

July 08, 2010

MEMORANDUM

TO: Purchasing Offices
 Departments, Institutions, Agencies
 Commonwealth of Virginia

FROM: Ron Bell
 Director

SUBJECT: Procurement Information Memoranda (PIM) #98-027

Enclosed is PIM #98-027, effective July 08, 2010, representing changes to the September 1998 edition of the *Agency Procurement and Surplus Property Manual (APSPM)*. The Summary of Changes below is in the order of the changes to the *APSPM*. All changes to the *APSPM* are incorporated into a web-based *APSPM*, which is downloadable from the eVA website at <http://www.eva.virginia.gov>. The full *APSPM* version containing changes as a result of this PIM will be posted to the website. The location of text changes is indicated by an arrow in the margin (→) with the corresponding PIM #98-027 number identified next to the changes. All arrows indicating previous changes are removed. Appendix C contains a log recording the PIM number and date of revision. This memorandum and the corresponding PIM #98-027 should be filed in the back of the Appendix C log.

APSPM Cite	Summary of Changes
2.1e.	VDC catalog web address is updated on last sentence of “Orders” paragraph.
3.10g(2)	Adds a note regarding the “Set-Aside” checkbox in eVA Quick Quote to the end of the first paragraph in this section. Using the checkbox will automatically add properly formatted set-aside text to the beginning of the Quick Quote title.
3.14c.	Reference to rescinded Executive Order 48 is removed.
3.14g.	Reference is updated to Executive Order 19, dated July 1, 2010.
3.14h.	The effective date of the biodiesel fuel preference is updated and section is revised to reflect changes made by Executive Order 19, dated July 1, 2010. Reference to <i>Code of Virginia</i> is added.
3.14i.	Prohibition on purchasing individual serving size plastic water bottles is deleted.
3.18	Technical correction changes the threshold for public posting of solicitations for Professional Services to \$50,000.
3.22f.	Section is updated to reference the current Appropriation Act.
3.22h.	Section is added prohibiting campaign contributions during the procurement process for certain procurement transactions \$5 million or more and requiring buyer to include bidder/offeree certification form in all such contracts or solicitations.
3.28	Section is added regarding contractor’s authorization to transact business in the Commonwealth. Agencies are required to include General Term and Condition BB in all contracts and to include Special Term and Condition 64 in all IFBs and RFPs.
Annex 3-J	Adds certification form required to be included in all procurements of \$5 million except those awarded through competitive sealed bidding.
4.16e	Section is updated to reflect “Virginia Green” requirement changes contained in Executive Order 19, dated July 1, 2010. Adds reference to Department of Environmental Quality website.
Annex 6-B	Adds place for bidder to provide State Corporation Commission Identification Number on the sample IFB cover page.
Annex 7-B	Adds place for offeror to provide State Corporation Commission Identification Number on the sample RFP cover page.
8.2	Guidance on sole source procurement above \$50,000 for entertainment (speakers, lecturers, musicians and performing artists) is moved to end of section.
Annex 8-C	Form is modified to clarify that DGS/DPS approval is not required for sole source procurements above \$50,000 for entertainment (speakers, lecturers, musicians and performing artists).
12	Chapter 12, State and Federal Surplus Property , is replaced in its entirety. The DGS Office of Surplus Property Management has revised the chapter to make it more user-friendly.

14.15	Adds a note regarding the “Set-Aside” checkbox in eVA Quick Quote to the end of the first paragraph in this section. Using the checkbox will automatically add properly formatted set-aside text to the beginning of the Quick Quote title.
Appendix B Section I, A	Updates General Term and Condition A. <u>VENDORS MANUAL</u> to reflect current web address for the manual.
Appendix B Section I, X	Updates General Term and Condition X. <u>eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION</u> to include eVA fee invoicing and payment information.
Appendix B Section I, BB	Adds General Term and Condition <u>BB. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH</u> to meet requirements of <i>Code of Virginia</i> §2.2-4311.2 regarding businesses authorized to transact business in the Commonwealth.
Appendix B Section II, 52	Updates Special Term and Condition <u>52. SECURITY LICENSE</u> to reflect current DCJS phone number.
Appendix B Section II, 64	Adds Special Term and Condition <u>64. STATE CORPORATION COMMISSION IDENTIFICATION NUMBER</u> which shall be included in all IFBs and RFPs in accordance with 3.28a.

To print a copy of the manual, save it to your hard drive or network and print from there. Printing directly from the website may result in lost formatting. If you should have questions about the changes, please contact Keith Gagnon at 804-786-0324 or keith.gagnon@dgs.virginia.gov.

2.1e. **Orders:** Public bodies should submit orders directly to VDC through eVA, preferably via the VDC Punch-out Catalog. Those with special ordering needs may call the VDC Customer Service Team at 804 328 3232 ext. 0 for assistance. Additional information concerning goods and services available from VDC is contained in the VDC Dynamic Catalog (<http://shopvdc.dgs.virginia.gov/catalog/>).

3.10g(2) Procurements over \$5,000 and up to \$50,000 shall be set-aside exclusively for DMBE-certified small businesses unless there is not a reasonable expectation that the agency or institution will receive at least two competitive bids or offers from DMBE-certified small businesses and the agency documents the procurement file that the procurement does not qualify for a set-aside. All set-aside procurements shall designate in the title of the solicitation that the procurement is set-aside for small businesses. Use the following format (in all capital letters): “SET-ASIDE FOR SMALL BUSINESSES” followed by the title of the commodity or service being procured (e.g., SET-ASIDE FOR SMALL BUSINESSES - Security Services). Note: Placing a check in the “Set-Aside” checkbox on the Quick Quote header information screen will automatically add properly formatted set-aside text to the beginning of the Quick Quote title. The user checks the box then types the commodity or service in the Quick Quote Title area and eVA will format the Quick Quote accordingly.

If the agency or institution receives only one acceptable bid or offer as a result of the set-aside, the award should be made to that bidder or offeror if the price or offer is fair and reasonable. The agency or institution is responsible for determining price reasonableness (see 4.10). If the agency or institution receives no acceptable bids or offers, the set-aside may be withdrawn and the requirement resolicited using competitive, non-set-aside, procedures described in Chapter 5.

If the agency or institution is unable to proceed with the set-aside for small business up to \$50,000, the reason shall be documented in the procurement file. Documentation may be made on the requisition.

3.14c. **Recycled Paper and Paper Products Preference.** In determining the award of any contract for paper and paper products to be purchased for use by agencies of the Commonwealth, DGS/DPS, or agencies under their delegated purchasing authority, shall procure using competitive sealed bidding and shall award to the lowest responsible bidder offering recycled paper and paper products of a quality suitable for the purpose intended, so long as the bid price is not more than 10% greater than the bid price of the low responsive and responsible bidder offering a product that does not meet the EPA Recommended Content Standards. (*Code of Virginia*, § 2.2-4326; see also 3.24b). Agencies shall purchase only recycled paper for use in office equipment except where equipment limitations preclude the use of recycled paper.

3.14g. **Appliances and Equipment.** Commonwealth agencies and institutions shall purchase or lease Energy Star or equivalent rated appliances and equipment for all classifications for which an Energy Star or equivalent rating is available in accordance with Executive Order 19, dated July 1, 2010. The classifications may be found on Energy Star’s website at: <http://www.energystar.gov/>. All new office equipment purchased or leased by the Commonwealth that uses paper shall be recycled paper-compatible.

3.14h. **Biodiesel Fuel.** Beginning on September 1, 2010, agencies and institutions shall procure only diesel fuel, taking into consideration availability and variability in cost of biodiesel fuel with respect to unblended diesel fuel, containing, at a minimum, two percent, by volume, biodiesel fuel or green diesel fuel, as defined in §45.1-394 of the Code of Virginia. This requirement shall only apply to procurements of diesel fuel for use in on-road internal combustion engines and #2 fuel burned in a boiler, furnace, or stove for heating, and shall not apply if supply is not readily available or the cost of such procurement exceeds the cost of unblended diesel fuel by 5 percent or more. (See *Code of Virginia* § 2.2-1111.B.8 and Executive Order 19, dated July 1, 2010)

3.14i. Deleted.

3.18 Publicly Posted Notices. All solicitation, addenda and award actions (including emergency and sole source awards) for goods and non-professional services over \$50,000 shall be posted on the DGS single electronic procurement web site (*Code of Virginia*, § 2.2-4301). Professional service procurements must be posted over \$50,000. The designated web site is www.eva.virginia.gov. Notices shall be posted on the eVA web site under VBO Ads. Awards shall be posted on the Awards page. Once the advertisement has been created and the solicitation uploaded, the advertisement will be available for viewing within one (1) business day. The agency must post the solicitation notice on the eVA web site and include access to an electronic version of the solicitation. Public notices may also be posted under \$50,000 and in other locations, such as notice boards, or web sites; however, sufficient time should

be allowed if advertising procurements under \$50,000 to allow adequate time for competition. The eVA web site provides instructions on posting solicitation and award notices.

3.22f. No state agency shall solicit or accept any donation, gift, grant, or contract without the written approval of the Governor except under written guidelines issued by the Governor which provide for the solicitation and acceptance of nongeneral funds (2010 Appropriation Act, §4-2.01.a.) Monetary or non-monetary sponsorships exceeding nominal value by vendors in support of conferences and other events are considered donations and must comply with the 2010 Appropriation Act, §4-2.01.a.

3.22h. **Political Contributions Prohibited During Procurement Process**

1. Pursuant to *Code of Virginia* § 2.2-3104.01, neither the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, shall knowingly solicit or accept a contribution, gift, or other item with a value greater than \$50 from any bidder, offeror, or private entity, or from an officer or director of such bidder, offeror, or private entity, who has submitted a bid or proposal pursuant to the *Virginia Public Procurement Act* (*Code of Virginia* § 2.2-4300 et seq.) during the period between the submission of the bid/proposal and the award of the contract.
2. Pursuant to *Code of Virginia* § 2.2-3104.01, the provisions of this section shall apply only where the stated or expected value of the contract is \$5 million or more. The provisions of this section shall not apply to contracts awarded as the result of competitive sealed bidding as defined in *Code of Virginia* § 2.2-4301.
3. Pursuant to *Code of Virginia* § 2.2-4376.1, no bidder or offeror who has submitted a bid or proposal to a state agency for the award of a public contract pursuant to the *Virginia Public Procurement Act* (*Code of Virginia* § 2.2-4300 et seq.), and no individual who is an officer or director of such a bidder or offeror, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid and the award of the public contract pursuant to *Virginia Public Procurement Act* (*Code of Virginia* § 2.2-4300 et seq.) The provisions of this section shall apply only for public contracts where the stated or expected value of the contract is \$5 million or more. The provisions of this section shall not apply to contracts awarded as the result of competitive sealed bidding.
4. Pursuant to *Code of Virginia* § 2.2-3104.01 and § 2.2-4376.1 respectively, any person who violates the aforementioned code sections shall be subject to a civil penalty of \$500 or up to two times the amount of the contribution or gift, whichever is greater. The attorney for the Commonwealth shall initiate civil proceedings to enforce the civil penalties. Any civil penalties collected shall be payable to the State Treasurer for deposit to the general fund.
5. Agencies shall include the form contained in *APSPM* Annex 3-J, "Certification of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process" in solicitations/contracts where the stated or expected value of the contract is \$5 million or more except those awarded as the result of competitive sealed bidding.

3.28 **Authorization to Transact Business in The Commonwealth**

- a. In accordance with the *Code of Virginia* § 2.2-4311.2, all public bodies shall include in every written contract a provision that a contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 or as otherwise required by law. General Term and Condition BB shall be included in all contracts to meet this requirement. (See General Term and Condition **BB: AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH**, Appendix B, Section I.)
- b. The *Code of Virginia* § 2.2-4311.2 subsection B requires that "Pursuant to competitive sealed bidding or competitive negotiation, all public bodies shall include in the solicitation a provision that requires a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 to

include in its bid or proposal the identification number issued to it by the State Corporation Commission. Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law shall include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized.” Accordingly, Special Term and Condition **64: STATE CORPORATION COMMISSION IDENTIFICATION NUMBER** shall be included in all Invitations for Bids or Requests for Proposals.

- c. Any bidder or offeror described in *Code of Virginia* § 2.2-4311.2 subsection B that fails to provide the required information shall not receive an award unless a waiver is granted by the Director of the Department of General Services or his designee in accordance with *Code of Virginia* § 2.2-4311.2.

Annex 3-J
CERTIFICATION OF COMPLIANCE
WITH PROHIBITION OF POLITICAL CONTRIBUTIONS AND GIFTS DURING THE
PROCUREMENT PROCESS

For contracts with a stated or expected value of \$5 million or more except those awarded as the result of competitive sealed bidding

I, _____, a representative of _____,
Please Print Name *Name of Bidder/Offeror*

am submitting a bid/proposal to _____ in response to
Name of Agency/Institution

_____, a solicitation where stated or expected contract value is
Solicitation/Contract #

\$5 million or more which is being solicited by a method of procurement other than competitive sealed bidding as defined in § 2.2-4301 of the *Code of Virginia*.

I hereby certify the following statements to be true with respect to the provisions of §2.2-4376.1 of the *Code of Virginia*. I further state that I have the authority to make the following representation on behalf of myself and the business entity:

1. The bidder/offeror shall not knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
2. No individual who is an officer or director of the bidder/offeror, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
3. I understand that any person who violates § 2.2-4376.1 of the *Code of Virginia* shall be subject to a civil penalty of \$500 or up to two times the amount of the contribution or gift, whichever is greater.

Signature

Title

Date

- 4.16e. Conferences and meetings not held in state owned offices, buildings or facilities should be held at “Virginia Green” certified facilities if such use will meet the needs for the meeting, will not increase travel distances, and is not cost-prohibitive. (Executive Order 19, dated July 1, 2010) A list of “Virginia Green” certified facilities can be found on the Virginia Department of Environmental Quality website, www.deq.virginia.gov.

Annex 6-B

SAMPLE FORMAT AND STEP-BY-STEP PROCEDURES

INVITATION FOR BIDS (IFB)

Issue Date: IFB# _____

Title:

Commodity Code:

Issuing Agency: Commonwealth of Virginia

Using Agency And/Or Location Where Work Will Be Performed:

Period Of Contract: From _____ Through _____ (*Renewable). (* If contract has renewal clause)

Sealed Bids Will Be Received Until _____ (Time and Date)

For Furnishing The Goods/Services Described Herein And Then Opened In Public.

All Inquiries For Information Should Be Directed To: _____ Phone: (____) _____.

IF BIDS ARE MAILED, SEND DIRECTLY TO ISSUING AGENCY SHOWN ABOVE. IF BIDS ARE HAND DELIVERED, DELIVER TO:

Street Address Building Floor Room No.

In Compliance With This Invitation For Bids And To All The Conditions Imposed Therein, The Undersigned Offers And Agrees To Furnish The Goods/Services At The Price(s) Indicated In Section VII, Pricing Schedule.

State Corporation Commission ID Number: _____ (See Special Terms and Conditions)

*Virginia Contractor License No. _____

Class: _____ Specialty Codes: _____

Name And Address Of Firm:

Date: _____ By: _____ (Signature In Ink) Name: _____ (Please Print) Title: _____ Telephone Number: (____) _____ Zip Code: _____ eVA Vendor ID or DUNS#: _____ Fax Number: (____) _____ E-mail Address: _____

* PREBID CONFERENCE: A (mandatory/optional) prebid conference will be held on _____ at the _____ (Reference: Paragraph ____ herein). (If mandatory add: "NO ONE WILL BE ADMITTED AFTER _____ (Time) ")* If special ADA accommodations are needed, please contact _____ (Name) at (phone number) by (date) .

* Delete if not applicable.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

Annex 7-B

SAMPLE FORMAT AND STEP-BY-STEP PROCEDURES
REQUEST FOR PROPOSAL (RFP)

Issue Date: _____ RFP# _____

Title: _____

Commodity Code: _____

Issuing Agency: Commonwealth of Virginia

Using Agency And/Or Location
Where Work Will Be Performed: _____

Initial Period Of Contract: From _____ Through _____ (*Renewable).
(* If contract has renewal clause)

Sealed Proposals Will Be Received Until _____ For Furnishing The Goods/Services
Described Herein. Time and Date

All Inquiries For Information Should Be Directed To: _____ Phone: (_____)_____.

IF PROPOSALS ARE MAILED, SEND DIRECTLY TO ISSUING AGENCY SHOWN ABOVE. IF PROPOSALS ARE
HAND DELIVERED, THEN DELIVER TO:

Street Address Building Floor Room No.

In Compliance With This Request For Proposal And To All The Conditions Imposed Therein And Hereby Incorporated By
Reference, The Undersigned Offers And Agrees To Furnish The Goods/Services In Accordance With The Attached Signed
Proposal Or As Mutually Agreed Upon By Subsequent Negotiation.

State Corporation Commission ID Number: _____ (See Special Terms and Conditions)

*Virginia Contractor License No. _____

Class: _____ Specialty Codes: _____

Name And Address Of Firm: _____

_____ Date: _____

_____ By: _____

(Signature In Ink)

_____ Name: _____

(Please Print)

_____ Zip Code: _____ Title: _____

EVA Vendor ID or DUNS number _____ Phone: (_____)_____

E-mail: _____ Fax: (_____)_____

* PREPROPOSAL CONFERENCE: A (mandatory/optional) preproposal conference will be held on _____ at the
_____. (Reference: Paragraph ____ herein). (If mandatory, add:) NO ONE WILL BE ADMITTED AFTER ____ (Time).

* Delete if not applicable.

**Note: This public body does not discriminate against faith-based organizations in accordance with the Code of
Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability,
or any other basis prohibited by state law relating to discrimination in employment.**

8.2 **Procurements Over \$50,000.**

Sole source procurements for non-technology goods and services over \$50,000 must be approved by DGS/DPS prior to commencement of the actual procurement using the Sole Source Procurement Approval Request form found in Annex 8-C which must be signed by the agency head or designee, who shall be a direct report to the agency head. [see 1.2e(2)]. Sole source procurements that originally included a renewal provision, for which approval for multi-years was obtained, do not need to be forwarded for approval until expiration of the term for which approval was obtained. In addition, a memorandum must accompany the request form, which addresses the following four points:

- Explain why this is the only product or service that can meet the needs of the purchasing agency.
- Explain why this vendor is the only practicably available source from which to obtain this product or service.
- Explain why the price is considered reasonable.
- Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price for the taxpayers.

Once written approval has been given, agencies and institutions are delegated the authority to proceed with awarding the contract.

Sole source procurements for entertainment (speakers, lecturers, musicians and performing artists) over \$50,000 do not require DGS/DPS approval, but must be approved prior to commencement of the actual procurement by the agency head or designee, who shall be a direct report to the agency head. Use the Sole Source Procurement Approval Request form in Annex 8-C, documenting that there is only one source practicably available for the entertainment to be procured, and include the signed form in the procurement file. In addition, a memorandum must be attached to the form which addresses the four points shown above.

**Sole Source Procurement Approval Request
Non-Technology Goods and Services**

All requests for non-technology sole source purchases must meet the criteria established under § 2.2-4303 E. of the *Code of Virginia*. The agency head or designee, as required in 8.1 or 8.2, must sign this form. The Department of General Services/Division of Purchases and Supply (DGS/DPS) must review and approve all non-technology requests exceeding \$50,000 except for entertainment (speakers, lecturers, musicians and performing artists) before issuance of any contract or purchase order. In addition, the agency must also (1) assign an identifying number to the request, (2) attach a brief description of the contract, and (3) attach the sole source justification in accordance with the instructions contained in 8.1 or 8.2 and Annex 8-C, *Agency Procurement and Surplus Property Manual*.

Agency Code _____ Request Number _____ Date _____

Agency Name _____

Agency Head Signature: _____
I certify that I am the agency head or designee and I am authorized to approve this request.

Print Agency Head Name _____

Contact Person _____ Telephone Number _____

Total Amount of Sole Source \$ _____ Facsimile Number _____

Commodity Code _____ Description _____

Division of Purchases and Supply

- Approved**
- Disapproved**
- More information needed (specify and return to agency)**

Signature _____ Date _____

Note: This form must be filed with the contract/purchase order. Agencies and institutions are delegated authority to make contract award after appropriate approval. (Purchase using noncompetitive negotiation.)

SOLE SOURCE PROCUREMENT INSTRUCTIONS

It is the policy of the Commonwealth of Virginia that contracts be awarded on a competitive basis and that the use of a sole source procurement must be limited to those instances where only one source is practicably available.

Sole source requests must contain a memorandum from the purchasing agency that addresses in a direct and concise manner the following four points (by number and in order):

1. Explain why this is the only product or service that can meet the needs of the purchasing agency.
2. Explain why this vendor is the only practicably available source from which to obtain this product or service.
3. Explain why the price is considered reasonable.
4. Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price for the taxpayers.

Agencies must use the Sole Source Procurement Approval Request form, Annex 8-C, as the cover routing form for all sole source procurements. Complete the "Agency" portion of the form and forward the sole source procurement request, not related to information technology, above \$50,000, to the Division of Purchases and Supply. Routing for DPS approval is not required for sole source procurements for entertainment (speakers, lecturers, musicians and performing artists.)

Questions one through four (noted above) and their respective answers must be submitted with the Sole Source Procurement Approval Request.

CHAPTER 12

STATE & FEDERAL SURPLUS PROPERTY

In this Chapter look for . . .

State Surplus Property

- 12.0 General
- 12.1 Definition of Surplus Property
- 12.2 Authority and Responsibility for State Surplus Property
- 12.3 Services Available for Local Government Surplus Property
- 12.4 Agency Responsibilities Related to Surplus Property
- 12.5 Purchases by State Employees and Their Families
- 12.6 Disposal Authority
- 12.7 Disposal Methods and Procedures
- 12.8 Disposal Methods for Regulated and Special Items
- 12.9 Trade-Ins
- 12.10 Deliveries to Surplus Warehouses/Distribution Centers
- 12.11 State Surplus Property Forms and Reporting Instructions
- 12.12 Proceeds from the Sale of Surplus Materials
- 12.13 Surplus Firearms Disposal Procedures

Federal Surplus Property

- 12.14 Authority and Responsibility for Federal Surplus Property
- 12.15 Federal Surplus Property Eligibility Requirements for Receiving Organizations
- 12.16 Designation of Federal Surplus Property Officer
- 12.17 Federal Property Availability
- 12.18 Federal Surplus Screening and Acquisition
- 12.19 Restrictions and Use Requirements
- 12.20 Title to Property
- 12.21 Federal Surplus Property Disposal Procedures
- 12.22 Property Management
- 12.23 Audits and Compliance Surveys
- 12.24 Fees/Service Charges
- 12.25 Federal Surplus Property Records
- 12.26 Federal Surplus Property Documentation

Annexes

- 12-A Surplus Property Report, Form 44-001
- 12-B State Surplus Property Transfer Document, Form 44-012
- 12-C Surplus Property Signature Authorization Form
- 12-D Agency Surplus Property Officer Designation Form
- 12-E Surplus Property Manifest Form
- 12-F Surplus Property Donation Record Form, 44-018
- 12-G Declaration of Surplus Firearms (Surplus Firearm Form A)
- 12-H Firearms Manifest: Agency Transfer Form (Surplus Firearm Form B)
- 12-I Firearms Manifest: Agency to Local Law Enforcement Agency Sale (Surplus Firearm Form C)
- 12-J Firearms Manifest: Agency Trade-In (Surplus Firearm Form D)
- 12-K Firearms Manifest for Destruction (Surplus Firearm Form E)
- 12-L Agency Firearm Destruction Request (Surplus Firearm Form F)
- 12-M Certificate of Firearms Destruction (Surplus Firearm Form G)

State Surplus Property

12.0 **General.** Section 2.2-1124 of the *Code of Virginia* provides the Virginia Department of General Services (DGS) with statutory responsibility to establish procedures for the disposition of surplus materials from all Commonwealth departments, divisions, institutions, and agencies, as well as any local public body. (*Code of Virginia*, § 2.2-1124)

Section 2.2-1123 of the *Code of Virginia* also identifies DGS as the agency of state government responsible for acquiring surplus personal property, including but not limited to materials, supplies, and equipment, by purchase, gift, or otherwise, from the United States government or any of its agencies for distribution to departments, agencies, institutions and political subdivisions of the Commonwealth, and to eligible, nonprofit, nongovernmental organizations for use in the organizations' activities within the Commonwealth. (*Code of Virginia*, § 2.2-1123)

Both the state and federal surplus property programs are managed by the DGS Office of Surplus Property Management (OSPM).

This chapter contains policy, guidance and instructions for state agencies, institutions, and local government in:

- Identifying, documenting, and disposing of their surplus property
- Obtaining state-owned personal property
- Obtaining and understanding the federal surplus property program, which offers surplus federal property to state agencies, including documentation procedures and federal requirements for use.

Information about surplus property, including the surplus inventory listings, the auction schedule, internet sales and competitive bids, as well as forms, are listed on the DGS website <http://www.dgs.virginia.gov/surplus/>.

12.1 **Definition.** Surplus materials means personal property including, but not limited to, materials, supplies, equipment, and recyclable items, but does not include property as defined in *Code of Virginia*, § 2.2-1147 (real property or real estate), that is determined to be surplus.

Additionally, surplus materials shall not include finished products that a mental health or mental retardation facility sells for the benefit of its patients or residents, provided that (i) most of the supplies, equipment, or products have been donated to the facility; (ii) the patients or residents of the facility have substantially altered the supplies, equipment, or products in the course of occupational or other therapy; and (iii) the substantial alterations have resulted in a finished product.

12.2 **Authority and Responsibility for State Surplus Property.**

a. **DGS.** The *Code of Virginia*, § 2.2-1124B directs DGS to establish procedures for the disposition of surplus materials from departments, divisions, institutions, and agencies of the Commonwealth. These procedures include the handling, transfer, donation, public sale or other disposition of surplus property.

Computers and information technology (IT) Assets. Prior to the sale for reuse, or recycling or other transfer of computers or other IT assets, each agency shall ensure and certify to DGS that all policies for their transfer or other disposition to be consistent with the data and information security policies developed by the Virginia Information Technologies Agency (VITA). Certification to DGS and adherence to VITA policies are to ensure the secure data removal of any confidential state data or personal identifying information of citizens of the Commonwealth.

DGS/OSPM shall determine the method of disposal of state-owned computers and other IT assets. IT assets owned by Northrop Grumman Information Technology, Inc. (NG) as a part of the Comprehensive Infrastructure Agreement between the Commonwealth of Virginia and NG are not deemed state property, so will be disposed of in accordance with NG policies and procedures.

Any Commonwealth entity disposing of a Commonwealth IT asset shall follow the VITA Information Technology Resource Management Standard (ITRM) Standard SEC514-03, Revision 3, dated March 15, 2008 and entitled "Removal of Commonwealth Data from Electronic Media," and located at the VITA URL http://vita.virginia.gov/uploadedFiles/Library/PSGs/COV%20ITRSEC514-03_Data_Removal2008.pdf, or any then current successor VITA document that provides further information for the disposal of Commonwealth IT assets.

At the present time, an optional data cleaning contract offers data cleaning, transfer to surplus property and recycling services to state agencies and other public bodies in the Commonwealth of Virginia, and is available at this link: http://www.vita.virginia.gov/procurement/contractDetail.cfm?contract_id=1000477 or by searching “VITA Secure Data Destruction.”

Additional information from VITA on removing data from surplus computer equipment is available online at <http://www.vita.virginia.gov/library/default.aspx?id=5046>

b. Other Agency Authority and Responsibility. The following agencies are provided authority for disposal of the following designated commodities:

1. **Timber/Pulpwood.** Management of the state’s forest has been assigned to the Department of Forestry (DOF), *Code of Virginia*, § 10.1-1120 through 10.1-1123, and sale or disposal shall be through them.
2. **Real Property.** Management of real property land, buildings, and/or other improvements is managed by the DGS, Division of Real Estate Services (DRES), and sale or disposal shall be through them.
3. **Unclaimed or Abandoned Property at Agency.** All tangible and intangible property that is held and has remained unclaimed by the owner for more than five years after it became payable or distributable is presumed abandoned (for full legal definition see *Code of Virginia*, § 55-210.2:1). Such property that is unclaimed or abandoned must be reported to the Unclaimed Property Division, Department of the Treasury, which is responsible for implementing the provisions of *The Uniform Disposition of Unclaimed Property Act*. Contact 804-225-2393 for additional information or online at <http://www.trsvirginia.gov/>.
4. **Personal Property Submitted to the Division of Consolidated Lab Services.** Personal property, including drugs, which has been submitted to the Division of Consolidated Lab Services for analysis or exam, may be disposed of by DCLS pursuant to *Code of Virginia* § 2.2-1107 and -1108.

12.3 **Services Available for Local Government Use.** In accordance with the *Code of Virginia*, § 2.2-1124(F), any local public body of the Commonwealth is authorized to use the services or facilities of the Commonwealth’s DGS/OSPM to dispose of their surplus property, pursuant to the policies, procedures, and guidelines established herein.

For questions or information about the disposal of their surplus property, local government representatives should contact the Director, DGS/OSPM at (804) 236-3675 or email statesurplus@dgs.virginia.gov with a description of their surplus material.

Proceeds from the sale of the surplus property shall be returned to the local body minus a service fee. The service fee charged by the Department shall be consistent with the fee charged by the Department to state public bodies

12.4 **Agency Responsibilities Related to Surplus Property.**

a. **Surplus: A Non-Mandatory Source of Supply.** In procurement planning, surplus property is deemed a non-mandatory source of supply to be considered before initiating a purchase action. This is described further in Chapter 2, Sources of Supply, section 2.2.b. Agencies can save money by purchasing surplus items, some of which are in “like new” condition, and can include federal surplus property that OSPM may be able to obtain through the federal surplus system. Agencies are encouraged to visit the surplus warehouses periodically to “shop” for their agencies. Items are available for purchase to authorized persons, with the distribution centers operating on a supermarket plan on a first-come, first-served basis. The Wytheville facility now offers a surplus “store” that is open to both agencies’ and the public with items being offered for a fixed price. For additional information, please refer to the Surplus Property information on the DGS website: <http://www.dgs.virginia.gov/surplus/>.

b. **Designation of Agency Surplus Property Officer.** Agency heads should designate an Agency Surplus Property Officer who is responsible for all matters for the management of their agency’s surplus state property. This person may also be designated as the surplus property officer for federal surplus property acquisitions. In the absence of specific delegation of this authority, the Agency Head possessing the property must sign all required documents. Agencies are to provide the name of their Agency Surplus Property Officer to DGS by submitting a Surplus Property Officer Designation Form (Annex D). This form is also available in the Surplus section of the DGS website under “Find a Form” at <http://www.dgs.virginia.gov>.

Each Agency Head or their designated Surplus Property Officer is required to:

1. Follow the Commonwealth's surplus policies and procedures as described in this chapter
2. Evaluate surplus reutilization/disposal options and request authorizations as appropriate from DGS/OSPM
3. Ensure forms and records of surplus disposal are completed and maintained
4. Efficiently and carefully manage the Commonwealth's surplus property generated by the agency
5. Provide information, policies, and guidance concerning disposal procedures and related surplus property information to their agency staff involved in property acquisition, storage, moves, and disposal.

Surplus Property Officers should consult DGS/OSPM staff for guidance when necessary. Training for agency Surplus Property Officers is routinely offered by DGS through VCO classes, the Procurement Forum, and other venues.

c. Designation of Agency Staff with Surplus Purchasing Authority. In addition to the Surplus Property Officer, each agency may designate other designees authorized to sign for surplus property. Such authorization allows several individuals from an agency to visit surplus warehouses and select and sign for surplus property. Agencies should complete and submit to DGS the Signature Authorization Form (Annex C) to designate such individuals or to update authorization information. Every three years, DGS will request an update or verification of the designated designees or an agency can send updates as required when there are staff changes.

d. Security and Handling of Property. Agencies are accountable and responsible to ensure reasonable care and security of the Commonwealth's surplus property during the entire disposal process in order to maintain full residual property value. This includes the periods of time for storing surplus items and/or delivery to a surplus warehouse, or while conducting an internet sale or auction, which includes sale preparation, inspection, payments, release, and final pickup. Surplus property must be handled carefully and stored properly, in a manner that minimizes breakage or damage from rough handling, improper stacking, excessive wear, or inappropriate storage outside that exposes property to weather, or any other poor storage condition. The conscientious handling of the Commonwealth's surplus property is the responsibility of the Agency Head, and their designees, as well as all agency individuals who use or handle it, and is not solely the responsibility of the Surplus Property Officer. Additionally, surplus property, which includes recyclable materials, shall NOT be taken for personal use or personal sale by any Commonwealth employee.

Even though Commonwealth property may be designated "surplus," as long as the property is physically located at the agency or selling entity, then it is the responsibility of that agency or entity to safeguard it. The safeguarding of surplus property become the responsibility of DGS/OSPM only after the property is transferred or delivered into the physical custody of DGS/OSPM, either through use of DGS transportation assets or delivery to a DGS Surplus Property Distribution Center. Once an agency or selling entity turns the property over to the custody of DGS/OSPM, then the ownership, accountability and responsibility for reasonable care and security, etc., transfers to DGS/OSPM. Once transferred, DGS/OSPM retains any revenue from the sale of items and there is no financial liability to the transferring agency or entity.

e. Changes in Availability. If items are reported to DGS/OSPM as surplus, but are put back into use or transferred to another agency, then the agency must notify DGS/OSPM immediately. Failure to report deletions or misplaced property creates inconveniences and unnecessary expenses for all parties. Items sold via the internet and not available for inspection or pickup may result in the agency becoming liable to the bidder.

f. Property Records. In order to track their inventory and assets both upon acquisition and during their use, agencies should maintain records of their property using the Commonwealth's Fixed Asset Accounting and Control System ("FAACS") or other appropriate entity-specific, property asset record-keeping systems. Such records are important and helpful when items become surplus property, as the purchase date, age, model and manufacturer of the item can then be traced from such information.

DGS/OSPM does not have access to agencies' FAACS inventory listings or any other inventory systems used by agencies. Therefore, regardless of how an agency codes its inventory system, an agency remains responsible for its fixed asset property records until the property is disposed of. Surplus property may be disposed of in several ways and examples include: transfer within an agency or to another agency, delivery to a surplus warehouse, delivery to a buyer (if sold at auction or on the internet, delivery to or collection by a contracted recycler, or delivery to a landfill, if authorized by a disposal letter from DGS/OSPM.

For records related to the surplus and disposition of surplus property, follow the procedures in Section 12.11 of this chapter of the APSPM. State agencies or institutions disposing of surplus property are to maintain their records in accordance with the policies established for public records management from the Library of Virginia, which can be accessed at <http://www.lva.virginia.gov/agencies/records/> or any then-current successor URL.

12.5 **Purchases by State Employees and Their Families.** Except within the limits noted below, the *Code of Virginia*, § 2.2-3106 of the Conflict of Interests Act prohibits State employees and their immediate family from purchasing surplus property. An employee's immediate family includes the employee's spouse, and any other person living in the employee's household who is a dependent of the employee or on whom the employee is dependent.

A \$500 limit to purchasing surplus property applies to surplus property sales, such as auctions or internet sales, even if the State employee buyer works for a different agency than the selling agency. Employees of the selling agency should not purchase property if they influence the maintenance, surplus, pricing or disposition of the property item. An exemption to the \$500 limit applies if the property is purchased in any sale of surplus property at uniform (fixed) prices that are available to the public. Certain other exceptions are listed in *Code of Virginia*, § 2.2-3110, but these exceptions rarely apply to surplus property sales.

12.6 **Disposal Authority.**

a. **DGS Disposal Authority and Classification of Surplus Property.** DGS/OSPM has overall disposal authority for surplus material and is responsible for determining the method of surplus disposal for most items. The Commonwealth's surplus property may be assessed and classified by DGS/OSPM as follows:

1. Items that have value for transfer, trade-in, or sale
2. Scrap items that have sale value for material content only, such as recyclable material
3. Items that have little commercial value and can be donated to appropriate entities
4. Items that have little or no commercial value and are acceptable for landfilling or trash disposal

b. **Delegation of Disposal Authority.** Delegation may be granted that permits an agency to independently dispose of surplus materials when this appears to be in the Commonwealth's best interest. The agency will abide by and follow the provisions of the *Code of Virginia* and this chapter of the *APSPM* when exercising delegated authority. All requests for delegation authority must be made in writing to DGS/OSPM for approval by the Director, DGS/OSPM. Revenue generated shall be promptly deposited into the state treasury and such deposits reported to the State Comptroller. Additionally, a reconciliation of the sale action shall be sent to the Director, DGS/OSPM. Virginia State Sales Tax must also be collected and paid to the Department of Taxation, if applicable. Types of delegated authority that may be requested are as follows:

1. **Commodity-Based Delegation.** Certain commodities generated on an on-going basis, may be annually delegated by DGS/OSPM for sale action by agencies and institutions. Agencies receiving and using this delegation authority shall submit a Quarterly Sales Report to the Director, DGS/OSPM. Suggestions for items to be included may be submitted to the Director in writing, by email to statesurplus@dgs.virginia.gov or by fax to 804-236-3663.
2. **One-Time Local Sale Authority.** Agencies may request one-time authority to sell low-dollar value property locally, such as certain types of chairs, designated furniture and outdated books.

12.7 **Surplus Property Disposal Methods and Procedures.**

a. **Assessment of Surplus Property to Determine Disposal Method:** The disposal method that is selected by DGS/OSPM for the sale of surplus property takes into consideration several factors, which includes:

1. Assessment of the condition and age of item(s)
2. Quantity of the surplus item or items
3. Current market demand and pricing for such materials
4. Size and weight of the material and related transport and storage issues
5. Location of potential buyers or donees (local or out of area)

To effectively manage the Commonwealth's surplus property disposal processes, DGS/OSPM assists all of the Commonwealth's agencies, institutions, and local government entities in several ways, by providing enterprise-wide surplus property management of:

1. Policies, procedures, guidance, and training
2. Market information, property valuation and disposal recommendations, and
3. Managed and contracted services to best facilitate and optimize the reuse, public sale, or recycling of Commonwealth property.

This assistance is provided with the additional goals of obtaining the highest revenue possible from the sale of materials, while at the same time, striving for the highest level of efficiency in time, labor, and resources needed.

b. **Surplus Property Disposal Methods.** Disposition of surplus property is accomplished in any one of various ways to best meet the needs of the disposing agency or entity, as well as maximize either the reutilization or resale value of the property. Initially, the Commonwealth encourages maximum re-use of materials, whenever possible, after which, disposal is then accomplished through one of the following:

1. **Transfer within Same Agency.** Agencies are encouraged to reuse property by transferring needed property from one activity to another within the same agency. Agencies are encouraged to post listings of such equipment, materials and supplies available for intra-agency reuse on internal websites, develop “reuse rooms” to store and offer these items for re-use, or employ any other methods that can make these items available for re-utilization. This does not require notification of DGS or use of the Surplus Property Report, DGS 44-001, and DGS/OSPM does not need a copy of any paperwork for these transactions.
2. **Transfer and Sale to another State Agency.** Re-utilization of surplus property between state agencies is encouraged. Agencies may post listings of such equipment, materials and supplies available for reuse on their agency websites or agencies may post these items on internet sites designated by DGS/OSPM. Items may be transferred to another agency with or without the transfer of funds. A transfer letter/document, describing the property, is prepared by the owning agency and forwarded to the receiving agency. If there is a charge for the property being transferred, the owning agency bills the receiving agency for the agreed amount. Proceeds from sale shall promptly be deposited into the account fund for surplus property sales for the agency and reported to the State Comptroller. Documentation supporting the property transfer with appropriate signatures must be maintained in the files of the owning and receiving agencies. A transfer form for agency use, DGS 44-012, is included in Annex B. DGS/OSPM does not need a copy of paperwork of these transactions.
3. **Preliminary Sales Offering of Surplus Property to Eligible Organizations: Political Subdivisions, School Divisions and Qualified Non-Profit 501(c) Organizations.** Part of the mission of the Commonwealth’s surplus property activity is to support public institutions and certain non-profit organizations by making available useful materials and property at a reasonable price. Therefore, prior to initiating any public sale or auction, surplus materials must first be offered at the items fair market value to these institutions, which are political subdivisions of the Commonwealth (local governments and other public bodies), schools, and qualified non-profit 501(c) organizations. Qualified non-profit 501(c) organizations are defined as approved for the distribution of federal surplus materials. Contact the OSPM office for eligibility questions. Additionally, direct sales may be also be made to the following organizations as established in §2.2-1124, of the *Code of Virginia*:
 - Volunteer rescue squads and fire departments established pursuant to *Code of Virginia*, §15.2-955;
 - Virginia charitable organizations with a 501(c)(3) tax-exempt status that operate as children’s homes;
 - Virginia charitable corporations with a 501(c)(3) tax-exempt status operating as clinics for the indigent and uninsured that are organized for the delivery of primary healthcare services (i) as federally qualified health centers designated by the Health Care Financing Administration or (ii) at a reduced or sliding fee scale or without charge;
 - Public television stations located in the state;
 - Local social service departments for the purpose of resale at cost of surplus motor vehicles, when direct sales are made to Temporary Assistance for Needy Families (TANF) recipients.
 - Through local social services boards, surplus clothing may be transferred to an appropriate department, division, institution, or agency of the Commonwealth for distribution to needy individuals.

Sale prices of less than market value may be considered with the submission of written justification supporting a reduced price. Attach copies of justification letters reflecting prices proposed. Upon approval from the Director, DGS Office of Surplus Property Management, a Surplus Property Sales Award will be issued, and the item will be available for purchase to the requesting organization.

4. **Public Sales or Auctions.** For state agencies or institutions, all public sales or auctions shall be conducted by DGS, unless specific delegation is received by the state agency or institution from DGS/OSPM. The type of sale will be determined solely by DGS/OSPM in order to achieve the optimum return from the sale, but any action shall be in cooperation with the state agency or institution. DGS/OSPM shall also work cooperatively with any local government entities to determine the best method of sale.

Public sale property postings, auction dates and other types of information are made available on the Surplus Property website at <http://www.dgs.virginia.gov/surplus/>.

- (a) **Live Auctions.** Live auctions are scheduled throughout the state at DGS/OSPM warehouses, agency sites or at contracted auction service locations. Notices and lists of auction items are posted on the DGS website <http://www.dgs.virginia.gov> under “Public Auction.” See below for information about on-line auctions over the Internet.
- (b) **On-line Auctions.** Property may be sold through internet on-line auctions, and in some cases, items will remain at the agency location while posted for sale. Surplus items will be listed for sale using websites that have been approved by the Director, DGS/OSPM, and the sale will be managed by DGS/OSPM personnel. Except as otherwise authorized on an individual case basis, surplus on-line auction items should not be released by the owning agency to the awarded recipient without the recipient displaying the copy of the Surplus Property Bill of Sale. The owning agency is responsible for the release of the correct item(s) to the appropriate party.

The following procedures apply to on-line auction sales of surplus property:

- 1) **Submission of Surplus Property Report.** Agencies must submit a Surplus Property Report, Form DGS-44-001, (Annex 12-A) and pictures detailing as much information as possible to disclose the operating condition of property, or any known defect. Additionally, agencies must include accounting code data to enable the transfer of funds back to the owning agency. All property is sold in “where is/as is” condition, and agencies should not make claims as to the general condition of the property. Any specific known defect (broken part, transmission, etc.) must be disclosed on the Surplus Property Report.
 - 2) **Photographs.** Each agency shall provide recent photographs or digital images of their surplus property when property is reported for sale. Potential buyers expect to see clear photographs of the item being offered for sale. It is recommended that several pictures be taken of an item shot at different angles or views. Photographs or images must be current and of the actual item being reported, unless there are more than five items reported at the same time that are identical and all items are in the same condition. In this case, an image of one of the items would suffice, with a note included in the report that indicates that the photograph is representative of each item in the lot.
- (c) **Set-Price.** Surplus property may be offered to the public at a set- or fixed-price with approval of the Director, DGS Office of Surplus Property Management. The sales price of an item is based on known sales experience and/or assessed current market value. Generally, set-price sales should be publicly advertised at least a week in advance. Reference section 12.6.b.2, regarding one-time sales.
 - (d) **Contracts.** Contracts may be established for certain surplus items that are generated on a continuing basis. DGS may offer the property on a single sale, a term, or an open-ended contract basis. Once a contract is established, items will be sold in accordance with its terms and conditions, and a Surplus Property Report is usually not required. Examples of commodities of this nature include scrap metal, printer cartridges and other recyclables.
 - (e) **Negotiated Sale.** Under exceptional circumstances, surplus property may be sold through negotiation, such as when property has not been sold despite all efforts at public sale. Sales may be concluded only by the Director, DGS/OSPM upon receipt of written documentation of the circumstances.
5. **Recycling.** Upon determination that the property has no reuse value, and an agency receives disposal authority from DGS/OSPM, there are opportunities to recycle an agency’s surplus materials. The benefits of recycling include reducing waste, lowering trash disposal costs, conserving material resources and landfill space, and saving energy. Depending on the quantity of material recycled and the market conditions, your agency may receive revenue from recycling.

The types of material that can be recycled is increasing, and includes paper products such as cardboard, brochures, newspapers and office paper, beverage and food containers, scrap metal, printer cartridges, electronics, as well as yard and food waste. Resource information, such as a list of recyclable materials commonly generated in institutional settings, and a waste audit worksheet, are posted in the Surplus Section on the DGS website, under

“Recycling Assistance” at www.dgs.virginia.gov/surplus/. Additional waste reduction and recycling information is also available from the Virginia Department of Environmental Quality: www.deq.virginia.gov

Currently DGS/OSPM offers a statewide surplus scrap metal contract, electronics recycling options and a printer cartridge recycling program—see the website under “Recycling Assistance” for details.

In accordance with *Code of Virginia*, § 10.1-1425.6, §2,2-1124, the Governor’s Management Objectives and Executive Orders, it shall be the duty of each agency of the Commonwealth to establish programs for the use of recycled materials and for the collection of recyclable materials.

6. **Donations.** Departments, divisions, institutions, or agencies of the Commonwealth, or the Governor, may donate surplus materials to political subdivisions, and qualified non-profit 501(c)(3) organizations approved for the distribution of federal surplus materials, but only according to the guidelines listed below (contact the Director, DGS/OSPM for eligibility questions). Donations are to be recorded by agencies through the completion of the Surplus Property Donation Form, DGS-44-018, (Annex 12-F). Donations are permissible by state agencies under the following circumstances:

(a) Property Valued under \$500. When the market value of the surplus material, which shall be donated for a public purpose, and with DGS approval, is less than \$500, then a donation as outlined here is permissible. The total market value of all surplus materials so donated by any department, division, institution, or agency shall not exceed twenty-five percent (25%) of the revenue generated by such department’s, division’s, institution’s, or agency’s sale of surplus materials in the fiscal year, except these limits shall not apply in the case of surplus computer equipment and related items donated to those organizations listed in the following paragraph, 12.6.b. Agencies should use the previous fiscal year’s surplus sales revenue amount to calculate the “25% of revenue” donation limit.

(b) Surplus Computers and Related Equipment. Surplus computers and related equipment may be donated, without DGS approval, to public schools in the Commonwealth and to Virginia charitable corporations granted 501(c) tax-exempt status that provide services to persons with disabilities, at-risk youths, or low-income families. “At-risk youth” are school-age children who are eligible to receive free or reduced price meals in the federally funded lunch program.

(c) Emergencies. Any emergency declared in accordance with *Code of Virginia*, § 44-146.18.2 or § 44-146.28.

(d) Budget Bills. As set forth in the budget bill as defined by *Code of Virginia*, § 2.2-1509, provided that

(1) The budget bill contains a description of the surplus materials, the method by which the surplus materials shall be distributed, and the anticipated recipients, and

(2) Such information shall be provided to the Department of Planning and Budget in sufficient time for inclusion in the budget bill.

(e) Local Emergencies. During a local emergency, and upon written request of the head of a local government or a political subdivision in the Commonwealth to the head of a department, division, institution, or agency.

7. **Surplus Computers and Related Equipment:** Surplus computers and related equipment often have value in the resale market. Older systems may not have resale value and should be recycled for scrap content. Contact the Director, DGS/OSPM for guidance for resale potential and approved recycling outlets. Agencies must manage their surplus electronics responsibly in order to conform to local, state and federal environmental regulations. The following disposal options are available to agencies:

(a) Agencies can utilize a state contract which provides pick-up, data cleaning, and disposal. The contract is currently administered by VITA. For more information, search for “VITA Secure Data Destruction” or visit the following or any successor link:

http://www.vita.virginia.gov/procurement/contractDetail.cfm?contract_id=1000477

- (b) Agencies can perform data cleaning in-house per VITA standards, available at the following or any successor link:
http://www.vita.virginia.gov/uploadedFiles/Library/PSGs/Data_Removal_Standard_514_03%2010_07_2008_r3.pdf

After data cleaning is performed, agencies can surplus their computers by delivering them to one of the DGS/OSPM Distribution Centers, offering them for internet sale, or by recycling.

- (c) When computers and related equipment are obsolete, broken, or do not have resale value as determined by DGS/OSPM, recycling, to the extent practicable, should be utilized in accordance with *Code of Virginia* § 2-2-1124.B.15, and in consideration of environmental regulations. For additional information and resources on electronics recycling, please visit the recycling section of the DGS Surplus website at <http://www.dgs.virginia.gov/surplus/> and the electronics recycling section of the Virginia Department of Environmental Quality at <http://www.deq.virginia.gov/ecycling/>.

8. **Disposal by Landfill.** Property that is unusable and is determined to have no commercial and/or recycling value, or if the cost of sale would exceed expected returns, may be disposed of through the use of a landfill, with prior written approval from DGS/OSPM. This is a necessary method of disposal of various types of waste, not including hazardous or medical waste, but such actions shall be carefully controlled and documented to conform to good property management practices and avoid abuse. All property to be landfilled is to be identified in a property listing with signatures and dated by at least two agency officials. One signature is to be the person who determines the property classification and can certify the disposal. The second signature is an agency reviewing and approving authority. The completed document will be the agency's authority for removing items from inventory and will serve as an audit trail.

"Dumpster Diving" is not permitted. State agencies and institutions shall not throw anything away in a trash container in such a manner that would allow any agency employees or other parties to remove the materials for their personal benefit.

12.8 **Disposal Methods for Regulated or Special Items.**

- a. **Hazardous Material.** The DGS/OSPM Distribution Centers do not accept hazardous wastes or any surplus materials generally regarded as hazardous; however, certain products may be accepted that are still reusable that may contain hazardous ingredients. Examples are janitorial cleaning supplies, paint, developer and toner for copy machines, automotive antifreeze, etc. Call the Director, DGS/OSPM for specific guidance regarding the acceptability of sending a surplus product with hazardous components to a DGS/OSPM surplus warehouse.

1. **Disposal of Hazardous Material.** Federal and State laws have been enacted placing strict compliance requirements on the disposal of hazardous materials. Any agency that generates 220 pounds or 25 gallons of hazardous materials in one month is considered to be a Hazardous Waste Generator by federal definition and is required to comply with these statutes. Agencies are advised to contact the Department of Environmental Quality (DEQ) at (276) 676- 4847 for technical assistance, copies of applicable regulations, permit applications for registering with the U.S. Environmental Protection Agency (EPA), and for obtaining information to prepare appropriate manifests used in transporting materials.

Hazardous materials must be disposed of by contracting with contractors qualified in the proper identification, packaging/labeling and transporting of materials to EPA-authorized storage sites. Agencies that generate substantial quantities should have a hazardous waste management plan in effect under the responsibility of a qualified staff specialist. Under current federal statutes, agencies are held responsible for all hazardous materials, even after having been delivered to an EPA-authorized storage facility. It is important, therefore, that careful and thorough planning be conducted prior to entering into a contractual arrangement. Costs can be minimized by agencies that have an effective program established with all waste materials fully identified and properly stored pending final packaging and delivery by an EPA-registered transporter.

2. **Hazardous Waste Disposal Contract.** A state-wide "Hazardous Waste Disposal and Recycling Services" contract, #PF-507-70VAPP, is available through the DGS, Division of Purchases and Supply, and is posted on-line at <http://dps.dgs.virginia.gov/dps/contracts/covacontractsinfo.aspx>. Additional hazardous material reduction information may be obtained at the Department of Environmental Quality's website, under Pollution Prevention: <http://www.deq.virginia.gov>.

b. **Special Handling for Regulated Materials.** Some surplus items require special handling and/or documentation for disposal. Such special handling or documentation may be required by law, regulation, or an administrative policy decision. Examples of such items are firearms (see section 12.13) or certain devices and containers (i.e., drums, liquor stills, drugs, and drug apparatus), etc.

c. **Flags.** Both United States and Commonwealth of Virginia flags should be disposed of properly and not by landfill. The American Legion Auxiliary Department office accepts both U.S. and state flags for appropriate disposal at no charge. The flags are burned in a ceremony twice yearly. Please contact your local American Legion Office for further information <http://www.legion.org/members/locators/posts>.

d. **Police Dogs.** Any dog especially trained for police work may be sold, at an appropriate price, to the handler who was last in control of such dog. This sale shall not be deemed a violation of the State and Local Government Conflict of Interest Act, § 2.2-3100 et seq.

e. **Insurance Claim - Salvage.** This type of sale is authorized when the Department of Treasury/Division of Risk Management (TRS/DRM) advises DGS that a claim will involve salvage. The sale price of an item(s) will be set as the result of the claim adjusting firm's securing three (3) or more written bids, or justifying why three bids could not be obtained. The claims adjuster will secure a cashier's or certified check from the highest bidder for the amount of the bid. Upon delivery of the written bids and the check to the state agency's representative, the agency's representative may release the item(s) getting a delivery receipt for same from the highest bidder. The agency's representative shall then see that a Surplus Property Report, DGS-44-001, (Annex 12-A) is processed according to state policy, along with bids, check, and copy of the delivery receipt to DGS, if item(s) has been picked up. Upon receipt of Form DGS-44-001, bids, and check, DGS will issue a paid Surplus Property Sale Award, and a copy will be sent to TRS/DRM. In this instance, the Sale Proposal Number will be "Ins. Salvage Claim No. _____." The Claim Number will be that number assigned by TRS/DRM. DGS will consider this an occasional sale because of its anticipated infrequent use and because the sale is handled by an insurance claims adjuster. No State Sales and Use Tax will be charged.

f. **Licensed or Copyrighted Materials:** For materials that are licensed or have a copyright, a review of the license or copyright agreement needs to be made by the owning agency prior to trading in or declaring the item as surplus, to determine what right, if any, the licensee has regarding the surplus or reuse of the property.

g. **Firearms:** Refer to section 12.13

12.9 **Trade-ins.** Trade-in items are not considered surplus property. According to policy set by DGS, Division of Purchases and Supply, trade-in items may only be traded in for the purchase of property of the same general three-digit commodity class code, without prior DGS approval. Material are considered a trade-in item only if the supplier's removal of the material and provision of a replacement occur at substantially the same time, and if the purchase price of the replacement item has been reduced to reflect a fair allowance for the trade-in item. A trade-in should not be considered if the monetary allowance offered is substantially below the known current sales range. Assistance with documenting recent sales prices may be obtained by contacting Surplus Property at (804) 236-2781.

Consignment of sales of surplus property to a nongovernmental entity is not permitted, unless by DGS Contract.

Notice Regarding Licensed or Copyrighted Materials: Prior to trading in licensed or copyrighted materials, a review of the license or copyright agreement needs to be made by the owning agency to determine what right, if any, the licensee has to the property.

12.10 **Surplus Warehouses/Distribution Centers.** Agencies are encouraged to visit the surplus warehouses to see the state and federal surplus property available to them. There are 2 state surplus property warehouses in the Commonwealth; a Richmond warehouse in central Virginia, located at 1910 Darbytown Road and a retail store/warehouse in Wytheville, located in southwestern Virginia, at 800 East Main Street, Suite 220. Items are available for purchase to authorized persons, with the distribution centers operating on a supermarket plan on a first-come, first-served basis. The Wytheville facility now offers a "surplus store" open to the public with items offered for a fixed price. For additional location information, please refer to the Surplus Property information on the DGS website: <http://www.dgs.virginia.gov/surplus/>.

Agencies may transfer surplus property to either warehouse location. After delivery of surplus property to a DGS/OSPM warehouse, ownership of the surplus property transfers to DGS. The surplus warehouse/distribution centers accept delivered material by appointment on any day, Monday through Friday, 8:00 a.m. to 4:00 p.m., except official holidays. Since both

warehouses are open to qualified organizations, transfer of property to a warehouse satisfies the agency's reutilization requirement to offer items to eligible institutions for reuse prior to public sale (see Section 12.7.b.3).

12.11 **State Surplus Property Forms and Reporting Procedures**. The following is a list of forms and instructions to use for documenting items designated as State Surplus Property.

a. **Surplus Property Report DGS-44-001** (Annex 12-A). This form is used by the agency to report surplus property to DGS/OSPM that will remain at the agency for disposal. Prior to reporting an item as surplus, an internal agency review should be conducted to determine if items could be used by another department or office at the agency.

The original of this report must be forwarded to the DGS/OSPM in Richmond at the following address: VA. Dept. of General Services, Surplus Property, 1910 Darbytown Road, Richmond, VA 23231 or sent by email to statesurplus@dgs.virginia.gov. This report provides the descriptive information used in notices about the item to organizations; therefore, its complete and accurate preparation is essential. Information on manufacture identification, model numbers, age and condition assists the buyer in making a decision to buy items. An agency must not withhold any specific known defects, such as a broken or missing part, etc.

Each item or group of items must be listed on the Surplus Property Report with the 5-digit Procurement Commodity Code. Agencies are encouraged to submit these reports on a continuing basis to aid in the timely processing of surplus property. With careful and accurate planning, items may be reported surplus when still in use, as long as an estimated release date is provided and buyer inspection can be arranged during the interim use period.

The processing of information on the Surplus Property Report Form DGS-44-001 is not related to each agency's internal inventory record system, such as FAACS, and therefore agencies must update their own inventory records separately, as the systems are not related.

1. **Surplus Other Than Vehicles:** The completed Surplus Property Report Form DGS-44-001, (Annex 12-A along with digital photos of the property, should be emailed to the State Surplus designated representative.
2. **Vehicles or Title-Bearing Equipment:** Surplus cars, trucks, boat, utility or equipment trailers, etc. not delivered to a Surplus warehouse and not disposed of through DGS/OSPM outsourced services contracts for surplus property sales, must be reported on the Surplus Property Report Form DGS-44-001, submitted with the original title and a compact disc (CD) with several photo's of the item, and mailed to the Virginia Dept. of General Services, Office of State Surplus Property Management, 1910 Darbytown Road, Richmond, VA 23231. Motor vehicle photos should include a picture of the interior and multiple views of the vehicle. Reports without the titles will be returned to the agency. Only one vehicle or other titled equipment may be on a report. Boat registration/titles must also be submitted with the report. Surplus vehicles delivered to the warehouse **MUST** have the original title attached to the Manifest

b. **Surplus Property Transfer Document DGS-44-012** (Annex 12-B). Used by agencies, for their records, to transfer surplus items between state agencies. DGS/OSPM does not need a copy of this document.

c. **Surplus Property Manifest DGS-44-014 Sup** (Annex 12-E). Agencies desiring to transfer property to the warehouses can accomplish this by filling out the Surplus Property Manifest. **To avoid duplication, DO NOT fill out the Surplus Report Form DGS-44-001.**

Note: The Surplus Property Manifest replaces the Surplus Tag for property being transferred to the centers.

1. To schedule delivery, call the appropriate center for a date and a time for your delivery. Richmond deliveries, 804-236-2757, or Wytheville deliveries, 276-228-6803.
2. The Manifest must accompany the delivery to the surplus warehouse. Property delivered without the manifest may be refused and returned to the agency at agency expense.
3. Upon receipt of the property, the SSP center personnel will verify the items on the manifest and return a receipt copy to the agency. Receipt will signify the property has been transferred to the Surplus Property Program at no charge. The agency may then remove the property from the agency inventory records. No further documentation will be submitted to the agency.

4. Property located at the warehouses is made available to state agencies, political subdivisions and public schools.

12.12 **Proceeds From the Sale or Recycling of Surplus Materials.** Proceeds from the sale or recycling of surplus materials pursuant to *Code of Virginia*, § 2.2-1124 shall be promptly deposited into the state treasury by agencies receiving sales revenue or by the DGS/OSPM, in accordance with *Code of Virginia*, § 2.2-1802. Such deposits are to be reported to the State Comptroller and to the Director, DGS Office of Surplus Property Management, along with a statement of total proceeds and the amount of such proceeds derived from the sale or recycling of surplus materials purchased in whole or in part from general fund appropriations.

Service fees may be charged by DGS/OSPM for surplus services related to internet sales, auctions, state contracts or other sales methods. Additionally, pursuant to *Code of Virginia*, § 2.2-1125, the State Treasurer will transfer fifty percent of the total of proceeds derived from the sale of surplus materials purchased in whole or in part from general fund appropriations to the Conservation Resources Fund of the Department of Conservation and Recreation. If the agency meets the Governor's Management Standards requirements, the agency may retain the net proceeds from the sale. Departments, divisions, institutions, or agencies may retain the full net profits from the sale of recycled materials diverted from their waste stream, such as office paper, cardboard, beverage containers, etc.

Based on reports of surplus revenues from the State Treasury, the Department of Planning and Budget may increase general fund appropriations to the respective agency by the amount of available proceeds derived from the sale or recycling of surplus materials pursuant to *Code of Virginia*, § 2.2-1124. The department, division, institution, or agency of the Commonwealth may use the additional appropriations to purchase materials, supplies, or equipment, or to defray the cost of disposing of surplus materials.

12.13 **Surplus Firearm Procedures.** These procedures shall apply to all departments, divisions, institutions, and agencies (hereinafter referred to as "agency") of the Commonwealth in the possession of state-owned firearms. An agency in the possession of state-owned firearms shall incorporate these procedures as an appendix to their agency's policies and procedures for the management and accountability of their state-owned firearms.

Pursuant to *Code of Virginia*, § 2.2-1124(B), responsibility for disposing of state-owned surplus firearms shall be delegated to the owning agency to dispose of in accordance with these procedures, developed by DGS/OSPM.

When an agency no longer has a need for a firearm, the agency shall either declare the firearm as surplus state property or pursue trade-in. In such cases, the following disposal procedures shall be followed:

a. **Procedure for "Declaration of Surplus Firearms":** If the agency does not wish to pursue trade-in, the agency head shall first declare the firearm as surplus property and consent to its disposal using the "Declaration of Surplus Firearms" form (Surplus Firearm Form A, Annex 12-G). Agency surplus property officers are not authorized to make this declaration. The agency will keep the "Declaration of Surplus Firearms" form on file in accordance with records retention requirements established by the Library of Virginia.

b. **Firearm Transfers and Sales to another State Agency:**

1. Firearms may be transferred to another agency that is authorized to have such firearms in its possession, with or without the transfer of funds. It shall be the responsibility of the owning agency making the transfer or sale to ensure the agency receiving firearms is authorized to be in the possession of such firearms.
2. A "Firearms Manifest: Agency Transfer" form (Surplus Firearm Form B, Annex 12-H), describing the property, shall be prepared by the owning agency and forwarded to the receiving agency.
3. If there is a charge for the property being transferred, then the owning agency will bill the receiving agency for the agreed upon amount. Proceeds from the sale shall be promptly deposited, pursuant to *Code of Virginia*, § 2.2-1802, into the State Treasurer's sale of surplus state property fund of the receiving agency, and reported to the State Comptroller.
4. Documentation supporting the transfer with appropriate signatures must be maintained in the files of the owning and receiving agencies to provide a chain of custody record.

- c. **Firearm Sales to Local Agencies:** An agency in the possession of surplus firearms may sell firearms directly to a local agency that is authorized to have such firearms in its possession.
1. An owning agency may contact local agencies to sell firearms.
 2. It is the responsibility of the owning agency to ensure the local law enforcement agency making the firearms purchase is authorized to be in the possession of the type of firearms being purchased. The owning agency will prepare a “Firearms Manifest: Agency to Local Law Enforcement Agency Sale” form (Surplus Firearm Form C, Annex 12-L). This form shall be maintained in the files of the selling agency to provide a chain of custody record.
 3. The owning agency will bill the purchasing local law enforcement agency for the agreed upon amount. The proceeds from the sale shall be promptly deposited pursuant to *Code of Virginia*, § 2.2-1802 into the State Treasurer’s sale of surplus state property fund of the agency and reported to the State Comptroller.
- d. **Firearm Trade-ins:** Trade-in items are not required to be declared surplus. Firearms may be traded-in by an owning agency on the purchase of equipment of the same general three digit commodity class code.
1. The owning agency will prepare a “Firearms Manifest: Agency Trade In” form (Surplus Firearm Form D, Annex 12-J) to document a chain of custody.
 2. The trade-in shall only be conducted with a federally licensed firearms dealer and the owning agency will negotiate the best possible trade-in value for the firearms.
 3. If an owning agency is not able to trade in a firearm using the same three-digit commodity code, then the owning agency may contact the Director, DGS/OSPM to request authorization to “barter” the firearm to exchange it for property that is not in the same three-digit commodity code. The following conditions must be met before the Director, DGS/OSPM will consider the owning agency’s request:
 - (a.) The owning agency will only “barter” the firearms to a Federally Licensed Firearms Dealers;
 - (b) The owning agency will negotiate the best possible trade-in value for the firearms; and
 - (c) The owning agency will prepare a “Firearms Manifest: Agency Trade-In” form.
 4. The owning agency will retain the “Firearms Manifest: Agency Trade-In” form that documents the exchange for chain of custody purposes.
- e. **Destruction of Firearms:** If the firearms are unusable, determined to have no commercial value, or the options stated above (paragraphs b, c, and d of these procedures) are not sufficient to dispose of the firearms, then the firearms shall be destroyed. Firearms destruction shall be conducted as follows:
1. The owning agency will fill out a “Firearms Manifest for Destruction” form (Surplus Firearm Form E, Annex 12-K) and forward it to the Director, DGS Office of Surplus Property Management along with the “Declaration of Surplus Firearms” form (Surplus Firearm Form A, Annex 12-G) and “Agency Firearm Destruction Request” form (Surplus Firearm Form F, Annex 12-L) signed by the Agency Head.
 2. The Director, DGS/OSPM will log the request, approve if appropriate, and send the request back to the owning agency.
 3. The owning agency will ensure that the following conditions exist prior to transporting firearm(s) for destruction:
 - (a) All firearms will be unloaded and rendered to the “safe” position, and safely secured prior to transport;
 - (b) All firearms will have a serial number or a unique identifier to assure identification; and
 - (c) Firearms will have no legal impediments outstanding i.e., are not part of any legal proceeding.
 4. The owning agency will make an appointment with the facility of destruction and notify the Director, DGS/OSPM of the scheduled day and time.

5. The owning agency will transport firearm(s) to the facility of destruction on the prearranged scheduled day for destruction with a copy of the "Firearms Manifest for Destruction" form (Surplus Firearm Form E, Annex 12-K) and the "Certificate of Firearms Destruction" form (Surplus Firearm Form G, Annex 12-M).
6. Representatives of both the owning agency and the facility of destruction will inventory and verify all firearms against the "Firearms Manifest for Destruction" form (Surplus Firearm Form E, Annex 12-K) to ensure that no discrepancies exist. If any discrepancy is determined, then the entire lot of firearms must be returned to the owning agency for corrective actions. In this event, the Director, DGS/OSPM will be notified immediately as to the cause of error, and the destruction process herein will be reviewed and restarted.
7. Upon verification of Manifest and firearms, the facility of destruction will proceed with immediate destruction and the "Certificate of Firearms Destruction" form (Surplus Firearm Form G, Annex 12-M) will be completed.
8. A signed copy of the Certificate of Firearms Destruction (Surplus Firearm Form G, Annex 12-M) will be distributed to and maintained by the owning agency for chain of custody purposes and a copy will be distributed to and maintained by the Director, DGS/OSPM to close out the request.
9. All forms requiring an agency head signature must be signed by the agency head. The agency head may not delegate this authority to others within the agency.

Federal Surplus Property

- 12.13 **Authority and Responsibility for Federal Surplus Property.** The *Federal Property and Administrative Act of 1949*, as amended, is the basic authority for all functions of the Federal Surplus Property Program. The most recent major amendment was Public Law 94-519, effective October 17, 1977. On the federal level, the General Services Administration (GSA) is responsible for administering the program in coordination with state agencies. The *Code of Virginia*, § 2.2-1123, designates the Department of General Services to administer the program in the Commonwealth, in conformance with the *Federal Property and Administrative Act of 1949* and an approved State Plan of Operation.
- 12.14 **Federal Surplus Property Eligibility Requirements.** The law provides that public agencies and certain other nonprofit institutions may be declared eligible to receive federal surplus property, provided they meet certain criteria. The criteria for public agencies are relatively simple and are covered in an application, “Application for Eligibility-Federal Surplus Property Assistance Program, Form DGS-43-001. Public agencies that have not received eligibility approval, but are interested, can download this form from the DGS website in the Forms section, page at <http://www.dgs.virginia.gov/Forms.aspx>. An approval notice will be sent by email to applicants that meet the eligibility criteria.
- 12.15 **Designation of Federal Surplus Property Officer.** If a state or local agency wishes to acquire federal surplus property, then upon being granted eligibility approval, the agency must designate a representative to be responsible for federal surplus property, including the obligation of funds and compliance with certifications and agreements on all property transferred. The Surplus Property Signature Authorization Form, Annex C, is used for this purpose, as well as to identify other persons designated to select and sign for property and also can authorize in writing other individuals to visit a federal distribution center on a specific day to select and sign for property. Such a designee may also be responsible for state surplus property (see also Section 12.4).
- 12.16 **Federal Property Availability.** The DGS/OSPM acquires federal surplus property through a system of reviewing excess property reports, screening (inspecting and selecting) surplus items at federal installations, and then requesting that GSA allocate to DGS/OSPM the needed items. Property is made available to state agencies in the following ways:
- a. **Warehouses and Distribution Centers.** Property is stored and displayed at the two state surplus warehouses/distribution centers, the main center located at 1910 Darbytown Road, Richmond, VA 23231 and a second center is located in southwest Virginia at 800 East Main Street, Suite 220, Wytheville, VA 24382. The warehouses operate on a supermarket plan on a first-come, first-served basis, and authorized persons may visit them on any day, Monday through Friday, 8:00 a.m. to 4:00 p.m., except official holidays. Selected property is listed and invoiced on the Distribution Document and Invoice Form, DGS-43-008, and IAT Form, DAO2-039.
 - b. **Direct Pick-up from Federal Sites:** Recipients of special and heavy equipment may be requested to pickup items directly from the federal installations. Upon special arrangements with a DGS/OSPM screener or the Richmond OSPM office, agency representatives may visit and screen surplus property at federal installations. This method may be of benefit to the agency. OSPM will request the property desired by an agency, and, upon federal government approval of the request, forward necessary documents to the agency to facilitate pick-up. The OSPM will create an invoice and transmit it to the agency upon federal approval of this request.
- It is incumbent on the agency receiving the federal property (also called “donee” by the federal government) to arrange pick-up from the holding agency and to make all necessary plans and coordination to do so. If an agency fails to pick-up approved property within the time period specified by the holding agency, and the holding agency withdraws the property from availability, the OSPM service charge will not be refunded. The Federal Surplus Property Transfer Document, transfers the property and is not an invoice. Upon receipt of the signed document, service charges are billed on an IAT Form, DAO2-039.
- c. **Internet Postings.** Eligible donees and customers have two options of screening federal inventory via the internet. Access to inventory listings for both the Richmond and Wytheville distribution centers are located at <http://www.dgs.virginia.gov/surplus/>. Customers may also go directly to <http://www.gsaccess.gov> and view listings of federal property offered at various military and federal locations in Virginia and other states. A user ID and password is required to login. Please contact the DGS Surplus Property Office to obtain this login information. All requests for federal surplus property will be subject to final approval by GSA.
 - d. **Special Requests or “Wish Lists.”** Civilian and military departments of the federal government operate an extensive utilization system of excess and surplus property. Available property may include furniture, business machines, textiles, tools, miscellaneous hardware, electronic equipment, machine tools, industrial and construction equipment, and other

categories. It does not include real property. Eligible participants are invited to submit requests for special categories of equipment such as construction equipment, trucks, and sophisticated electronic equipment. Every effort will be made to fill selected requests through a center or by direct pickup.

- 12.17 **Federal Surplus Screening and Acquisition.** Assets and items acquired from the federal government shall be kept to a minimum stockage level in the DGS/OSPM warehouses, based on the desires and needs of the Commonwealth's agencies or other entities authorized to acquire donated federal surplus property from the DGS Federal Surplus Property Program. Federal property acquisitions will be made by the Department of General Services Surplus Program Director or designee on the basis that an authorized customer has a need for the acquired item(s) and that such item(s) are available and also can be obtained from the Federal Surplus Property Program.
- 12.18 **Restrictions and Use Requirements.** Property is transferred to customers with certain restrictions as listed on the back of the Distribution Document and Invoice on the Federal Surplus Property Transfer Document. When signing for the property, all users should become thoroughly familiar with all certifications and agreements. Property is to be obtained for the items primary use. There are exceptions, however, where the property may be cannibalized or utilized for a secondary purpose. Such use must be approved in writing by Director, DGS/OSPM before acquiring the property or after utilizing the property for its primary use purpose. All property must be put in use within 12 months and used for 12 months or consumed, except certain items with a high original federal acquisition cost and licensed motor vehicles which must be used for 18 months, as set forth in the transfer document. During this restrictive use period, items may not be sold, traded, or stripped for parts without approval of the Director, DGS/OSPM. Holding an item without using it as stated above constitutes noncompliance. This may subject the agency to payment of the fair market value as determined by the federal government.
- 12.19 **Title to Property.** Conditional title to the property passes to the eligible agency when an authorized representative signs for or takes possession, subject to the specified use restrictions. When an agency has complied with all the terms and conditions set forth on the distribution or transfer document, the agency will possess unrestricted title to the item.
- 12.20 **Federal Surplus Property Disposal Procedures.** If an institution has no further need for an item during the restricted use period or is in need of amending the item's primary use purpose, a request must be submitted to the Director, DGS/OSPM for approval. Possible procedures may be cannibalization and secondary utilization as set forth above or transfer to another agency, trade-in, or sale by GSA. Items which have passed the restricted use period must be disposed of in accordance with established state surplus property policy and procedures (see Section 12.7).
- 12.21 **Property Management.** All federal surplus property within the agency is subject to the standards of good property management, including accepted practices of proper use, records, care, maintenance, protection, and disposal.
- 12.22 **Audits and Compliance Surveys.** In general, audits and reviews will focus on the property use requirements as listed under certifications and agreements on the reverse side of the receiving documents, but are not necessarily limited to the requirements stated thereon. This may be accomplished by on-site inspections or through the use of a Utilization Survey/Certification, DGS-43-019, mailed to the agency representative.
- 12.23 **Service Charges.** The Federal Surplus Property Program is a non-general fund activity; therefore, service charges are assessed for property transferred. Service charges are marked on each Distribution Document and Invoice or in the case of direct pickup, a Transfer Document, followed later by an invoice. Prompt payments are essential and slow processing may be cause for withdrawal of eligibility.
- 12.24 **Federal Surplus Property Records.** There are certain minimum requirements for maintaining federal property records as follows:
- a. In general, records should be maintained on all items in the same manner as records are kept for similar property acquired from other sources.
 - b. Record requirements for certain property as set forth in the transfer document and licensed motor vehicles are rather specific. A separate file should be maintained on all executed documents covering items in this cost category. A record of inventory status and location must be initiated and maintained. It should include item name and identification, federal acquisition cost, date received, date put in use, location or assignment, state serial number or distribution document and invoice number, and disposal action with authority and date. This requirement may be accomplished by making the pertinent notations on the receiving document or by setting up a separate inventory or document system.

c. A property accounting system for selected items for a commodity group such as vehicles, tractors, business machines, sensitive items, and selected electronic and power equipment.

12.25 **Federal Surplus Property Documentation.** The following is a listing summarizing the documentation associated with Federal Surplus Property activities:

a. **Application for Eligibility** - Federal Surplus Property Assistance Program DGS-43-001. This is the form to apply to DGS for eligibility to receive Federal surplus property.

b. **Signature Form** DGS-43-004. This is the form to designate an agency surplus property officer and others to select and sign for property.

c. **Utilization Survey** DGS-43-019. The agency is to report to DGS the item use status during the restricted period.



Virginia Department of General Services, Office of Surplus Property Management
 1910 Darbytown Road, Richmond, Virginia 23231

SURPLUS PROPERTY REPORT

Reporting Agency [REDACTED]

CONTROL NO:

DATE: [REDACTED]

(Send One Copy of This Completed Report for Each Item or Each Lot of Identical Items)

The following State-owned property is declared surplus to the needs of this Agency, and is reported for disposal, pursuant to *Code of Virginia*, § 2.2-1124 and Chapter 12, APSPM.

This signed form certifies and describes such surplus item(s) and confirms that the agency will maintain same in its care until authorized disposal is received. Should the agency find need to withdraw item(s) prior to authorized disposal, the Department of General Services, Office of Surplus Property Management is to be appropriately notified. Failure to notify DGS/OSPM may place this agency and/or the Commonwealth in legal liability to the bidder/purchaser.

1. EXACT LOCATION OF ITEM: Agency's Name _____
 Street Address _____ City/State/Zip _____ / _____ / _____
 Person to Contact _____ Phone: (_____) _____ - _____

Inspection and Removal Hours: _____

2. SECTION TO REPORT MACHINES, EQUIPMENT, ELECTRICAL ITEMS AND PARTS FOR SAME, ETC.

Name of Item _____ Agency ID No. _____
 Make _____ Model _____ Serial No. _____ Quantity _____
 Capacity/BTU/AMP/Phase/Voltage/Horsepower/Gallons/Etc. _____

Condition: New _____ Good: _____ Fair: _____ Poor: _____ Scrap: _____ Badly Deteriorated _____
 (check one) : _____

Broken _____ Wrecked _____ Other Defects _____ (Explain Under Remarks)

Agency's Estimated Approximate Present Value: _____

3. SECTION FOR REPORTING VEHICLES AND TITLE BEARING EQUIPMENT - (ONE REPORT PER VEHICLE):

Agency ID No. _____ Year/Mfg _____ Make _____ Model _____
 Type(Sedan Dump Pickup Station Wagon, Etc.) _____
 Doors (2 Door or 4 Door, Etc.) _____ Tonnage _____ **Mileage _____
 (**Mileage Information is a Federal and State Requirement. Please be sure to insert.)
 Brief Description (Such as Dual or Single Wheels, 2 Wheel or 4 Wheel Drive, Engine Size, Extra Accessories
 or Missing Parts, Color, Etc.) _____

VIN NO. or Serial No. _____ Title No: _____

Condition: New: _____ Good: _____ Fair: _____ Poor: _____ Scrap: _____ Badly Deteriorated _____

Broken _____ Wrecked _____ Other Defects _____ (Explain Under Remarks)

Agency's Estimated Approximate Present Value: _____

(PLEASE BE SURE TO ATTACH TITLE TO THIS REPORT.)

4. Remarks: _____

5. Authorized Signature, Title & Agency/Accounting Codes (REQUIRED)

Signature: _____
 Title: _____
 Phone Number (_____) - _____
 Please Type Name _____ Email: _____

Agency	Cost	Fund Detail	Revenue Source

Please Note: Reports submitted without the proper coding will automatically be coded as purchased with General Funds. Remaining proceeds (after the service charge has been deducted) will be split between the agency and the Conservation Fund.

Questions? Call (804) 236-3670. Visit the Surplus Property webpage at <http://www.dgs.virginia.gov/surplus/>.



Commonwealth Of Virginia, Department of General Services
Office of Surplus Property Management

STATE SURPLUS PROPERTY
TRANSFER DOCUMENT

This form was created to assist agencies with their recordkeeping of surplus property transfers between agencies. Agencies do not need to report transfers between agencies to DGS/OSPM or submit this form to the Department of General Services. However, the owning agency is to provide signed copies for the owning agency file and the receiving agency file.

TO: Agency _____ Address _____ _____ Name _____ Phone _____ Email _____ Title _____ Agency Code _____				FROM: Agency _____ Address _____ _____ Name _____ Phone _____ Email _____ Title _____ Agency Code _____				
Specific location of Property:				Trans	Agency	Cost	Fund/ Detail	Revenue Source
				136				09999
ITEM NO.	COMM. CODE	ITEM DESCRIPTION	QUANTITY	UNIT	TRANSFER COST			
					UNIT PRICE	TOTAL PRICE		
TOTAL AMOUNT								

NOTICE: This form may be used to Transfer property with or without the exchange of funds. If the transfer is being made at "no charge," then indicate "NO CHARGE" in the TOTAL PRICE column.

Receiving Agency Approval _____
 Commitment of Funds for Transfer Signature Title Date

Property Received _____
 Signature Title Date

Commodity codes are available at: <http://www.eva.virginia.gov>



ANNEX 12-C

Commonwealth Of Virginia, Department of General Services
Office of Surplus Property Management

DGS SURPLUS PROPERTY
SIGNATURE AUTHORIZATION FORM

TO: Kim T. Hayes kim.hayes@dgs.virginia.gov
1910 Darbytown Road Richmond, VA 23231
Tel (804) 236-3662 Fax (804) 236-3663

Date: _____

Customer Organization Name: _____

Address: _____

The administrative official or authorized designee for the customer organization must sign this form. Individuals not listed on the account must bring a letter signed by the administrative official or designee the date of the purchase.

DESIGNATED REPRESENTATIVE FOR SURPLUS PROPERTY:

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

TELEPHONE: _____

EMAIL: _____

PLEASE CHECK, if applicable:

___ Deletions (Name of person/s to delete from account) _____

___ Supersedes all prior authorizations ___ (nullify previous authorization forms)

ADDITIONAL DESIGNATED PRINCIPAL PERSONS: A principal designee is allowed to sign for property and send others to receive property.

Signature _____

Signature _____

Name _____

Name _____

Title _____

Title _____

Telephone _____

Telephone _____

Email _____

Email _____

ADDITIONAL PERSONS AUTHORIZED TO SELECT AND SIGN FOR PROPERTY:

Signature _____

Signature _____

Name _____

Name _____

Title _____

Title _____

Telephone _____

Telephone _____

Email _____

Email _____

Signature _____

Signature _____

Name _____

Name _____

Title _____

Title _____

Telephone _____

Telephone _____

Email _____

Email _____



ANNEX 12-D

Commonwealth Of Virginia, Department of General Services
Office of Surplus Property Management

**AGENCY SURPLUS PROPERTY
OFFICER DESIGNATION FORM**

Each agency, or agency location of sufficient size, is to designate a Surplus Property Officer to manage their institution's surplus property and serve as a contact for communications from the DGS Surplus Property Office (OSPM). Please complete this form and return it to:

Surplus Property
Virginia Department of General Services
1910 Darbytown Road Richmond, VA 23231
Fax (804) 236-3663 or Email statesurplus@dgs.virginia.gov

If this is an update or deletion, please list the name of the person to remove from our records as Agency Surplus Property Officer: _____



Date: _____

Agency Name: _____

Address: _____

DESIGNATED SURPLUS PROPERTY OFFICER:

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

TELEPHONE: _____

EMAIL: _____

Additional Information from Agency:

Other Individuals from this agency may be listed on the *DGS Surplus Property Signature Authorization* form for purchases of Surplus Property (Annex C). The Surplus Property Officer should be listed on the Signature Authorization Form as well.

Questions? Call (804) 236-3670. Visit the Surplus Property webpage at <http://www.dgs.virginia.gov/surplus/>.



Commonwealth of Virginia, Department of General Services
Office of Surplus Property Management

SURPLUS PROPERTY DONATION RECORD FORM

Please complete this form to document your agency's donation of surplus items for a public purpose as authorized by *Code of Virginia*, § 2.1-457.2, and in reference to Section 12.7.6, Chapter 12 of the Agency Purchasing and Surplus Property Manual (APSPM). Keep a copy for your records and send a copy to:

**Department of General Services
Director, DGS Office of Surplus Property Management
1910 Darbytown Road
Richmond, Virginia 23231**

Owning Agency: _____ Agency Code: _____

Contact Name: _____

Phone: _____ E-mail: _____

Donation made for a public purpose to:

(Donee): _____

Address: _____

Phone: _____ Contact: _____

Please list items donated. Use an additional sheet if needed. _____

Market Value (if applicable) _____ How Determined _____

I certify that this organization is a Virginia Public body or a division thereof and eligible to receive donated surplus property as defined by the Code of Virginia. This organization is also an eligible customer of the DGS Federal Surplus Program.

Agency Representative Signature _____

Print name _____ Date _____

Donee Representative _____ Date _____

Print name _____

Guidelines for Surplus Donations (APSPM 12.7.6):

(1) Property Valued at less than \$500: In accordance with (Chapter 12 (APSPM) Agency Procurement and Surplus Property Manual, agencies of the Commonwealth may donate low value dollar items when the market value of the surplus materials, which shall be donated for a public purpose, is less than \$500; however, the total market value of all surplus materials so donated by any department, division, institution, or agency shall not exceed twenty-five percent (25) of the revenue generated by such department's, division's, institution's, or agency's sale of surplus materials in the fiscal year.

(2) Surplus Computers

Surplus computers and related equipment may be donated to public schools in the Commonwealth and Virginia charitable organizations granted 501(c) (3) status, and providing services to persons with disabilities, at-risk youths, or low-income families. Agencies are responsible for determining eligibility for donations of those eligible organizations not participating in the federal surplus program. Surplus computers are not subject to market value limits, as stated in section (1).

Questions? Call (804) 236-3670. Visit the Surplus Property webpage at <http://www.dgs.virginia.gov/surplus/>.



ANNEX 12-L

Commonwealth Of Virginia, Department of General Services
Office of Surplus Property Management

SURPLUS FIREARM FORM F

AGENCY FIREARM DESTRUCTION REQUEST

Date of Request _____

Agency Request:

Agency: _____ has attempted to dispose of the firearms on the attached Manifest for Destruction by offering them to other agencies, for sale to local law enforcement agencies, and as trade-in for either like items or through bartering with federally licensed firearm dealers.

All attempts to dispose of the firearms have been unsuccessful and destruction of the firearms is requested.

Cost Code of Requesting Agency: _____

Signature: Agency Employee: _____

Print Name: _____

Signature: Agency Head: _____

DGS Authorization:

Signature/Approved: _____
(Director, DGS Office of Surplus Property Management)

Print Name: _____

Date Approved: _____

Attachment: Firearms Manifest for Destruction



ANNEX 12-M

Commonwealth Of Virginia, Department of General Services
Office of Surplus Property Management

SURPLUS FIREARM FORM G

CERTIFICATE OF FIREARMS DESTRUCTION

Date of Destruction: _____

Destruction Facility Name: _____

Facility Address: _____

Facility Telephone: _____

I certify that the firearms listed on the attached Manifest for Destruction have been destroyed by smelting or otherwise destroyed in accordance with the contract established by DGS for this purpose, and verified by both parties as to Type, Make, Model, Quantity, and S/N.

Signature Facility Representative: _____

Printed Name: _____

Signature Agency Representative: _____

Printed Name: _____

Distribution of Certificate of Firearms Destruction:
Original – Owing Agency
Copies – Director, DGS Office of Surplus Property Management
Facility of Destruction

- 14.15 **Set-aside Advertisements for eVA and VBO:** Quick Quotes and other procurements that are to be set-aside for small businesses shall be titled in the “Request Title” field using the following format (in all capital letters): SET-ASIDE FOR SMALL BUSINESSES, followed by the title of the commodity or service being procured (e.g., SET-ASIDE FOR SMALL BUSINESSES - Security Services). Note: Placing a check in the “Set-Aside” checkbox on the Quick Quote header information screen will automatically add properly formatted set-aside text to the beginning of the Quick Quote title. The user checks the box then types the commodity or service in the Quick Quote Title area and eVA will format the Quick Quote accordingly.

**APPENDIX B
SECTION I**

**REQUIRED GENERAL TERMS AND CONDITIONS
GOODS AND NONPROFESSIONAL SERVICES**

- A. **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.eva.virginia.gov under “Vendors Manual” on the “Vendor” tab.
- X. **eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION:** The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA; failure to register will result in the bid/proposal being rejected.
- a. eVA Basic Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.
 - b. eVA Premium Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.
 - c. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order.
 - d. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:
 - (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
 - (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

The eVA transaction fee will be invoiced approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

*** When Used: Include in all solicitations, contracts, and contract renewals. In addition, this General Term and Conditions must be incorporated or incorporated by reference in all purchase orders issued by state agencies and institutions except for the procurement types which are excluded in section 14.9 or as otherwise provided in 14.10a.**

- BB. **AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:** A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

**APPENDIX B
SECTION II**

**SPECIAL TERMS AND CONDITIONS
GOODS AND NONPROFESSIONAL SERVICES**

52. **SECURITY LICENSE:** In accordance with § 9.1-139 of the Code of Virginia (1950), the bidder/offeror shall be licensed by the Department of Criminal Justice Services for solicitations which include the following work: installation, service, maintenance, or design of security equipment; security officer service; and/or private investigator service. Licenses must be obtained prior to submitting a bid/offer. The bidder/offeror shall place their license number in the space provided below:

Private Security Services Business License Number: _____

For assistance, bidders/offerors may contact the Department of Criminal Justice Services at 804-786-4700.

*** When used: In all solicitations for the installation, service, maintenance, or design of security equipment, security officer service, central station alarm condition monitoring service, and/or private investigator service require the contractor to have a Private Security Services Business License issued by the Department of Criminal Justice Services under § 9.1-139 of the Code of Virginia.**

64. **STATE CORPORATION COMMISSION IDENTIFICATION NUMBER:** Pursuant to *Code of Virginia*, §2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized.

*** When used: In all Competitive Sealed Bidding or Competitive Negotiation solicitations (IFBs and RFPs).**