

Subpart 101-43.1—General Provisions

SOURCE: 53 FR 16092, May 5, 1988, unless otherwise noted.

§ 101-43.101 Agency utilization reviews.

Each executive agency shall continuously survey property under its control to assure maximum use and shall promptly make personal property that is excess to its needs available for transfer in accordance with this part.

§ 101-43.102 Reassignment of personal property.

(a) When property is determined to no longer be required for the purpose of the appropriation from which it was purchased or for the use to which it has been applied, an executive agency shall, to the maximum extent feasible, reassign the property within its activities, including its cost-reimbursement contractors as described in 48 CFR subpart 16.3, and shall immediately discontinue procurement of items for which the property can be substituted or adapted.

(b) Federal agencies in the legislative and judicial branches are encouraged to report and transfer excess personal property and fill their requirements from excess personal property or other Federal agencies. In reporting personal property as excess, each Federal agency shall comply with the provisions of this part.

§ 101-43.103 Agency utilization officials.

To promote the maximum utilization of excess personal property, agencies are requested to designate national and regional utilization officials who will be responsible for promoting the acquisition and profitable use of available excess.

Subpart 101-43.2 [Reserved]

Subpart 101-43.3—Utilization of Excess

SOURCE: 53 FR 16092, May 5, 1988, unless otherwise noted.

§ 101-43.301 Federal Government procedure.

The first source of supply is excess personal property, which shall be used by executive agencies to the fullest extent practicable as prescribed in this part. A requirement for personal property expressed by an authorized Federal activity identified in § 101-43.309-1 shall supersede any disposal action. This means that Federal transfers may be accomplished for surplus property if the holding or selling agency is notified prior to shipment or delivery of donated property or prior to actual removal of property from Government control in the case of sale.

§ 101-43.302 Agency responsibility.

(a) To obtain maximum utilization and to minimize the procurement of new items, each executive agency shall be responsible for making excess personal property available and for facilitating the transfer of the property to other Federal agencies for direct use or for use by their authorized cost-reimbursement contractors, cooperatives, and project grantees, and to the organizations specified in § 101-43.309-1. Each executive agency shall, to the maximum practicable extent, fulfill its requirements for property by obtaining excess personal property from other Federal agencies instead of initiating a new procurement.

(b) Agencies receiving or transferring excess personal property shall establish controls over the processing of transfer orders and shall establish and maintain an adequate system of property accountability. Each Federal agency shall develop and maintain an effective system for the prevention and detection of situations involving the nonuse, improper use, or unauthorized disposal or destruction of excess personal property received by the agency. This responsibility should include compliance reviews, field inspections, audits, and other procedures to monitor the excess personal property controlled by an agency. The system of accountability for excess personal property should be in accordance with agency procedures, and records subject to audit by an internal audit group of the Federal agency and made available to the General Accounting Office upon request.

(c) GSA will assist agencies in meeting their requirements for property of the types excepted by this part from formal reporting as excess. Federal agencies requiring such property should contact the appropriate GSA regional office indicated in §101-43.4802. GSA area utilization officers, stationed at key excess generating points throughout the United States, screen and offer nonreported personal property as it becomes available for transfer.

(d) GSA regional offices will screen all requests for replenishment of stock and direct delivery purchase requests submitted by agencies against lists of excess personal property available in their regions. GSA may take physical custody of such excess personal property for redistribution or may direct its transfer to executive agencies instead of procurement of new property from commercial sources of supply. Notice of intent to substitute will be provided to the ordering agency if the excess personal property is used, rehabilitated, or differs in some substantial characteristics from the item ordered. This will give the ordering agency an opportunity to inspect the property before shipment. Acceptance of excess personal property under these circumstances shall be required unless the using agency submits a written justification stating that such transfers or substitutions would result in serious hardship or impairment to its operations.

(e) Part 101-27 prescribes standards for executive agencies use in computing inventory levels. To encourage the use of excess property which might otherwise be disposed of as surplus, inventory levels may be adjusted upward when items of stock are to be acquired from excess sources. Such adjustments should be computed with caution and arrived at after careful analysis which gives consideration to the factors set forth in part 101-27 and this part. Generally, acquisitions of items for inventory from excess shall not exceed a 2-year supply except when:

(1) A greater quantity is needed to meet known requirements for an authorized planned program.

(2) The item is not available without special manufacture and a predictable requirement exists.

(3) Administrative determination has been made that in application of the economic order quantity (EOQ) principle of stock replenishment within an agency, an inventory level in excess of 2 years is appropriate for low dollar-volume items.

(4) The items are being transferred into authorized stock funds for resale to other Government agencies.

(5) In addition, the following conditions should be met prior to acquisition of excess:

(i) There must be a predictable requirement for an authorized program.

(ii) The cost of acquisition, including packing and shipping, carrying in inventory, and preservation, shall not exceed delivered cost of new material.

(iii) The supply acquired does not exceed the expected shelf life, considering condition at time of acquisition.

(iv) The supply of spare parts acquired shall not exceed the life expectancy of the equipment supported.

§ 101-43.303 Retention of custody.

(a) GSA may direct the holding agency to retain custody of property reported to GSA for utilization, donation, or sales action pending disposition. The holding agency shall make adequate provisions for the protection of property in its custody and reported to GSA against the hazards of fire, theft, vandalism, and weather commensurate with the condition and value of the property and the availability of storage space.

(b) GSA may order transfer of partial or total custody to other executive agencies, with their consent.

(c) At the end of a period of 180 days from the date the property is made available to GSA, the holding agency may, upon proper notification to the appropriate regional Federal Supply Service Bureau, elect to assume the responsibility to complete the disposal in compliance with all the processing requirements of this subchapter H normally performed by GSA, except that property pending transfer or donation for a known requirement and property offered for sale in an invitation for bids will not be returned to holding agency