILITY FOR THE INITIATION OF CLAIMS AGAINST COMMERCIAL LAND OR AIR CARRIERS FOR LOSS OR DAMAGE

The responsibility of transportation personnel for initiating a claim against the carrier ordinarily will depend upon whether or not the material was the property of the Government when the loss or damage in transit occurred. Generally, all material moving from one HHS location to another is Government property, unless there is specific evidence to the contrary.

6.7.22 PURCHASE ORDER MATERIAL

When goods are procured under contract, they become the property of the Government upon delivery to the Government at the delivery point designated in the contract, without regard to whether the material is shipped under a bill of lading. Contract clauses relating to inspection and acceptance of material and the payment of freight charges generally do not determine when the title passes to the Government or whether the Government or the contractor is responsible for making a claim against the carrier for loss or damage.

6.7.23 REPAIR OF DAMAGED ARTICLES

6.7.24 PARCEL POST SHIPMENTS LOST OR DAMAGED

When a parcel post shipment is lost or damaged, recovery of the monetary value from the United States Postal Service by a Government agency can be made only when the material was mailed under registered or insured mail services.

The term "repair" is the process of replacing component parts or restoring a used, damaged, or deteriorated article to a ready for issue condition. An article repaired is the same for operating purposes as the article before repair was needed. Through repair, a used, damaged, or deteriorated article may be restored to the same degree of value as a corresponding new item, or to a lesser degree of value than a corresponding new item. Upon receipt of Government-owned material damaged in transit by commercial carrier, the carrier will be notified and an inspection requested. Upon completion of the inspection of the damage by the carrier (unless waived), minor repairs will be made using the facilities of the receiving organization, when practicable. If the damage is extensive and the cost of repairs will be large, the carrier will be consulted before proceeding with the repairs. The cost of the repairs with appropriate accounting data will be included in the TDR issued as a report of survey and forwarded to the claims office.

When it is impracticable or uneconomical to utilize HHS facilities, the receiving organization will arrange with the carrier to have the necessary repairs made by commercial concerns with payment for the repairs made directly by the carrier. Upon completion of satisfactory repairs, the TO will advise the claims office by letter that the repairs are satisfactory and will authorize the cancellation of the TDR. A copy of such letter will be sent to the carrier agreeing to pay for the repairs.

Statements in contracts or purchase orders such as "subject to inspection and acceptance at destination" or "subject to inspection at origin and acceptance at destination" do not affect the claim filing responsibility as indicated above except when the material fails to conform to contract specifications.

6.7.25 PARCEL POST SHIPMENTS BY OTHER GOVERNMENT AGENCIES AND F.O.B. ORIGIN SHIPMENTS FROM CONTRACTOR

Recovery of the monetary loss or damage of Government-owned material is not possible if it was not mailed under registered or insured mail service. HHS must absorb the loss or damage through Board of Survey action prescribed in the LMM. Report of Survey will be initiated by the consignee to cover such discrepancies. When an undelivered parcel post shipment is \$10 or more and is not registered or insured, the consignee will request the shipping activity to file a tracer inquiry for the Loss or Rifling of Mail Matter (PS Form 1510) with the local post office.

Claims for recovery of the monetary value of material when loss or damage is incidental to movement by parcel post is a matter for the adjustment between the contractor and the United States Postal Service. When material forwarded by contractors via parcel post is received in a damaged condition, the receiving activity will prepare a TDR (Standard Form 364) and will mail it to the contractor. Non-receipt of an entire shipment will be reported to the contractor as soon as practical. Copies of the SF-361 and any official correspondence regarding the loss or damage which is addressed to the contractor will be furnished to the contracting officer and, when appropriate, to the cognizant inventory control point.

6.7.26 LOSS OR DAMAGE IN EXCESS OF TRANSPORTATION CHARGES

When a shipment received is damaged to the extent that it is a total loss or when the amount of loss or damage will exceed the transportation charges and the carrier is held responsible for such loss or damage, the paying office will be notified promptly by letter making reference to the bill of lading number.

6.7.27 DOCUMENTATION OF FREIGHT CLAIMS

The courts have repeatedly held that all pertinent claims documentation must be generated in the ordinary course of business. This means that all documents and records in support of a freight claim must be generated by someone with a personal knowledge of the facts at the time the loss or damage is discovered. This principle will be followed in preparing the various documents required to support loss and damage claims against the carrier or the contractor. The form of documentation required can be determined only after the responsibility for the initiation of claim action has been conclusively established.

6.7.28 CONCEALED LOSS AND DAMAGE DOCUMENTATION

When a shipment has been delivered by a carrier in apparent good order and concealed loss or damage is discovered, a TDR will be prepared. To prepare a claim for concealed

loss or damage, the carrier's inspection report, if obtainable, will be furnished to the claims office to support the assembled claim file.

Upon completion of the inspection by the carrier's representative, the authorized transportation personnel at the receiving unit will sign the carrier's inspection report and obtain a copy, if possible, for retention.

The authorized transportation personnel at the receiving unit will prepare the Standard Form for the Handling of Concealed Loss and Concealed Damage Claims - Consignee's Form, or will furnish pertinent information in a letter. The form may be obtained in most areas from the delivering carrier.

6.7.29 SHIPPER'S CONCEALED LOSS AND DAMAGE FORM

When HHS is responsible for filing a claim against the carrier, the shipper will be requested to furnish a properly executed Standard Form for the Handling of Concealed Loss and Concealed Damage Claims - Shipper's Form to the receiving activity. Origin carrier's local agent will, upon request, furnish blank copies of the required form.

6.7.30 WHEN CONTRACTOR OR VENDOR IS RESPONSIBLE FOR FILING CLAIM AGAINST CARRIER

When it's been determined that the contractor or vendor is responsible for filing a claim against a carrier for loss of or damage to material, the following will apply:

The contractor or vendor will be advised of the loss, damage, or unsatisfactory condition of the shipment by the most expeditious means required so a claim may be filed promptly. Information as to the quantity and value of the material short, damaged, or in an unsatisfactory condition will be furnished with request for disposition instructions for the unsatisfactory material. Telephonic advice will be confirmed in writing within 24 hours. Copies of such communications will be forwarded to the contracting officer, the disbursing office designated in the contract, and, if applicable, the Finance Office.

When purchase documents provide for inspection and acceptance of supplies at destination and inspection discloses damage in transit, repair of the damaged property may be effected at the expense of the contractor only upon their prior authorization. Normally, repairs will be made by the contractor or their designated agent. However, under unusual circumstances, the facilities of the receiving organization may be utilized to effect repairs. Under such circumstances, an itemized estimate of the cost of repairs, including material or replacement parts, labor, overhead, plus surcharge when applicable, will be submitted for the contractor's approval and authorization to effect repairs. If, after receipt of the advice, the contractor requests that such supplies be returned to him or his agent for repair or replacement, the articles will be returned

under a commercial bill of lading with all transportation charges collected. An itemized list of articles tendered to the carrier for transportation will be included in the commercial bill of lading. A copy of the bill of lading receipted by the carrier will be filed with the related purchase document.

6.7.31 SUPPORTING CLAIM DOCUMENTS

The contractor or vendor will be furnished with all information necessary for him to determine whether a claim against the carrier is in order. However, internal forms, such as the Report of Discrepancy (ROD), SF-364; and classified information or documents, will not be furnished. When concealed loss or damage is involved, a copy of the carrier's inspection report and the consignee's form for concealed loss or damage will be forwarded to the contractor or vendor.

6.7.32 REPORT OF DISCREPANCY (SF-364)

An SF-364 will be prepared immediately when loss or damage to Government-owned material is reported to or observed by the TO if the value of such loss or damage is \$50 or more and the shipment was by a commercial or contract carrier and was moved on:

1. A Commercial Bill of Lading (CBL)
2. Government-owned aircraft, ship or contract charter.

An SF-364 will not be prepared when:

1. The value of the loss or damage is less than \$50 per bill of lading.
2. The loss or damage occurred while the shipment was in the possession of a Government installation or a Government transshipping point.
3. The loss or damage concerns merchandise or material procured with non-appropriated funds.

The original and seven copies of the SF 364 will be required for the minimum distribution prescribed in TDRs. Additional copies may be required by OPDIV and STAFFDIV regulations of the receiving unit.

The captions on the SF-364 are designed to be self-explanatory. Detailed preparation instructions are contained in Reporting of Transportation Discrepancies in Shipments.

All correspondence, documents, photographs, and other data which will aid in establishing liability for the loss or damage or which are considered pertinent to the case will be sent to the claims office.

6.8 BILLS OF LADING

6.8.1 BILL OF LADING FORMAT

On April 1, 2002, the General Services Administration ceased using the U. S. Government Bill of Lading (GBL) (SF-1103) for domestic freight and household goods shipments. Commercial bills of lading will be used for all domestic shipments.

The GBL will continue to be used for international shipments only.

For HHS programs, e.g. transportation offices with an existing supply of GSA-issued Government Bills of Lading will use the following procedure:

1. For domestic shipments, use the Bill of Lading (GBL) number to prepare a transportation service order (TSO) and then destroy the GBL to ensure that the number is not used again. This is inserted on the top of the TSO and serves as the unique identifier for freight shipments. Samples of the TSO can be obtained from the GSA Region 6 website.
2. Forward a copy of the TSO to the carrier who will then issue a commercial bill of lading.
3. Forward a copy of the TSO and commercial bill of lading to the appropriate finance office for payment.

Note: In lieu of preparing a hard copy TSO, the GSA Office of Government-wide Policy, Transportation Policy Division, is promoting the use of the Transportation Service Provider (TSP) website as an agency order entry system.

Each OPDIV and STAFFDIV program/transportation office will establish its own numbering system based on the following format:

Acronym for Department of Health and Human Services, followed by the acronym for the Operating Division, followed by the acronym for the office component, followed by the fiscal year, and ending with a four digit number starting with 0001. For example, the first order number assigned by the Division of Property Management in the Program Support Center in Fiscal Year 2002 would appear as HHS/PSC/DPM 02-0001. This numbering scheme will be used once the existing supply of GSA-issued GBLs has been exhausted. This number will be inserted on the transportation service order to provide a unique identifier to the carrier, finance office and for transportation audits.

The above numbering format has been submitted by the Office of Logistics Policy/ HHS to the General Services Administration as the official HHS numbering scheme in accordance with 41 CFR 102-117.05.

The bill of lading is an Accountable Form. Each OPDIV and STAFFDIV program/transportation office authorized to issue bills of lading will keep proper records of bills of lading received and issued. This is for the purpose for controlling stocks and fixing accountability with the personnel responsible for the issuance and use of bills of lading. OF 1121 (Bill of Lading Accountability Record) is the form for maintaining accountability.

6.9 RELOCATION OF ACTIVITY

6.9.0 GENERAL

When the relocation of an office, or organizational component requires the movement of Government property, there are basically two options. The OPDIV and STAFFDIV may, on its own behalf, enter into an office relocation contract. Or it may request that the appropriate General Services Administration (GSA) Regional Office enter into contracts on behalf of the organization. For local moves, if GSA help is requested, contact the Regional Office at least 120 calendar days before the proposed date of the move. Provide the GSA office information such as origin, destination, moving date, an itemized inventory of the property to be moved, and the name and telephone number of the relocation coordinator:

Local Moves. Since local moves qualify as transportation within "commercial zones or terminal areas," they are exempted from rate regulation by the Interstate Commerce Commission. Therefore, local office relocation moves must be acquired by contract. The Service Contract Act applies to local office relocation moves where transportation costs (such as packing, crating, handling, loading, and/or storage of goods prior to or following line-haul transportation) are incidental to the principal purpose of the contract. (See 29 CFR 4.118.)

Other Than Local Moves. Arrangements for moving services, other than local office relocation, will be contracted for using competitive procedures or other appropriate relocation arrangements including 49 USC 10721 Government tenders.

Information Required. Whether an office relocation is made under a GSA term moving contract or under a specific contract entered into by GSA on behalf of an individual component, the component being relocated will make arrangements directly with the moving contractor. These arrangements include:

1. Issuing the purchase order or placing the work order.
2. Arranging for direct billing.
3. Supervising the actual move.
4. Processing loss and damage claims, if any.
5. Providing certification on the contractor's invoices.

6. Processing the invoice for direct payment to the contractor.
7. The GSA contracting office shall be notified upon completion of the relocation. Their office is prepared to provide technical assistance as necessary.

6.9.1 METHODS OF MOVEMENT

The following types of services may be used when relocating an activity:

When transportation is performed by common carriers of general commodities, only line-haul common carrier services and services covered by tariffs or tenders will be performed. A bill of lading will be issued to cover these type services. Accessorial services such as packing, crating, and positioning of property on Government premises are usually covered by a separate contract.

When relocation movements are to be performed by contract carriers, only those carriers who have executed a contract with GSA for interstate carriage or those carriers who have been approved by GSA for intrastate carriage will be used. Bills of lading will be issued to cover transportation services only.

When movement is by motor van carrier, accessorial services necessary for the entire movement and placement at destination are generally covered by carrier tariffs or tenders. A bill of lading will be issued to cover all services for which charges are published in carrier tariffs or tenders. Services for which charges are not covered by tariffs or tenders will be procured by a separate contract.

6.9.2 A PACKAGE-TYPE MOVEMENT PROCURED BY CONTRACT

Under a package-type movement, a contract is executed between a shipper service contracting officer and a party or firm (hereafter referred to as "contractor") engaged in the movement of office facilities or industrial plants. The contractor agrees to procure or provide transportation service from origin to destination and performs or procures all services required to complete a movement from the premises at origin to placement on the premises at destination. The contractor:

- Selects a carrier to perform the transportation service (when necessary).
- Issues commercial bills of lading.
- Pays the transportation charges.
- Performs all other services incident to the movement.

6.9.3 SPECIAL NOTE

Bills of lading will not be issued to procure any portion of a package-type movement. Package-type movements will not be routed by GSA since the contractor selects the carriers and pays the transportation charges.

PART 7 TRANSPORTATION PAYMENT AND AUDIT

7.1 PURPOSE

The purpose of this part is to interpret statutes and other policies that assure that payment and payment mechanisms for agency transportation services are uniform and appropriate. This part communicates the policies clearly to agencies and transportation service providers (TSPs).

7.2 ORDERING AND PAYING FOR TRANSPORTATION AND TRANSPORTATION SERVICES

7.3 TSP BILLING

The manner in which your agency orders transportation and transportation services determines the manner in which a TSP bills for service.

7.4 PAYMENT FOR TRANSPORTATION SERVICES

HHS may pay for transportation services in three ways: Electronic funds transfer (EFT) (31 U.S.C. 3332, et seq.), check, or cash.

7.5 USE OF ELECTRONIC COMMERCE

HHS must use electronic commerce in all areas of its transportation program. This includes the use of electronic systems and forms for ordering, receiving bills and paying for transportation and transportation services.

7.6 USE OF GOVERNMENT CONTRACTOR ISSUED CHARGE CARDS

HHS may use a Government contractor issued charge card to purchase transportation services if permitted under the charge card contract or task order. See [HHS Purchase Card Program Guide](#).

7.7 RECEIPTS, TICKETS OR OTHER RECORDS OF CASH PAYMENTS

See FMR. Sec. 102-118.92 and 41 CFR Parts 102-117 and 102-118

7.8 MAJOR MANDATORY TERMS AND CONDITIONS GOVERNING THE USE OF GBLS AND BILLS OF LADING

Refer to “U.S. Government Freight Transportation—Handbook”.

7.9 MAJOR MANDATORY TERMS AND CONDITIONS GOVERNING THE USE OF PASSENGER TRANSPORTATION DOCUMENTS

Refer to “U.S. Government Freight Transportation—Handbook”.

7.10 GBL AND GTR RETIREMENT

Effective September 30, 2001, use of Standard Form (SF) 1103, Government Bill of Lading, and OF 1203, Privately Owned Personal Property Government Bill of Lading (PPGBL) shall be phased out for domestic shipments. Effective September 30, 2001, the GBL or PPGBL may be used solely for international shipments (including domestic overseas shipments).

The GTR shall only be used in situations that do not lend themselves to the use of commercial payment methods.

7.11 REFERENCING CONTRACTS WHEN MAKING PURCHASES

The applicable contract or tender shall be referenced when buying transportation on a bill of lading. However, the referenced information on a bill of lading does not limit an audit of charges. The applicable contract must be referenced on a GTR or passenger transportation document (e.g., ticket).

7.12 TRANSPORTATION SERVICE PROVIDER (TSP) PROCESSES AND RESPONSIBILITIES

Transportation management is agency oversight of the physical movement of commodities, household goods (HHG) and other freight from one location to another by a transportation service provider (TSP).

See FMR 102-117.10

7.13 FINAL RECEIPT OF SHIPMENT

Final receipt of the shipment occurs when the consignee or a TSP acting on behalf of the consignee with the agency’s permission, fully signs and dates both the delivering TSP’s documents and the consignee’s copy of the same documents indicating delivery and/or explaining any delay, loss, damage, or shrinkage of shipment.

7.14 CREATION OR ELIMINATION OF A FIELD OFFICE APPROVED TO PREPARE TRANSPORTATION DOCUMENTS

An OPDIV or STAFFDIV must inform the GSA Audit Division whenever it approves a new or existing agency field office to prepare transportation documents or when an agency

field office is no longer authorized to do so. This notice must show the name, field office location of the bureau or office, and the date on which your agency granted or canceled its authority to schedule payments for transportation service. A copy of such notice must also be sent to OAMP/DLP.

See 41 CFR 102-118.230

7.15 QUOTATIONS, TENDERS, OR CONTRACTS

Copies of each quotation, tender, or contract of special rates, fares, charges, or concessions with TSPs including those authorized by 49 U.S.C. 10721 and 13712, upon execution to—

General Services Administration, Federal Supply Service, Audit Division (FBA), 1800 F Street, NW., Washington, DC 20405, or electronically at www.gsa.gov/transaudits.

Tenders must be submitted electronically, following the instructions provided by the requesting agency. The following information must be submitted with the tender:

- (1) Issuing TSP, Bureau, Agency or Conference.
- (2) Tender number.

See 41 CFR 102-118.260

7.16 PREPAYMENT AUDIT

A prepayment audit is a review of a transportation service provider (TSP) bill that occurs prior to your agency making payment to a TSP. This review compares the charges on the bill against the charge permitted under the contract, rate tender, or other agreement under which the TSP provided the transportation and/or transportation related services.

7.17 PREPAYMENT AUDIT PROGRAM

7.18 RESPONSIBILITIES OF CERTIFYING OFFICERS

TOs handling freight shipments are responsible for the following traffic management duties:

1. Liaison with Local Carriers. Conduct official liaison with all carriers serving the OPDIV and STAFFDIV and for local arrangements necessary for the movement of property.

2. Custody and Shipments. Provide custody and centralized control over all outbound shipments from the time of release by the officer until acceptance by the carrier; and all inbound shipments from the time of delivery by the carrier until delivery to the supply officer or "Marked For" addressee, as appropriate.
3. Bills of Lading. Provide for custody, accounting, issuing of Government bills of lading; and converting commercial bills of lading.
4. Routing and Expediting. Route, trace, expedite, consolidate, divert and obtain shipping releases in accordance with applicable directives.
5. Packing, Crating, and Marking. Provide technical advice to assure conformity in packing, crating, marking, stowage, dimensional clearance, and weight limitation of shipments using carrier requirements.
6. Loading and Unloading. Technical supervision of loading, unloading, cleaning, and prompt release of carrier's equipment to avoid demurrage or detention charges.
7. Schedules, Services, and Charges. Maintain familiarity with schedules, services, facilities, rates, fares, charges, and traffic agreements of commercial carriers.
8. Demurrage/Detention Records. Maintain demurrage and detention records and accounts.
9. Reporting Transportation Discrepancies in Shipments. Prepare and distribute SF-361, Transportation Discrepancy Report TDR, and other actions taken in connection with reporting, resolving, and preventing of over, short, damaged, lost, or astray freight.
10. Report planned volume movements and other opportunities for negotiations with commercial carriers as required in section 6.6.1.
11. Reports. Prepare and forward transportation reports and information as needed to the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM), General Services Administration (GSA), or other cognizant organization.
12. Traffic Management Advice. Provide or assure the provision of traffic management advice to officials responsible for making decisions pertaining to procurement and distribution actions. GSA regional offices will provide the transportation officer with technical traffic management advice as necessary.
13. Assistance visits. Whenever traffic management problems pertaining to procurement or the movement of material necessitates person-to-person contact, initiate requests for field assistance visits. If you wish assistance from the appropriate GSA regional office, GSA will conduct field assistance visits at no charge if the visit is in conjunction with other official GSA business. If not, GSA requires requester funding or reimbursement for these assistance visits. GSA also conducts numerous seminars sponsored by the Office of Transportation Audits and Customer Service Directors. The dates and locations are published in the GSA Market Tips and at the GSA website.
14. Initiate and Receive Shipments. This refers to shipments of property for which the HHS pays the transportation charges or in which the HHS has an interest.

15. Traffic Management Procedures. Exercise sound procedures and move all traffic at the most economical costs to the Government keeping consistent with delivery and mission requirements.
16. Local Transportation Resources. Keep familiar with local resources and capabilities so that freight and personal property are moved by the most effective and economical modes and routes.

7.19 ATO AUTHORIZED TO SIGN

When an ATO is authorized to sign transportation documents, only the ATO's signature, name, and title need appear.

7.20 RESPONSIBILITIES OF DISBURSING OFFICERS

The disbursing official has a liability for overpayments on all transportation bills subject to prepayment audit (31 U.S.C. 3322).

7.21 RELIEF OF LIABILITY

HHS counsel may provide advance opinions on liability issues to certifying, accountable, and disbursing officers (31 U.S.C. 3527). *See also* 31 U.S.C. 3529.

7.22 USE OF POSTPAYMENT AUDITS

Mandatory use of prepayment audits will not eliminate post payment audits.

7.23 INFORMATION REQUIRED POSTPAYMENT AUDIT

All of transportation bills submitted for post payment audit shall be annotated.

7.24 GENERAL AGENCY INFORMATION FOR ALL CLAIMS

7.25 TSP TRANSPORTATION CLAIMS

A TSP may file a transportation claim against your agency under 31 U.S.C. 3726 for certain items.

7.26 TIME LIMIT TO FILE A COURT CLAIM WITH A TSP FOR FREIGHT CHARGES, REPARATIONS, AND LOSS OR DAMAGE TO THE PROPERTY

Statutory time limits vary depending on the mode and the service involved and may involve freight charges.

7.27 INTEREST PAYMENTS

Interest penalties under the Prompt Payment Act, (31 U.S.C. 3901, *et seq.*) are not required when payment is delayed because of a dispute with a TSP.

Interest under the Prompt Payment Act (31 U.S.C. 3901, *et seq.*) begins 30 days after certification for payment by GSA.

7.28 STATUTORY TIME LIMITS FOR A TSP ON FILING A ADMINISTRATIVE CLAIM

An administrative claim must be received by the GSA Audit Division or its designee (the agency where the claim arose) within 3 years beginning the day after the latest of the following dates (except in time of war):

- (a) Accrual of the cause of action;
- (b) Payment of charges for the transportation involved;
- (c) Subsequent refund for overpayment of those charges; or
- (d) Deductions made to a TSP claim by the Government under 31 U.S.C. 3726.

See 41 CFR 102-118.470.

7.29 TIME LIMIT TO ISSUE A DECISION ON DISPUTED CLAIMS

A ruling on a disputed claim shall be issued within 30 days of receipt of the claim. If your agency fails to settle a dispute within 30 days, the TSP may appeal. If the TSP disagrees with the administrative settlement by the Audit Division, the TSP may appeal to the General Services Board of Contract Appeals (GSBCA). Decisions made by the GSBCA may not be appealed.

7.30 VOLUNTARY REFUNDS BY TSP

All voluntary refunds shall be reported to the GSA Audit Division (so that no Notice of Overcharge or financial offset occurs), unless other arrangements are made (e.g., charge card refunds, etc.).

7.31 GSA CERTIFICATE OF SETTLEMENT

Amounts on a GSA 41CFR101-41.805-4 shall not be revised or altered. The only change an agency can make to a GSA Form 7931 is to change the agency financial data to a correct cite. Any GSA Form 7931 that cannot be paid (e.g., an amount previously paid), must be immediately returned to the GSA Audit Division with an explanation. A Certificate of Settlement is the final administrative action. See 41CFR102-Section118.510

7.32 RESPONSIBILITIES AND AUTHORITIES

7.33 UNPAID TSP BILLINGS

GSA will instruct disbursing offices to deduct the amount due from an unpaid TSP's bill. A 3-year limitation applies on the deduction of overcharges from amounts due a TSP (31 U.S.C. 3726) and a 10-year limitation applies on the deduction of ordinary debts (31 U.S.C. 3716).

7.34 TSP DEBT COLLECTION PROCEDURES

Principles governing collection procedures for reporting debts to the General Accounting Office (GAO) or the Department of Justice are found in 4 CFR parts 101 through 105 and in the GAO Policy and Procedures Manual for Guidance of Federal Agencies.

7.35 TRANSPORTATION SERVICE PROVIDER (TSP) FILING REQUIREMENTS

7.35.1 TSP CLAIM INFORMATION

Transportation service provider (TSP) claims received by GSA or its designee must include one of the following:

- (a) The signature of an individual or party legally entitled to receive payment for services on behalf of the TSP;
- (b) The signature of the TSP's agent or attorney accompanied by a duly executed power of attorney or other documentary evidence of the agent's or attorney's right to act for the TSP; or
- (c) An electronic signature, when mutually agreed upon.

See [41 CFR 102-118.545](#).

7.35.2 ELECTRONIC FILING FOR TSP CLAIMS

The medium and precise format of data for an administrative claim filed electronically must be approved in advance by the GSA Audit Division. GSA will use an authenticating EDI signature to certify receipt of the claim. The data on the claim must contain proof of the delivery of goods, and an itemized bill reflecting the services provided, with the lowest charges available for service. The TSP must be able to locate, identify, and reproduce the records in readable form without loss of clarity.

7.36 SUPPLEMENTAL ADMINISTRATIVE TSP CLAIMS

A TSP may file a supplemental administrative claim. Each supplemental claim must cover charges relating to one paid transportation document.

7.37 REQUIRED TSP CLAIM FORMAT

A TSP must bill for charges claimed on a SF-1113, Public Voucher for Transportation Charges, in the manner prescribed in the “U.S. Government Freight Transportation—Handbook” or the “U.S. Government Passenger Transportation—Handbook.”

7.38 REQUIRED CLAIM DOCUMENTATION

An administrative claim must be accompanied by the transportation document, payment record, reports and information available to GSA and/or to the agency involved and the written and documentary records submitted by the TSP. Oral presentations supplementing the written record are not acceptable.

7.39 TRANSPORTATION SERVICE PROVIDER (TSP) AND AGENCY APPEAL PROCEDURES FOR POSTPAYMENT AUDITS

7.39.1 TSP APPEAL OF NOTICE OF OVERCHARGE

A TSP who disagrees with the Notice of Overcharge may submit a written request for reconsideration to the GSA Audit Division.

7.39.2 TSP APPEAL OF NOTICE OF INDEBTEDNESS

If a TSP disagrees with an ordinary debt, as shown on a Notice of Indebtedness, it may:

- Inspect and copy the agency’s records related to the claim;
- Seek administrative review by the GSA Audit Division of the claim decision; and/or
- Enter a written agreement for the payment of the claims.

7.39.3 INTEREST ON AMOUNTS DUE FROM TSP

The Government can charge interest on an amount due from a TSP. This procedure is provided for under the Debt Collection Act (31 U.S.C. 3717), the Federal Claims Collection Standards (4 CFR parts 101 through 105), and 41 CFR part 105-55.

7.39.4 TSP ADMINISTRATIVE CLAIMS ON COLLECTION ACTIONS

A TSP may file an administrative claim involving collection actions resulting from the transportation audit performed by the GSA directly with the GSA Audit Division.

7.39.5 REVIEWS OF SETTLEMENT ACTIONS

A TSP desiring a review of a settlement action taken by the Administrator of General Services may request a review by the GSA Board of Contract Appeals (GSBCA) or file a claim with the United States Court of Federal Claims (28 U.S.C. 1491).

7.39.6 APPEAL OF POSTPAYMENT AUDIT DECISIONS

A TSP may not appeal a postpayment audit decision of the GSBCA. HHS also may not appeal a postpayment audit decision and must follow the ruling of the GSBCA.

7.40 TSP INABILITY TO PAY DEBT

If a TSP is unable to pay the debt promptly, the Director of the GSA Audit Division has the discretion to enter into alternative arrangements for payment. See 41 CFR 102-118.670.

7.41 REPORTING

7.41.1 LOGISTICS INITIATIVES REPORT

Each OS and OPDIV and STAFFDIV head shall submit electronically a Logistics Initiatives Report to the Office of Acquisition Management and Policy by November 30. The report shall include any property, supply, aircraft, motor vehicles, transportation or other related logistics initiatives.

Instructions on content will be issued prior to or early in the fiscal year being reported.

7.41.2 LOGISTICS REPORTS CALENDAR

DEPARTMENTAL REPORT TITLE	REFERENCE	DUE DATE	REPORTING DIRECTIONS
Precious Metals Reclamation	101-45.1002-2	Nov. 15	Prepare Internally and Report as Requested by DLP
Annual Report of Utilization and Disposal of Excess and Surplus Personal Property	101-43.4701(a)	Nov. 15	Utilize DLP Logistics Online Reporting Tool for this report. **
Report of Inventory of Accountable Personal Property	103-27	Nov. 15	Utilize DLP Logistics Online Reporting Tool for this report..**
Logistics Initiatives Report	103-1.5011	Nov. 30	Utilize DLP Logistics Online

Report of Motor Vehicle Data	101-38.9	Dec.1	Reporting Tool for this report. MVMIS at http://mvmis.inel.gov/index.htm
Annual Fleet Budget Call	101-53	Aug. 15	https://fastweb.inel.gov/
Annual Fleet Inventory Call	101-53	Oct. 15	https://fastweb.inel.gov/
Annual EPA Act 2005 Section 701 Alt Fuel Waiver Request	101-53	May 15	https://fastweb.inel.gov/
Government-owned Property Held by Contractors	Appendix Q	Dec. 1	http://www.hhs.gov/oamp/policies/contractors_guide_for_control_of_gov_property.pdf
Government-owned Property Held by Grantees	Appendix Q	Dec. 1	http://www.hhs.gov/oamp/policies/contractors_guide_for_control_of_gov_property.pdf
Loan of Personal Property	103-27	Dec. 1	Prepare Internally and Report as Requested by DLP
Schedule and Status of Physical Inventories for Personal Property	103-27	Dec. 1	Prepare Internally and Report as Requested by DLP **
Fleet Management Training	103-54	Dec.1	GSA's http://www.Fedfleet.org
Personal Property Management, Materiel Management, Transportation Management and Logistics Training Certificates and Certifications	103-54		(http://www.npma.org)
Exchange/Sale of Personal Property	101-46.305	Dec. 15	Utilize DLP Logistics Online Reporting Tool for this report. ** See -
Personal Property Furnished to Non-Federal Recipients	101-43.4701(c)	Dec. 15	http://edocket.access.gpo.gov/cfr_2006/julqtr/pdf/41cfr102-36.135.pdf
Contract/Rental/Charter Aircraft Cost	101-37.507	180 days after the close of the quarter in which the costs and hours were incurred	https://gsa.inl.gov/fairs/index.shtml

Refer to Part 3, section 3.14 for information on personal property accountability.

*All dates shown in the table above are the final dates by which OAMP/DLP must report. OPDIVS and STAFFDIVS shall submit these reports no later than 30 business days in advance of the due date.

** For OPDIV and STAFFDIVS that are operating under the HHS PMIS these reports are consolidated and generated by the Program Support Center (PSC) and reported to the Office of Acquisition Management and Policy/Division of Logistics Policy (OAMP/DLP)

PART 8 UTILIZATION AND DISPOSAL OF HAZARDOUS MATERIALS AND CERTAIN CATEGORIES OF PROPERTY

8.0 GENERAL

This part prescribes the special policies and procedures governing the utilization, donation, sale, exchange, or other disposition of hazardous materials, dangerous property, and other categories of property with special utilization and disposal requirements.

8.1 DEFINITIONS OF TERMS

Resource Conservation and Recovery Act (RCRA): In 1976 Congress enacted RCRA to protect human health and the environment from improper solid and hazardous waste management. It was amended in 1984 with the Hazardous and Solid Waste Amendments (HSWA) to prohibit land disposal of hazardous wastes. RCRA controls most hazardous chemical wastes through a manifest and record-keeping system from the point the waste is generated to its ultimate disposal. The EPA is charged with the duties of promulgating and enforcing the RCRA regulations. These regulations are codified in Volume 40 of the CFR. For generators, Chapter I - Solid Wastes, Parts 240-271 are the most pertinent sections to reference. Federal facilities are required to comply with these regulations. EPA has established stiff penalties for individuals who knowingly or unknowingly violate their regulations.

Additional definitions of terms applicable to the utilization and disposal of hazardous materials and certain categories of property will be found in the 41 CFR 101-42.001.

8.2 HHS HAZARDOUS MATERIAL MANAGEMENT

8.2.1 GENERAL

This subpart prescribes the policies and methods governing the management of HHS hazardous property, materials and waste. HHS Logistics personnel (i.e., Property, Supply, Transportation and Distribution activities) will comply with all applicable federal, state, and local environmental laws and regulations in the performance of their mission. HHS Personnel that handle (meaning to: deal with, act on, or dispose of) hazardous materials (meaning: property, equipment, commodities, etc.) will be proficient and responsible in operations that involve the handling, temporary storage, transportation, and disposal of hazardous property while insuring timely and cost effective action.

HHS OPDIVs and STAFFDIVs use and dispose of hazardous property in the daily routine of doing business. It is our responsibility to protect the safety of our personnel, the public, and the environment; therefore, each HHS OPDIV/STAFFDIV must insure that all

laws and regulations concerning hazardous property are followed. Hazardous property includes materials, equipment containing certain materials, or Resource Conservation and Recovery Act (RCRA) hazardous wastes that have one or more dangerous characteristics, as established by EPA, DOT, OSHA, NRC, etc. Examples of characteristics that show a material may be hazardous are: flammable solid or liquid, e.g., gasoline, kerosene, rubber cement; fatal or toxic if swallowed, e.g., poisons; corrosive or burns the skin, e.g., acids, ammonia; etiological agents, e.g., the products of human blood; produces toxic fumes, vapors, mists, or dust during normal operations or if burned, e.g., asbestos, lead paint; reactive, explosive, or under pressure, e.g., dynamite and compressed gas cylinders; radioactive materials (sealed sources in liquid scintillation counter equipment), or is labeled by the manufacturer or previous user as dangerous or toxic to animals and/or the environment. More information on the definition of HP is provided in the FPMR 101-42.001B.

EPA and DOT identify certain property (materials) as hazardous in the Federal regulations. There are similarities between the EPA and DOT definitions of hazardous properties although each use different hazard classification systems. It is important to understand the relationship and requirements of each system.

DOT regulates hazardous property during shipment. The EPA regulates hazardous property when it becomes waste during storage, transportation, and disposal or recycling.

EPA and DOT vary in their definitions about when specific characteristics are classified as "hazardous" in each system. For example, a cleaning acid may be regulated by DOT during shipment, but may not be regulated by the EPA when it becomes waste. However, all EPA hazardous waste must meet the DOT requirements for shipment of hazardous materials or property when waste is shipped off-site. The local safety/environmental component can best advise the status of any properties in question and what procedures must be followed.

Hazardous materials/property shall be handled according to current Occupational Safety and Health Administration (OSHA) regulations in Title 29 of the Code of Federal Regulation (CFR), transported following Department of Transportation (DOT) regulations in Title 49 of the CFR; disposed of according to Environmental Protection Agency (EPA) regulations in Title 40 of the CFR; and managed according to the Federal Property Management Regulations, and any other Federal, State and local regulations that apply to hazardous property handling, transportation, and disposal.

Logistics personnel shall not handle, store, transport, or dispose of any property containing radioactive material. Radioactive material shall be managed following the U.S. Nuclear Regulatory Commission (NRC) requirements (10 CFR 20).

Personal mishandling or mismanagement of hazardous property or materials can result in the imposition of severe civil and criminal penalties.

All questions pertaining to handling of hazardous property will be directed to the environmental/safety office in your organization or to your local safety office. HHS Logistics components shall review, in cooperation with the safety/environmental component assigned their procedures and training requirements. This shall be done to insure that information on the proper disposition for hazardous property is distributed to all logistics components.

8.2.2 RESPONSIBILITIES

HHS OPDIV and STAFFDIV responsibilities are as follows:

- A. Comply with current Occupational Safety and Health Administration (OSHA), Department of Labor regulations; Department of Transportation (DOT) regulations when hazardous material is handled, used, and transported.
- B. Comply with current Environmental Protection Agency (EPA) regulations; Nuclear Regulatory Commission (NRC) regulations, Federal Property Management Regulations; and other Federal, State or local regulations as applicable when disposing of hazardous material.
- C. The safety/environmental component is responsible for the overall implementation of the HHS safety program including hazardous materials. It is responsible for developing safety standards, regulations and monitoring safety and occupational health compliance for the component.
- D. The Head of Logistic Components (i.e., Property, Supply, Transportation, and Distribution functions) shall insure all personnel are aware of the policies and methods of the management of hazardous property prescribed in this manual. It is the responsibility of all OPDIV/STAFFDIV staff to comply with the guidance in the manual.
- E. The user of hazardous property/materials, in coordination with the Property Management Officer (PMO) and the Property Custodial Officer (PCO), decides at what point the hazardous property/materials are no longer needed or usable and accordingly becomes waste. When the hazardous property becomes waste, the user together with the PCO shall notify the safety/environmental component and turn the waste over to them for disposal; if there is not a safety/environmental component, the user and the PCO are responsible to ensure that the properties are stored, transported, disposed, or recycled following the EPA, DOT, OSHA, state, and local laws and regulations. NOTE: The user of hazardous property/materials is more acquainted with determining when the hazardous property/material has reached its useful life span and becomes a waste product.

F. Where feasible, OPDIVs and STAFFDIVs shall minimize quantities of hazardous property through resource recovery, recycling, source separation, use of non-hazardous substitutes, and OPDIV and STAFFDIV acquisition policies.

G. Properly identify, package, label, and certify conformance with established environmental, safety, and transportation criteria before transferring accountability of hazardous property to another agency.

H. OPDIVs and STAFFDIVs with hazardous materials or hazardous wastes to be moved shall choose their carriers with care. All Logistics Components shipping hazardous property or hazardous waste shall follow DOT and the EPA regulations. Additional help may be obtained from the standards published in the Federal Motor Carrier Safety Regulations and the National Solid Waste Management Association's Chemical Waste Transportation Council publications.

I. OPDIVs and STAFFDIVs shall provide for disposal of the following categories of hazardous property:

- Toxicological, biological, radiological, and lethal materials that, by U.S. law must be destroyed.
- Hazardous materials generated by a contractor of HHS are the contractor's responsibility for disposal under the terms of the contract.
The safety/environmental component in cooperation with the contracting officer must insure the contractor generated hazardous materials are transported and disposed of in compliance with the law.
- Unique wastes and residues of a nonrecurring nature which research and development experimental programs generate.
- Wastes and residues (including contaminated soils) resulting from cleanup of sites associated with long-term widespread contamination of the environment.

J. Accomplish documentation (including records) for disposal actions as required under applicable environmental and other pertinent laws and regulations.

K. Initiate contracts or agreements for disposal actions and disposal technology not available within HHS.

L. Minimize environmental risks and costs associated with extended care, handling, and storage of reportable (*see* section 9.4) or nonreportable (*see* section 9.6.5.3) hazardous property by advising GSA to significantly compress the screening/sale cycle.

NOTE: OPDIVs may need to produce signs, that identify hazardous storage areas, in

English and the predominant language of the local area (i.e., Spanish, French, German, etc.) if other than English.

M. Operate a system to ensure that sufficient disposal capability is programmed to preclude extended delays in the hazardous property disposal process.

N. Assure that HW Treatment, Storage, and Disposal (TSD) contracts provide for disposal in RCRA permitted facilities and listings of EPA ID numbers for each TSD in the contract are available to the OPDIV Director.

OPDIVs that have Photography and X-ray activities will remove the silver from all used hypo before discharge into a waste disposal system leading to the environment. Decontamination certificates shall be produced by the OPDIVs and STAFFDIVs in cooperation with the local safety component and the property management component.

The principal user is responsible for the following before turn-in of excess property:

1. Surgical instruments that are not of a cutting nature and turned in as excess (not surgical blades) must have a certificate (signed by the principal user or their supervisor) to document that the instruments have been sterilized and decontaminated attached to the instrument. All turn-in documents will bear the same certification.

Note: The property management component should not receive any materials that are considered infectious medical waste as excess property. All used and loose instruments of a cutting nature are covered in this manual at section 8.7

2. All bottles, vials, and residue of experiments will be removed from all laboratory property prior to turn-in as excess to the needs of the laboratory.
3. Animal cages will be cleaned of all refuse and decontaminated from all hazardous property (e.g., chemical, biological and radioactive) prior to turn-in as excess property.
4. Property containing mercury as a part of the apparatus will be packaged to prevent spillage or damage to the unit holding the mercury before designating the apparatus as excess property. It is recommended, however, that the mercury be extracted from the equipment by trained personnel within the organization that used the equipment. The extracted mercury shall be collected and turned into the safety/environmental office who is responsible for waste management to store and subsequently dispose of the mercury.
5. Gas chromatography equipment containing Electron Capture Detectors (ECDs) that contain radioactive material (i.e., Nickel-63 (Ni-63)) must have the ECDs removed by trained personnel (the principal user or his/her supervisor and the

Radiation Safety Officer (RSO) prior to reporting the equipment as excess property. The RSO must be notified if any ECDs are removed from the equipment.

6. Liquid Scintillation Counters containing sealed sources that contain radioactive materials (i.e., radium-226 (Ra-226), cesium-137 (Cs-137), or Barium (Ba-133)) must have the sealed sources removed prior to reporting the equipment as excess property. Arrangements shall be made by the Radiation Safety Office (RSO) for the removal of sources from the equipment. Accountability, inventory, and leak tests (i.e., wipe surveys) must be conducted on this equipment as a condition of the radioactive material license issued by the Federal and/or State regulatory agencies.

8.3 RESPONSIBILITIES FOR CHLOROFLOUROCARBON (CFC) ITEMS

OPDIVs and STAFFDIVs will not dispose of refrigeration and air conditioning units, or refrigerators declared scrap, with the CFCs (freon) inside the compressors. The freon must be removed from the compressors in a way to prevent discharge into the environment. Spent freon may be considered a hazardous waste and SHALL NOT be discharged into the environment. Any intentional discharge is a violation of the Clean Air Act (42 U.S.C. 7401 *et. seq.*). Equipment is available in the marketplace to extract and store the freon safely. Freon may be recycled/reused. Procurement of needed equipment for the extraction is encouraged when economically feasible. A service contract for the removal of the freon shall be used when not economically feasible to purchase the extraction equipment.

Motor vehicle operations:

1. OPDIVs and STAFFDIVs with vehicle maintenance operations will dispose of all waste petroleum products following Federal, state and local regulations.
2. All batteries (auto or other vehicles) shall be stored, away from flammable material with the terminals protected to prevent short circuits, in a well ventilated area that will afford them protection from the elements. Overheated or frozen batteries could rupture allowing the electrolyte (battery acid) to escape into the work area or the environment. In either case there is a danger presented by the electrolyte.
3. Used motor vehicle batteries turned in for disposal shall be marked with the date of turn-in on the body of the battery and provided the same protection, as above, prior to removal from temporary storage. All used batteries will be turned over to the safety/environmental component's hazardous waste contractor (if available) for transportation to a disposal site.
4. When procurement of new motor vehicle batteries is necessary, the procurement component should draft the purchase order for the vendor to take the used batteries on delivering the new batteries. This will eliminate the need

for disposal of used batteries. The environmental office assigned shall insure the vendor, and disposal/merchandising outlets the vendor uses, are in compliance with federal and local regulations pertaining to transportation, recycling and disposal of batteries.

NOTE: All wet cell batteries will be managed and treated the same as motor vehicle batteries.

5. OPDIVs and STAFFDIVs having problems disposing of used tires from HHS owned vehicles, not acceptable for recapping, should draft purchase orders for new tires to include the vendor remove the used tires when delivering the new tires. The environmental office assigned shall insure the vendor, and disposal/merchandising outlets the vendor uses, are in compliance with federal and local regulations pertaining to transportation, recycling and disposal of used tires.

8.5 RESPONSIBILITIES FOR POLYCHLORINATED BIPHENYL (PCB) ITEMS

PCBs are regulated by the Toxic Substances Control Act (TSCA) (15 U.S.C. 2601 *et seq.*). Handling and disposal of PCBs must be in compliance with the TSCA and with the EPA Regulations (40 CFR Part 761), PCBs Manufacturing, Processing, Distribution in Commerce, and Use Prohibitions. Procedures also must be in compliance with DOT Hazardous Materials Tables and Hazardous Materials Communications Regulations, 49 CFR Part 172. Additional information is found in the FPMR at 101- 42.1102-2.

NOTE: State and local laws may be more stringent regarding PCBs than Federal laws and regulations.

The following list of property, cooled by oil, will be handled as containing PCBs unless placarded by the manufacturer, and must be hermetically sealed units, non-PCB or been tested and the test results accompany the item confirming PCBs are not present in the property. Any tests performed to document presence or absence of PCBs are the responsibility of the owning OPDIV/STAFFDIV. Disposal of this list of items will not be accomplished without appropriate test results:

1. Hydraulic system components (fluids).
2. Transformers.
3. Capacitors.
4. Circuit breakers.
5. Voltage regulators.
6. Electromagnets.
7. X-Ray units.
8. Microscope immersion oil.

9. Machine tools.
10. Fluorescent light ballasts.
11. Electron Microscopes.

OPDIVs in possession of property in the above list will comply with the laws and regulations concerning PCBs. Manufacturers may be contacted for assistance to learn PCB content of their equipment. Any PCB spill must be immediately reported to the OPDIV safety/environmental office because of stringent PCB clean up requirements. OPDIV safety/environmental offices can furnish additional information and assistance on matters concerning PCBs.

8.6 LEAD CONTAINING PAINT AND ITEMS BEARING LEAD CONTAINING PAINT

New/unused lead-containing paint and items bearing lead-containing paint shall be handled and disposed of following the FPMR at 101-42.1102-7. Lead-containing paint containers that have been opened and items bearing lead-containing paint that are found to be unusable shall be disposed of following the FPMR at 101-42.406 and in coordination with the OPDIV/STAFFDIV safety office. OPDIVs and STAFFDIVs with established commercial hazardous material disposal contracts shall turn the lead-containing materials over to the contractor for proper disposal.

8.7 PHYSICAL CUSTODY

HHS' policy is to safely store hazardous materials and wastes to protect human health and the environment, and in such a manner as to create optimum conditions for reduction of the HHS waste stream through utilization, donation and sales efforts.

8.7.1 CONDITIONS FOR ACCEPTING PHYSICAL CUSTODY OF HAZARDOUS PROPERTY INTO THE EXCESS/EXCESS PROPERTY PROCESS

1. To prevent contaminated property or property containing hazardous materials, e.g., radioactive, chemical and/or biological materials or residues, from entering the excess property stream, the principal user or his/her supervisor shall attach to the equipment/property, a certificate that he/she has signed to document that the equipment has been decontaminated and all hazardous materials have been removed before reporting, to the property management component, the equipment as excess to the needs of the user. This certificate is specifically required for all instruments used in research laboratories where there is a greater potential for contamination. All turn-in forms to request removal of excess equipment also will bear the certification of decontamination signed by the principal user/supervisor.
2. The property management component shall not request movement nor accept excess property into the excess program without a completed

decontamination certificate attached to the property and a decontamination certification on the turn-in document or the request for movement document.

The property management unit will under no circumstances take part in any activity to remove any hazardous material from equipment offered as excess. If necessary, the property management personnel will contact the local safety office for guidance if they suspect the presence of hazardous materials.

Decontamination certificates shall be produced and provided by the using OPDIV/STAFFDIV. All excess property to be turned in to the property management component shall have a completed decontamination certificate attached. Decontamination will be performed, by the user or qualified decontamination personnel, and the certificate shall be prepared and signed by the principal user or his/her supervisor.

New/unused surgical instruments including surgical blades in the original packaging shall be handled as normal excess property. Decontamination certificates shall be attached to each unopened original package.

8.7.2 SPECIFIC HAZARDOUS PROPERTY NOT PHYSICALLY HANDLED BY PROPERTY MANAGEMENT COMPONENTS

RADIOACTIVE MATERIAL

HHS Logistics Components shall not process excess radioactive property through the property management program. Radioactive properties or materials are managed by the OPDIV and STAFFDIV/STAFFDIV Radiation Safety Office (RSO) according to stringent regulations and laws of the Nuclear Regulatory Commission (NRC) and/or the laws of the NRC designated agreement states, also refer to FPMR 101-42.1102.4.

All radioactive property shall be managed by the Radiation Safety Office or the NRC licensed contractor for the previous owner of the equipment. Please note that it is illegal for the property management unit to remove any labels from equipment that show the equipment contained radioactive materials. The RSO is the only individual who can remove such labels after he/she has documented the equipment is free of any source of radioactivity. The property management component shall contact the RSO if they suspect any equipment may be contaminated with radioactivity or contains a radioactive source.

Property contaminated by radioactivity from solutions, gases, etc. must first be decontaminated by trained personnel (the principal user or the RSO), certified free of radioactivity by the RSO or his/her designee, and officially cleared by the RSO and labeled as such. The RSO or his/her designee will place a signed certificate on all such

equipment to show it has been cleared by the Radiation Safety Office. The property may then be reported as excess and transferred to the property management unit in the same manner as any other property.

Laboratory property, containing licensed radioactive property, must be cleared by the RSO before it can be declared excess to the needs of the using OPDIV/STAFFDIV. The RSO will officially clear the equipment as excess and sign the certificate attached to the equipment. Removal of any radioactive parts of equipment shall be accomplished by trained personnel in the Radiation Safety Office or a licensed contractor.

MEDICAL AND INFECTIOUS WASTES

All used and loose sharp surgical instruments, (including hypodermic needles, syringes with attached needles, and surgical blades) shall be considered infectious medical waste and will be disposed of as such with the medical waste contractor or on-site with arrangements through the local safety office.

Medical or biological property, e.g., operating room residue, used surgical clothing, used bandages and dressings, and biological materials, shall be considered as infectious medical waste. Again, property management components shall not receive any of this property for disposal. Arrangements for disposal of this type property shall be made through the local safety/environmental office (on-site or special contracts).

8.8 REPORTING HAZARDOUS PROPERTY FOR UTILIZATION AND SALES

HHS OPDIVs reporting hazardous materials for utilization and sales shall accomplish this by following guidelines in sections 8.0, 8.1, 8.2, and applicable FPMR 101-42.2, 101-42.3, 101-42.4.

8.9 IMPLEMENTATION OF RCRA

Individual facility directors/managers are responsible for implementing and conducting their OPDIV/STAFFDIV activities according to the Resource Conservation and Recovery Act (RCRA). Safety/environmental components are responsible to the facility directors/managers for the operation of the facility RCRA program.

8.10 REPORTING OF HAZARDOUS MISHAPS

HHS personnel are responsible for reporting any radioactive property or hazardous property spills, no matter how small. They will report any spills/mishaps to the safety/environmental component, or to an in-house Emergency Hazardous Material Response Group/Fire Department HAZ/Mat Team established by the Spill Contingency Plan, and their immediate supervisor. The spill or mishap area will be controlled and protected, if possible, by the person reporting the mishap/spill until arrival of the

Emergency Hazardous Material Response Group/Fire Department HAZ/Mat Team. The supervisor will report the spill/mishap immediately to the Safety Office. The Safety Office will remediate the spill/mishap according to the Spill Contingency Plan (See 40 CFR 265.51, *et. al.*). When required, the OPDIV/STAFFDIV safety/environmental office will report any releases, required to be reported by EPA regulations, to the appropriate regulatory authorities within 24 hours. Failure to do so may result in fines, for violations of the laws, for the OPDIV/STAFFDIV.

8.11 TRAINING

HHS OPDIVs and STAFFDIVs shall insure all logistics personnel, (Property, Supply, Transportation and Distribution activities), including contract personnel, shall be trained in the use of any required personal protective equipment; emergency response to hazardous mishaps; hazard communication; radiation safety; reporting hazardous mishaps; and understand the reporting procedures. OPDIV/STAFFDIV safety offices shall be tasked to provide the training mentioned above.

8.12 HAZARDOUS WASTE MANAGEMENT PLAN

Implementation of the comprehensive hazardous waste management program, mandated by RCRA, requires maximum cooperation of all components in HHS. Logistics Components are not responsible for the hazardous waste management plan, other than compliance and cooperation with the safety/environmental component. The following guidance applies to development and implementation of a Hazardous Waste Management Plan:

The facility director/manager is responsible for developing and implementing a Hazardous Waste Management Plan. This plan shall identify and implement hazardous waste management actions required by RCRA.

The director/manager of an OPDIV and STAFFDIV shall ensure that inspections, safety precautions and actions, records, etc., as established in the Hazardous Waste Management Plan, are accomplished for hazardous property over which the OPDIV and STAFFDIV has physical custody and accountability.

Property accountability records should reflect the nature and extent of the actual or potential hazard and show any Federal, State, or local regulations governing the property.

8.13 MANIFESTS

A uniform Hazardous Waste Manifest (UHW) is a special shipping paper used for tracking the movement of hazardous waste. The Environmental Protection Agency (EPA) and the Department of Transportation (DOT) regulations require that all shipments of

hazardous waste must be accompanied by a hazardous waste manifest. The manifest serves as part of the "cradle to grave" record of the waste that documents proper management of the waste. HHS OPDIVs and STAFFDIVs shipping hazardous wastes shall prepare a UHWM to accompany all offsite shipments of hazardous waste and will include a 24-hour emergency notification telephone number. The activity permit holder has primary responsibility for signing manifests, but may delegate signature authority. Please see section 6.5.7 for information on shipping hazardous property.

8.14 MARKING

All hazardous material will be marked. Markings must be printed in English, and the predominant language of the local area, on the surface of the package or on a label, tag, or sign securely affixed to the package. They must be displayed on a background of sharply contrasting color, must be unobscured, and must be durable.

8.15 LABELING

HHS OPDIVs and STAFFDIVs shall follow U. S. Department of Transportation (DOT) requirements for labeling packages containing hazardous materials. A primary source for labeling information is 49 CFR 172.101 (Hazardous Material Table). NOTE: Multiple labels are required in those cases where hazardous material meets the definition of more than one hazard class (i.e., Radioactive and poison) to include exceptions for small quantities. When radioactive material and another hazardous material is in the same package, the package will display labels for both hazardous items.

8.16 RECORD KEEPING AND REPORTING

HHS OPDIVs and STAFFDIVs shall coordinate with safety/environmental office records keeping function to insure compliance with Federal, State and local hazardous waste record keeping and reporting requirements.

8.17 RECOVERY OF SILVER FROM USED/SPENT PHOTOGRAPHIC FIXER SOLUTION (HYPO SOLUTION)

The Environmental Protection Agency (EPA) has identified photographic fixer solution (hypo solution), with more than 5 parts per million (PPM) silver present, to be a hazardous waste. Some states have established more stringent discharge standards. OPDIVs and STAFFDIVs generating photographic used/spent hypo (fixer) solution from the film developing operations shall handle all such solutions as hazardous waste unless the silver is recovered from the solution before disposal. Various silver recovery systems are available commercially. Arrangements for the recovery of the silver will be handled by the safety/environmental office. The safety/environmental component is available to advise on the installation and operation of a silver recovery system and its feasibility

according to Federal, State and local waste regulations. The disposal of the recovered silver shall be done through a GSA recovery contract, commercial cost reduction service contract or turned in to the property management component for disposal through the DoD Precious Metals Program. Records of the recovered silver must be maintained for reports required by the FPMR 101- 45.1002-4.

It is the responsibility of the program user to insure the equipment, of the contractor's or equipment owned/leased/received through the DOD program by the OPDIV/STAFFDIV, is treating the hypo solution and reducing the silver content below the EPA/local state standards before discharge into a drainage system leading to the environment. The safety/environmental component will insure the service contractor complies with federal, state and local regulations and laws for transportation, recycling and disposal of recovered silver from the silver recovery units/systems.

If a GSA or commercial service contract is not available, silver recovery equipment may be obtained by:

- a) Interservice Support Agreement/Memorandum of Understanding through the DoD/DLA Precious Metals Recovery Program; or
- b) Local procurement by the OPDIV/STAFFDIV.

PART 9 UTILIZATION OF EXCESS PERSONAL PROPERTY

9.0 GENERAL

This part prescribes policies and methods governing the economic and efficient receiving, accounting, and utilization of excess personal property assigned to HHS. Additional guidelines regarding reutilization of hazardous materials are provided in Part 8 of the LMM.

9.1 DEFINITIONS

Definitions of terms for this part are found at FMR 102-36.40.

9.2 RECEIPT AND HANDLING OF EXCESS PERSONAL PROPERTY AT HHS PERSONAL PROPERTY MANAGEMENT OFFICES

9.2.0 GENERAL

This part prescribes the policies and methods governing the economic and efficient handling of excess personal property turned into Property, Plant and Equipment (PP&E) Management Offices (PMOs) within HHS.

A. Locator System.

HHS OPDIV/STAFFDIV's Property, Plant and Equipment (PP&E) Management Offices (PMOs) with personal property warehouses³ shall establish, in coordination with facilities and space management, a LOCATOR SYSTEM and mark the locations on the storage aids used. Open areas used for over-sized equipment shall be laid out and marked on the warehouse floor. A PLANOGRAPH (floor plan) of the locator system shall be placed in the receiving area and at the entrance of the warehouse. Open storage (outside areas) shall be laid out and marked with the established locator system. A Planograph of the outside also shall be posted as above.

B. Location

A suitable location, separate and apart from installation active stocks, shall be established at each Personal Property Management Office (PP&E) for the receipt and storage of excess, surplus, or foreign excess personal property. This area shall be of sufficient size to permit proper segregation of material and should be convenient to a

³ Locator systems are established at the discretion of the Head of an HHS Operating or Staff division based upon the size, complexity and mission importance of the property warehousing portfolio.

transportation network.

The PMO shall be responsible for warehousing or otherwise storing all property physically received and shall be responsible for:

1. Administering the established locator system for all property under the control of the PMO.
2. Property segregation bins or areas prominently marked, labeled, or tagged to be readily identifiable with the proper locator record. Property should, to the extent practicable, be baled, boxed, bundled, bagged, binned, or otherwise stored to prevent mixing and to facilitate handling and accessibility.
3. Separate storage locations when sufficient space, covered and open, is available for property that must undergo centralized and local area screening. Sale of property should be conducted from these locations to avoid double handling of property unless the regional GSA Sales office requests the property be moved to a central sale site of their choosing.
4. Adequate covered storage space for the protection from exposure to the elements of such items as papers and sensitive items of property subject to damage or deterioration. Materials shall be stored to prevent contamination or mixing and to be readily accessible for inspection.
5. The organizational elements of a PP&E shall be positioned so that the flow of materials and paperwork is orderly from the time of receipt to ultimate disposal.
6. The receiving section should be located near the entrance to the PMO warehouse or yard for convenience in property verification so that the property may be directed to a prearranged storage location. Generating activities shall furnish advance copies of the Turn-In document (TID), HHS-22, or other authorized documentation to permit preplanning for storage purposes.
7. The storage location for scrap property shall be separate from that of usable property.
8. Property appearing on a sale solicitation (catalog) and property awaiting sale shall be separated by signs from property being screened for reutilization, transfer, or donation to eliminate confusion for inspecting bidders and screeners.

9.2.1 FACILITIES, EQUIPMENT, AND VEHICLE REQUIREMENTS

A. Equipment.

Normally the Transportation component shall furnish the PMO use and maintenance support for operating equipment and vehicles to support both normal and temporary needs for the mission.

B. Facilities.

The PMO component shall obtain such facilities as are necessary to do the assigned property management, utilization, and disposal mission.

9.2.2 SAFEGUARDING MATERIAL

The PMO facilities and yard shall be fenced or otherwise protected to ensure that materials are safeguarded against theft, pilferage, or unauthorized withdrawals. Security and investigative support shall be provided by the in-house Security component or Federal Law Enforcement Service.

9.2.3 DISPOSAL PROCESSING

The PMO is responsible for utilization and disposal of all HHS generated excess, surplus, and foreign excess, and other personal property authorized for turn in (excluding non-salable property) except those specific categories identified in subparagraph B below.

1. The PMO shall physically accept and process property for which it has utilization and disposal responsibility. There are, however, certain categories of property, which the PMO may not accept physically based upon special storage or special handling needs. When this occurs accountability shall be accepted by the PMO and the property processed for utilization and disposal actions even though the property physically remains in place. Accountability of property that is not utilized or sold shall not be returned to the generating activity. Hazardous property shall be disposed of following the FPMR 101-42 , also see Part 8. Other property shall be downgraded to scrap, processed for abandonment or destruction, or disposed of by service contract. Where the PMO lacks resources or the technical expertise to handle physically property for which it has utilization and disposal responsibility, the PMO shall arrange for such support with the Regional GSA office.
2. The following types of property may not be physically accepted by any PP&E whatever its resources or technical expertise:
 - Live animals.
 - Explosives and ammunition.
 - Products causing or capable of causing fire.
 - Drugs, biologicals, and controlled substances.
 - Nitrate base film.
 - Psychodiagnostic test sets

NOTE: This restriction may be waived by higher authority (i.e., HHS Secretary, Heads of OPDIVs AND STAFFDIVs, etc.) in the event of emergencies (i.e., hurricane disasters, earthquake disasters) and HHS OPDIV and STAFFDIV facilities in the immediate locale are available.

3. The PMO shall not accept (either physically or on its property records) the following categories of property and no reutilization or sale service shall be given:
 - Radioactive waste, thermal batteries, and unsalable material of a non-hazardous nature; that is, material for which sale or other disposal is prohibited by U.S. law or Federal regulations. This category includes, but is not limited to classified material, inspection stamps and devices, consecrated religious items, and cryptographic equipment.
 - Hazardous waste designated for disposal.
 - Refuse and trash; that is, consumer waste material such as litter and rubbish collected by the Sanitation/Housekeeping Service Contractor. The collection of refuse and trash is the responsibility of the buildings and facilities functions.
 - Medical and infectious wastes. (Refer to [Part 8](#)).

9.2.3.1 TURN-IN CRITERIA

Generating OPDIVs and STAFFDIVs shall comply with turn-in procedures established by the PMO.

Usable property shall be turned in as individual line items.

All PC fixed harddrives, ADPE magnetic tapes, PC disks (this is not commercial software programs), and disc storage packs etc. shall be degaussed (erased, demagnetized) and a certification, by the using OPDIV/STAFFDIV ADP officer and supervisor of the program turning in the equipment, attached to the tapes and disc packs. A certification shall also be included on the turn-in documentation.

Disposition of software shall be consistent with the limitations of any applicable license. Questions on disposition shall be referred to the local IRM component for resolution.

9.2.3.2 DELIVERY TO PP&E

1. The responsibility for expenses incurred in utilization and disposal of excess surplus personal property is the point at which accountability is transferred from the generating OPDIV/STAFFDIV to the PMO. All expenses incurred before

acceptance of accountability by the PMO shall be borne by the generating activity. Conversely, all expenses incurred after acceptance of accountability by the PMO shall be borne by the PMO.

2. Property capable of spilling or leaking may not be transferred to the PMO in open, broken, or leaking containers (See Part 8).

9.2.3.3 DOCUMENTATION

1. Property shall be turned in to the PMO on a Request for Property Action, HHS-22 form, or other authorized property turn-in documents (TID). The HHS-22 heading shall be filled in by the generating activity. The following is the minimum information that must be on the TID describing the property:

- a) Barcode decal number/identification decal number.
- b) Description and stock number (if known).
- c) Quantity.
- d) Unit of issue
- e) Condition.
- f) Unit cost
- g) Category of property (such as exchange/sale, non-appropriated fund, etc.) and if proceeds are to be deposited to other than the General Fund Receipt Account, the reimbursement data to include the account to be credited and the Agency Location Code.
- h) Weight and cubic size, estimated, if unknown.
- i) Value and list of component parts that have been removed from vehicles or a copy of a Limited Technical Inspection form showing the nature and extent of repairs required.

2. The OPDIV/STAFFDIV PP&E shall decide a minimum number of legible copies of the TID that must be furnished and accompany the property. THE PMO shall return to the turn in activity within 5 working days from receipt of property one copy of the turn-in as a valid receipt document. This copy may be used to adjust the asset area accounting records.

See also Part 16, Appendix V.

9.3 RECEIPT OF PROPERTY

9.3.0 GENERAL

This paragraph gives uniform procedures for the receipt, handling, and storage of property for issue, excess, surplus, and foreign excess property. The most critical and important stage in the flow of property through the property management program is

when the property is initially received at the PMO warehouse. The PMOs have the responsibility for the receipt, classification, processing, safe-guarding, storing, and shipping of all property received. This includes property to be accounted for as items, and properly segregated scrap and waste having a utilization, donation, or sale value, and material destined for ultimate disposal. The PMO shall give assistance, as requested, in tracing turn-ins. The PMO must maintain close liaison with the generating OPDIVs and STAFFDIVs to ensure that:

1. Scheduling is taken into consideration by the PMO's receiving capability and the volume of property to be turned in.
2. Inspection of the property is performed in place if it is more advantageous to do so because of the size, weight, or category of the property. Excess property not transferred physically to the PMO shall be tagged with a status tag indicating the PMO accountability.
3. Property classified as "SCRAP" by the generating OPDIV/STAFFDIV is processed for disposition according to the circumstances on which the classification is based. Material condition coded "SCRAP" solely due to its degree of unserviceability or age (shelf life) may have some use potential and should be processed accordingly.
4. No salable property with utilization, donation, or sale potential is being disposed of by dumping in refuse containers.
5. PP&Es shall apprise generating OPDIVs and STAFFDIVs of their responsibility to assure that all salable material is turned in to the PMO. If the PMO has knowledge that usable/salable material is being dumped in a refuse container, the PMO chief shall initiate a letter to notify the OPDIV/STAFFDIV Security office regarding the matter.
6. Property has received proper protection and care in handling before it is transferred to a PP&E, preventing damage from unnecessary exposure to the elements. Property turned in as condemned may still be usable and its preservation may benefit the utilization program. Instances of apparent improper handling of Government property shall be reported to the generating activity or Security Office for remedial action. Recurrent instances of improper care or handling of property shall be documented for referral to the OPDIV or STAFFDIV for resolution.

The receiving and storage segment of the PMO shall:

1. Assure that all property shipped or turned in to the PMO is accompanied by the needed number of copies of shipping and/or turn-in document properly prepared and decide what special handling will be required by the property covered in FMR 102-36.

2. Inspect property upon receipt. Inspection shall consist of verifying property description and quantity and assuring that a valid Condition Code was assigned by the generating activity for the excess property. A Disposal Condition Code shall be assigned by the PMO that must be perpetuated throughout the screening process (example: a condition code of 2). Disposal condition codes will be found at FMR 102-36.240. Inspection checks shall be made to give reasonable assurance that all information relating to the property is factual. If a discrepancy exists, the generating activity shall be contacted and requested to initiate action to resolve the discrepancy. If the discrepancy is not resolved within a reasonable period of time, the item(s) shall be returned.
3. Excess property classified and reported as "SCRAP" by the user to the IM/IC for disposal must have an explanation for inclusion on the TID explaining the condition coding of the property as scrap. The explanation shall be verified by signatures of the user and the IM/IC on the TID.

Note: This property shall be disposed of as scrap and removed from the accountable record on receipt.

4. Excess property classified as "SALVAGE" by the user and reported to the IM/IC for disposal shall have an explanation included on the TID stating the reason it would exceed 65% of the acquisition cost of the item for repair to make it usable. This documentation shall be verified by signatures of the user and the IM/IC. This property may be utilized, donated, or sold in bulk, if economical to store and space is available. If unable to hold for utilization, donation or sale due to space constraints, it shall be downgraded to scrap and sold on a GSA scrap contract.

Note: property classified as salvage shall be removed from the accountable record on receipt.

5. Property received in place by the PMO is tagged for identification purposes. (property should be consolidated physically in a designated area, but may be left in place if this action is determined locally to be justified for economic or other valid reasons.) The activity having physical custody shall be responsible for care and protection of this property until it is disposed of or moved to the PMO warehouse.
6. Property placed on the storage aids (racks) shall be stored using a date row system, if a date row system is not currently in use the PMO shall establish and implement one when practicable. This system will insure that property that comes in first will be reported first and, with the help of the regional GSA office, removed first.

7. Personal appeal items (e.g., cameras, microscopes, small calculators, laptop computers, etc.) shall be stored away from the normal excess property in locked cage, cabinet, or glass viewing case areas where available or away from high traffic areas under surveillance by PP&E staff.
8. Property too large to be placed in the storage racks shall be stored in an open space on the warehouse floor. The items located on the floor shall be stored with easy access for screening or movement. These open areas shall be marked following the Planograph (*see Part 9, 9.2.0 (A)*) for the warehouse.
9. Generating activities shall reflect on the turn-in document the property that must be identified for special processing, such as shelf life, automation equipment, hazardous material (Part 8, Utilization and Disposal of Hazardous Materials and Certain Categories of Property), also property that is authorized for direct reimbursement to a deposit fund account other than the General Fund Receipt Account. Turn-in documents without special processing or direct reimbursement data shall be processed as normal HHS excess property.

9.3.1 STATUS OF PROPERTY

Property, whether new incoming property ordered by an OPDIV/STAFFDIV, usable excess items or scrap, which is transferred to the PMO, must be identified clearly as to its status from the time of receipt until final removal. By clearly identifying the status of property, confusion for issue, utilization and donation screeners and inspecting bidders should be minimized, if not eliminated. Storage areas shall be set aside and the status of the property shall be shown.

9.3.2 TRAINING

A trained staff of personnel in the Receiving Segment of the Personal Property Management Office is necessary to maintain a professional, efficient work force. This trained work force will be coordinated in collaboration with HHS University, HHS Human Capital Programs, Business Transformation (BTO) guidance and the Office of Acquisition Management and Policy/Division of Logistics Policy.

PMOs shall establish and maintain a training programs for the Receiving Segment of the operation and shall be developed at the discretion of the Operating or Staff Division's Head. The depth and complexity of the program shall be commensurate with the size, complexity and mission requirements of the Operating Division's property portfolio. A training agenda for the receiving segment of the PMO shall be produced and implemented when practicable, but no later than semiannually. As a minimum the training program shall cover:

1. Receiving procedures.
2. Locator system/warehouse layout.
3. Storage procedures.
4. Open storage operations (scrap).
5. Safety regulations and procedures.

Other Federal agency training programs or commercial training may be used by PP&Es to fulfill the above training requirements.

Documentation of the training shall be maintained for each employee in accordance with established HHS guidance relative to Human capital. Training will be coordinated in collaboration with HHS University, HHS Human Capital Programs, Business Transformation (BTO) guidance and the Office of Acquisition Management and Policy, Division of Logistics Policy.

Note: PSC will address and provide training to all OPDIVs and STAFFDIVs whenever the HHS PMIS is upgraded to a new version.

9.4 DISPOSITION TRACKING FOR EXCESS PERSONAL PROPERTY

9.4.0 GENERAL

A. The PMO shall use the HHS PMIS for the tracking of its excess PP&E, as an element of their active property accounting system. This element will provide an excellent audit trail from receipt to final disposition of the excess property through the excess/surplus program. The system should include the following: the ability to identify excess, excess, and surplus property; track each through the disposal cycle; provide required disposition information to permit the close out of official accountability records; and provide the required information to reconcile fiscal records for capitalized property.

B. Property turned in by generating activities, as excess to their needs, shall have the accountability for that property removed from their custodial code in the active property accounting system and transferred to the PMIS.

C. Excess domestic/foreign property (see Part 16, Appendix D) turned in or reported to The PMO shall be accompanied by the specified number of copies of the authorized turn-in document. Before accepting the material, the receiving segment of The PMO shall ensure that the document is prepared properly and that the descriptions and quantities listed are accurate. In all cases, records shall be maintained so that an item of property can be traced from receipt to disposal and make available the necessary data for required reports.

D. Property utilization and disposal records must be maintained in sufficient detail to support the reimbursement accounting procedures set forth in Part 11.

9.4.2 DISCREPANCIES AND ADJUSTMENTS

A. Transactional discrepancies in item identification, condition, or price data that are revealed before acceptance of accountability shall be resolved and corrected during the receipt process. Any discrepancies that are discovered after acceptance of accountability; that is, differences between recorded balances and quantities on hand or due to a record keeping error, shall be processed as inventory adjustment actions. An HHS 365 Inventory Adjustment document shall be used.

B. The PMO shall provide the investigating asset activity with requested item identification number such as NSN and TID number or copies of documentation pertinent to the item lost, damaged, or destroyed. If the discrepancy is not due to a record keeping error, the asset activity having responsibility for the property that was lost, damaged, or destroyed must prepare a Report of Survey HHS Form 342. The responsible asset activity must provide the PMO supportive documentation for the PMO. The PMO will convene a Board of Survey to determine liability and authority to adjust the discrepancy on the accountable record.

9.4.3 PHYSICAL INVENTORY AND LOCATION SURVEY OF EXCESS PROPERTY IN THE PMIS

Excess property that remains in the PMIS in excess of 12 months shall be inventoried not later than the 13th month of tracking and reviewed monthly thereafter until resolved.

OPDIVs and STAFFDIVs are required to expedite final disposition of assets designated as "excess" within sixty (60) days of such declaration. Absent such final disposition, the inventory requirements of this section shall remain in force.

9.4.4 AGENCY UTILIZATION REVIEWS

HHS OPDIVs and STAFFDIVs shall continuously survey personal property under their control. The purpose is to assure maximum use of all property or promptly identify excess property.

9.4.5 REASSIGNMENT OF EXCESS PERSONAL PROPERTY WITHIN HHS

Personal property that is identified as excess by the assigned user (Asset Area), shall be reassigned to the maximum extent feasible, to other activities within the Department that have a requirement for the property. Such reassignments must be made through

the Property Management Officer and Property Accountable Officer, documented with an HHS Form 22 or local form used in lieu thereof, and contain the same "Use or Replacement Standards" justification as requisitions for new items:

1. The priority for reassignment is to other Asset Areas within the Accountable Area in which the excess property is assigned.
2. The second priority is to cost reimbursement type contractors who are provided Government property whose contracts are administered by the procurement activity that supports the Accountable Area.
3. The third priority is to transfer the property to another Accountable Area within the Department. When deciding between priority two and three, consideration should be given to transportation cost.
4. If the property cannot be reassigned within the Department it will be reported to GSA as excess unless it can be clearly established that the excess items will be necessary to meet the needs of an approved future program or program expansion. Circumstances justifying retention of items shall be noted in the property file (accountability record). All such items shall be reexamined semi-annually. Re-justification for retention will be accomplished during this examination or the items will be reported to GSA as excess.

Procurement shall be immediately ended for items for which excess property can be substituted or adapted. (FMR 102-36.65)

Personal property, identified and turned in to the PMO as excess to the needs of the user, in Disposal Condition Codes 1 and 4 (see FMR 102-36.240) shall be retained in the PMO inventory for 21 working days for internal screening by HHS OPDIVs and STAFFDIVs. The latter assets having met the 21 day standard, and not claimed by another federal entity, will be deemed "surplus." Property in condition code 7 shall be reported to GSA for disposition as soon as possible.

OS and OPDIVs AND STAFFDIVs shall submit a report of property assigned within the Department during each fiscal year. Data will be incorporated on Standard Form 121, Annual Report of Utilization and Disposal of Excess and Surplus Personal Property. Reports shall be submitted to the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM). The responsible individual should be the designated Property Management Officer.

9.4.6 AGENCY UTILIZATION OFFICIALS (AUO)

Utilization Specialists or personnel assigned the duty of utilization of excess personal

property assigned to Property Management Components are the focal point for promoting the acquisition and profitable use of available excess.

9.5 UTILIZATION OF EXCESS PERSONAL PROPERTY

9.5.1 HHS PROCEDURE

The priority source of supply for HHS is excess personal property. It shall be used to the fullest extent practicable by all OPDIVs and STAFFDIVs.

9.5.2 HHS OPDIVS AND STAFFDIVS RESPONSIBILITIES

Excess personal property shall be made available to authorized agencies and to other activities authorized by special legislation (i.e. McKinney Act-Vento Homeless Assistance Act, Indian Self-Determination Act) by prompt declaration to GSA of the excess property.

Before procuring new personal property careful consideration shall be given to the use of known usable excess property.

Equipment will not be acquired from excess for anticipated future requirements. Equipment acquired from excess shall be for approved authorized programs and shall comply with prescribed "Use and Replacement Standards."

Requirements for non-reportable personal property will be coordinated with the appropriate GSA regional area utilization officer before initiation of new procurement. Excess personal property planned for issue by GSA to fill requisitions for new property will be accepted unless such substitutions would result in serious hardship or impairment to operating programs.

Acquisitions of items for inventory (supplies and materials, no equipment) from excess shall not allow inventories to exceed two years of supply.

Costs of crating, shipping, repair or rehabilitation if required will be considered in making determinations to get excess property.

All acquisitions from excess shall be processed through the PMO.

9.5.3 CANNIBALIZATION

Cannibalization is the removal from a piece of property of parts to be used to repair a like item. Cannibalization is applicable to property which is serving its intended purpose, and is considered economically repairable. The removal of component parts from

property which has been classified as "Salvage" (FMR 102-36.40) is not considered cannibalization. The reuse of component parts from salvage material is authorized without regard to this subpart.

Cannibalization of HHS owned property may be conducted provided all the following exist:

- Repair of the broken or worn parts is not possible.
- Required parts are not available from other units previously cannibalized.
- Required parts are not available from government excess.
- The parts are not available from commercial or government supply sources because of obsolescence, excessive price or extraordinary lead times.
- The benefit realized from cannibalization exceeds the estimated trade-in or sale value of the unit being considered for cannibalization.

Excess USABLE property, in the PMO warehouse, in Condition Codes 1 and 4 (*see* FMR 102-36.240) should not be cannibalized. This property should be reissued to OPDIVs and STAFFDIVs for use in lieu of new procurement.

Excess REPARABLE property in Condition Code 7 may be cannibalized when such action is found to be justified in filling equipment requirements. Written justification must be submitted to the Chief, PP&E, or the designated representative, for an approval before any cannibalization may take place. Forms and format to be used for documentation shall be produced by the OPDIVs and STAFFDIVs.

9.5.4 RETENTION OF CUSTODY

The OPDIV/STAFFDIV PP&E will retain custody of property declared excess until receipt of dispositions instructions from GSA.

At the end of 180 days after the property is made available to GSA, the holding division may, upon notification to the appropriate regional GSA Federal Supply Service Bureau, elect to assume the responsibility to complete the disposal, i.e., utilization, sale, scrap, abandonment, and/or destruction, of the property complying with all the processing requirements of FMR.

9.5.5 REPORTING REQUIREMENTS

9.5.5.0 GENERAL

Report excess personal property as follows:

1. Electronically submit the data elements required on the standard form 120 (SF-120), report of excess personal property, in a format specified and approved by GSA; or
2. Submit a paper SF-120 to the regional GSA personal property management office.
- 3.

Personal property that has become excess must be reported, regardless of the condition code, except as authorized in FMR 102-36.145 for direct transfers or as exempted in FMR 102-36.220. HHS shall report all excess personal property, including excess personal property to which the government holds title but is in the custody of HHS contractors, cooperatives, or project grantees.

9.5.5.1 EXCESS PERSONAL PROPERTY ON OR WITHIN EXCESS REAL PROPERTY

HHS OPDIVs and STAFFDIVs shall follow the procedures located in FMR 102-75.

9.5.5.2 PROPERTY AT INSTALLATIONS DUE TO BE DISCONTINUED

HHS OPDIVs and STAFFDIVs shall follow the procedures in set forth in this part.

9.5.5.3 PROPERTY NOT REQUIRED TO BE FORMALLY REPORTED

Excess property which is not required to be formally reported, following this section, to GSA is a valuable source of supply for Federal agencies. HHS holding OPDIVs/STAFFDIVs shall cooperate with GSA representatives in making information available and in providing access to the non-reportable excess personal property. Federal agency employees shall be permitted access to holding OPDIVs and STAFFDIVs for screening purposes upon presentation of a valid Federal agency employee's identification card. HHS holding OPDIVs and STAFFDIVs shall make reasonable efforts to obtain utilization among Federal agencies of property not covered by GSA utilization screening processes. In the case of controlled substances, the solicitation shall be limited to those authorized for transfer under this part, section 9.5. The following excess property shall not be reported to GSA:

- a) Property determined appropriate for abandonment/destruction (*see* FMR 102-36.305).
- b) Non-appropriated fund property (*see* FMR 102-36.165).
- c) Foreign excess personal property (*see* FMR 102-36.380).
- d) Scrap, except aircraft in scrap condition.
- e) Perishables, defined for the purposes of this section as any personal property subject to spoilage or decay.
- f) Trading stamps and bonus goods.
- g) Hazardous waste.
- h) Controlled substances.

- i) Nuclear Regulatory Commission-controlled materials.
- j) Property dangerous to public health and safety.
- k) Classified items or property determined to be sensitive for reasons of national security.

9.5.5.4 ASSISTANCE IN EMERGENCY AND MAJOR DISASTER RELIEF

Upon declaration by the President of an emergency or a major disaster, you may loan excess personal property to State and local governments, with or without compensation and prior to reporting it as excess to GSA, to alleviate suffering and damage resulting from any emergency or major disaster Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207). If the loan involves property that has already been reported excess to GSA, you may withdraw the item from the disposal process subject to approval by GSA. You may also withdraw excess personal property for use by your agency in providing assistance in disaster relief. You are still accountable for this property and your agency is responsible for developing agency-wide procedures for recovery of such property (41 CFR 102-36.370).

9.5.6 ITEMS REQUIRING SPECIAL HANDLING

9.5.6.1 CONTRACTOR INVENTORY

HHS OPDIVs and STAFFDIVs may authorize any of their contractors or their subcontractors to retain or dispose of any contractor inventory pursuant to Federal Acquisition Regulation (48 CFR Subpart 45.6). In contractor- owned contractor inventory, compliance with utilization procedures should occur before HHS OPDIVs and STAFFDIVs exercise the option to take over such property. When utilization efforts find an activity with a need for the property and will accept transfer within HHS or another federal agency, the HHS OPDIV/STAFFDIV will accept transfer of the property. Appropriate action will be taken by the activities or federal agencies to get title for the Government.

9.5.6.2 HAZARDOUS MATERIALS

Special Handling requirements for excess hazardous materials and certain other categories of property are prescribed in LMM [Part 8](#).

9.5.6.3 CONDITIONAL GIFTS FOR DEFENSE PURPOSES

HHS OPDIVs and STAFFDIVs should ask assistance of the regional GSA office in this matter when necessary.

9.5.6.4 CONDITIONAL GIFTS TO REDUCE THE PUBLIC DEBT

HHS OPDIVs and STAFFDIVs should ask assistance of the regional GSA office in this matter when necessary. *See 42 USC 238 "Gifts for benefit of service."*

9.5.6.5 UNCONDITIONAL GIFTS

HHS OPDIVs and STAFFDIVs and employees representing HHS shall contact the regional GSA office and seek assistance in matters of unconditional gifts. *See 42 USC 238 "Gifts for benefit of service."*

9.5.6.6 INTANGIBLE PERSONAL PROPERTY

Bonds, notes, or other securities authorized to be disposed of by the Secretary of the Treasury, are to be reported through agency headquarters to the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM), for obtaining disposal instructions from the Department of the Treasury. Other excess intangible property will be reported to GSA Personal Property Management Division (FBP), Washington, D.C. 20406 and shall not be transferred or disposed of without prior approval of GSA.

9.5.6.7 NONAPPROPRIATED FUND PROPERTY

Property acquired with non-appropriated funds may be transferred with reimbursement from the transferee to the owning activity. Agreement between the two activities concerning a fair reimbursement price shall be made before the transfer. The fair price shall not be more than may be expected if the item were sold.

9.5.6.8 PASSENGER MOTOR VEHICLES

Excess passenger motor vehicles, in usable condition and not requiring refurbishment, may be acquired to upgrade existing vehicles provided the replaced vehicles are reported within 30 days as excess, and reimbursement is not involved. *See 41 CFR 102-36 "Disposition of Excess Personal Property."*

9.5.6.9 PRINTING, BINDING, AND BLANKBOOK EQUIPMENT AND SUPPLIES

Excess machinery, equipment, material, and supplies for printing, binding, and blankbook work shall be reported to the Public Printer for possible transfer to the Government Printing Office before reporting the equipment to GSA as excess. Address the report to: Government Printing Office (GPO), Customer Service Manager, North Capitol and H Streets, N.W., Washington, D.C. 20401. Property not needed by the GPO shall be reported to GSA. *See 41 CFR 102-36 "Disposition of Excess Personal Property."*

9.5.6.10 SHELF-LIFE MATERIALS

Holding OPDIVs and STAFFDIVs with quantities of shelf-life items shall contact their regional GSA office for expeditious disposal instructions. *See* 41 CFR 102-36.450 - 465.

9.5.6.11 MEDICAL SHELF-LIFE ITEMS HELD FOR NATIONAL EMERGENCY PURPOSES

These items that become excess will be disposed of following the procedures in 41 CFR 102-36.450 - 465.

9.5.7 WITHDRAWALS AND CORRECTIONS

9.5.7.1 WITHDRAWALS

Requests for withdrawal of property already reported to GSA shall be submitted on an SF-120 or other method authorized by GSA. Disposition of the property shall not be made until receipt of withdrawal approval, by the holding activity, from GSA.

9.5.7.2 CORRECTIONS

Corrections to reports shall be submitted on an SF-120 or other method authorized by GSA.

9.5.8 TRANSFERS OF EXCESS PROPERTY

9.5.8.1 AGENCIES ELIGIBLE

Transfers of excess property may be made among Federal agencies (including their cost-reimbursement contractors, cooperative agreement recipients, and project grantees), the Senate, The House of Representatives, The Architect of the Capitol, and the government of the District of Columbia. If any question arises on eligibility of an agency, the OPDIV and STAFFDIV shall contact the regional GSA office for assistance.

9.5.8.2 INFORMATION ON AVAILABILITY

GSA provides information regarding the availability in other Government agencies of excess personal property. Methods and techniques that may be used to obtain this information may be found in FMR 102-36.90.

HHS property management components shall encourage other federal agencies to screen the excess property that has survived the 21 day period for internal screening and not reported to GSA. Information on availability of this excess property held by HHS

property management components shall be given to other federal agencies any time an inquiry is received. This screening may eliminate the need to report the items to GSA.

9.5.8.3 REIMBURSEMENT

Normally excess personal property will be transferred without reimbursement. Fair value reimbursement for the transfer of excess personal property is required only in those circumstances specifically set forth in FMR 102-36.80.

9.5.8.4 TRANSFER FOR REDISTRIBUTION

Property declared excess may be transferred to GSA or retained by the holding activity (for a period not to exceed 180 days) before redistribution to the transferee. Determinations whether to transfer will be made by the appropriate GSA Regional office. HHS holding OPDIVs and STAFFDIVs shall cooperate with GSA in the redistribution efforts.

9.5.8.5 PROCEDURE FOR EFFECTING TRANSFER

All transfers made by an HHS OPDIV and STAFFDIV to another Federal agency shall be made using the SF-122, Transfer Order Excess Personal Property. The SF-122 shall be approved for transfer by the appropriate GSA office, except in direct transfers. Direct transfer is a cost effective and efficient method of transferring property from one federal agency to another. This method shall be used whenever possible.

Direct transfers (*see* FMR 102-36.145) to other federal agencies requesting excess reportable property, that has survived the 21 day period for internal screening and not reported to the GSA or non-reportable property that is not reserved for special screening, shall be aggressively completed following the procedures listed below. All requests to screen excess property (that has survived the 21 day period for internal screening and not reported to the GSA) by other federal agencies shall be honored immediately.

Direct transfers to other federal agencies by HHS property management components shall be accomplished using the SF-122 signed by the receiving agencies Property Management Officer or Property Accountable Officer. GSA approval for this type transfer is not required. Direct transfers do not in any way show favoritism to any federal agency with an aggressive screening program. Any federal agency in need of an item is supposed to aggressively try to acquire the property from excess property of other federal agencies before spending monies to procure new like items (Refer to FMR 102-36.65 and FMR 102-36.70) Direct transfers aid in moving excess property out of the warehouse and helps eliminate lengthy storage and handling costs.

Reportable property under section 9.5.5, not yet reported to GSA, may be directly transferred to another federal agency by an HHS OPDIV/STAFFDIV. The total acquisition costs of reportable property directly transferred to another federal agency cannot exceed \$5000 per day.

Non-reportable property, under section 9.5.5.3, may be transferred, as above, except the total acquisition value for the direct transfer cannot exceed \$25,000 per day. (see Appendix F, Property, Plant, & Equipment Policy)

HHS OPDIVs and STAFFDIVs shall furnish the appropriate GSA office a copy of each direct transfer document made within 10 work-days after the transfer.

9.5.8.6 COSTS AND PROCEEDS

Care and handling costs of excess personal property pending disposition will be borne by the HHS holding OPDIV/STAFFDIV. Direct costs incident to transfers will be borne by the transferee. When reimbursement for fair value is made, the transferee shall deposit the proceeds in the Treasury to miscellaneous receipts or the appropriate HHS OPDIV and STAFFDIV account. A copy of the deposit action will be provided to the HHS payment receiving OPDIV and STAFFDIV by the transferee. See 41 CFR 102-36.

9.5.9 DETERMINATION OF EXCESS AS SURPLUS

9.5.9.1 REPORTABLE PROPERTY

Reportable excess personal property will be determined to be surplus by GSA. This normally occurs 60 days after receipt by GSA of a report of excess personal property.

9.5.9.2 NON-REPORTABLE PROPERTY

Holding OPDIVs and STAFFDIVs shall make determinations of surplus of non-reportable excess personal property. Property shall not become surplus until it has been made available for use by other Federal agencies for a minimum of 21 days.

9.5.9.3 PROPERTY NOT UTILIZED

Property determined to be surplus by the GSA or an HHS holding OPDIV and STAFFDIV shall be made available for donation screening following 41 CFR 102-37 for 21 days after Surplus Release Date. If the property survives the donation screening period, the HHS holding OPDIV and STAFFDIV may sell the property following procedures in FMR 102-38.75 and FMR 102-38.80.

Property that requires reimbursement shall not be made available for donation screening upon declaration of surplus. This property shall be reported for sale.

9.5.9.4 HAZARDOUS MATERIALS

Hazardous materials shall be reported to GSA following Part 8 and FPMR 101-42.

9.5.10 USE OF EXCESS PROPERTY ON COST REIMBURSEMENT TYPE CONTRACTS

Excess personal property shall be considered by HHS OPDIVs and STAFFDIVs as an acquisition source for cost-reimbursement type contracts according to priorities that are established in FAR Part 45. Accounting and control of the property while in the hands of contractors will be accomplished in accordance with the provisions of FAR Part 45 and FAR clause 52.245-1 et seq. Disposal will be accomplished following provisions of 41 CFR 102-36. *See also* Part 16, Appendix Q.

9.5.11 USE OF EXCESS PERSONAL PROPERTY ON COOPERATIVE AGREEMENTS

HHS OPDIVs and STAFFDIVs may obtain excess personal property for the purpose of furnishing the property under cooperative agreements (Refer to 41 CFR 102-36.80). (*See also* Part 16, Appendix D: Foreign Excess Personal Property)

9.5.12 USE OF EXCESS PROPERTY ON GRANTS

HHS Grantees may be furnished excess personal property provided:

NOTE: OPDIV and STAFFDIVs may implement supplemental policy for the use of excess property on grants. However, the latter shall not be construed or promulgated in a manner that weakens Departmental policy relative to use of excess property in any grant.

The grantee is an institution or organization holding a federally sponsored grant and is a public agency or is non-profit. In certain instances grants may be awarded to for-profit organizations. In those cases the provisions of 45 CFR Part 74.80 through 83 apply for the utilizations of personal property:

- Authorization is in the grant document.
- Acquisition will result in enhancement of the product or benefit from the grant.
- The property will be placed into immediate use.
- The transfer is approved by the granting organization's Property Management Officer and the grantee's property accountable representative.

Excess personal property will be furnished under the provisions of 41 CFR 102-36 and will be accounted for under the terms of FAR Part 45. Disposal will be accomplished under the provisions of 41 CFR 102-36 unless title is vested in the grantee. Disposal of personal property loaned to for-profit organizations will be disposed of according to 45 CFR Part 74, Government personal property loaned to not-for-profit grantees, title to which has been retained by the Government, will be disposed of following 41 CFR 102-36.

HHS OPDIVs and STAFFDIVs may obtain excess personal property for transfer to a project grantee by depositing an amount equal to 25 percent of the original acquisition cost of the property to the U. S. Treasury as miscellaneous receipts. (See 41 CFR 102-36.)

9.5.13 CERTIFICATION OF NON-FEDERAL AGENCY SCREENERS

A circumstance may arise when a non-federal employee may serve as a screener for transfer of excess property. An example of this situation might occur within an IHS tribal entity under Public Law 93-638. Certifying non-federal screeners for transfer of excess property will be done by HHS OPDIVs and STAFFDIVs sponsoring the screener through the appropriate GSA office. To certify non-federal screeners for transfer of excess property, a request on letterhead stationary that includes a list of persons, titles, phone and fax information shall be submitted to the HHS National Utilization Officer (NUO) and to GSA.

PART 10 DONATION OF PERSONAL PROPERTY

10.1 SCOPE

This part prescribes policies and methods governing the donation of HHS surplus property. Additional guidelines regarding the donation of hazardous materials and certain other categories of property prescribed in Part 8 and FMR 101-37.

10.2 DEFINITIONS

Definitions of terms in this Subpart are found in the FMR102-37.

10.3 GENERAL PROVISIONS

10.3.1 WITHDRAWAL OF DONABLE PROPERTY

HHS OPDIVs and STAFFDIVs may withdraw surplus personal property that has been set aside or approved for donation with the prior approval of GSA. In emergencies (i.e., disasters, programmatic needs) requiring immediate action, GSA approval is not required. However, GSA shall be notified immediately of the action taken. Documentation will be furnished upon request by GSA.

10.3.2 COOPERATION OF HHS COMPONENTS

HHS OPDIVS/STAFFDIVs, that are holding excess/surplus property, shall coordinate with GSA's of Surplus Personal Property procedures. GSA Order FSS P 4025.5 (with Appendices) provides procedures for the donation of federal surplus personal property pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, and other applicable laws. HHS holding OPDIVs and STAFFDIVs shall provide a period of 21 calendar days following the surplus release date (SRD) for donation screening. Surplus property requested in writing by the donee shall be retained for a maximum of 42 days from the surplus release date (SRD) until receipt of an approved SF-123, Transfer Order Surplus Personal Property. Surplus property will not be released by the holding activity for donation until an SF-123 bearing the signed approval of the appropriate GSA official is received.

When an approved SF-123 is received, by the holding OPDIV/STAFFDIV, the recipient will be notified, in writing, that the property is available for removal by their agency. The recipient will be given 15 days to pick up property after the official notification is received.

10.3.3 COSTS INCURRED INCIDENT TO DONATION

Refer to FMR 102-37.55.

10.3.4 MAJOR DISASTER ASSISTANCE AND EMERGENCY RELIEF

The Robert T. Stafford Disaster Assistance and Emergency Relief Act authorizes Federal assistance to States, Local Governments and relief organizations. Assistance requested by the Federal Emergency Management Agency through the General Services Administration shall be honored expeditiously. *See* 41 CFR 102-37.

During any Disaster assistance or emergency relief effort, rely on the advice and guidance of the local GSA representative.

10.3.5 DONATION OF PROPERTY WITHDRAWN FROM SALE

Requests for such withdrawals must be made by donees to GSA. HHS holding agencies shall not act on such requests presented directly to them from donees. (*See* FMR 102-37.85)

10.3.6 DONATION OF SPECIAL CATEGORIES OF PROPERTY

Special instructions from GSA on a case by case basis apply for donation of the special categories of property.

10.3.6.1 Special Handling or Use Conditions

Refer to FMR 102-37.40(a) through (i) and FMR 102-37.455.

10.3.7 DONATION OF VESSELS

Refer to FMR 102-37.455(a) and 102-37.460

10.3.8 DONATION SCREENING PERIOD

The established screening period for both reportable and non-reportable donable surplus property is 21 calendar days following the surplus release date.

10.3.9 TRANSFER ORDERS FOR SURPLUS PERSONAL PROPERTY

This paragraph applies to donees requesting surplus personal property from HHS holding OPDIVs and STAFFDIVs. (*See* FMR 102-37.30)

10.3.10 PREPARATION AND PROCESSING OF TRANSFER ORDERS

This part applies to donees. (See FMR 102-37.50)

10.3.11 APPROVAL OR DISAPPROVAL OF TRANSFER ORDERS

HHS holding OPDIVs and STAFFDIVs shall not release surplus property held for donation until they have received an SF-123 bearing the signed approval of the appropriate GSA regional official.

10.3.12 REJECTION OF PROPERTY APPROVED FOR TRANSFER

This paragraph applies to donees and GSA. (See FMR 102-37.65)

10.3.13 PICKUP OR SHIPMENT

Surplus property requested by an authorized donee shall be retained up to 42 calendar days pending receipt of an approved SF-123. At the end of the 42 day period and an approved SF-123 is not received by the holding OPDIV/STAFFDIV, the holding OPDIV/STAFFDIV may proceed with the sale or other authorized disposal of the property.

Upon receipt of an approved SF-123 from an authorized donee, the holding OPDIV/STAFFDIV shall promptly notify the transferee of the availability of the property. The transferee will remove the property within 15 days from the date of receipt of notification.

The transferee is responsible for removing the property. The Property Management Officer or other representatives of the HHS holding OPDIV/STAFFDIV shall not act as the agent or shipper for the transferee.

HHS holding OPDIVs and STAFFDIVs will adhere to the specific time frames of the procedures described in this section to assist in reducing storage congestion of surplus donable property.

10.3.14 OVERAGES AND SHORTAGES

This paragraph concerns the transferee and GSA. (See FMR 102-37.70)

10.3.15 RECOVERY OF PROPERTY FOR FEDERAL USE

Requirements will be coordinated with the appropriate GSA regional office who will

arrange for recovery with donees.

10.3.16 NONDISCRIMINATION

Donees must comply with the provisions of FMR 102-37.445(d).

10.4 DONATIONS TO PUBLIC AGENCIES AND ELIGIBLE NONPROFIT TAX-EXEMPT ACTIVITIES

10.4.0 GENERAL

This part prescribes policies, authorities and responsibilities governing the donation of HHS surplus personal property to Public Agencies, Nonprofit Educational and Public Health Activities.

10.4.1 AUTHORITY

Only the Administrator of GSA is authorized to transfer or direct the transfer for donation to states of surplus personal property that is under the control of HHS OPDIVs and STAFFDIVs. HHS activities may make direct donations of surplus personal property only under the provisions of FMR 102-37.10.

10.4.2 STATE PLAN OF OPERATION

Each State Agency for Surplus Property (SASP) and GSA are responsible for this operation. (See FMR 102-37.140 and 102-37.145).

10.4.3 ALLOCATION OF DONABLE PROPERTY

The criteria under which donable property is allocated among the states is FMR 102-37.90. This is a function of the GSA Regional Offices.

10.4.4 CERTIFICATION AND AGREEMENT BY A STATE AGENCY

States that request the transfer of donable surplus personal property must certify and agree to certain terms and conditions. These are set forth in FMR 102-37.200 and 102-37.205. Certifications and agreements are a function of GSA. HHS OPDIVs and STAFFDIVs are not a part of this operation.

10.4.5 PROPERTY IN THE POSSESSION OF A STATE AGENCY

FMR 102-37.245 describes the management procedures that a State agency or an eligible donee must agree to when it receives surplus personal property from the Federal Government.

10.4.6 COOPERATIVE AGREEMENTS

HHS OPDIVs and STAFFDIVs may enter into cooperative agreements with a State agency for the use of property, facilities, personnel, and services. To do so the HHS OPDIV and STAFFDIV must be designated by GSA for this purpose.

10.4.7 ELIGIBILITY

HHS OPDIVs and STAFFDIVs are not involved in deciding eligibility of agencies in the individual states. (See FMR 102-37.135)

10.4.8 PROPERTY DISTRIBUTED TO DONEES

The GSA applies the methods and procedures in FMR 102-37.100 for the distribution of surplus property to donees.

10.5 DONATIONS OF FOREIGN EXCESS PROPERTY

10.5.0 GENERAL

This subpart prescribes policies and methods governing the return of foreign excess personal property to the United States for donation.

10.5.1 HOLDING OPDIV and STAFFDIV RESPONSIBILITIES

HHS OPDIVs/STAFFDIVs, as appropriate, shall make available to GSA for selection and return to the U.S. for donation foreign excess medical materials or supplies, prior to any sale, exchange, lease or donation outside the United States.

10.5.2 DONATION SCREENING

Screening of foreign excess property will be accomplished on-site by the duly authorized representative of a state agency for surplus property. The Screening period shall be at least 10 calendar days unless otherwise agreed to by the holding activity and GSA. (See FMR 102.37.45)

10.5.3 DONATION APPROVAL

GSA will approve donations of foreign excess personal property. HHS OPDIVs and

STAFFDIVs will not release such property for donation until an SF-123, Transfer Order Surplus Personal Property has been received bearing signed GSA approval.

10.5.4 SHIPMENT

HHS OPDIVs and STAFFDIVs may provide packing, handling, crating and transportation services for foreign excess personal property for approved donees only, and on a reimbursable basis only.

10.5.5 COSTS INCURRED INCIDENT TO DONATION

All transportation costs incurred incident to donation, including packing, handling, and crating, shall be borne by the state agency or the donee institution receiving the property. HHS OPDIVs and STAFFDIVs shall bill the recipient for costs incurred promptly on shipment.

10.5.6 STATISTICS AND REPORTS

See FMR 37.360.

10.6 DONATIONS TO SERVICE EDUCATIONAL ACTIVITIES

10.6.1 PURPOSE AND SCOPE

To establish HHS policy, authority, and procedures for the direct transfer of excess HHS-owned equipment to educational institutions and other non-profit educational organizations. This policy reflects the goals of the cited legislative authorities to expedite the current disposal of property process. Among the benefits of employing these authorities and procedures are the accomplishment of educational improvement goals; reduction of storage, handling and other processing costs; and improved identification/control of under utilized resources.

10.6.2 POLICY FOR TRANSFER OF EXCESS HHS-OWNED EQUIPMENT

HHS will actively encourage and support the educational technology goals of the Stevenson-Wydler Act and Executive Order 12999 and other initiatives to transfer excess education-related equipment to educational institutions or eligible nonprofit organizations in a fair and equitable manner. HHS will give highest preference to elementary and secondary schools. Eligible Education-Related Equipment includes:

- Electrical and electronic equipment components
- Instruments and laboratory equipment
- Medical, dental, veterinary equipment and supplies

- Photographic equipment
- Communications, detection, and coherent radiation equipment
- General purpose data processing equipment and related peripheral tools such as printers, modems, routers, and servers, and software (dependent on the manufacturer's license/terms), supplies, and support equipment
- Pumps and compressors, and valves
- Books/manuals
- Technical/vocational type materials
- Furniture (computer stands, tables)
- School supplies (pencils, papers, binders)

Before equipment can be considered for use in a school or non-profit educational program, an OPDIV and STAFFDIV shall first determine that its excess equipment is not needed; and then it shall offer the equipment to other HHS OPDIV and STAFFDIV s including any potential priority donee such as the Indian Tribes and Tribal organizations (See GSA's Computers for Learning site) and shall take into account the needs of other potential recipients (e.g., donees under the McKinney Homeless Act).

OPDIVs and STAFFDIVs may elect to use the GSA surplus property donation program as another avenue to get education-related equipment to existing eligible organizations. Although the program does not facilitate the direct transfer of equipment to schools, it does provide a means by which schools can obtain equipment through a system designed to ensure the fair and equitable distribution of Federal surplus property.

OPDIV and STAFFDIV property management staff are the experts concerning all personal property management issues, and they shall be responsible for the direct transfer of all excess education-related equipment in accordance with the provisions of the Stevenson-Wydler Technology Innovation Act and the E.O. 12999. There is no requirement for approval of transfers above the OPDIV and STAFFDIV level.

HHS will attempt to provide education-related equipment to those elementary and secondary schools with the greatest need, such as those in Federal enterprise communities or empowerment zones. However, donations are not restricted in any way based on school location or community characteristics.

Equipment must be used for direct educational purposes. It cannot be transferred for administrative support of a school, school district or non-profit organization.

10.6.3 AUTHORITY

This policy is based on the authority for the transfer of excess education-related equipment as contained in the following:

STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT, Section II (i) Research Equipment. The Act authorizes the direct transfer of excess research equipment to educational institutions or nonprofit organizations to promote technical and scientific education and research activities without reporting the property to GSA. This program is outside the Federal excess property program administered by GSA through the State Agencies for Surplus Property. All accredited public and private schools, including those with religious affiliations, are eligible. The education-related property is considered a gift, and title immediately passes to the school. Title is unconditional and there are no terms and conditions on the use of the property. Executive Order 12999, Educational Technology: Ensuring Opportunity for All Children in the Next Century, signed April 17, 1996, provides additional flexibility in the areas of making direct transfers of computers and related equipment to schools and eligible nonprofit organizations, with particular preference given to those located in the Federal enterprise communities and empowerment zones, to help ensure opportunities for all children in the next century.

The following procedures shall be used to establish a direct transfer program. The program should be conducted in a fair and equitable manner.

10.6.4 ESTABLISHING THE TRANSFER PROGRAM

1. Reasonable efforts should be made to notify local schools/non-profit organizations when equipment will be available. Methods to promote availability of equipment may include newspapers, community announcements, electronic bulletin boards, and the internet. schools should be requested to advise HHS of their interest in the program, the types of equipment in which they have an interest, their plan on how they will use the equipment, and who is authorized to accept (on behalf of the school or non-profit organization) any property which may be transferred.
2. OPDIV and STAFFDIVs should establish a mechanism (e.g., a review committee) to determine which schools/non-profits should be offered available equipment. Also, OPDIV and STAFFDIVs should work with members of the federal executive boards (federal executive boards, as identified in 5 C.F.R. Part 960, are regional organizations of each federal agency's highest local officials), and GSA to promote and facilitate the transfer of equipment to eligible recipients.
3. Each OPDIV and STAFFDIV will assign a point of contact from within its IRM and its property, plant and equipment (PP&E) management offices (PP&Es) to handle any inquiries relating to the transfer of available excess equipment. In the case of specialized research equipment, close coordination is required between the potential recipients and the OPDIV and STAFFDIV'S technical expert for the specialized equipment. This will help ensure that the specific uses for the

10.6.5 OPERATING THE PROGRAM

1. OPDIV and STAFFDIV PP&Es should maintain information on schools/non-profit organizations which indicate an interest in participating in the program, and the types of equipment in which they are interested. Before property is available for transfer, it should first be screened within the HHS for possible reuse. Transfers can be made to an individual school, a school district, or eligible non-profit educational organization. No formal agreement is necessary to transfer equipment under this act. for HHS personal property accountability purposes, use either the HHS-22, request for property action, the SF-122, transfer order for excess property, or transact electronically through the HHS consolidated excess property information disposal system (CUPIDS).
2. OPDIV and STAFFDIV program offices and PP&Es should coordinate any notification to interested schools/non-profits whenever equipment becomes available.
3. Notification Should Also Include A Cut-Off Date For The School To Indicate Interest In Available Items.

10.6.6 SCREENING OF AVAILABLE EXCESS EQUIPMENT

Representatives (possessing appropriate identification) from eligible organizations should visit the OPDIV and STAFFDIV PP&Es, including the servicing utilization and disposal facilities, to determine the specific equipment that is available at any specific time. These representatives may review and select any available excess equipment. Property that is desired will be frozen by the OPDIV and STAFFDIV PP&E. A freeze may be registered at any stage of the disposal process, except during HHS internal screening. In the event of competing requests, HHS shall be given preference for the equipment.

10.6.7 TRANSFER OF EDUCATION-RELATED EQUIPMENT

The following actions should be taken to transfer equipment:

1. Organizations should submit to OPDIV and STAFFDIV PP&Es a completed transfer document (HHS-22, request for property action, Standard Form 122, transfer order for excess personal property; or other suitable transfer document), within 14 calendar days from the date the freeze was placed on the property.

2. The transfer document should include information containing the signature of the appropriate official from the eligible organization acknowledging the purpose of the transfer. See appendix b, "information to representatives of schools/non-profit organizations."
3. Each OPDIV and STAFFDIV property management officer will sign the transfer document and approve the transfer to the eligible organization. Requests for transfer by HHS activities or other federal agencies take precedence over transfers to eligible activities under the provisions of 40 USC 549 "Donation of Personal Property Through State Agencies". The OPDIV and STAFFDIV property management officer may request assistance from the OPDIV and STAFFDIV points of contact (mentioned in part V. A. (3)) to resolve any competing transfers.
4. OPDIV and STAFFDIV property management officers will notify the eligible organizations of the property that has been approved for transfer to their organization by providing a copy of the transfer document to the organization. The PP&E will also advise the acquiring organization when the property is available for pickup and removal.
5. The acquiring organization is responsible for the packing, shipping, or transportation costs associated with the transfer. HHS will not act as the shipping agent for the acquiring organization.

If no action is taken by the acquiring organization within 14 days, the PP&EMO will begin the usual procedures for reporting and disposal to GSA.

10.6.8 SOFTWARE TRANSFER

Within the scope of the school/non-profit donation program, software may also be transferred, either on diskettes or installed on the computer hard drive. The specifics vary for each item of software, and by company owning the software. The following are general conditions for donation:

1. Software may be transferred based on the terms and conditions of the software license agreement. Offices will have to consult with the OPDIV and STAFFDIV IRM office for assistance in this regard. (refer to the HHS guide "reuse or disposition of personal computer [PC] software")
2. Some software development corporations sponsor software donation programs which permit organizations purchasing upgrades to donate software products to

schools/non-profit organizations. By doing so, programs like this enable selected schools/non-profits to acquire useful copies of software products at no charge. However, the licenses for the software are not transferable, and as such, the organization will not be eligible for technical support or upgrades.

10.6.9 ANNUAL REPORTS TO GSA OF TRANSFER

OPDIV and STAFFDIV PP&Es shall report transfers to eligible organizations during the previous fiscal year as part of the Annual Report of Property Furnished to Non-Federal Recipients. These reports shall be sent to the ASAM/OAMP, which will consolidate this information and submit it to GSA.

10.6.10 ELIGIBLE ORGANIZATIONS

Eligible organizations for the transfer of educationally useful Federal equipment are schools or 501(c)(3) certified non-profit organizations under Section 501(c)(3) of the Internal Revenue Code that meet the requirements of the Stevenson-Wydler Technology Innovation Act and E.O. 12999 and this policy. This includes elementary schools, middle schools, high schools, colleges, and universities. These educational institutions may be public, private or parochial. In addition, school or 501(c)(3) non-profit organizations under Section 501(c)(3) of the Internal Revenue Code should have a well-planned education program established or envisioned. The following should be used to evaluate which schools/non-profits should be offered available equipment:

Schools/non-profits that are requesting excess personal property as part of an existing or anticipated collaboration with an HHS organization. Examples include the following:

1. Adopt-A-School/Partnership Schools.
2. Schools in Education Reform Initiatives to Promote Excellence.
3. Schools with the greatest need such as those in Enterprise Communities/Empowerment Zones. These schools serve the poorest students and lack access to adequate outside resources. These schools include:
4. Schools in economically depressed areas.
5. Inner city schools.
6. Rural schools.

Educational organizations that emphasize, math, science, or technology. Examples include:

1. Magnet schools.
2. Schools with Federally funded research and development projects.

GSA maintains information on the Chief State School Officers and the Empowerment Zone points-of-contact.

Questions on eligibility of specific organizations should be referred to the ASAM/OAMP for resolution.

10.7 DONATIONS TO PUBLIC AIRPORTS

10.7.0 GENERAL

HHS OPDIVs and STAFFDIVs may transfer directly to specific public airport applicants, donable surplus personal property. Such donations require prior approval of the Administrator of GSA; and, the property must have been determined by the Administrator of the Federal Aviation Administration to be essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public airport. Authorities, responsibilities and procedures to be used for such transfers are set forth in FMR 102-37.520.

10.8 DONATIONS TO THE NATIONAL AMERICAN RED CROSS

10.8.0 GENERAL

Pursuant to section 203(1) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 551) as amended, personal property in the custody of HHS OPDIVs/STAFFDIVs, which has been determined to be surplus, and has been identified as having been processed, produced, or donated by the American National Red Cross shall be made available for donation back to the American National Red Cross unless otherwise directed by GSA. *See* FMR 102-37.540.

10.8.1 DONATION APPROVAL

The donation of the surplus property by HHS OPDIVs/STAFFDIVs that the American Red Cross is eligible to receive, shall not require further approval by GSA unless the property has an estimated value in excess of \$500 or, in the case of blood plasma, consists of a quantity in excess of 1000 units. The GSA Regional Administrator for the area in which the property is located may approve the official request from the Red Cross for charitable purposes when the property exceeds these amounts.

10.8.2 COOPERATION OF HOLDING AGENCIES

HHS OPDIVs/STAFFDIVs shall advise the Red Cross National Headquarters, by letter, Attention: General Supply Office, 17th and D Streets, N.W., Washington, D.C. 20006, of surplus property in their custody that meets the criteria stated in section 10.8.0 above. Quantity, description, condition and location will be provided.

10.8.3 ACTION BY THE RED CROSS

When advised by HHS OPDIVs and STAFFDIVs of available surplus property, the Red Cross may inspect or request the property. The formal request for shipment shall be transmitted to the holding component within 20 calendar days from the date of notification. Any approvals required will be accomplished by the American Red Cross and GSA prior to release by the HHS holding OPDIV/STAFFDIV. *See FMR 102-37.550.*

10.8.4 DONABLE PROPERTY DETERMINED UNUSABLE BY THE RED CROSS

See FMR 102-37.555.

PART 11 SALE, ABANDONMENT OR DESTRUCTION OF PERSONAL PROPERTY

11.1.0 GENERAL

This part prescribes policies and methods governing disposal by public sale, abandonment or destruction of Government personal property (including salvage, scrap, and waste materials) owned by HHS except foreign excess and the recovery of precious metals. Additional guidelines regarding the sale, abandonment or destruction of hazardous materials are prescribed in Part 8 and FPMR 101-42.

11.1.1 DEFINITIONS

Definitions of terms in this part are found in the FPMR at 101-45.001.

11.2 GENERAL PROVISIONS

11.2.1 APPLICABILITY

This part applies to all OPDIVs and STAFFDIVs of HHS.

11.2.2 NEEDS OF FEDERAL AGENCIES HAVE PRIORITY

Any Federal Agency expressing a need for personal property shall have priority over any disposal. However, such needs must be made known to the holding or selling agency prior to the actual removal from Government control for sales. Transfer will then be made to the requesting agency following the policy contained in Part 9 for utilization of excess property.

11.2.3 SALES RESPONSIBILITIES

11.2.4 RESPONSIBILITIES OF THE GENERAL SERVICES ADMINISTRATION (GSA)

The responsibilities of the GSA regarding sales of personal property for HHS OPDIVs and STAFFDIVs shall be found in the 41 CFR 102-38, entitled "Sale of Personal Property."

11.2.5 RESPONSIBILITIES OF HHS

See also FMR 102-38.45. HHS holding OPDIVs and STAFFDIVs shall be responsible for:

- Providing the appropriate GSA regional office with the following information:
 1. A note shall be attached if requesting permission to hold the sale on-site.

2. Accounting data for appropriate application of gross proceeds.
 - Transporting property to a consolidated sales site when agreed to by the OPDIV/STAFFDIV and GSA.
 - Providing for the inspection of property by prospective bidders.
 - Providing facilities to conduct sales and the essential administrative, clerical or labor assistance when requested by GSA.
 - Assisting in the physical lotting of property to be sold.

11.2.6 CARE AND HANDLING PENDING DISPOSAL

HHS OPDIVs and STAFFDIVs shall be responsible for all the costs connected with the care and handling of its property pending disposal.

11.2.7 EXCLUSIONS AND EXEMPTIONS TO GSA SALES

After the required screening is completed, OPDIVs and STAFFDIVs may elect to sell personal property, except hazardous material, where the estimated proceeds from the sale will not exceed \$5,000. GSA shall be notified of these local sales by HHS OPDIVs/STAFFDIVs.

Sales that are anticipated to exceed \$5,000 must be approved in advance by the appropriate GSA regional office. A copy of the approval will be kept with the sale records.

11.2.8 PROPERTY CONTROLLED BY OTHER LAW

No HHS property shall be disposed of in violation of any applicable law.

11.2.9 HHS HOLDING OPDIVs and STAFFDIVs COMPLIANCE FUNCTION

HHS OPDIVs/STAFFDIVs shall refer to and follow the directions of the GSA regulations dealing with the "Sale of Personal Property" found at 41 CFR 102-38 for holding agency compliance.

11.3 SALE OF PERSONAL PROPERTY

11.3.0 GENERAL

This part prescribes policies and methods governing the disposal of Government property by sale.

11.3.1 POLICY

GSA will act as the sales agency of the government in the sale of personal property under control of HHS OPDIVs and STAFFDIVs including surplus, contractor's government-owned inventory, and property designated to be sold for replacement except for property exempted under Part 11.

11.3.2 SALE TO GOVERNMENT EMPLOYEES

HHS employees are permitted to purchase Government personal property. However, when GSA authorizes an OPDIV or STAFFDIV of HHS to sell Government personal property, sales shall be prohibited to HHS employees who are accountable for or manage the property, or are involved with the sale of the property. The term employee as used in this section includes an agent or immediate member of the household of the employee. See FMR 102-38.180.

11.3.3 REPORTING PROPERTY FOR SALE

A. Reportable property that OPDIVs and STAFFDIVs have reported to GSA on an SF-120, Report of Excess Personal Property, for utilization and screening that is not transferred or donated, will be programmed for sale by the appropriate GSA regional office unless exemption is made under Part 11.

B. Non-reportable property not required to be reported for utilization and screening and any required donation screening that has been completed will be reported to the appropriate GSA regional office on an SF-126, Report of Personal Property for Sale by the responsible OPDIV/STAFFDIV. Commercial terminology will be used in fully describing the property on the SF-126.

C. Property declared surplus and programmed by GSA for sale and still in the possession of the HHS OPDIV/STAFFDIV, that OPDIV/STAFFDIV will afford prospective bidders all information available to the maximum extent possible during the inspection period prescribed in the sales offering. However, no information will be provided to a prospective bidder that is not available to all bidders.

D. After full payment has been received from a successful bidder (buyer), the GSA regional office will notify the holding activity by copy of the GSA Form 27, Notice of Award, that property may be released to the purchaser. Upon completion of a sale, the holding activity will be provided additional copies of the GSA Form 27 for use as an internal accounting document. If a purchaser fails to remove property within the period

specified, the GSA regional office will be advised of this fact, so appropriate action may be taken.

E. Delivery of motor vehicles to purchasers will be evidenced by submission to the purchaser of a completed copy of SF-97, The United States Government Certificate of Release of Motor Vehicle. The form will be signed according to requirements established by the OPDIV selling the vehicle. Great care shall be exercised by components to prevent blank copies of SF-97 from being obtained by unauthorized persons.

NOTE: Property returned to the component by the GSA as uneconomical for sale by the GSA shall be considered as "SALVAGE". OPDIVs and STAFFDIVs shall follow Part 9, 9.4.0.(4) for disposal of the property.

11.3.4 SALES METHODS AND PROCEDURES

HHS OPDIVs and STAFFDIVs that want to conduct sales of personal property shall contact the GSA Region Sales office and request assistance. The sales methods and procedures are set forth in FMR 102-38.75.

11.3.5 CONTRACTOR INVENTORY

Contractor and grantee inventory that has been determined to be surplus will be sold in the same manner as other surplus property. Consult the contract property administrator and/or OPDIV property manager for further guidance.

11.3.6 PROCEEDS FROM SALES

Proceeds from sales of HHS surplus property will normally be assigned to the Treasury's miscellaneous receipts. OPDIVs and STAFFDIVs may apply proceeds in whole or as a partial payment for similar items required for replacement purposes, or in contractor inventory, as credit to contract costs. See FMR 102-38.295 and 102.38.300.

11.3.7 SPECIAL CLASSES OF PROPERTY

Special classes of property for purposes of this part are those listed in FPMR 101-45.309-1 to 101-45.309-12 that requires different handling.

11.3.8 FEDERAL EXCISE TAXES

HHS OPDIVs and STAFFDIVs do not collect or handle these taxes. Any questions on these taxes shall be referred to the Internal Revenue Service.

11.4 ABANDONMENT OR DESTRUCTION OF PERSONAL PROPERTY

11.4.0 GENERAL

This part prescribes the policies and methods governing the disposition of personal property by abandonment or destruction within HHS OPDIVs/STAFFDIVs. Additional guidelines regarding the abandonment or destruction of hazardous materials are prescribed in Part 8 and FPMR 101-42.

Abandonment or destruction is the culmination of a series of efforts to ensure maximum utilization of equipment, and is the final step of the disposal process that will result in the removal of equipment from the official property record when there is no further use to be derived from its retention.

The normal disposal sequence is utilization, donation, sale and abandonment /destruction. OS, OPDIV and STAFFDIVs, and ROs shall develop abandonment or destruction operating procedures to include "NOTICE OF ABANDONMENT", "NOTICE OF DESTRUCTION" displays, abandonment or destruction certificates and any other statements, certificates, or notices needed to fully provide a clear record and audit trail of the action. Great care shall be taken when producing the operating procedures to provide for full justification and documentation that will insure audit trail visibility of all abandonment or destruction dispositions. Federal regulations covering abandonment or destruction of personal property are contained in the GSA regulations dealing with "Disposition of seized, forfeited, voluntarily abandoned and unalarmed personal property" at 41 CFR 102-41 and abandonment/destruction of excess personal property at 41 CFR 102-36.305.

11.4.1 WHEN TO INITIATE ABANDONMENT OR DESTRUCTION PROCEDURES

Property returned to the OPDIV/STAFFDIV by the GSA as uneconomical for sale by the GSA shall be considered as "SALVAGE". OPDIV/STAFFDIVs shall follow Part 9, 9.4.0.(4) for disposal of this property.

11.5 RECOVERY OF PRECIOUS METALS

11.5.0 GENERAL

This part prescribes policies, procedures and environmental considerations for recovery of precious metals from excess and surplus personal property.

The market value of the precious metals is usually far greater than the recovery cost. Recovery also helps conserve valuable resources and benefits the environment by reducing pollution. It is the responsibility of the generating OPDIV and STAFFDIV to

insure untreated hypo solution does not enter a waste stream leading to the environment. Installation of Silver Recovery Systems is the responsibility of the program user (i.e., Photography Laboratories, X-Ray Activities, etc.) unless recovery is accomplished through commercial service/sales contracts. Technical assistance and disposal of recovered precious metals will be provided by the OPDIV and STAFFDIV property management activities. Precious metals designated for recovery are gold (41 CFR 101-45.002), silver, and metals of the platinum group. Examples of precious metal bearing material, scrap and waste include used photographic fixing (hypo) solution, photographic/X-ray film, electronic/ADPE equipment; welding and brazing wire; anodes, batteries, dental scrap and alloys. Recovery of precious metals shall be expanded to the maximum extent practical.

11.5.1 HHS OPDIV AND STAFFDIV RESPONSIBILITIES

Each HHS OPDIV and STAFFDIV is responsible for implementation of a precious metal recovery program to include designation of a Precious Metals Recovery Program Monitor (PMRPM), surveys, recovery operations, internal audits, compliance with environmental laws concerning heavy metals, and submission of annual precious metals reports. Each OPDIV and STAFFDIV shall identify new activities that have the potential for generating recoverable precious metals.

11.5.2 PRECIOUS METALS RECOVERY SURVEYS

OPDIVs and STAFFDIVs shall identify those activities that generate materials bearing precious metals. OPDIVs and STAFFDIVs generating the material will be surveyed by the PMRPM to obtain information regarding actual or potential amount of recovery. Estimates of potential recovery may be obtained through use of testing papers for hypo solution; various charts, tables and scales for scrap film or other acceptable methods.

11.5.3 HHS OPDIV AND STAFFDIV REPORTING REQUIREMENTS

Annually each OPDIV and STAFFDIV generating precious metals scrap, will submit a consolidated report of recovered precious metals to the ASMB. Reports will be prepared on SF-291, Report of Activities Generating Precious Metals (or equivalent). Reports are due not later than November 1 of each year.

11.5.4 PRECIOUS METALS RECOVERY PROGRAM MONITOR

OS, OPDIVs, STAFFDIVs and ROs shall designate an individual to monitor its precious metals recovery program. The monitor shall be knowledgeable of where precious metals may be found in the scrap generated by the agency and recovery procedures. The monitor should be selected from the property management component.

Responsibilities of the precious metals monitor will include conducting and coordinating surveys, implementing and improving recovery procedures; monitoring the OPDIVs and STAFFDIVs' recovery program; providing technical assistance to generating activities and submitting the Standard Form 291, Report of Activities Generating Precious Metals (or equivalent).

11.5.5 INTERNAL AUDITS

Property management components will periodically audit the precious metals program. The audit shall insure proper control over the recovery, storage, and disposition of precious metals bearing materials. Elements for review will include document control and record maintenance; storage facilities and security controls; methods of recovery and equipment operation; and procedures for recovering precious metals through commercial service contracts, disposal through sales contracts or participation in the DOD Precious Metals Recovery Program.

11.5.6 RECOVERY OF SILVER FROM PRECIOUS METALS BEARING SCRAP

Dental care components will save scrap gold, silver, silver amalgam, and platinum generated during dental care operations. Each type of precious metal will be kept separate. Records of generation of each type of precious metal will be maintained by the OPDIV and STAFFDIV. Accumulations of the material will be turned into the property management component for disposal. Disposal will be through sales by the General Services Administration or used in internal contracts. OPDIVs and STAFFDIVs having an Interservice Support Agreement/Memorandum of Understanding with DOD/DLA Precious Metals Program may dispose of the material through that agency.

Property Management components generating scrap from electronic equipment and Automatic Data Processing Equipment (ADPE) will recover parts/pieces from this scrap that contain precious metals. Examples of this scrap that contains various precious metals are circuit cards and connectors.

The PMRPM shall provide technical assistance to generators of the above items.

11.5.7 RECOVERY OF SILVER FROM USED HYPO SOLUTION

Each OPDIV and STAFFDIV shall recover silver from hypo generated from photographic operations. Installation of a silver recovery system is the responsibility of the program user consistent with the quantity of used hypo solution generated. Small quantities of the hypo may be consolidated to a central recovery system. Recovered silver from hypo solution will be turned into the property management component for disposal. OPDIV and STAFFDIVs with commercial service/sales contracts for recovery of silver from these materials will coordinate with the PMRPM and the property management component

when delivering collected silver. Hypo solution will not be discharged into the environment without proper safeguards according to Environmental Protection Laws and Regulations (See [Part 8](#))

11.5.8 RECOVERY OF SILVER FROM SCRAP FILM

Scrap film, photographic paper, and microfiche masters (black) are a major source of recovered silver. Photography and X-ray activities shall collect all film and photographic paper and hold for disposal through a commercial recovery contract, sale by GSA, or for turn-in to the DOD Precious Metals Recovery Program. The paper will be kept separate from the film. The Precious Metals Program Monitor and the property management component shall provide technical assistance to OPDIVs and STAFFDIVs generating scrap film and photographic paper. NOTE: Processed color film, paper, and microfiche (blue film) shall not be collected for silver recovery. These items do not retain silver after development.

11.5.6 RECOVERY AND USE OF PRECIOUS METALS THROUGH THE DOD PRECIOUS METALS RECOVERY PROGRAM

OPDIVs and STAFFDIVs are encouraged to use the DOD Precious Metals Recovery Program.

11.5.7 PARTICIPATION IN THE DOD PRECIOUS METALS RECOVERY PROGRAM

OPDIVs and STAFFDIVs wishing to participate in the DOD Precious Metals Recovery Program should contact the Manager, DOD Precious Metals Recovery Program, Attention: DLA-MMSLD, Cameron Station, Alexandria, VA 22314, for further information. This program will provide assistance in all phases of precious metals recovery. DLA will provide recovery and other supporting equipment at no cost to participants in the program. This plan will, usually, require a formal Memorandum of Understanding between DLA and the OPDIV and STAFFDIV. DLA will provide recovered fine precious metals to participating agencies for use as Government Furnished Materials (GFM) or other authorized internal uses. There is a nominal charge for the recovered fine precious metals.

11.5.8 USE OF DOD-RECOVERED FINE PRECIOUS METALS

OPDIVs and STAFFDIVs participating in the DOD Precious Metals Recovery Program requiring fine precious metals should submit a request to the Commander, Defense Industrial Supply Center (DISC), Attention: DISC-YAB/GD, 700 Robbins Avenue, Philadelphia, Pennsylvania 19111-5096.

11.6 REPORTS

11.6.0 SCOPE

This part prescribes the reporting requirements for the sale, abandonment, or destruction of personal property required by HHS.

PERFORMANCE REPORTS

Consolidated annual reports will be submitted by each OS, OPDIV, STAFFDIV, and RO to the ASAM/OAMP as follows: Sales, abandonment, and destruction will be incorporated in the Annual Report of Utilization and Disposal of Excess and Surplus Personal Property due November 15.

11.7 ILLUSTRATION OF FORMS

11.7.0 GENERAL

Refer To FPMR 101-45.4900 for Forms.

PART 12 UTILIZATION AND DISPOSAL OF PERSONAL PROPERTY PURSUANT TO EXCHANGE/SALE AUTHORITY

12.1.0 SCOPE

This part prescribes policies and methods governing the use within HHS of the exchange/sale authority of section 201(c) of the Federal Property and Administrative Act of 1949, 63 Stat. 384, as amended (40 U.S.C. § 503) and 40 U.S.C. § 505, entitled "Exchange or Transfer of Medical Supplies."

It is applicable to all HHS owned property worldwide. In addition to the requirements of this part 12, the exchange/sale of hazardous materials shall be accomplished following the procedures in Part 8 and FMR 102-39.

12.1.1 DEFINITIONS

Definitions of terms for this Part are found in the FMR 102-39.20

12.2 EXCHANGE/SALE CONSIDERATIONS

12.2.1 HHS RESPONSIBILITIES

HHS OPDIVs and STAFFDIVs who want to replace personal property either within or outside the United States may exchange the item(s) for similar type of item(s). The proceeds from exchanges or sales are authorized to be applied in whole or in part for the replacement of personal property acquired.

12.2.2 EXCHANGE OR SALE DETERMINATION

A. HHS OPDIVs and STAFFDIVs considering exchange or sale of personal property must decide in each case whether exchange or sale will obtain the greater return for the Government. See FMR 102-39.35.

B. Estimating the Government's return by either method includes:

1. All administrative and overhead costs.
2. When a sales transaction for line item(s) processed has an estimated proceed of less than \$100, it is considered uneconomical.
3. Exchange also can be impractical if the exchange allowance is unreasonably low.

C. When both methods are impractical the personal property should be declared excess and processed following Part 9.

12.2.3 TRANSFER AND EXCHANGE BETWEEN FEDERAL AGENCIES

HHS OPDIVs and STAFFDIVs having property that has been determined to be available for exchange or sale will, to the maximum extent practicable or economical and before any disposal action, solicit Federal agency participation in the use of the excess property. To accomplish the latter objective, HHS is required to comply with the referenced provision of GSA's Federal Management Regulation (FMR), codified at 41 C.F.R. 102-39.40. GSA will solicit other agencies requiring Automatic Data Processing Equipment (ADPE) before deciding availability for exchange or sale after equipment has been reported to GSA.

12.2.4 RESTRICTIONS AND LIMITATIONS

Application of exchange allowances or sales proceeds are authorized when:

- A. Item(s) exchanged or sold are similar to the item(s) acquired. Written documentation shall be made a matter of record to establish that the acquired item(s) and the replaced item(s) are similar and do not fall into the restricted Federal Supply classification groups. See 41 CFR 102-39.45 for additional information.
- B. Items to be sold or exchanged are not declared excess (e.g. the OPDIV and STAFFDIV can identify an existing asset to be part of an exchange sales transaction. No time limitation is required.).
- C. Acquisitions will be on a one for one basis with sales and exchanges unless qualified under an exception stated in FMR 102-39.55
- D. A written administrative determination is made to apply the exchange or sale proceeds to the item(s) being acquired.
- E. The transaction will foster the economical and efficient accomplishment of an approved program.
- F. Application of exchange allowances or sales proceeds are prohibited for items falling within the Federal Supply classification groups listed in the FMR 102-39.45

12.3 EXCHANGE/SALE METHODS AND REPORTS

12.3.0 GENERAL

This part prescribes the policies and methods governing the actual exchange or sale of

property. See GovSales.gov

12.3.1 AUTOMATIC DATA PROCESSING EQUIPMENT (ADPE)

ADPE equipment qualifying for exchange or sale following this part must first be reported for possible reutilization within HHS. If not transferred as reutilization to another Federal agency, ADPE may be exchanged or sold. HHS is required to comply with the referenced provision of GSA's Federal Management Regulation (FMR), codified at 41 C.F.R. 102-39.40.

12.3.2 HHS EXCHANGE PROCEDURES

Exchange transactions normally occur when a vendor delivers a replacement item(s) and removes the item(s) replaced. This is the most efficient and cost effective procedure.

When the exchange of item(s) that is/are not in use or when delivery of the replacement item(s) and removal of the item(s) replaced does not happen simultaneously, this creates additional administrative, handling, and storage cost, and should be kept to minimum. Except as otherwise directed by law, all proceeds from the sale of personal property under this part will be available during the fiscal year in which the property was sold and for one fiscal year thereafter for obligation for the purchase of replacement property. Any sales proceeds not applied to replacement purchases during this time must be deposited in the US Treasury as miscellaneous receipts.

12.3.3 HHS SALES METHODS AND PROCEDURES

The methods of sale, terms and conditions of sale, and forms prescribed in Part 11 also will be used in the sale of replacement property, except that negotiated sales of surplus personal property are not applicable to the sale of property being replaced.

12.3.4 AVAILABILITY OF PROCEEDS OF SALE FOR HHS

When property to be replaced is sold before the acquisition of the replacement property, the proceeds of the sale will be credited to the OPDIV's or STAFFDIV's account, using Standard Form 1081 "Voucher and Schedule of Withdrawal and Credits," or other approved OPDIV and STAFFDIV forms. Any sales proceeds not applied to replacement purchases during this time must be deposited in the United States Treasury as miscellaneous receipts. See also 40 U.S.C. § 503, "Exchange or Sale of similar items."

Proceeds of sales will be available for obligation for the acquisition of similar replacement item(s) of personal property during the fiscal year in which the sale is made and for one fiscal year thereafter.

Proceeds of sales for personal property for which an obligation for replacement has not been made during the period stated above will be deposited into the U. S. Treasury as miscellaneous receipts.

If it is determined at the time of collection that sales proceeds will not be applied to replacement acquisitions, the deposit should be made directly to the U. S. Treasury as miscellaneous receipts.

When the replaced property is sold after the acquisition of the replacement property, the proceeds of sale may be deposited as a direct reimbursement credit to the appropriate account listed for the replacement of similar item(s) of personal property.

12.4 REPORTS

An annual report shall be submitted by December 15, in letter form on the transactions made under the exchange and sale procedures except transactions involving books and periodicals. Negative reports are required. *See* 41 CFR 102-39.75 for reports format.

Reports shall be submitted to the ASAM/OAMP by each OS, OPDIV, STAFFDIV, and RO.

PART 13 UTILIZATION, DONATION OR DISPOSAL OF ABANDONED AND FORFEITED PERSONAL PROPERTY

13.1.0 GENERAL

This part prescribes policies and methods governing the utilization, donation and disposal of abandoned or forfeited personal property under the custody or control of HHS OPDIVs and STAFFDIVs. In addition to the requirements of Part 13, the disposition of abandoned and forfeited hazardous materials shall be accomplished following the procedures in Part 8 and FPMR 101-48

DEFINITIONS

Definitions of terms for this part are found in the 41 CFR 101-48.001 entitled "Definitions."

13.2 GENERAL PROVISIONS

13.2.0 GENERAL

This part prescribes policies and methods for utilization and transfer of forfeited, voluntarily abandoned, or other unclaimed property found on premises that may come into the custody or control of the HHS OPDIV and STAFFDIV. In addition to the requirements of this 41 CFR 101-48, the disposition of abandoned and forfeited hazardous materials shall be accomplished following the procedures in Part 8.

13.2.1 FORFEITED OR VOLUNTARILY ABANDONED PROPERTY

Refer to 41 CFR 102-41 entitled "Disposition of Seized, Forfeited, Voluntary Abandoned, and unclaimed Personal Property." *See also* 41 CFR 102-36.305 through 36.330 which provides further guidance when dealing with abandoned personal property.

13.2.2 ABANDONED OR OTHER UNCLAIMED PROPERTY

Refer to 41 CFR 102-41. *See also* 41 CFR 102-36.305 through 36.330

13.3 DONATION OF ABANDONED OR FORFEITED PERSONAL PROPERTY

This part prescribes policies and methods governing the donation of abandoned or forfeited property in the custody of HHS OPDIVs and STAFFDIVs. Refer to Non-Federal Recipients Report, 41 CFR 102-41, and 41 CFR 102-36.305 through 102.330.

13.4 DISPOSAL OF ABANDONED OR FORFEITED PERSONAL PROPERTY

13.4.0 GENERAL

This part prescribes policies and methods governing the disposal of abandoned, or other unclaimed, voluntarily abandoned, or forfeited personal property that may come into the custody of HHS OPDIVs and STAFFDIVs.

Any property in the custody of a HHS OPDIV and STAFFDIV that is not desired for retention by that OPDIV and STAFFDIV and that has not been transferred or donated shall be disposed of following this subpart.

13.4.1 DISTILLED SPIRITS, WINE, AND MALT BEVERAGES

These shall be destroyed if not required to be reported under 41 CFR 102-41.205. If required to be reported to GSA they will be destroyed following instructions received from GSA. A record of destruction showing time, place, nomenclature and quantities shall be made and retained in the appropriate property records.

13.4.2 FIREARMS

HHS OPDIVs and STAFFDIVs shall not sell firearms. Refer to 41 CFR 102-41.190 through 200.

13.4.3 PROPERTY OTHER THAN DISTILLED SPIRITS, WINE, AND MALT BEVERAGES; AND FIREARMS

Such property will be sold following the procedures set forth in 41 CFR 102-41. *See also* 41 CFR 102-41.210 through 235.

13.4.4 DISPOSITION OF PROCEEDS FROM SALE

Proceeds shall be deposited in a special fund for abandoned or other unclaimed property, and in the Treasury of the U.S. as miscellaneous receipts for forfeited or voluntarily abandoned property. Applicable procedures are stated in 41 CFR 102-41, 41 CFR 102-41.75, 41 CFR 102-41.115 and 41 CFR 41.180.

PART 14 UTILIZATION, DONATION AND DISPOSAL OF FOREIGN GIFTS AND DECORATIONS

14.1.0 GENERAL

Refer to 41 CFR 102-41.35, entitled “Do we report to GSA all seized personal property subject to judicial forfeiture, as well as forfeited, voluntarily abandoned, or unclaimed personal property not retained for official use,” 41 CFR 102-41.55 for where to send reports for seized or forfeited personal, 41 CFR 102-41.95 and 102-41.100 for reporting to GSA regarding voluntarily abandoned personal property and 41 CFR 102-41.140 and 102-41.145 for reporting to GSA regarding unclaimed personal property.

14.1.1 SCOPE

This part prescribes policies and methods governing the utilization, donation, and disposal of gifts and decorations that HHS OPDIVs and STAFFDIVs or individuals may receive from foreign governments. Departmental policy regarding such gifts and decorations are contained in the HHS General Administration Manual, Chapter 20-25.

14.1.2 DEFINITIONS

Definitions of terms used in this part are found in the FMR 102-42.10

14.2 GENERAL PROVISIONS

14.2.1 CUSTODY OF GIFTS AND DECORATIONS

Recipients of foreign gifts and decorations must turn them into their employing HHS OPDIV and STAFFDIV. Gifts and decorations shall remain in the custody and be the responsibility of the HHS OPDIV and STAFFDIV. The recipient may express an interest to purchase the gift or decoration to the employing OPDIV and STAFFDIV. If the recipient does not express an interest in the purchase of the gift or decoration GSA will direct the disposition of the gifts and decorations when reported by the HHS OPDIV and STAFFDIV by:

- A. Transfer to Federal agencies;
- B. Donation for public display or reference purposes;
- C. Sale with the approval of the Secretary of State; or
- D. Destruction.

14.2.2 CARE AND HANDLING

Each HHS OPDIV and STAFFDIV shall be responsible for, and bear the cost of, performing care and handling of gifts and decorations and for delivery to the physical custody of GSA.

14.2.3 INFORMATION ON AVAILABILITY FOR FEDERAL UTILIZATION OR DONATION

GSA will provide information to HHS OPDIVs and STAFFDIVs on the availability of gifts and decorations that are reported to GSA by other Federal agencies.

14.2.4 APPRAISALS

When a HHS employee is the recipient of a foreign gift(s) or decoration(s) and shows an interest in purchasing a gift, the HHS OPDIV and STAFFDIV shall obtain a commercial appraisal before reporting the gift to GSA. The gift shall then be reported to GSA on Standard Form 120 (SF-120) Report of Excess Personal Property, for utilization before sale to the recipient. The commercial appraisal may be attached to the SF-120 or furnished separately to GSA after completion of utilization screening.

14.2.5 SALE TO RECIPIENTS

Gifts and decorations found to have no Federal requirement by GSA may be offered for sale to the recipient.

14.2.6 HAZARDOUS MATERIALS

In addition to the requirements of Part 8, the disposition of foreign gifts and decorations that are hazardous materials shall also be accomplished following the provisions of Part 8 and FPMR 101- 42.2 through 101-42.4.

14.3 UTILIZATION OF FOREIGN GIFTS AND DECORATIONS

14.3.0 GENERAL

This subpart prescribes policies governing the utilization and transfer of foreign gifts and decorations.

14.3.1 REPORTING

A. Tangible gifts and decorations that are not retained for official use or are not returned to the donor shall be reported to GSA following the provisions of FMR 102-42.85.

B. The following gifts and decoration shall not be reported to GSA.

1. Gifts and decorations returned to the donor;
2. Gifts and decorations retained by the employing agency for official use, except upon ending of the official use;
3. Gifts and decorations below minimal value (a retail value in the United States at the time of acceptance of \$225 or less) retained by employee recipients with the approval of HHS.
4. Intangible gifts, including checks, money orders, bonds, shares of stock, and other securities and negotiable instruments (see section 14.3.5);
5. Cash, currency, and money, except those with possible historic or numismatic value.

14.3.2 TRANSFERS TO OTHER FEDERAL AGENCIES

Transfers of gifts and decorations may be made to other Federal agencies following 41 CFR 102-42, Subpart B, entitled "Utilization of foreign gifts and decorations."

14.3.3 COSTS INCIDENT TO TRANSFER

All transfers of gifts and donations will be made without reimbursement, except that direct costs incurred in actual packing, preparation for shipment, loading, and transportation may be recovered from the transferee agency if billed following Part 9.6.8.3.

14.3.4 GIFTS AND DECORATIONS NO LONGER REQUIRED BY THE TRANSFEREE AGENCY.

Gifts and decorations no longer required by the HHS activity shall be reported as provided in FMR 102-42.115.

14.3.5 DEPOSIT OF MONEY AND CERTAIN INTANGIBLE GIFTS WITH THE DEPARTMENT OF TREASURY

Money, cash, currency, and such intangible gifts as checks, money orders, bonds, shares of stock, and other securities and negotiable instruments not required to be reported to GSA shall be deposited with the Department of Treasury by the HHS OPDIV and STAFFDIV following applicable finance laws and regulations.

14.4 DONATION OF FOREIGN GIFTS AND DECORATIONS

14.4.0 GENERAL

This subpart prescribes policies governing the donations of foreign gifts and decorations to public agencies and gateway.html tax-exempt activities for public display purposes.

14.4.1 DONATIONS OF GIFTS AND DECORATIONS

Only GSA will decide whether donations will be made. Determinations will be accomplished following FMR 102-42.120.

14.4.2 CONDITIONS OF DONATION

Conditions for the donation of gifts and decorations to eligible bodies are contained in FMR 102-42.130.

14.4.3 COSTS INCIDENT TO DONATION

Costs incurred incident to donation; withdrawals of approved donations for HHS use; and withdrawals from sale to accomplish donation will be handled following the same provisions as for other donations as contained in LMM Part 10.

14.5 SALE OR DESTRUCTION OF FOREIGN GIFTS AND DECORATIONS

14.5.0 GENERAL

This part prescribes policies governing the disposal by sale or destruction of foreign gifts and decorations.

14.5.1 APPROVAL OF SALES BY THE SECRETARY OF STATE

This approval is requested and received by GSA before offering any gift for public sale. (See FMR 102-42.135)

14.5.2 SALE OF GIFTS BY GSA TO INTERESTED RECIPIENTS

GSA shall offer gifts through negotiated sales to a HHS recipient who shows an interest in purchasing the item(s). The HHS OPDIV and STAFFDIV shall include the interested recipient's mailing address and telephone number on the SF-120 submitted as provided in section 14.2.4 of this part. The sale price shall be the appraised value plus the cost of the appraisal. GSA will document the sale.

14.5.3 SALE OF GIFTS BY GSA TO THE PUBLIC

This is a GSA function. (See FMR 102-42-145).

14.5.4 PROCEEDS FROM SALES

This is a GSA function. (See FMR 102-42.150).

14.5.5 DESTRUCTION OF GIFTS AND DECORATIONS

Gifts, that are not sold under the provisions of this part, and decorations may be destroyed and disposed of as scrap for their material content. This is a GSA function. See FMR 102-42.155.

PART 15: GLOSSARY

Term	Definition
Accountability	The obligation to keep records (usually automated) and transactions on quantities of supplies such as identification, gain, loss, distribution, transfer, disposal, and balances on hand.
Accountable personal property	Accountable personal property is personal property with an acquisition value of \$5,000 or more sensitive items, and leased property without regard to value.
Alternative Fuel Vehicle (AFV)	As defined by the Energy Policy Act of 1992, any dedicated, flexible-fuel or dual-fuel vehicle designed to operate on at least one alternative fuel.
Automated Systems	(Reserved)
Board of Survey	A Board of Survey is a panel of three or more employees appointed to serve as a fact finding body to determine the circumstances and conditions surrounding the loss or damage to HHS controlled personal property, to make recommendations on liability, and to make recommendations on relief from accountability. The Board may also be used to recommend disposition decisions for government property.
Capitalized property	Capitalized property is personal property which has a unit acquisition cost of \$25,000 or more, including accessories; is complete in itself and does not lose its identity when in use. Capitalized property will be identified as such in all property accounting records. Capitalized property shall be identified with a property decal/bar code.
Controlled Substances	Controlled substances are narcotics and dangerous drugs identified by the Drug Enforcement Administration (DEA) in Title 21 CFR, Part 1308.
Department Fleet Manager	Department Fleet Manager means the official designated in accordance with the requirements of the Title XV, Subtitle C - Federal Motor Vehicle Expenditure. The official is located in the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM).

Term	Definition
Determining Authority	The Determining Authority is the chief management official of each HHS OPDIV and STAFFDIV. The official may appoint an executive assistant or principal administrative or management officer to serve as the determining authority as long as the officer is not the Property Management Officer (PMO).
Direct Delivery	Items which are delivered directly to the customer and who reviews the receiving document for completeness for transaction purposes.
Disposal	The removal of supplies by sale, donation, transfer, abandonment and destruction, trade-in, or other means.
Dual purpose vehicle	A motor vehicle designed to transport both passengers and cargo such as Broncos, Cherokees and Blazers.
Economic Order Quantity (EOQ)	The lowest total cost of an item for ordering and holding inventory to meet expected supply requirements.
Electronic Commerce (EC)	Electronic commerce means using electronic information technologies to conduct business between trading partners.
Electronic Data Interchange (EDI)	The automated, electronic flow of business information between organizations. This information is integrated with and flows into and out of the organizations' respective business management systems.
Expendable Property	Property which does not meet the definition for equipment, is of relatively low dollar value, or is property which is consumed in the performance of program mission. Sometimes is called a consumable item.
Financial Management Officer	Provides support to the Operating Divisions' (OPDIVs) CFOs for financial planning and improvement initiatives and maintains liaison with the Office of Management and Budget, the Treasury Department, the General Accounting Office, the General Services Administration and other agencies on all financial management policy matters
General Ledger	A fiscal record maintained by Finance and the property/supply accounting activity, which is comprised of several accounts that reflect the dollar value of assets.

Term	Definition
Government property	Government Property is any personal property loaned to or owned, leased or held in trust by the United States government.
Government vehicle	Any vehicle owned or leased by the U.S. government
GSA Stock	General Services Administration Depot Customer Supply Centers which procure and stock items based on projected requirements of Federal agencies, stores bulk quantities, and distributes upon receipt of requisitions.
HHS Fleet Manager	An individual, as delegated by the head of the agency at the Headquarters level, assigned the oversight responsibility of the entire Government fleet of the motor equipment for a particular OPDIV/STAFFDIV.
Inventory	Stocks of supplies, materials and parts used to support HHS programs. The types of supply inventories generally fall into the category of stores stock, storeroom, and user inventory.
Lead Time	The length of time between the receipt of a request and the delivery of an item. Includes both administrative and production lead time.
Levels of inventory	The quantity of items required to be issued between replenishment orders.
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.
Motor Vehicle Management Information System (MVMIS)	MVMIS is the uniformed HHS motor vehicle management system configured to capture the entire HHS Fleet historical data profile.
OPDIV/STAFFDIV Fleet Manager	An individual, as delegated by the head of the agency at the Headquarters level, tasked with the oversight responsibility of the entire Government fleet of the motor equipment for a particular OPDIV/STAFFDIV.
Passenger motor vehicle	Any vehicle whose primary purpose is to transport passengers (sedans, station wagons, ambulances, buses, and passenger vans).

Term	Definition
Performance Measures	Supply management indicators which can be used to evaluate the supply process; identify and document the best/innovative practices for supply management; report on findings regarding supply strategies, materials operations, administrative/systems support and supplier relations.
Physical Inventory	The act of personally observing and counting items, recording the count, and comparing the count with official records for the purpose of reconciliation.
Property, Plant and Equipment (PP&E)	Something or a number of things in which an individual or organization has the rights and interests that come with ownership. It includes personal property.
Purchase Order	Form used to place an order for goods or services with a supplier (vendor).
Quality Control	Inspection, testing, grading of goods and services to determine whether required standards and specifications have been achieved.
Receiving	The receipt of inbound supplies, includes planning, handling, and document processing.
Reconciliation	The procedure by which records in one system are compared to those in another system. The objective of a reconciliation (whether it is done between the supply accountability and the general ledger or between a physical inventory and the supply accountability system) is to compare information between two sources and to determine if it coincides and, if the information does not coincide, to make the appropriate adjustments.
Register	A record (usually automated) of all supply transactions delineating as a minimum: date, type of document, description of items and value.
Report of Survey	A Report of Survey (HHS Form Number 342) is the document used to record and present findings and recommendations concerning the loss, theft, damage, or destruction of Government property, to approve corrective actions, including financial recovery efforts, and to approve the resulting adjustments to property accountability records.

Term	Definition
Requirement	An established need which justifies the allocation of resources to achieve a capability to accomplish an objective or task which generated the need.
Requisition	Authoritative request for supplies or services on form(s) authorized for such requests.
Rules of the Road	Laws which govern the operation of watercraft on (1) Great Lakes, (2) Western Rivers, (3) Inland, and (4) International Waters.
Safety Level of Supply	Quantity of items to be held in inventory which is issued if other levels, are depleted.
Senior Federal Official	All political appointees and any person at the Senior Executive Staff (SES) level.
Sensitive items	Sensitive items are property items that are especially vulnerable to loss, theft or misuse. Any environmentally sensitive items not on this list or items that lend themselves to risk mitigations, i.e. civil, federal, state, local liabilities should be included as sensitive.
Specification	A document which describes the essential and technical requirements for items, materials, or services. Also contains preservation, packaging, packing, handling, hazardous characteristics, and marking requirements.
Staff Division (STAFFDIV)	A Staff Division is a major organization of the Office of the Secretary whose head reports directly to the Secretary.
Stock	All items of supplies and materials held in an inventory by a OPDIV and STAFFDIV or Federal agency supply activity for distribution to user locations.
Storing	The orderly arrangement of supplies in storage.
Supplies	Items that have a relatively low dollar value or are consumed in the performance of an agency function or are used inn the production or repair of other items. Supplies normally consist of all personal property other than furniture, non-accountable equipment and accountable property. The term is interchangeable with materials.

Term	Definition
Supply Components	HHS supply components are organizations that annually distribute more than \$50,000 of supplies held in inventory. The primary objective of a supply component is to receive, store, and distribute supplies.
Supply Management	The broad function is the management, coordination, and regulation of activities concerned with supplies. Basic supply management functions include requirements determination, acquisition, accountability, financial asset analysis, storage, distribution and disposal of supplies.
Transaction	Supply records which attest to the addition or subtraction from the inventory of supplies.
TRANSAM	A cooperative venture between the Indian Health Service and the U.S. Department of Defense (DOD). In this effort, called a Civilian-Military Cooperative Action Program, medical equipment and supplies are transferred to the Indian Health Service (IHS) and tribal health programs from DOD medical facilities and installations that have been closed or reduced in strength.
Transportation audit	A thorough review and validation of transportation related bills. The audit must examine the validity, propriety, and conformity of the charges with tariffs, quotations, agreements, or tenders, as appropriate. Each agency must ensure that its internal transportation audit procedures prevent duplicate payments and only allow payment for authorized services, and that the TSP's bill is complete with required documentation.
Transportation payment	A payment made by an agency to a TSP for the movement of goods or people and/or transportation related services.
Tribal Entities	Enrolled members of federally recognized Indian tribes, or those tribes terminated since 1940 and those recognized now or in the future by the State in which they reside and their descendants are eligible for IHS provided health care services.
Validation	Confirmation or approval that a request for supplies, is based on the proper authority and is fully justified to be acquired.

Term	Definition
Vendor	A private person, agency or commercial organization which sells goods to the Government.
Warehousing	The performance of physical functions incident to receipt, storage, and issue of supplies.
Watercraft	Any vessel used to transport persons or material on water.