

# ETA Property Management Handbook No. 359

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## CHAPTER VII

### DISPOSITION OF PROPERTY

1. **General.** This chapter details the procedures that dictate property disposition actions summarized below. Abandonment or Destruction of Federal property is always a last resort; therefore, included herein are requisite procedures to follow in accomplishing these actions. All disposition actions require interaction between the contractor and the appropriate Department of Labor/Employment and Training Administration (DOL/ETA) Property official (i.e., the contractor must contact DOL/ETA before property disposal). No property can be removed from the Property Management System without the requisite approvals and substantiating documentation described in this chapter.
  - a. Contractors **must** notify their respective Project Managers when property becomes unnecessary (either because of contract termination/completion or changing requirements). Contractors must use a Report of Excess Personal Property (SF-120) to initiate such disposal actions. The SF-120 alone, however, does not substantiate disposition. Ultimately, a second document (e.g., SF-122, SF-123, GSA Form 27, Letter of Abandonment, or Certificate of Abandonment or Destruction), which details a course of action and will be sent to the contractor. The Center must submit a Certificate of Abandonment or Destruction indicating the means of disposal. After disposition in accordance with the second document, remove the property from the Property Management System Inventory Master for the contract.
  - b. Automatic Data Processing Equipment (ADPE) which is excess to a contractor's needs must be **reported** in accordance with the above. However, this equipment is subject to special procedures.
  - c. Contractors **must** notify their respective Project Managers when property is missing, stolen, destroyed, or damaged. The contractor must submit a written letter requesting relief of accountability and Reports of Survey/Inventory Adjustment Reports (Form ETA 3-96) to conduct a Board of Survey. The contractor may not remove this property from the Property Management System Inventory Master list until after the Board of Survey relieves the contractor of liability or until the contractor has satisfactorily complied with the Board's request for reimbursement or replacement. The signed/completed Form ETA 3-96 then becomes justification-permitting deletion from the Property Management System Inventory Master list.
  - d. Contractors **must** write a letter requesting permission from the DOL/ETA National Property Officers or their Project Manager when they wish to cannibalize property (i.e., use parts from one or more pieces of property to repair another piece of property). If the National Property Officer or Project Manager approves the cannibalization in writing, the contractor must then report the cannibalized property on a SF-120 for disposition. In order to facilitate this process, the contractor should submit both the letter and SF-120 to the National/Regional Office at the same time. The contractor may then cannibalize the property with the National/Regional approval.

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- e. Contractors **must** submit a written request to their DOL/ETA National/Regional Project Manager when they wish to trade-in Department of Labor property in order to obtain new property. If the National Property Officer approves the action in writing, and if the trade-in occurs, the contractor must use the acquisition documentation for the replacement item as substantiation of the disposition transaction that the contractor must submit.
2. **Report of Excess Personal Property (SF-120).** The SF-120 is a standard U.S. General Services Administration (GSA) form.
- a. **Purpose.** The SF-120 is to be used by contractors to report personal property that is no longer needed and/or useable for its intended purpose. Department of Labor contractors must submit these forms to their appropriate DOL/ETA Project Manager, not to GSA. In no instance may Department of Labor contractors directly submit SF-120s to General Services Administration. The Department of Labor requires that all non-expendable DOL/ETA personal property that the Contractor wishes to dispose of, regardless of cost, condition, classification and/or group number, be reported to the DOL/ETA on a SF-120 for disposition. The Department of Labor will then determine if the report should or should not be sent to GSA.
  - b. **Obtaining Copies.** Contractors who use these forms regularly (e.g., Job Corps Center-operating contractors) must obtain copies of the form from GSA or online. They should submit a requisition for the forms, in FEDSTRIP format, to the GSA Regional Office providing them support.
  - c. **Excess Dispositions.** Contractors must report all excess property (including Automatic Data Processing equipment) to the appropriate DOL/ETA official (i.e., National Property Officer or the Regional Project Manager) on an SF-120 for review and approval. Property Officers are to review the SF-120's to determine appropriate disposal action. Project Managers will first consider the possibility of further use for the property within the Department of Labor or by its cost-reimbursement contractors, and if warranted, take all necessary actions to transfer the property internally. Next the Project Managers will consider the appropriateness of abandonment or destruction of personal property (Ref. 41 Code of Federal Regulations § 101-45.9), which they (or other Federal representatives) **have viewed** and determined to be scrap and/or salvage. (See below for further details.) Property listed on the SF-120's, which does not fall into either of these categories, will be reported to GSA. To dispose of excess property listed on SF-120's, which are sent to them, GSA may:
    - (1) Transfer property to another Federal Agency on a SF-122 approved by GSA.
    - (2) Donate property to a State Surplus Property Agency on a SF-123 approved by GSA. (A sample SF-123 is depicted as Figure B-13 in the Appendix B.)
    - (3) Determine that none of the above applies, and advise the DOL/ETA to proceed with disposition according to applicable Federal regulations. (Contractors may receive copies of the determination from GSA; if this occurs, they must send a copy to the

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appropriate Property Officer, and request a Letter of Abandonment. Contractors may not abandon or destroy Federal property based on GSA's recommendations; such action may only be taken upon receipt of a Letter of Abandonment from the Department of Labor).

**NOTE: The Department of Labor will determine the disposal method for the Government property reported on the SF-120 or arrange for disposition. After this they will provide the contractor with copies of the appropriate document for the method of disposition. The contractor is not relieved of accountability until one of the above disposal actions resulting from an SF-120 has been accomplished. The contractor is responsible for obtaining, filing, and retaining documentation to substantiate property disposition.**

- d. Timeliness. Contractors should immediately report for disposition on a SF-120, any item they no longer need for its intended purpose (regardless of condition). If the Department of Labor issues the Letter of Abandonment, the contractor should arrange for removal of the property within 30 days of such notice.
- e. SF-120 Instructions. (Figure B-11 in the Appendix B) contains a facsimile of a SF-120. Detailed instructions for completing the form are as follows. The numbers in parenthesis correspond to the numbers in the blocks on the form.

**Note: There is no longer a requirement to prepare a separate form for each Federal Supply Classification (FSC) group.**

(1) Report No. Enter a unique control number created by combining your FEDSTRIP number and the Julian Date (last digit of calendar year plus day of year, e.g., 3002 for January 2, 2003, or 5365 for December 31, 2005). When multiple pages are created on the same day, each page must have the same number designated in this block. If you are not authorized a FEDSTRIP number, do not enter a Report Number on the SF-120 (i.e., leave it blank); the appropriate Project Manager will assign a Report Number.

(2) Date Mailed. Enter the actual date of mailing to the appropriate DOL/ETA Project Manager.

**Note: Contractors are not permitted to submit SF-120s directly to GSA. All SF-120s must be sent to the appropriate DOL/ETA Project Manager.**

(3) Total Cost. Enter the total dollar cost of the items listed.

(4) Type of Report. Check the appropriate block "a" through "f". An original report is a report that is being submitted for the first time; a corrected report is one that alters something on a previously submitted report.

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- (5) To. Enter the name and address of the appropriate General Services Administration Regional Office. Also include "Attention: Federal Supply Service: Property Management Branch," with the appropriate GSA region number. [All reports are made "through" General Services Administration.]
- (6) Appropriation or Fund to be Reimbursed. Enter N/A for not applicable.
- (7) From. Enter the address of the appropriate Property Officer who is responsible for the contract and who logs in the SF-120s. This must be the address specified by the FEDSTRIP, usually that of the Job Corps Project Manager or the National Property Officer.
- (8) Report Approved By. Enter name of contractor organization (i.e., the name in which your contract is issued) and the title and signature of the person in your organization authorized to approve contract decisions.
- (9) For Further Information Contact. Enter name of contractor individual who can be contacted regarding the listed property. Include the person's title, and business telephone number.
- (10) Agency Approval. Leave blank. This block is for the appropriate DOL/ETA Project Managers signature (i.e., the Regional Job Corps Project Manager or the National Property Officer) when the Project Manager approves the form.
- (11) Send Purchase Orders or Disposal Instruction To. Enter the name and address of the appropriate DOL/ETA Project Manager.
- (12) General Services Administration Control No. Leave Blank. For GSA use only.
- (13) FSC Group No. This entry does not have to be filled in. The FSC can be entered at the end of each property item entry listed on the form. The complete FSC list is printed in the FMR (Ref: 41 Code of Federal Regulations 101-43.4801), which may be consulted for the most recent list. The number will almost always correspond to the first two digits of the Item Code number from the Property Management System. The following are some of the more common FSC Group Numbers that might be applicable to Department of Labor contracts:

<u>Group</u>	<u>Description</u>
10	Weapons
13	Ammunition and Explosives
14	Guided missiles
15	Aircraft and Airframe Structural Components
16	Aircraft Components and Accessories
19	Ships, Small Crafts, Pontoons, and Floating Docks
23	Ground Effect Vehicles, Motor Vehicles, Trailers, and Cycles

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24	Tractors
25	Vehicular Equipment Components
28	Engines, Turbines, and Components
29	Engine Accessories
30	Mechanical Power Transmission Equipment
31	Woodworking Machinery and Equipment
34	Metalworking Machinery and Equipment
35	Service and Trade Equipment
36	Special Industry Equipment
37	Agricultural Machinery and Equipment
38	Construction, Mining, Excavating, and Highway Maint. Equip.
39	Materials Handling Equipment
40	Rope, Cable, Chain, and fitting
41	Refrigeration, Air Conditioning, and Air Circulation Equip.
42	Fire Fighting, Rescue, and Safety Equipment
43	Pumps and Compressors
44	Plumbing, Heating, and Sanitation Equipment
48	Valves
49	Maintenance Repair Shop Equipment
50	Hand Tools
53	Hardware and Abrasives
54	Prefabricated Structures and Scaffolding
56	Construction and Building Materials
58	Communications, Detection, and Coherent Radiation Equipment
59	Electrical and Electronic Equipment Components
61	Electric Wire, Power and Distribution Equipment
62	Lighting Fixtures and Lamps
63	Alarm and Signal System
65	Medical, Dental, and Veterinary Equipment and Supplies
66	Instruments and Laboratory Equipment
67	Photographic Equipment
69	Training Aids and Devices
70	Automatic Data Processing Equipment
71	Furniture
72	Household and Commercial Furnishings and Appliances
73	Food Preparation and Serving Equipment <sup>74</sup>
74	Office Machines, Visible Record Equipment
75	Office Supplies and Devices
76	Books, Maps, and Other Publications
77	Musical Instruments, Phonographs, and Home-Type Radios
78	Recreational and Athletic Equipment
79	Cleaning Equipment and Supplies
81	Containers, Packaging, and Packing Supplies
83	Textiles, Leather, Furs, Tents, and Flags

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84	Clothing, Individual Equipment, and Insignia
85	Toiletries
99	Miscellaneous

- (14) Location of Property. Enter the actual location of property. [If the location is to be closed and a final date by which the property must be removed exists, also enter this date in the block.]
- (15) Reim/Reqd. Check "No". [The Department of Labor does not require reimbursement for property exceeded.]
- (16) Agency Control No. Leave blank. [For GSA use only.]
- (17) Surplus Release Date. Leave blank. [For GSA use only.]
- (18) Excess Property List.
- (a) Item No. Enter a unique, sequential 4-digit number for each line item. On multiple page reports coded on the same day, continue to assign the item numbers sequentially as each new page is coded to maintain the consecutive order of the report.

**NOTE: There can only be one item designated as "0001" on any given Julian date.**

- (b) Description. Describe property using the item code, name of the item (commercial product terms), brand name, manufacturer, serial number, part or model number, known modifications, year of manufacture, electrical capacities, dimensions, material content, malfunctioning parts, damage, hidden defects, missing parts and any other pertinent information that will completely describe the item should the General Services Administration advertise the item for sale. This description is required even though a contractor may have received the item from excess without a complete description. The FSC should be entered at the end of the description for each property item listed. Provide a photograph of the items if feasible.

When reporting vehicles, attach an Odometer Mileage Statement as required by Public Law 94-264. To acquire a copy of this statement, contact your respective Project Manager. (A facsimile of the form can be found on Figure B-24 in the Appendix B.) Provide the following additional information when reporting vehicles for disposal:

- Manufacturer (Ford, Chevrolet, Chrysler, etc.)
- Model (Fairmont, Cavalier, Nova, etc.)
- Type (Sedan, Pick-up Truck, Station Wagon, etc.)
- Number of Cylinders

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- Weight
- Color
- Horsepower
- Additional Equipment (A/C, P/S, P/B, Stereo, etc.)
- Missing/Broken parts
- Condition (Operable/Inoperable/Junk)
- Any Accident Damage
- Any other information that might be of interest to potential bidders

(c) Condition. The contractor must examine each item, determine its condition, and select the condition code that is most appropriate from the following list:

Disposal Condition Code	Brief Definition	Expanded Definition
1	Excellent	Property which is in new or unused condition and can be used immediately without modifications or repairs
4	Usable	Property which shows some wear, but can be used without significant repair
7	Repairable	Property which is unusable in its current condition but can be economically repaired
X	Salvage	Property which has value in excess of its basic material content, but repair or rehabilitation is impractical or uneconomical
S	Scrap	Property which has no value above its basic material content

(d) Unit. Enter the unit of measurement, (e.g., “ea” for each, “dz” for dozen, “st” for set, “hd” for hundred, etc.).

(e) Number of Units. Enter the quantity of units (i.e., if the unit is 100, and you have 100 items, enter 1).

(f) Acquisition Cost - Per Unit. Enter the original (acquisition) unit cost of the item. [For property on your current inventory, this can be obtained from the “Value” column in your Property Management System Inventory Master List.]

(g) Acquisition Cost – Total. Enter the total acquisition cost of all units for this line item (i.e., Number of Units x Acquisition Cost Per Unit).

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(h) Fair Value %. Leave blank. [For General Services Administration use only.]

3. **Disposition of Federal Property by Abandonment or Destruction.** This option for disposal is the least preferred by the Department of Labor, and it may only be taken when all of the conditions of the applicable FMR (Ref. 41 Code of Federal Regulations § 101-45.9) have been clearly and convincingly met. Disposition by abandonment or destruction may be authorized at two points in the disposal process.
- a. The DOL National Property Officer or Project Manager will initially consider the appropriateness of Abandonment or Destruction of Personal Property Without Notice prior to reporting the property to GSA when they (or other Federal representatives) have viewed the property and determined that it is scrap and/or salvage. In addition, they must determine that one or more of the following conditions are met:
    - (1) The value of the property is so little, or the cost of continued care and handling is so high, that its retention for advertising for sale, even as scrap, is clearly not economical.
    - (2) Abandonment or destruction is necessary for health, safety, or security reasons.
    - (3) The item had an initial acquisition cost of less than \$500.00, and the expense and difficulty of retaining it for sale would clearly not warrant retention. (The examples of this, as presented in the Code of Federal Regulations are obsolete charts, electric light bulbs, radio tubes, and resistors.)
  - b. The DOL National Property Officer or Project Manager will authorize abandonment or destruction of Federal property reported to GSA as excess if GSA has had the opportunity to dispose of the property but has instead issued a written determination that the property has no value, and/or cannot be disposed of by the GSA, and/or will not be disposed of by the GSA for any reason, and/or has been sold by GSA but the buyer has failed to remove it from the contractor's premises as stipulated in the sales document.

If the appropriate DOL National Property Officer or Project Manager determines that the contractor should dispose of the property by abandonment or destruction, the Project Manager must send a letter to the contractor instructing the contractor to do so. The letter must accompany a Certificate of Abandonment or Destruction that the contractor must sign and return before the property may be removed from the Property Management System and before the contractor may be relieved of responsibility for the property. Refer to Figure C-6 in the Appendix C for a sample Letter of Abandonment, and Figure B-14 in the Appendix B for a sample Certificate of Abandonment or Destruction.

By virtue of issuing a letter of abandonment or destruction, the Department of Labor stipulates that the subject property is not fit for donation to a public body or for resale. Essentially, the Department of Labor abandons the property to the custody of the contractor who will either destroy the property or otherwise take lawful action to



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dispose of it. No public notice of such abandonment or destruction is required, and such notice is not to be given by the contractor. **The contractor must promptly remove all Federal markings on the property and dispose of it in a manner consistent with all applicable Federal (e.g., Environmental Protection Agency and/or State regulations including those relating to property disposal.)** Within these guidelines, the contractor may physically destroy the property or hire another organization to do so. The contractor must find some means to promptly dispose of the property if it is on a Government owned, leased, or rented facility (e.g., Job Corps Center) or in any form of storage facility for which the Department of Labor is directly or indirectly charged with storage costs, etc.

**SPECIAL NOTE - Retention of abandoned property at Job Corps centers beyond 30 days from receipt of the applicable letter of abandonment will be considered a contractual (property management) finding, and will be dealt with accordingly by the appropriate regional office.**

4. **Report of Personal Property for Sale (SF-126) Instructions.** (Figure B-12) in the Appendix B contains a facsimile of an SF-126. The numbers in parenthesis correspond to the block numbers in the blocks on the form.
  - a. **From.** Enter the address of the appropriate Property Officer who is responsible for the contract and who logs in the SF-120s. This will either be the Regional Job Corps Property Officer or the National Property Officer.
  - b. **Report No.** Enter a control number created by combining your FEDSTRIP number and the Julian Date (last digit of calendar year plus day of year, e.g., 2002 for January 2, 2002, or 3365 for December 31, 2003). If you are not authorized a FEDSTRIP number, do not enter a Report No. on the SF-126, (i.e., leave it blank, the appropriate Property Officer will assign a Report Number).
  - c. **Date.** Enter the actual date of mailing to the appropriate DOL/ETA Property Officer. All SF-126s should be sent to the appropriate DOL/ETA Property Officer; contractors are not permitted to submit SF-126s directly to the GSA.
  - d. **FSC Group No.** This entry does not have to be filled in. Consult the FMR for the most recent FSC list (Ref: 41 Code of Federal Regulations 101-43.4801). The FSC can be entered at the end of each property item entry listed on the form. The number will almost always correspond to the first two digits of the Item Code number from the Property Management System. The more common FSC Group Numbers that might be applicable to the Department of Labor contracts are included with the instructions for completion of the SF-120.
  - e. **Total Acquisition Cost.** Enter the total dollar cost of the items listed on the form; this will be the total of all entries in column "g" of Block 16.

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- f. Public May Inspect Property By Contacting. Enter the name of your organization, the name and business address of the contact person, and the telephone number of the contact person.
- g. Property Located. Enter the physical location of property. If appropriate, you may enter "Same As Block 6," rather than repeating the information. [If the location is to be closed, and a final date by which the property must be removed exists, also enter this date and "Available Until" beside the date.]
- h. To. Enter the name and address of the appropriate GSA Regional Office. Also include "Attention: Federal Supply Service: Property Management Branch" with the appropriate General Services Administration region number. [All reports are to be made "Through" General Services Administration.]
- i. Loading By Government.
- (1) Activity Will Load for Purchaser - Enter a check mark in "(2) NO."
- (2) Extent. - Enter "N/A" for not applicable.
- j. Property Is Exchange/Sale. Enter a check mark in "b. NO."
- k. Property Is Reimbursable. Enter a check mark in "b. NO" for not reimbursable. [The Department of Labor does not require reimbursement; the reimbursement will go to the U.S. Treasury from General Services Administration.]
- l. Send Executed Sales Documents To. Enter "Same as Block 1."
- m. Deposit Proceeds To. Enter "U.S. Treasury."
- n. Station Deposit Symbol or Account Number: Enter "N/A" for Not Applicable.
- o. Utilization and Donation Screening Completed Certification.: Type "ADPE - N/A" under "Availability for Sale," but leave the signature and title area blank. This block is for the appropriate Department of Labor property personnel signature.
- p. Property List.
- (1) Item No. Enter a unique, sequential number for each line item.
- (2) Item No. Assigned by GSA. Leave this entry blank; GSA will assign the appropriate number.
- (3) Commercial Description and Condition.

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- (a) Description. Describe property using the item code, name of the item (commercial product terms), brand name, manufacturer, serial number, part or model number, known modifications, year of manufacture, electrical capacities, dimensions, material content, malfunctioning parts, damage, hidden defects, missing parts and any other pertinent information that will completely describe the item should GSA advertise the item for sale. This description is required even though a contractor may have received the item from excess without a complete description. Attach a photograph of the items if feasible.
- (b) Condition. The contractor must examine each item and determine its condition. The contractor must select the condition code that is most appropriate from the following list.

<b>Disposal Condition Code</b>	<b>Brief Definition</b>	<b>Expanded Definition</b>
1	Excellent	Property which is in new or unused condition and can be used immediately without modifications or repairs
4	Usable	Property which shows some wear, but can be used without significant repair
7	Repairable	Property which is unusable in its current condition but can be economically repaired
X	Salvage	Property which has value in excess of its basic material content, but repair or rehabilitation is impractical or uneconomical
S	Scrap	Property which has no value above its basic material content

- (d) Unit. Enter the unit of measurement, (e.g., “ea” for each, “dz” for dozen, “st” for set, “hd” for hundred, etc.).
- (e) Number of Units. Enter the quantity of units (i.e., if the unit is 100, and you have 100 items, enter 1).
- (f) Acquisition Cost - Per Unit. Enter the original (acquisition) unit cost of the item. [For property on your current inventory, this can be obtained from the “Value” column in your Property Management System Inventory Master List.]
- (g) Acquisition Cost – Total. Enter the total acquisition cost of all units for this line item (i.e., Number of Units x Acquisition Cost Per Unit).

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(17) & (18) - Leave blank.

5. **Missing, Stolen, Destroyed, or Damaged Property:** Contractors are responsible for all Government property until the appropriate DOL/ETA National Property Officer or Board of Survey relieves them of that responsibility in writing. Contractors must follow the following procedures to gain relief of responsibility for missing, stolen, destroyed, or damaged property:
- a. When **Government-owned property** is determined missing, stolen, destroyed, or damaged, the contractor must immediately send a preliminary report with pertinent details to the appropriate Government Project Manager. In addition, all missing and/or stolen Government-owned property must be immediately reported to the local police (via telephone) and the FBI (in writing). (Figure C-7 in Appendix C) includes a sample FBI notification letter.
  - c. All property listed on the Property Management System Inventory Master Listing which is missing following a fire must be promptly reported to the local police (via telephone) and the FBI (in writing).
  - d. The written reports must describe the property as completely as possible. The descriptions must include all pertinent information, (e.g., the name of the manufacturer, the make, model, and serial number, and the acquisition date and cost).
  - e. The contractor must obtain a copy of the police and/or Fire Department report as soon as it becomes available. The contractor must file and retain the reports for submission with subsequent reports to the Department of Labor/Employment and Training Administration and/or for provision to the Department of Labor auditors.
  - f. Within 30 days of the preliminary report, the contractor must submit a more comprehensive written report to the appropriate DOL/ETA Project Manager.
    - (1) If the property is found during this time, the Department of Labor must be advised of the circumstances.
    - (2) If the property is not recovered within 30 days, the contractor must explain the circumstances of the loss and formally request relief of accountability or voluntarily reimburse the Department of Labor for the full replacement cost of the property without recourse to any direct or indirect charge to the Government. Requests for relief of accountability must include a Form ETA 3-96 completed in accordance with the instructions in this chapter, and copies of the police, Fire Department, and/or FBI reports.  
**NOTE: Separate form ETA 3-96s should be prepared for serialized and nonserialized items.**

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**NOTE: Address the finding as a result of “not reported” after a 30-day period.**

- g. The appropriate Project Manager must review the contractor’s request for relief of accountability and associated Form ETA 3-96 with supporting documentation and either return it to the contractor for further information within 10 days of receipt or forward it to a Board of Survey.
  - h. The Government Project Manager will convene a Board of Survey within 45 working days of receipt of a **properly completed** request for relief of accountability from the contractor. The Board will review the details and documentation submitted by the contractor and the recommendation of the appropriate Government Project Manager. The Board will determine whether the contractor should be relieved of accountability or held pecuniarily liable for the property. The signed original Report of Survey/Inventory Adjustment Report (Form ETA 3-96) and the Board’s determination will be sent to the contractor. The contractor, unless relieved of accountability by the Board, is liable for any loss of or damage to Government property and any expenses incidental thereto.
6. **Report of Survey/Inventory Adjustment Report (Form ETA 3-96) Procedures.** (Figure B-15 in the Appendices B) are facsimiles of the front and back of the form ETA 3-96, respectively. The following details the responsibilities of the various parties and gives instructions on how to complete the form. The reference numbers used in the instructions are the block numbers found in the upper left corner of the associated block of the form.
- a. **Contractor Responsibilities.** Submission of forms ETA 3-96 is the sole responsibility of the contractor.
    - (1) **Timeliness.** Failure to submit the requisite forms within 30 days is a basis for disallowment of relief of accountability for any and all property missing, stolen, damaged, and/or destroyed.

**NOTE: Contractors who fail to submit forms ETA 3-96 in a timely manner during the course of their contract but wait until the end of their contract can be found summarily liable for all missing, stolen, damaged, and/or destroyed property.**
    - (2) **Completeness.** Contractors must fill in all required information in accordance with the detailed instructions later in this section of the handbook and submit all required attachments as applicable to the circumstances (e.g., Police Reports, FBI Reports, Fire Department/Fire Marshall Reports, etc.). Failure to include all required information and to provide the requisite attachments will result in the form’s return to the contractor for correction.
    - (3) **Follow-up.** The circumstances surrounding the loss or destruction of the property will generally dictate which corrective measures are necessary to prevent recurrence of the loss or destruction. Contractors who do not take corrective

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action to safeguard Department of Labor property against the recurrence of a similar situation can be held liable for the subsequent losses due to negligence.

- b. Department of Labor Project Managers. The responsibility for reviewing the Forms ETA 3-96, and recommending a course of action to the Board of Survey, lies with the appropriate Department of Labor Project Manager. The Government Project Manager must promptly review each form received to ensure that it is complete, accurate, and has the requisite attachments for substantiation of claims.
- c. The following instructions detail how the form ETA 3-96 is to be completed, and who is responsible for the information.

(1) Report No. This field is reserved for the DOL/ETA Project Managers use. The appropriate DOL/ETA Project Manager must enter a unique number to identify each form. [Generally this number will be written in a case register (logbook) which will also contain other pertinent information such as date received, contractor name, etc. The appropriate DOL/ETA Project Manager must maintain a log and a file with the reports from all Boards of Survey conducted within the Regional or National Office.]

(2) Report Type. The contractor must check the appropriate block. Each report can only carry one designation as one type, and contractors must submit a report for each type. The following are the acceptable types:

Obsolete or Unserviceable  
Damaged  
Destroyed  
Stolen  
Missing

(3) Contractor Name. The contractor must enter the full legal name of the organization to which the contract has been issued.

(4) Contract No. The contractor must enter the full and complete contract number exactly as it appears on their contract.

(5) Location (City & State). The contractor must enter the current full mailing address for the contract (street address, city, state, and zip code).

(6) Item Description Code. The contractor must enter the "Item Code" assigned to the item on the Property Management System. If the item was not previously listed on the Property Management System, the contractor must choose an appropriate Item Code from the Property Management System Item Master Catalog, and enter that code. [Each of the ten (10) following lines on the report, on which property is reported, requires a separate item code.]

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- (7) Description of Item. The contractor must enter a brief description of the item.
- (8) Serial Number. The contractor must enter the serial number of the item, if it has a serial number, or “N/A” for not applicable.

**NOTE: The serial number must agree with the serial number on the Property Management System and/or the applicable reports/supporting documentation. Relief of accountability will not be granted for items whose serial numbers are not in agreement unless the discrepancy is sufficiently substantiated. The accuracy of the serial numbers on the Property Management System, and the accuracy of the serial numbers reported to the proper authorities is the responsibility of the contractor.**

- (9) Quantity. The Contractor must enter one (1) for serialized items, and the appropriate quantity for other items. The accuracy of the quantity is solely the responsibility of the Contractor. The quantity for which relief of accountability is requested cannot be greater than the quantity specified in the associated reports/supporting documentation.
- (10) Acquisition Cost. The contractor must enter the unit cost of the item and the associated total acquisition cost. For items with a quantity of one in block 9, the Unit field may be omitted; for all other fields, the Quantity in block 9 must be multiplied by the unit cost to arrive at the total acquisition cost. For serialized items, the cost information specified in this block must be in agreement with that on the Property Management System and the supporting documentation; for non-serialized items, discrepancies are permitted because the Property Management System maintains and reports the average acquisition cost of all items with the same item code in the same location rather than actual acquisition cost of a single unit.
- (11) “Relief of Contractor/Grantee for property listed above.” The appropriate DOL/ETA Project Manager has the authority to rule (i.e., to grant relief of accountability or hold contractors partially or completely liable) on cases involving less than a total of \$5,000 of Government property in which no single line item has a total acquisition cost of more than \$2,500. If the appropriate DOL/ETA Contracting Officer chooses to exercise this authority, the Project Manager will complete this block including signature, title, and date, and return an original signed copy to the contractor.
- (12) Board of Survey Ruling. If the report is to go to a Board of Survey for a ruling, the appropriate DOL/ETA Project Manager must utilize block 12 (and attachments, if referenced in block 12) to make a recommendation to the Board of Survey regarding the issue of liability. The DOL/ETA Project Manager must also sign, enter the appropriate title, and date the form. The DOL/ETA Project Manager is then responsible for submitting the form to the Board and ensuring that the Board promptly acts upon the request.

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The Board of Survey and the appropriate Government Project Manager must complete the back of the form, except the Contract No., which the contractor must enter.

A member of the Board must complete the section detailing the verdict. The verdict may include suggestions for corrective action from the contractor to avoid future recurrence of the problem that necessitated the submission of the request and subsequent findings of liability. Other cases in which the Contractor can be held liable include losses that result from the following:

- (a) Willful misconduct or lack of good faith on the part of the contractor's managerial personnel
  - (b) A failure on the part of the Contractor to establish and administer a property management program for the control, use, protection, preservation, maintenance, and repair of Department of Labor property in accordance with this handbook; such failure can be deemed negligence
- d. Board Composition. The Board must consist of a chairperson and two members. The Regional Director must appoint the members of the Regional Job Corps Boards, and the National Property Officer must appoint National Office Board members. Neither the Project Manger nor the Contracting Officer's Technical Representative may serve on the Boards for contracts under their purview. **All must sign the findings.** The chairperson must return the completed form to the appropriate Department of Labor Project Manager.
- e. Review of Findings. The DOL/ETA Project Manager must review the findings and detail what areas were not approved. He/she also must sign, enter title, date, and return the form to the contractor by certified/return receipt requested mail.
- f. Limits of Liability. Contractors who are found liable for missing, damaged, destroyed, and/or stolen property may not be held responsible for more than the estimated replacement cost of the property for which they are held liable. The following options are available at the discretion of the Board and/or the National Property Officer:
- (1) The Contractor may be given the opportunity to provide suitable replacement property. The appropriate DOL/ETA Project Manager will determine if the property is an acceptable replacement, and he/she will set the time limits in which replacement must be accomplished.
  - (2) If damaged property can be restored to its condition prior to convention of the Board, the contractor may be given the option to pay for the repairs to return it to its condition prior to the damage.



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**NOTE: The contractor may not repair the property with contract funds.**

- (3) The Department of Labor Project Manager may obtain quotes for the replacement of the property and contact suppliers who can provide identical property. The suppliers may include sources of “used” property, if the Government Project Manager deems that this is appropriate to the circumstances (i.e., if the property had been used for a significant period of time prior to the incident). The quotes for replacement will form the basis for the Project Managers decision as to a dollar amount to assess.
  - (4) The appropriate DOL/ETA Project Manager may deduct the “salvage” value of damaged and/or destroyed property, if a source can be found which will take the property and pay the salvage value to the Department of Labor.
  - (5) In no instance will the amount assessed be calculated and/or estimated based on original acquisition cost of the property less depreciation. Property cost is not property value and does not allow for depreciation. (This option would promote the loss of fully depreciated but still useful/useable property, and is thus not acceptable.)
- g. Remedies/Action. The liability assessed and/or other remedy suggested by the National Property Officer and/or Board of Survey, must be carried out within thirty days of receipt of the findings. (The findings will be sent to the contractor by certified/return receipt requested mail, so that a receipt date can be ascertained.)
8. **Cannibalization of Property**. When the contractor desires to remove serviceable components from otherwise unserviceable and/or unusable Government property, the contractor must request permission from the appropriate Project Manager. Each request should identify the items to be cannibalized, parts to be removed, and benefits from cannibalization. If the request is approved, the contractor may remove the approved components. If cannibalization is not approved, but the item is still considered excess to the needs of the contract, the item must be listed on the SF-120 with its appropriate condition code and other relevant information. If cannibalization was approved, and the item was cannibalized, it must be listed on the SF-120 with a notation that it is unusable and the components removed must be detailed. In Regions that abandon such property without reporting it to GSA, the requirement to list the removed components may be waived. Contractors may be held liable for any property they cannibalize without the written prior approval of the appropriate DOL/ETA Project Manager.
  9. **Trade-in**. When the contractor desires to trade in Government property, the contractor must request the appropriate DOL/ETA Project Managers permission. Each request must identify the item(s) to be traded in, the reason for the trade-in, trade in value, replacement item, and acquisition cost of the new item (without the trade in). The DOL/ETA Project Manager will advise the contractor of approval or disapproval in writing. Contractors may be held liable for any property that is traded-in without the written prior approval of the appropriate DOL/ETA Project Manager.