

CHANGEU.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

4800.2C CHG 2

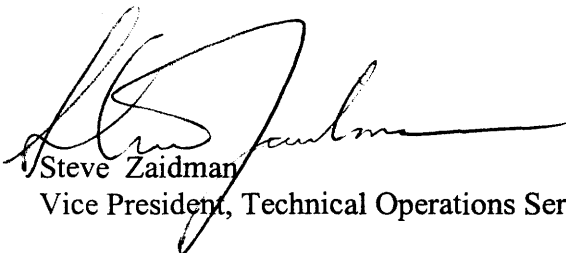
12/21/2004

SUBJ: DELEGATION OF DISPOSAL AUTHORITY FOR PERSONAL PROPERTY

1. **PURPOSE.** This change updates and clarifies Exchange or Sale of Personal Property procedures, and Abandonment or Destruction of Surplus Personal Property procedures of the latest version of Order 4800.2, Utilization and Disposal of Excess and Surplus Personal Property.
2. **DISTRIBUTION.** This order is distributed to the division level in the Washington headquarters, regions, and centers, and a standard distribution to all field offices and facilities.
3. **EXPLANATION OF CHANGES.** This revision:
 - a. Updates Chapter 3, Exchange or Sale of Personal Property, to permit the use of reimbursable transfer.
 - b. Updates Chapter 7, Abandonment or Destruction of Surplus Personal Property, to incorporate abandonment or destruction of electronic equipment.
 - c. Updates organizational titles and incorporates additional acronyms.
4. **DISPOSITION OF TRANSMITTAL.** Retain this transmittal.

PAGE CONTROL CHART

Remove Pages	Dated	Insert Pages	Dated
3-1 thru 3-4	5/31/96	3-1 thru 3-6	12/21/2004
7-1 thru 7-4	5/31/96	7-1 thru 7-7	12/21/2004



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Initiated By: Technical Operations
Support (AFZ-500)

CHAPTER 3. EXCHANGE OR SALE OF PERSONAL PROPERTY

***3-1. USE OF EXCHANGE/SALE OPTION.** To reduce the FAA's need for additional funding for the acquisition of replacement personal property, it may exchange or sell that property and apply the exchange allowance or sales proceeds to the acquisition of similar replacement property. Using the exchange/sale authority also enables the FAA to avoid the costs (e.g., administrative and storage) associated with holding the property and processing it through the normal disposal cycle, i.e., reutilization by other Federal agencies, donation to eligible non-Federal public or non-profit organizations, sale to the public, or abandonment or destruction.

a. Section 210(c) of The Federal Property and Administrative Services Act of 1949, as amended, permits, under regulations developed by GSA, agencies to exchange or sell property and use part or all of the proceeds from that sale in acquiring similar items of property. FMR 102-39 promulgates the Federal policy and methods on the use of the authority. However, this authority is strictly limited to non-excess items. (Surplus property does not qualify for exchange/sale, therefore there have been no changes made to processing surplus property for the FAA). Within the FAA, property should be sold or exchanged when a replacement is deemed necessary, and the proceeds of the sale or the exchange allowance applied to the acquisition of the replacement property. It is important that each property owner not identify or declare any item as excess until the possibility of exchange or sale in requiring replacement items has been fully explored. Considerations are transfer with reimbursement, exchange, or sale. Equipment that is not transferred with reimbursement, exchanged, or sold may be transferred or donated without reimbursement.

b. GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Fiscal Procedures, Section 5.5D (<http://www.gao.gov/decisions/ppm7.pdf>) governs the monetary procedures for collecting and retaining these funds, and FMR 102-38.295 provides additional authority to retain sales proceeds for exchange/sale property.

3-2. AUTHORIZATION. Exchange/sale is allowed when all the following conditions are met:

a. The item sold or exchanged is similar to the item acquired. Sufficient data establishing similarity of an item must be retained as part of the acquisition file to document the decision. Items are considered similar when any of the following apply:

- (1) The replaced item and the acquired item are identical.
- (2) The acquired item is designed and constructed for the same purpose as the replaced item, or both constitute parts or containers for identical or similar end items.
- (3) The acquired item and the replaced item both fall within a single FSC.

b. The items sold or exchanged are not excess and the items acquired are needed in the conduct of approved programs.

c. One item is to be acquired to replace a similar item. The only exception to the one-for-one rule is when:

(1) The items acquired perform all or substantially all the tasks in which the old items would otherwise be used.

(2) The items sold or exchanged and the items acquired are parts or containers for identical or similar end items.

d. There has been at the time of exchange or sale (or at the time of acquisition if it precedes the sale) a written administrative determination to apply the exchange allowance or proceeds of sale in acquiring property.

e. The action will foster economical and efficient accomplishment of an approved program.

f. The acquisition is authorized by law and is not in contravention of any procurement restrictions or replacement policies or standards.

g. The equipment does not fall within any categories listed in Figure 3-1, Exchange/Sale Prohibition List as supplemented by DOT Order 4410.4.

FIGURE 3-1. EXCHANGE/SALE PROHIBITION LIST

Federal Supply Group (FSG)	Classification
10	Weapons
11	Nuclear ordnance
12	Fire control equipment
14	Guided missiles
15	Aircraft and airframe structural components
16	Aircraft components and accessories
17	Aircraft launching, landing, and ground handling equipment
20	Ship and marine equipment
22	Railway equipment
31	Bearings
32	Woodworking machinery and equipment, except lathes, milling machines, and saws, circular or band
34	Metal working machinery, except drill presses, lathes, milling machines, and saws, circular or band
40	Rope, cable, chain, and fittings
41	Refrigeration, air conditioning and air circulating equipment
42	Firefighting, rescue, and safety equipment
44	Furnace, steam plant, and drying equipment, and nuclear reactors
45	Plumbing, heating, and sanitation equipment
46	Water purification and sewage treatment equipment
47	Pipe, tubing, hose, and fittings
48	Valves
51	Hand tools
53	Hardware and abrasives
54	Prefabricated structures and scaffolding
55	Lumber, millwork, plywood, and veneer
56	Construction and building materials
68	Chemicals and chemical products, except medicinal chemicals
71	Furniture
75	Office supplies and devices, except cards, tabulating machines
83	Textiles, leather, furs, apparel and shoe findings, tents, and flags
84	Clothing, individual equipment and insignia

3-3. **RESTRICTIONS.** Exchange/sale authority does not authorize:

- a. The sale of equipment in new or unused condition in connection with the acquisition of equipment.
- b. The sale, transfer, or exchange of scrap materiel or surplus equipment in connection with the acquisition of equipment.
- c. The sale, transfer, or exchange of strategic and critical materials or of Nuclear Regulatory Commission (NRC) controlled materials, except in accordance with NRC regulations.
- d. The sale or exchange of controlled substances.
- e. The sale or exchange of forfeited, excess, or surplus property acquired from another Federal agency, when held by FAA for less than 1 year.
- f. The sale or exchange of property that is dangerous, hazardous, or endangers public safety without first rendering such property innocuous or providing adequate safeguards, in accordance with the requirements of applicable HAZMAT and OSHA standards.

3-4. **WAIVERS.** Normally the exchange/sale authority may be used without obtaining a waiver from GSA. A waiver may be requested to conduct exchange/sale transaction for items on the "prohibited list" (See Figure 3-1), or if the transactions will not comply with other provisions in this Order. All provisions can be waived except those mandated by statute, e.g., the requirements that the property exchanged or sold is similar to the property acquired, and that the property exchanged or sold is not excess or surplus (See Paragraph 3-2). Written requests for waivers must be made to Technical Operations Support, Service Management Office, Asset Management and NAS Supply Support Group, for submission to GSA's Associate Administrator for Government-wide Policy for final approval. The request for waiver must contain the following:

- a. What, specifically, is the proposed transaction (including the type, amount and estimated value of the property to be replaced and the property to be acquired)?
- b. What other disposal options, if any, were considered? (e.g. Would other agencies/States be interested in the property? What would be the public sale value?) Why is exchange/sale the preferred option?
- c. What would be the justification, i.e., benefits to the Government, of the proposed exchange/sale transaction(s) (e.g., anticipated cost avoidance/savings)?
- d. For which FMR 102-39.45 provisions, is a waiver requested?
- e. Disclosure of hazardous material or waste characteristics.

3-5. UTILIZATION SCREENING FOR EXCHANGE/SALE EQUIPMENT (REIMBURSABLE TRANSFERS).

a. Following the decision to use exchange/sale procedures and the written determination required by paragraph 3-2d, equipment should be screened within the FAA. In addition, other Federal agencies, including the Department of Defense (DoD), known to use or distribute similar equipment should be solicited to determine whether they have a need for the equipment.

b. Reimbursable transfers of equipment between Regions/Centers/or other Departmental elements will be at the option of the holding element. Reimbursable transfers to other federal agencies will be made on terms agreed to by the holding element and the receiving Federal agency or organization. In either case, reimbursement may not exceed the estimated gross proceeds if the equipment were sold on competitive bid basis or dollar value allowed for trade-in. Funds will be transferred in accordance with FAA procedures and the exchange allowance or proceeds from transfer will be applied in whole or part payment for the replacement item(s) acquired.

3-6. EXCHANGE PROCEDURES. Equipment that is not transferred under procedures outlined in paragraph 3-5 may be exchanged. Most exchange transactions occur as a trade-in allowance or a contract offset for the replacement equipment.

a. When replacement equipment is purchased from Federal Supply Schedule contracts and a trade-in allowance for the replaced item is specified in the contract, the old item will be exchanged and the trade-in allowance applied to the purchase of the replacement item. In addition, trade-in allowances should be solicited from other types of exchange/sale allowances when feasible or practical. Checks should be made with the servicing GSA regional office to determine the most recent price received by GSA from the sale of similar items. A determination should then be made as to whether accepting the trade-in allowance or selling the items would be more advantageous to the Government.

b. Property managers or Property Disposal Officers ((PDOs) may internally reassign eligible items, either within or outside a region, for use by the gaining department as an exchange for a replacement item. Actual physical movement of the reassigned item may not be necessary if the supplier of the replacement item will accept it at the original location. The item may also be delivered directly to the supplier to minimize storage and handling costs. Exchanges of items not in use or when delivery/removal does not coincide should be kept to a minimum as they involve additional storage, handling, and administrative costs.

3-7. SALE PROCEDURES. Equipment that is not transferred with reimbursement or traded-in will be sold in accordance with the terms outlined in this Order. **THIS IS EXCHANGE/SALE PROPERTY. PROCEEDS ARE TO BE APPLIED TO REPLACEMENT ITEM** will clearly be annotated on all sale documentation. When a trade-in allowance is offered, but not accepted, this fact should be included on the sales documentation. The methods, terms, and conditions of sale are contained in Chapter 6 of this Order.

3-8. **AVAILABILITY OF PROCEEDS.** When an agency other than the FAA provides sales services for exchange/sale property, they may recover the costs incurred in conducting sales. FAA's proceeds from sales are, therefore, less than the gross amount received.

a. When property to be replaced is sold prior to acquisition of its replacement, the proceeds will be credited to the FAA for obligation of the replacement item and will be available for obligation during the fiscal year the sale is made and one fiscal year thereafter.

b. When the replaced property is sold after acquisition of replacement property, proceeds may be deposited as a direct reimbursement credit to the appropriation charged for the replacement.

c. All sale proceeds will be deposited and documented in accordance with requirements contained in GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Fiscal Procedures, Section 5.5D (<http://www.gao.gov/decisions/ppm7.pdf>) and FMR 102-38.295. *

CHAPTER 7. ABANDONMENT OR DESTRUCTION OF SURPLUS PERSONAL PROPERTY

***7-1. AUTHORITY AND APPROVAL.** Normally, property reaches the abandonment or destruction phase only after reutilization, donation, and sale efforts have produced no results. If unforeseen circumstances make it necessary to accelerate the disposal process, the GSA disposal timeframes can be altered provided GSA is aware of the urgency. Contact the GSA regional office to request accelerated disposal action.

a. Disposal by abandonment or destruction is of interest to Federal auditors and the public, and so great care should be taken to fully justify, document, and ensure audit trail visibility of all abandonment and destruction actions. Abandonment or destruction of property is the least preferred method of disposal and is used only when other methods of disposal have been exhausted, were unsuccessful, or were uneconomical to pursue.

b. Before any abandonment or destruction action is considered, the property should have been processed through the following sequence:

- (1) Screening for reutilization within the agency.
- (2) Federal screening through GSA for reutilization or donation.
- (3) Sale, either through FAA or GSA.

c. If property survives the reutilization, donation, and sale efforts, it has been demonstrated that the property has no reutilization, donation, or sales value and is eligible for disposition through abandonment or destruction. In certain cases, disposal by abandonment or destruction is authorized by law, regulation, or agency directive for reasons of public health, safety, or security. In such cases, and depending on the cited reason or authority, abandonment or destruction can take place at any time during the disposal process.

d. Abandonment or destruction of FAA surplus property must be documented properly and must meet complete, auditable trail of all transactions.

7-2. APPROVING/REVIEWING OFFICIAL. Each organizational element will designate, in writing, by name and position title, an Approving Official to determine the authority selected that will be used as the basis for the abandonment or destruction action. (The Approving Official is usually the Property Disposal Officer). In addition to the Approving Official, a Reviewing Official will also be appointed to review and approve the authority used as a basis for the abandonment or destruction action. (The Reviewing Official is usually the Region/Center/Headquarters Property Officer). The designation will be made in writing by name and position title.

7-3. PROCEDURES.

a. The first requirement in preparing to dispose of property through abandonment or destruction is to determine the proper authority. Approving Officials may provide written approval to abandon or destroy property in response to a report of excess, or a custodian's request. Complete and accurate written justification shall be provided in order for the Approving Official to make a proper determination. Justification (e.g. condition codes) shall not be falsified in order to justify abandonment or destruction. The Approving Official is responsible for determining the cost effectiveness of using abandonment or destruction as the means of disposal. Any one or more of the following authorities may be used.

(1) The property has no commercial value. No commercial value means that the property, through determination, has neither utility nor monetary value (either as an item or as scrap). In other words, if a reasonably prudent person could not find 'some' economic purpose, then the item has no commercial value. Every effort should be made to sell property as a separate item, or when appropriate, as scrap before classifying it as having no commercial value.

(2) The cost of care, handling, and preparation of the property for sale would be greater than the expected sale proceeds (estimated fair market value).

(3) A law, regulation, or directive requires abandonment or destruction. Return of the item accompanied by a letter from GSA stating that the agency should dispose of the item under agency procedures is not a valid authority.

(4) Written instructions by a duly authorized official (health, safety, or security) directing abandonment or destruction.

b. After selecting the appropriate authority, the Approving Official will prepare a written finding justifying the abandonment or destruction action. The written finding will include:

(1) A detailed description of the property, condition, and total acquisition cost.

(2) The authority for the abandonment or destruction action along with any pertinent supporting documentation.

(3) A statement describing the proposed method of destruction (i.e., burning, burying, etc.) or the abandonment location.

(4) A statement that the proposed abandonment or destruction action will not be detrimental or dangerous to public health or safety, and will not infringe on the rights of other persons.

(5) The signature of the appropriate agency official approving the abandonment or destruction.

(6) Request for abandonment or destruction approval for property with an acquisition cost of over \$1,000 should, in addition to the signature of the agency Approving Official, include the title, telephone number, and signature of the agency Reviewing Official.

c. Once approved, the Approving Official will inform the Property Custodian. Property may be abandoned or destroyed ONLY when directed by the Approving Official.

d. If, at any time prior to the actual abandonment or destruction, donation becomes feasible, abandonment or destruction action will cease and donation processing will begin.

7-4. NOTICE OF PROPOSED ABANDONMENT OR DESTRUCTION.

a. Following appropriate approval, the FAA must provide for public notice of the abandonment or destruction action. Public notice will be given in the area in which the property is located and should be for a period not less than 7 calendar days. A sample notice is provided in Figure 7-1, Public Notice of Abandonment or Destruction, on page 7-6. If, as a result of the notice, the property is donated or sold that information should be annotated in the property file. The public notice will include:

- (1) A general description of the property.
- (2) The date and location of the abandonment or destruction action.
- (3) An offer to donate the property to public bodies (see FPMR 101-44.7).
- (4) An offer to sell the property.

b. The public can be notified by posting announcements in public places, or publishing the announcement on the Internet, in organizational newsletters, or local newspapers. Sale of property pending abandonment or destruction action may be carried out by the FAA or the appropriate GSA regional sales office.

c. There are exceptions to the requirement for public notice of abandonment or destruction action. The exceptions are when:

(1) In the best interest of the public, immediate abandonment or destruction is necessary or desirable because of the nature of the property or because of the difficulty or expense of its care and handling. In this case, the written justification and approval by the agency reviewing authority should indicate one of the following:

(a) The value of the property is so little or the cost of care and handling is so great that retention and advertising for sale is clearly uneconomical.

(b) Immediate abandonment or destruction is required because of health, safety, or security considerations.

(c) The property to be abandoned or destroyed is unserviceable, expendable property, such as electric light bulbs, radio tubes, fuses, resistors, capacitors, air filters, dust cloths, etc., and the accumulation of this type of property is uneconomical and not in the best interest of the Government.

(2) A single line item of property to be abandoned or destroyed at any one location at any one time has an acquisition cost of less than \$500.

7-5. CERTIFICATION OF FINAL PROPERTY DISPOSITION. Following the abandonment or destruction, a certificate of abandonment or destruction should be prepared to document the action and satisfy audit trail requirements. A sample certificate is provided in Figure 7-2, Certificate of Final Property Disposition on page 7-7. This certification, signed by the custodian (or designee) and a witnessing FAA employee (for abandonment or destruction), is to be part of FAA's official property records. A copy should be maintained by the property custodian and a copy provided to the Approving Official.

7-6. ABANDONMENT OR DESTRUCTION OF HAZARDOUS MATERIALS. With the exception of electronic equipment, hazardous material, including empty hazardous material containers, are to be disposed of using the authority contained in this Chapter only in accordance with Federal, State, local waste disposal, and air and water pollution control standards. Hazardous wastes that are intended for off-site shipment for treatment, storage, or disposal must be accompanied by the Uniform Hazardous Waste Manifest developed jointly by EPA and DOT (see U.S. EPA Form 8700-22 and -22A in the Appendix to 40 CFR Part 262).

7-7. ABANDONMENT OR DESTRUCTION OF ELECTRONIC EQUIPMENT. Electronic equipment is all equipment that plugs into an electric power source or runs on batteries, including subsystems and components. It includes, but is not limited to the following Federal Supply Groups:

<u>FS Group</u>	<u>Description</u>
58	Communication, Detection, and Coherent Radiation Equipment
59	Electrical and Electronic Equipment Components
60	Fiber Optics Materials, Components, Assemblies, and Accessories
61	Electric Wire, and Power and Distribution Equipment
62	Lighting Fixtures and Lamps
63	Alarm and Signal Systems
70	General Purpose Automatic Data Processing Equipment, Software, Supplies, and Support Equipment

a. Electronic equipment and components often contain materials that are harmful to human health and the environment, and may require special handling under environmental regulations when being abandoned or destroyed.

(1) Monitors (CRTs) may contain high concentrations of lead.

(2) Circuit boards and switches may contain lead, mercury, arsenic, and possibly other heavy metals.

(3) Batteries may contain acid, lithium, nickel, cadmium, or lead.

(4) Heat sinks may contain beryllium.

(5) Capacitors and transformers manufactured prior to 1983 may contain PCBs.

b. Rapid technological advances and an aging inventory of electronic equipment have resulted in an increase in electronic waste produced by FAA activities. This trend is likely to continue for the foreseeable future. Limited landfill space and the hazardous characteristics of various electronic equipment components place the issue at the forefront as an environmental concern.

c. Executive Order (EO) 13101 Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition and EO 13148 Greening the Government through Leadership in Environmental Management mandate that federal agencies promote reuse and recycling (to include demanufacturing) efforts of electronic equipment over abandonment or destruction.

d. The June 2000 Administrator's Policy on Pollution Prevention aligns the FAA's stance on environmental protection with those of the National Environmental Policy Act, the Council on Environmental Quality, and EO 13148. It states that the FAA will strive "to minimize adverse impacts on the air, water, and land resulting from actions we undertake, approve, or finance."

e. When FAA electronic equipment reaches the end of its useful life, personnel responsible for its disposal shall reuse, sell, or recycle the equipment to the maximum extent possible, in lieu of disposing of the equipment through abandonment or destruction. To avoid potential liability for landfill clean-up, electronic equipment will not be disposed of in a landfill.

f. Electronic equipment will be disposed of through recyclers (demanufacturing agents) that meet Federal and state requirements to conduct business as a recycler to minimize the impact on the environment. Due diligence must be exercised in identifying and contracting with such recyclers. At a minimum, a waste management contractor should provide closed loop documentation through the final disposition of the equipment, comply with all environmental laws and regulations, and provide proof of insurance or legal indemnification against liability for improper disposal of electronic equipment. A site inspection of the proposed waste management contractor's facility is also advisable.

FIGURE 7-1. PUBLIC NOTICE OF ABANDONMENT OR DESTRUCTION

1. NOTICE.

Notice is hereby given that the _____ proposes to initiate abandonment or destruction procedures for the following surplus Government property:

NSN	NOUN NAME/DESCRIPTION	QTY AVAIL	UNIT UI	PRICE
9999-99-999-9999	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	00000	XX	\$9,999,999.00
	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
9999-99-999-9999	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	00000	XX	\$9,999,999.00
	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			

(Continue to list all items entered by PDO on same page. When finished, follow with remainder of notice.)

2. DONATION.

Beginning on _____, until close of business, _____, the above property will be available for donation to public bodies. After this time all remaining property will be abandoned or destroyed in accordance with applicable Government disposal regulations.

3. SALE.

Notwithstanding the above, commencing with the posting of this notice and so long as the property is available, the Government will consider the sale of all or any portion of this property to any or all interested parties on a first-come, first-served basis.

4. INSPECTION.

This property is available for inspection at _____, from _____ to _____ Monday through Friday, excluding holidays, until _____. Interested parties are invited to contact _____, phone number _____.

**FIGURE 7-2. CERTIFICATION OF FINAL
PROPERTY DISPOSITION**

As a result of the attached Property Custodian Final Disposition Instructions, dated 99/99/99, the following actions have been taken on items remaining on Excess Report # _____.

1. **DONATION.** Item number(s) _____ have been donated to a public body.

Recipient name/organization: _____

2. **SALE.** Item number(s) _____ have been sold for \$ _____.

Recipient name: _____
Address/phone number: _____

3. **ABANDONMENT OR DESTRUCTION.** Item number(s) _____ have been abandoned or destroyed in the following manner and location, as authorized by the Federal Management Regulations:

Method of Destruction or Abandonment/Location*: _____

SIGNATURE (for donation, sale, or abandonment/destruction)

Property custodian or custodian designee

Date _____

WITNESS SIGNATURE (for abandonment/destruction)

I have witnessed the (abandonment or destruction) of the described property in the manner and on the date stated herein.

FAA Witness

Date _____

* I agree to accept full responsibility for the abandoned items.

Real Estate/Property Owner

Date _____

*

U.S. Department
of Transportation

**Federal Aviation
Administration**

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