

<b>DEPARTMENTAL REGULATION</b>		Number: 3230-002
SUBJECT: Disposition of Excess ADP Equipment	DATE: August 31, 1990	
	OPI: Office of Information Resources Management	

1 PURPOSE AND SCOPE

This guidance sets forth the Policy of the Department for making full use of ADPE being excessed. This policy applies to all hardware systems and components purchased, developed, or owned by the USDA.

2 REFERENCES

- a 40 U.S.C. - 486(c) and 751(f)
- b 41 CFR 101-43.311
- c FIRMR Amendment 15 Reutilization of Excess and Exchange/Sale D/P Equipment
- d FIRMR 201-23.000 Disposition
- e FIRMR Bulletin C-2 Disposition and reuse of Federal information processing equipment
- f FIRMR 201-33 Reuse of ADP Equipment
- g FIRMR BULLETIN 5 Reuse of Obsolete ADPE
- h FIRMR 101-44 Excess FIP equipment
- i FIRMR 101-45
- j 41 CFR Part 101-46, 45 and 43
- k FIRMR 201-23.001 Delegation of Authority

I	AGPMR-H-104.311	Utilization of Excess ADP Equipment
m	DM 3200-1 Management Manual	Applications Systems Life Cycle
n	DM 3200-2 Life Cycle Management	A Project Manager's Guide to Application System
o	DR 3130-1	Technical Approval
p	DR 3130-2	Microcomputer Policy

### 3 ABBREVIATIONS

ADPE	-	Automatic Data Processing Equipment
CEPO Metropolitan Area)	-	Centralized Excess Property Operation (Washington, DC
DEPPC	-	Departmental Excess Personal Property Coordinator
FSC	-	Federal Supply Class
FTS	-	Federal Telecommunications Service
GSA	-	General Services Administration
NFC	-	National Finance Center
OIRM	-	Office of Information Resources Management
PMIS/PROP - (NFC system)	-	Property Management Information System/Personal Property System
USDA	-	United States Department of Agriculture

### 4 APPLICABILITY

This directive provides guidelines for the disposition of excess ADPE. The property covered is classified as GSA Federal Supply Schedule Group 70. Manufacturers' operating manuals, user guides and the operating system and associated manuals are considered to be part of ADPE. Other software is to be considered separately. Software will be transferred to the Agency Property Management Officer for disposal or destruction.

5 DEFINITIONS

- a Component: a sub-unit of a computer system such as: a central processor (CPU), printer, plotter, modem or other part of a system that depends on other parts to operate.
- b Departmental Excess Personal Property Coordinator: Agriculture Property Management Regulation Amend. H-25 establishes this activity.
- c Procurement: The act of, or process of buying, or leasing.
- d Sanitize: The destruction of data by writing repetitive characters upon a disk.

6 BACKGROUND

Obsolescence, upgrading, technology evolution, contract change, and excessive maintenance create the need for replacing equipment. This guidance is for agency use when disposing of equipment no longer needed. Equipment no longer serving its primary function may be satisfactory for use in another area. Further, the cost of ADPE has declined dramatically during the last decade while operational capability has risen. Increased capability and reduced cost have caused the acquisition of large numbers of ADPE. Acquired ADPE has either replaced outdated equipment or supplied needed processing capacity for new applications. GSA FIRMR Amendment 15 provides guidance for the reutilization of excess and exchange/sale of ADPE with an original acquisition cost below \$1 million (54 FR 2125, dated January 19, 1989. CFR direction applies to utilization requirements for ADPE delegated by GSA to executive agencies for items below \$1 million in acquisition value.

When an agency chooses to exchange/sale ADPE below \$1 million CFR 101-46 provides the process that allows sales proceeds, or trade-in values to be applied to the purchase price of new equipment. For assistance or direction on exchange/sale transactions, contact the Office of Operations, Procurement Division.

7 PROCEDURE

This directive makes it a Departmental policy to investigate other uses for functional equipment. To help agencies, the following directions are provided:

- a It takes approximately 6 months to 1 year to properly dispose of ADP equipment. Therefore, agencies should begin the process as soon as a determination is made to replace the equipment. Projected equipment release date should be included in the excess property report.
- b During a procurement, competing vendors may offer a trade-in value for used equipment. If the components are no longer needed by the agency, consider the trade-in offer whenever feasible. Establish trade-in value by evaluating the condition of the system to be traded. Search the used equipment market for the same system to arrive at the system's value.

Should an organization need assistance or help in locating their agency property person, contact the Office of Operations, Personal Property Management Division.

c The releasing organization must decide if the replaced ADPE or component is no longer needed at its present location or elsewhere in the agency. After determining that the system is no longer needed, transfer the equipment to CEPO if located in the Metropolitan Washington Area, or send an excess property report to DEPPC.

d Part 104-43 Utilization of Personal Property, para. 104-43.311-1, "Reportable Property" gives the following guidance: This section prescribes reporting requirements for excess personal property. CEPO is the centralized screening activity in the Metropolitan Washington Area for furniture, office equipment, and other selected items. For all property excessed outside the D.C. area, DEPPC will do the screening. To screen for excess hardware contact your personal property person or the DEPPC. The DEPPC's mailing address is: Departmental Excess Personal Property Coordinator (DEPPC), Administrative Support Division, Farmers Home Administration, 1520 Market Street, St. Louis, MO 63102. Reports of personal property, including excess ADPE, matching GSA's reporting criteria will be forwarded to CEPO or DEPPC for 3 internal USDA screening. Definitions of reportable personal property items follow:

(1) Individual items or groups of similar items on the same Federal Supply Class, valued at \$1,000 or more in original acquisition cost, except furniture with a reportable threshold of \$500;

(2) Items with equal or better disposal condition codes listed in the Federal Supply Group Classification under 104-311: NOTE: FSC Groups begin with FSC Group 10 Weapons and go through FSC Group 99 Miscellaneous. This Departmental Directive covers FSC Group 70 ADPE which has a minimum operating condition code 9, "repairable up to 65 percent of original acquisition cost."

(3) Equipment descriptions must completely describe the systems being excessed. Descriptions should include: manufacturer, model number, date purchased, internal memory capacity, internal modem(s), number of removable disk drives and their capacity, monitor description, i.e., color, monochrome or amber; type of attached keyboard, other special purpose boards and the capacity of the hard disk.

(4) Agencies will either process PMIS/PROP online reports or submit Standard Form 120, "Report of Excess Personal Property" to CEPO or DEPPC. When the forms are received they will undergo internal USDA screening before being reported as excess to GSA.

e Whenever possible, concurrent Agency/Departmental screening will take place. During the first 15 days the releasing agency will have first right of choice. Non-reportable property will be screened according to AGPMR 104-43.311-2. Agencies choosing to conduct small lot sales prescribed by 104-45.304.4 should include on the excess report the statement "To be sold by owning agency." For further information or assistance regarding exchange/sale contact the DEPPC.

f Transfers will be handled on a first-come, first-served basis except when there are competing requests. When competing requests happen, consideration will be given to

Departmental needs. To establish evidence of an urgent or critical requirement, consider the following factors:

- (1) Emergency needs - evidence of an urgent or critical requirement.
- (2) Avoidance of new procurement - Statement of certification;
- (3) Direct agency use as opposed to use by a cost reimbursable contractor or project grantee;
- (4) Transportation cost - savings to the Department; and
- (5) Fair and equitable distribution - based on prior allocations.

g Requesting agencies will prepare written justification based on the above factors when requested. Decision to transfer ADPE will be made from these justifications.

h Before releasing equipment, hard disk components should be "Sanitized." To sanitize the hard disk the entire disk should be overwritten with a repetitive group of characters. Writing repetitive characters over the surface of the disk will destroy data previously left on the hard disk.

When extremely sensitive information is present on a hard disk, the overwrite procedure should be done three times. After sanitizing a hard disk, the agency will attach a statement to the unit certifying that it was sanitized.

i When an ADPE system is available to the Department, forward the excess property information to the DEPPC. DEPPC also maintains an inventory of available ADPE systems and components. When a releasing agency does not have an interest in the excess ADPE or components, they are offered to any other agency of the Department through the DEPPC.

j Before making a procurement, it is an agency responsibility to check the DEPPC for available ADPE instead of purchasing another similar system. When an excess system meets an agency's requirement that system should be considered for relocation to the procuring organization.