

ETA Property Management Handbook No. 359

CHAPTER V

PROCEDURES FOR PROCUREMENT OF EXCESS PROPERTY

1. **Authorizations.** Upon execution of a contract, the Contracting Officer must forward a copy of the contract, with all approved property requirements, to either the National Property Officer or the appropriate Project Manager. The appropriate Federal official will issue a letter authorizing the contractor to obtain Federal Government excess for use under the contract. Copies of the letter must be forwarded to the appropriate General Services Administration office (GSA) to inform GSA of the authorization and property requirements. (The Property Requirements Handbook specifies guidelines for Job Corps Center operating contractors.)
2. **Sources of Excess.** Contractors (as authorized non-Federal recipients) can obtain information on excess property from several different sources. The primary source is the GSA's Federal Disposal System (FEDS). This is an electronic system that records, tracks, and controls the nationwide inventory of Federal excess and surplus, and the exchange/sale of property. It is a real-time system with an on-line database that processes customer transactions and provides status on the transactions immediately. FEDS enables agencies to electronically report their excess personal property to General Services Administration.

Contractors and Job Corps Centers, as agents of the Department of Labor, may screen GSA's inventory via the Defense Reutilization and Marketing Office (DRMO) listings to identify excess. Once property is identified as excess, the contract Property Officer or Project Manager must approve the acquisition. Authorization must be obtained from the National Property Office to "freeze" personal property through FEDS. If the acquisition is deemed essential, and the National Property Officer grants approval, the property is identified in the FEDS system, and a freeze is activated. GSA personnel will ultimately determine who gets the property. Its policy allows for more than one agency to freeze an item, and then GSA uses its own protocol to determine who receives the property.

Defense Logistics Agency (DLA) is the central source of excess from the military. The contractor is responsible for contacting any Defense Logistics Agency depots in the vicinity of the contract. Some Federal agencies (both civilian and military) have authority to dispose of excess outside of the normally prescribed channels. The contractor should check any available holding with outside agencies through agency websites. Military bases, depots, and other military installations often have an assigned DRMO, which is generally willing to help contractors obtain excess.

The National Property Officer and Project Managers must strictly monitor all requests for excess property acquired through the FEDS system. Access to the FEDS system will be very limited. Only the National Property Officer has the authority to approve the requests for access to the FEDS system and requests for excess screener authorization. Anyone can access General Services Administration's on-line records to screen for excess property. Persons wishing to screen onsite at DRMOs must obtain a Screener's Authorization Letter bearing the signature of the National Property Officer. The National Property Officer must use the organizational structure of the contractor or Job Corps Center to determine who may

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have access to FEDS. The contractor or Job Corps Center Property Officer has the responsibility to monitor requests for excess property to ensure that these requests are useful and essential. Contractors should not obtain and stockpile items. The contractors and Job Corps Property Officers also have the responsibility to ensure that property obtained from FEDS is immediately picked up and delivered to its final destination.

3. **Screener's Authorization Letter.** Federal Management Regulations (41 Code of Federal Regulations 101 § 43.315) require certification of non-Federal screeners in order to minimize delays in screening excess personal property and to make property available quickly and efficiently. Each non-Federal agency representative who will physically screen property at a holding installation for the purposes of selecting property for transfer must possess a valid Screener's Authorization Letter. (Figure C-1 in the Appendix C depicts a facsimile of the letter.)

The contractor or Center Property Officer must submit to the National Property Officer a "Letter of Authorization" request for screeners who wish to acquire excess property at DRMOs. The contractor must fill in the screener's name and organization, have the screener sign the form, and return it to the Property Officer with the following information:

- (1) The applicant's name, title, company, business and home addresses, telephone numbers, driver's license number, qualifications to screen excess personal property, any screener's suspensions or debarments, and signature
- (2) A listing of installations and Regions where the contractor wishes to screen excess property
- (3) A screener application form from the screener, attesting to the fact that neither the screener nor any member of the screener's family will participate in sales of Government personal property as a purchaser, recipient, or as an agent of another purchaser. (Figure B-2 in the Appendix B includes a sample.)
- (4) A valid photo ID must accompany the authorization letter to screen property.

3. **Obtaining Excess.** Effective April 22, 2002, GSA issued new rules for obtaining excess property under the title, "GSAXcessXpress." GSAXcessXpress reduces the 42-day screening process to 21 days and eliminates the need for manual preparation of a SF-122. This new policy allows the Department of Defense the right to first review and acquire all available excess. After the 14-day internal screening period allowed to the Department of Defense expires, all excess property becomes available for acquisition. The Excess property can be screened on-line at the DRMS website. The address is www.drms.dla.mil. Anyone can screen excess property from this site. No Letter of Authorization is necessary. Enter www.drms.dla.mil, select, "I am a Military, Government, Nonprofit, or Public Service Agency (Reutilization/Transfer/Donation Customers)," access Transfer Property Search, search by "Federal Supply Class (FSC), National Stock Number (NSN), or Item Name (Sites Are Listed Alphabetically)," and click on Transfer to identify the property you wish to procure.

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Property must be identified with the “Disposal Turn-In Document Number”.

In order to freeze property, contact your contractor or Job Corps Center staff member who is authorized to use FEDS to freeze government property. Authority to use FEDS requires approval from the National Property Officer. The National Property Officer must provide the individual user an assigned code and password to the staff members who are authorized to use FEDS. The FEDS website is <http://159.142.4.130/fedsw/fedswel.htm>. Enter the website address, put in your User Code and Password, put in your Access Code and Password, click on Federal Disposal System Login, click on Search & Freeze, enter the National Stock Number, scroll to select, and click on excess. Click in the box for date reported, enter the date (e.g., 04202002 for April 20, 2002), and click on search.

The system will generate an automated SF-122 that will require the approval of the National Property Office or Project Manager. These forms must be faxed to the National Property Officer or Project Manager for signature. The forms will then be forwarded to the appropriate General Services Administration Regional Office.

NOTE: Only staff members who have approval from the National Property Officer may use FEDS passwords and access codes.

5. **Interagency Transfers:** Contractors must use this form for interagency transfers of excess personal property. Figure B-4 in the Appendix B depicts a copy of a SF-122 in the Blank Forms Index in Appendix B. Internal transfers are never processed through the General Services Administration. This form is available online at <http://www.gsa.gov/forms>

a. Procedures:

(1) Contractors must:

- (a) Forms can be downloaded from the General Services Administration website.
- (b) Submit the original SF-122 to the appropriate Project Manager for transfer approval and signature.
- (c) Contact holding agency and arrange for pickup or shipment upon receiving the approved form from the appropriate property official. The contractor may not authorize pickups before receiving holding agency notification that property is ready for pickup.
- (d) Certify the receipt of each line item by initialing each line upon receipt of the excess property. If the quantity is less than the quantity ordered, enter in red the exact number received. If a line item is not received, draw a line through the line item on the form, but do not initial the line.
- (e) Sign and date the form to indicate the date when the property is received. (Include serial number, if applicable, and location code.)

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- (f) Send a copy of the signed form to the appropriate property official.
- (g) Keep a copy for the files.

NOTE: Additional costs must be completed prior to approval.

(2) Appropriate Property official within the Regional/National Office must:

- (a) Approve or disapprove requests. If approved, also assign and enter a numerical/alpha control number in Block #1 of the SF-122.
- (b) Return disapproved requests to the contractor with an explanation.
- (c) Maintain copy for the files.

b. **Standard Form 122, Transfer Order Excess Personal Property, Instructions.** The following instructions detail how to complete a SF-122. The numbers in the instructions correspond to the numbers at the left corner of each block of the SF-122.

- (1) Order No. Leave blank unless the appropriate Department of Labor Project Manager specifies otherwise. [In most cases, the appropriate Department of Labor Project Manager will enter a numerical and/or alpha control number in this block.]

For tracking purposes, the Contractor must enter a unique control number at the bottom of the form. (The space below 14 B & C can be used for this number). To create a unique number, sequentially enter the contract number, a hyphen, the Fiscal Year, another hyphen and consecutive numbers to identify each SF-122 issued in the fiscal year. [e.g., 99-9-0001-99-03-01 would be used for the first SF-122 submitted for contract number 99-9-0001-99 for fiscal year 2003 year.]

- (2) Date. Enter the date the order number was assigned.
- (3) Addressee. Enter the address of the intended recipient with jurisdiction over the property.
- (4) Ordering Agency. Enter the "U.S. Department of Labor, Employment and Training Administration." The address on all national contracts will be: Attn: TMSA, 200 Constitution Avenue, N-4472, N.W., Washington, D.C. 20210. The address for regional contracts will be that of the appropriate Department of Labor Regional Office.
- (5) Holding Agency. Enter the full name and address of the activity or organization that is accountable for the property.

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- (6) Ship To. Enter the full name and address of the contractor site designated to receive the property.
- (7) Location of Property. Enter actual location of property. If the location is the same as the holding agency, enter "Same as block No. 5."
- (8) Shipping Instruction. Enter method of shipment.
- (a) Via Commercial carrier. Attach bill of lading. Enter recipient's address for charges on shipping, packing, and handling, if required. Provide the holding agency with precise shipping instructions.

NOTE. Rate tenders to the Government under section 22 of the Interstate Commerce Act (1978), or other applicable authority, apply to property shipped by or for the Government on commercial bills of lading. To ensure application of Government rate tenders, all commercial bills of lading shall be endorsed with the following legend:

Transportation herein under is for the U.S. Department of Labor and actual total transportation charges paid to the carrier by the consignor or consignee will always be responsible for cost reimbursement to the consignee's contract no. (Enter the consignee's contract number in block 10). (Sentence unclear)

- (b) Pickup by contractor. State the name and phone number of the contact.
- (9) Ordering Agency Approval. Leave blank. Appropriate Project Manager approves order.
- (10) Appropriation Symbol and Title. Enter contract number.
- (11) Allotment. Leave blank.
- (12) Government B/L No. Leave blank.
- (13) Property Ordered. In columns (a) through (g), specify the property desired. This information can be obtained from the contractor or the associated SF-120. The serial number of any serialized item must be included with description. Include the condition code for all items. In the case of vehicles, include the make, model, year of manufacture and all other pertinent information.

Immediately following the last item, draw a line and insert the words "last item." Rule off the balance.

6. Accountability. Property received through excess channels becomes the property of the Department of Labor/Employment and Training Administration, not the contractor. It must

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be managed and accounted for in accordance with the same procedures used for other Federal property provided to the Contractor for use on the contract.

- a. All acquisitions of excess must utilize transaction code "G61," except the following:
 - (1) If property was already titled to the Department of Labor, and it was carried on, and is transferred from the Departmental property management system to a **Grantee**, transaction code "G71" must be used.
 - (2) If property was already titled to the Department of Labor, and it is currently on the Property Management System on another contract or grant, the appropriate transfer transaction codes must be used.

Note - All such inter-contract transfers require approval of the appropriate Project Manager, the contract that is transferring the property, and the contract that is receiving the property. Their prior written concurrence may be obtained in whatever manner is deemed appropriate; however, use of an SF-122 with "Internal Transfer" coded in Block 3 is suggested.

- b. The Document Number to be used with all procurements from excess that have an associated SF-122, is the number assigned to the SF-122. (A copy of the SF-122 must be forwarded with all pertinent information (i.e., description, serial number, cost, location) as back-up documentation to verify acquisition and/or transfer of the property.)
- c. Procurements of Motor Vehicles are a special case; details of the additional requirements related to acquisition of Motor Vehicles from excess are detailed in Chapter IX of this handbook. [A copy of the SF-122 must be forwarded with all pertinent information (i.e., description, serial number, location, and cost) as backup documentation to verify acquisition and/or transfer of the property]