



**Federal Property Acquisition
UTAH STATE AGENCY FOR
SURPLUS PROPERTY
USASP**

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Federal Surplus Program

- **What is the Federal Surplus Program?**
- **Who uses the program?**
- **Who pays for the program?**
- **Changes over the years**



What is the Federal Surplus Program?

- **Federal Donation Program**
 - **Reutilization, Transfer and Donation (R/T/D)**
- **1122 Program (Federal Contracts Purchasing)**
 - **The National Defense Authorization Act for fiscal year 1994 contained Section 1122, which allows State and local governments to purchase new law enforcement equipment for counterdrug activities through the Federal Government.**



What is the Federal Surplus Program?

The Federal Surplus Program is a Utah State governmental program that is tasked with the responsibility of locating, acquiring and distributing federal surplus personal property to state and local governments and eligible non-profits.



Federal Surplus Program Procurement & Tracking

- **Procurement of Federal Property**
 - Department of Defense
 - Forest Service
 - General Service Administration
 - NASA
 - Contractor Property
- **Tracking of Federal Property**
 - Eligibility
 - Request
 - Approval
 - Invoice
 - Compliance – (monitoring use)



Who uses the Federal Surplus Program?

- **Eligible Donees**

- Cities
- Towns
- Counties
- Law Enforcement Agencies
- State Agencies

- **Qualified Non-Profits Dealing Specifically with:**

- Health
- Education
- Homeless



Who pays for the program?

- **Paid by the Donee who acquires the property**
- **Donation fee of up to 20% of acquisition cost of property**



Why does the donee pay for the program?

- **USASP in an Internal Service Fund (ISF)**
 - **ISF recover the cost of the operation through service and handling fees**



Federal Surplus Program Changes over the Years

- **Property availability**
 - Though availability has declined somewhat the program still offers huge savings by avoiding new procurement costs and repairs
- **Staff**
 - Reduced from 5 FTE's to .10 FTE
- **Electronic Acquisition GSAXcess.gov**
 - Is the entry site for the Reutilization Transfer and Donation (R/T/D) of Surplus Personal Property Program operated by the General Services Administration GSA



SCREENING ON GSAXCESS

Locate Personal Property: Donees can locate what they need on GSAXcess.gov. In order to access and select property in the system, agencies need a User ID and password, which can be issued by the local SASP. All eligible donees can access the system with a Search-Only access.

Once property has been located call or email SASP property officer and supply the turn in document number, item name and quantity of item. They will request your items and process paperwork for approval. You will be notified when approval is given by GSA. Before pickup approval form is given payment must be made to SASP for handling fees.



SCREENING PERIOD ON GSAXCESS

GSA's Office of Personal Property Management helps federal agencies dispose of personal property that is no longer needed.

- **Conduct 21 day screening:** Generally, once agencies report their excess personal property to GSA, other federal agencies can screen the property over a 21-day period. If one agency selects another agency's property, GSAXcess will generate transfer forms. The forms must be signed and approved by the agency allocating the property, the agency receiving the property, and the regional GSA Area Property Officer. Once the transfer is official, the agencies must coordinate the actual shipping and transportation of the property.
- **Offer to state and local agencies and organizations:** If no federal agency expresses interest by the end of the 21-day screening period (14 days if the property is furniture or computers), GSA declares the personal property as surplus and offers it to the State Agency for Surplus Property (SASP) for donation.



REMOVAL OF PROPERTY

The Donee contacts the disposing agency once a C5 form has been issued to arrange pickup. Pickup must occur within 15 calendar days from the date of allocation/approval.

Note: The Donee is responsible for any packing, shipping, or transportation costs.



SCREENING ON GSAXCESS

- **Locate Personal Property**
 - Donees can locate what items are needed on GSAXcess.gov. In order to access and select property in the system, Donees need a **User ID** and password, which can be issued by the local SASP. All eligible Donees can access the system with a **Search-Only** access.
- **Once property has been located**
 - Call or email SASP property officer and supply the turn in document number (DTID), item name and quantity of item.
 - The SASP will request the wanted and process for approval.
 - Your SASP will notify you when approval is given by GSA.
- **Prior to the removal**
 - The service and handling fees must be received before a C5 form (Authorization for pickup) will be issued.



SUPPLY CONDITION CODES

The Supply Condition Code is used to classify materiel in terms of readiness for issue and use or to identify action underway to change the status of materiel.

- A Serviceable (issuable without qualification).** New, used, repaired, reconditioned materiel serviceable and issuable to all customers without limitations or restrictions. Includes materiel with more than 6 months of shelf-life remaining.
- B Serviceable (issuable with qualification).** New, used, repaired, reconditioned materiel serviceable and issuable for its intended purpose, but restricted from issue to specific units, activities or geographical areas by reason of its limited usefulness or short service life expectancy. Includes materiel with 3 through 6 months shelf-life remaining.
- C Serviceable (Priority issue)** Items serviceable and issuable to selected customers, but must be issued before Supply conditions Code A and B materiel to avoid loss of a usable asset. Includes materiel with less than 3 months shelf-life remaining.



SUPPLY CONDITION CODES

- D Serviceable (Test/Modification).** Serviceable materiel requiring test, alteration, modification, technical data marking, conversion, or disassembly. Includes items that require surveillance laboratory analysis, functional testing, and technical evaluation by higher authority to verify serviceability.
- E Unserviceable (Limited restoration).** Items that involved only limited expense or efforts to restore to serviceable conditions. It is done in the storage activity.
- F Unserviceable (Reparable).** Economically reparable items that require repair, reconditioning, or overhaul.
- G Unserviceable (Incomplete).** Materiel requiring additional parts (B II) or components (non-functional) to complete the end item prior to issue.



SUPPLY CONDITION CODES

- H Unserviceable (Condemned).** Materiel that has been determined to be unserviceable and does not meet repair criteria; condemned items which are radioactivity contaminated; Type I shelf-life materiel that has passed the expiration date and Type II shelf-life materiel that has passed expiration date and cannot be extended. Must contain any components or assemblies to be reclaimed.
- I Reserved**
- J Suspended (In stock).** Items in stock that have been suspended from issue pending condition. Classification or analysis when the true condition is unknown. Includes shelf-life Type II materiel that has reached the expiration data, and Type II shelf-life materiel that has passed expiration date and cannot be extended.
- K Suspended (Returns).** Items returned from customer and uses suspended from issued pending inspection and condition classification.



SUPPLY CONDITION CODES

- L** Suspended (Litigation). Materiel held pending litigation or negotiation with contractor or common carrier. Includes shipments with overages, defects, or other conditions that require negotiations or litigation with procurement sources or common carrier to determine responsibility or liability for correction. Assets held pending the results of a report of survey are also included. This code should not be used with misdirected shipments.
- M** Suspended (In work). Items on inventory control record but that have been delivered to and accepted by an Army or DoD maintenance facility or a contractor's plant for processing.
- N** Suspended (Ammunition suitable for emergency combat use only). Ammunition stocks suspended from issue except for emergency combat use.
- O** Reserved



Disposal Condition Codes

When property is reported online, the condition of property is reported using the simplified text underlined below. When property is reported in batch, the condition of property is reported using the disposal condition code shown below as a one position number or letter. After property is reported, it is displayed in GSAXcess with the one-word text only.

1 New/Unused Property which is in new condition 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 and/or uneconomical.

S Scrap Property which has no value except for its basic material content.



RESTRICTIONS

All property, regardless of acquisition cost, must, be placed in use within a period of one year from receipt and continue to be used for one year thereafter for the purpose for which required. Property categorized as having an acquisition cost of over \$5,000 must be put into use within a year and used for eighteen months. A compliance put into use form must be filled out during the first year and the property will then be tracked for eighteen months. An on site visit will be conducted during the restriction period for the property. Aircraft has a time restriction of five years and a yearly report submitted to GSA in October. Some property has a perpetual lifetime restriction and must be returned to the base when the property is no longer usable or needed. If property cannot be put into use within the year it must be returned to the state agency. Cannibalization has to be authorized for a piece of property to be used for parts or alteration.



UTILIZATION REQUIREMENTS

After the required compliance period of 12 months, 18 months, 5 years or perpetual the property is put into use. . .

- Donee is entitled to full ownership and privileges of the property
- Perpetual item(s) ownership **DOES NOT PASS**, must be returned to the federal government



DEFINITION OF NONCOMPLIANCE

The term “noncompliance” refer to cases involving the misuse or mishandling of donated surplus personal property conveyed under applicable provisions of the Federal Property and Administrative Services Act of 1949.

- Property not placed in use by the donee for the purpose for which it was donated within a year.
- Property no longer needed by the donee during the period of restriction.
- Unauthorized use of property during the period of restriction.
- Failure of a donee to comply with the terms, conditions, reservations, or restrictions imposed on the use of property or special handling conditions.
- Unauthorized acquisition or use of the property by an ineligible recipient.
- Damage to, loss or theft of property while the property is in the possession of the donee during the period of restriction.
- Donation to an eligible donee who later becomes ineligible or a donee erroneously determined eligible at time of application.
- A state agency operating in nonconformity with its approved state plan of operation, state laws, or federal regulations.
- Donees receiving property in excess of needs.
- Improper administration of funds.
- Fraud, which is defined as “an intentional perversion of truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him or to surrender a legal right; a false representation of a matter of fact, whether by words or conduct, by false or misleading allegations or by concealment of that which should have been disclosed which deceives and is intended to deceive another so that he shall act upon it to his legal injury”.



DID YOU KNOW?

What You Agreed To When You Sign the Invoice?

- **YOU AGREED** to use the surplus property only in the official program which you represent,
- **YOU AGREED** to put the surplus property into use within one year and to use it for at least a year,
- **YOU AGREED** to use certain items for eighteen months or longer if it is a compliance item,
- **YOU AGREED** that you would not sell the property, loan it, trade it, or cannibalize it for parts unless you are given authorization to do so.
- **YOU AGREED** to pay the US Government for the property if not properly utilized according to the terms and conditions specified.

SUMMARY

Surplus property must be used in an authorized program.

Personal use or non-use of property is not allowed.

Authorization must be obtained before selling, trading, or cannibalizing property.

UNDERSTAND your obligations.