

CHAPTER 9 - RELEASE OF SOLD PROPERTY

A. PROCESSING RELEASE OF NON-HAZARDOUS PROPERTY

1. Never release property without a copy of the appropriate Invitation for Bid (IFB). Match IFB/item number with buyer's copy of DRMS Form 1427. Review item description to ensure correct property is being released. It is the joint responsibility of the SCO and the DRMO to ensure that the terms and conditions of sale, including specifications set forth in the IFB Loading Table, are strictly compiled and take all possible precautions to protect the Government's interests to prevent misshipment, errors, fraud or theft.

2. Those DRMOs that are encountering problems with their local sale customers in respect to the orderly loading and removal of property may choose to implement some of the type of objective and systematic assignment of the order to be loaded. The methods used to accomplish such an assignment could incorporate but are not limited to the following: The use of "take a number" system when the customer wants to be loaded; or in the use of a control board that contains numbered disc or tags to be given out in numerical sequence when each customer pays for property purchased and that must be presented when they wish to be loaded. An alternative to the "take a number" system would be to allow most distant buyers to go first.

3. The Government will not be designated as the shipper on commercial bills of lading for property, except for sold foreign excess property when required by the implementation of trade security control procedures. The NSO or DRMOs will not perform routing functions or prepare commercial shipping documents.

4. DRMOs must ensure that customer requests are satisfactorily responded to; however, a DRMO should not necessarily be responsive to a request by a customer for assistance by a specific DRMO employee.

5. In those instances where property is to be delivered by other than DRMO personnel, the DRMO Chief will prepare a letter to the activity commander requesting, in writing, that the names, telephone numbers and position titles of those persons who will be available and authorized to deliver/release property located at that activity be furnished to the DRMO. In the request, the DRMO should address the importance of providing services/materials as outlined in the IFB and the contract. The activity commander should be advised to inform the DRMO, by letter, of additions, changes or deletions of the authorized personnel/designees. Copies of the IFB, appropriate forms and other special guidance will be furnished the designee(s) for each delivery/release. In addition, ensure that each designees is furnished written procedures regarding the delivery/release of the property.

6. The sales chief or his designee will, at random, inspect at least 10 percent of all out-loadings or five out-loadings (whichever is less) of useable, including hazardous, and scrap property per month. The 10 percent will be determined from the previous month's total number of completed sales releases (DRMS Form 1427 and DLA Form 1367). Document such inspections in writing on DRMS Form 1427 and include the inspector's signature and results. Unless otherwise noted, the inspector's signature will certify that the release of property was according to the terms and conditions of sale, including specifications set forth in the IFB Loading Table.

7. In the sale of surplus and foreign property, DRMS Form 1427 and DLA Form 1367 (For partial removals) will be used as the release document to the purchaser.

8. Check DNSP to see if contract is "PAID". With respect to the Term Sale pickups, ensure: a) maximum amount has not been exceeded; b) contract time period has not expired; c) contractor is not in arrears (arrears is defined as any unpaid bill over 30 days old). If there is a question on any of the above, notify the SCO to resolve the issue. Do not allow removal until resolution has been attained. If the customer challenges whether payment was made, contact the SCO for instructions.

9. Refer questionable documents to the SCO for resolution. If unpaid storage charges exceed \$200 or if

there is a claim, refer the matter to the SCO prior to releasing any property.

10. Do not release property to agents until their designation as agents had been established. Use DRMS Form 1646, Letter of Authorization, and/or a copy of the signed DRMS Form 1427 for this purpose. At the time of removal, compare buyer's letter of authorization and/or DRMS Form 1427 with copy of DRMS Form 1427 in transitory contract file (National Sales) or the official contract file (Local Sales).

11. Verify the removal of distinctive markings, accomplishment of required DEMIL, and the accomplishment of any other conditions of sale prior to releasing the purchaser's/agent's conveyance.

12. If a purchaser attempts to remove property before receipt of release documents, the DRMO should contact the respective sales office and verify whether payment has been received and whether the property can be released. A purchaser should not be refused delivery if payment has been made, property delivery authorization has been received, and the default period has not expired.

13. Whenever a performance bond is required for an item(s) because work is to be done on the item(s) (e.g., DEMIL, mutilation or dismantling), the DRMO will notify the SCO, either on the DRMS Form 1427 or under separate cover, that the work (and clean-up) has/has not been satisfactorily performed and the performance bond should/should not be returned.

14. Whenever a performance bond is required for an item(s) because work is to be done on the item(s) (e.g., DEMIL, mutilation or dismantling), the DRMO will notify the SCO, either on the DRMS Form 1427 or under separate cover, that the work (and clean-up) has/has not been satisfactorily performed and the performance bond should/should not be returned.

15. Issuance of Standard Form (SF) 97. Only issue SF 97s to the purchaser indicated in Block 6 of the DRMS Form 1427. DRMS has no privity of contract or legal relationship with any agent or sub-purchaser of any purchaser.

B. PAYMENT

1. Do not release property to purchasers until full payment for the item has been made, except where the purchaser may be a state or local government, or instrumentally thereof. In addition, when allowable overages, i.e., within the authorize variation in quantity, occur and payment cannot be collected from the person or firm removing the item, release the property and the purchaser will subsequently be billed for the overage.

2. Payments received by a DRMO will be processed as follows:

a. If the form of payment is a check, (Guaranteed Instrument (GI) or non-GI up to the penal sum of the approved Bid Bond), compare the name in the remittance against the name on DRMS Form 1427. If the names are different or if any other discrepancies are noted, ask the SCO for instructions.

b. Compare the amount of payment received with the amount reported due by the SCO. If there is any question, ask the SCO for instructions.

c. Record amount of payment on "Payment Received" line of DRMS Form 1427.

d. Return one copy of annotated DRMS Form 1427 to Distribution Office.

e. Attach remittance to other "PAID" copy or stamp his copy paid and date it.

f. Give the purchaser a "PAID" copy or stamp his copy paid and date it.

g. Forward a copy of DD Form 1131, collection voucher to DRMS cashier (National sale items only).

C. LOADING AND WEIGHING

1. Notify warehousing personnel to coordinate/arrange for purchaser/agent to receive material.

a. Warehousing personnel will accomplish loading as set forth in the IFB loading table and direct purchaser/agent to return to the distribution office (or property disposal clerk/designee).

b. Whenever removal is by ocean going container, contact the appropriate TSC regional office and provide the following: contract number, container number, shipping company and destination (if known). This applies regardless of the DEMIL code of the property.

2. Advise purchaser that they must remain with their conveyance during loading.

3. Weigh property sold by weight at the time of delivery to the purchaser. Count or measure property sold by unit at the time of delivery. To protect the interest of the Government and to prevent errors, fraud, theft, all personal property sold will be inspected by the DRMO chief or his representative at the time of delivery or shipment is made to the purchasers. DRMOs will not release property that is outside the variation in quantity. Rather, additional property from the advertised item will be added to or property will be removed from the removal conveyance as quantities less or more than the authorized variation are outside the scope of the contract. EXCEPTION: When trucks or railroad cars must be moved from the loading site for the purpose of weighing, they need not be returned for any additional loading or off-loading when the actual amount over or under the variation in quantity is negligible. In those cases, report any overage or shortage immediately to the SCO and document the contract file accordingly.

4. Invoice purchasers for actual quantities removed and in no case will final settlement be based on estimated quantities or weights. Disposal personnel will be on the alert to prevent dishonest practices in weighing property. Where weighing is necessary to determine the exact purchase price, the purchaser will arrange for and pay all expenses of weighing materials unless Government scales are available on the installation. When removal is by truck, weighing will be done under the supervision of the Government and at its option on Government scales, certified scales or other scales acceptable to both parties. When removal is by rail, weighing will be on railroad track scales or by other means acceptable to the railroad for freight purposes.

a. DRMO Chief will appoint in writing a weigh master and one to two alternate(s) for all weighing on scales under the control of the DRMO.

b. DRMOs having scales without an automatic printing device are required to manually complete a DRMS Form 146, Weight ticket, or as an option, utilize a rubber stamp with the same data as provided on DRMS Form 146, or on DLA Form 1367, to record the weighing of property. Annotate all weight tickets with the applicable contract number and item number. To ensure passenger/driver control, manually annotate printomatic type forms to reflect vehicle license number and whether the driver and/or passengers were in/out of the vehicle during weigh in/weigh out process.

c. DRMO Chief at his discretion, will rotate personnel appointed the duties of weigh master. Each time a new appointment is made, the DRMO Chief will review the duties of the weigh master with the individual appointed. This review/instruction, as a minimum, will include such items as maintenance and cleaning of scale; proper completion of weight tickets' proper inspection of vehicle; and emphasis on the importance of proper and accurate weighing practices. Personnel stationed at one-man DRMOs will be assigned permanent duties as weighmaster. Provisions of paragraph D will be strongly enforced. DRMO personnel will request the purchaser or his representative to initial the weight ticket.

d. Weighing performed on truck scales on military installations that are not under control of the DRMO will be witnessed by a DRMO employee who will verify and initial the weight tickets; except that witnessing and verification of deliveries and weight tickets by DRMO personnel is not required for deliveries under term contracts such as bones, fats, meat trimmings, garbage, paper, cardboard or wood when such deliveries are made outside the DRMO activity. Issue written procedures to the generating activity, e.g., commissary officer,

base engineer or mess officer, requesting the designation, in writing, of personnel to conduct weighings, initial weight certificates and submit resulting tickets or tallyouts to the DRMO in a timely manner as outlined in paragraph A5. Further, determine if one or two representatives are required, based on the dollar value of the contract or other special considerations. In every instance, issue the required written procedures within 5 calendar days of the execution of a new term sale for the generating activity.

e. The DRMO chief or his designee will monthly, on an unannounced basis, spot check the weighing in and/or weighing out of purchaser's or his agent's vehicles. This will be accomplished at all scales used at installations where DRMO personnel are located.

f. When weighing is performed on any railroad track scales on or off military installations, or truck scales located of military installations, it need not be witnessed by DRMO personnel; however, arrangements will be made for Government personnel to pick up the weight tickets or have the weight tickets returned to the DRMO by courier or mail. Under no circumstances will the purchaser or his agent be permitted to return the Government's copies of the weight tickets to the DRMO.

g. Retain weight tickets at the DRMO in the Contract Administration File during the current removal period. Upon conclusion of removal or expiration of the current removal period, append weight tickets and related DLA Forms 1367, Shipment Receipt/Delivery Pass, to the DRMO's record copy of the Completed DRMS Form 1427 and forward to Property Accounting for processing and retention in the Source Document File.

h. When out loading property sold by weight that has become saturated with water, ice, snow, dirt, and any other contaminants not present when the item description was prepared, make every effort to assure that a mutual agreement is reached between the SCO and the purchaser as to the amount of such contamination prior to the release of the property. (This procedure would be applicable to items such as tires that have been in the elements for a considerable amount of time and to materials stored outdoors in cardboard boxes that have been subjected to heavy snow or rain). The agreement must be made with the purchaser and not with the purchaser's driver or agent. Removal should not be allowed until the issue is resolved. Once an agreement is reached, deduct the amount of moisture or contamination from the delivered weight as "Tare". The DRMS Form 1427 must be completely documented with all the pertinent information in order to preclude any misunderstanding between the Government and the purchaser. The SCO must ensure that no adjustment is allowed for the weight of boxes, drums, pallets, etc., on/in which the property is stored when such have been included in the weight and sale. If the DRMO cannot reach the SCO, or if the SCO cannot contact the purchaser, unilaterally annotate the DRMO copy only of the 1427 indicating the amount of contamination he believes to have been present (estimated to his best judgment) for future use should a claim be received from the contractor.

D. RELEASE OF PROPERTY

1. Partial Deliveries. Multiple removals on term and/or one-time sales contracts will be recorded in DNSP as expeditiously as possible. Partial deliveries must be input for each date of removal. Do not put a total weight for all deliveries with one final removal date. To effectively monitor shipments, the procedures at Chapter 7, paragraph B11e must be adhered to at all times. The SCO can arrange for advance payment as appropriate.

a. One-Time Contracts.

(1) Use DLA Form 1367, Shipment Receipt/Delivery Pass, to record and obtain receipt for partial removals of surplus and foreign excess property.

(2) In order to maintain control of property releases, prepare triplicate copies of DLA Form 1367, sequentially numbered, starting with the number "1" for each contract.

(3) As each release is being effected, pull the DLA Form 1367, in numerical sequence, from the contract file and properly annotate. Prior to loading, ensure quantities to be delivered are within the variation authorized by the contract and/or that the monies on hand are sufficient to cover the value of the property to be

delivered. If the quantity to be released varies from contract quantity by more than 25 percent by weight or more than 10 percent if sold by a unit other than weight, contact the SCO prior to release of property. If release is appropriate, purchaser's/agent's and the DRMO employee releasing the property must sign and date each DLA Form 1367; Purchaser's/Agent's vehicle can then be released. NOTE: If description or risk of loss is alleged, suspend delivery and notify the SCO immediately. All weight tickets will be affixed to the original DLA Form 1367 which will be attached to the corresponding DRMS Form 1427 and retained in this contract file until delivery is completed.

(4) Annotate the completed DRMS Form 1427 returned to the sales office when property is released by partial removals and the purchaser or agent acknowledgement of receipt is not shown thereon (see paragraph below). Key into DNSP removal data subsequent to removal being accomplished. For property being released by generating activities, DRMOs may find it more expedient to obtain release information by telephone ensuring supporting weight tickets/certificates, if applicable. Regardless of who is releasing the property, DRMO personnel must monitor property releases. In the event the quantity plus allowed variance has been delivered, notify the SCO and suspend further deliveries.

(5) Upon receipt of release documents, ensure that all shipment number (s) are accounted for. When missing documents cannot be located, advise the DRMO Chief immediately. If further research does not locate missing documents, the DRMO Chief should notify the DRMS Security Office to initiate an investigation.

(6) For release of property at commissaries, clubs, messes or other locations where DRMO employees are not assigned, the DRMO must maintain close coordination in order to preclude erroneous releases, as mentioned in this Chapter. It is suggested that DRMO sales personnel conduct periodic visits to these locations.

b. Term Contracts. Some requirements as found at paragraph 1a, except:

(1) If the quantity to be released exceeds the 50 percent variation in quantity limitation or the moneys on hand are insufficient to cover the value of the property to be released, contact the SCO prior to release of the property.

(2) Key into DNSP removal data by the 10th day of the month following removal of property during the previous month.

(3) For property being released at other than the DRMO, i.e., generating DRMOs may establish a cut-off date after any subsequent releases will be reported to the sales office for billing in the following month.

(4) DRMOs must monitor term contracts of property sold by "lot" to ensure that deliveries are properly made and term contract is warranted.

2. Final deliveries will be processed as follows:

a. Match entry block in 10g with the total quantity of the sales item listed in block 10c of the DRMS Form 1427.

b. When the final quantity is less than the quantity offered, annotate on the DRMS Form 1427, "All quantities available have been delivered.". If none of the item has been removed by the day following the default cure date, or any extension thereto as has been granted by the SCO, enter "0" in block 10g.

c. When the quantity offered has not been completely removed and the purchaser indicates no further removal will be made on the item, indicate on the DRMS Form 1427 the quantity remaining and annotate as follows: "Purchaser advises no additional property will be removed." Have purchaser complete DRMS Form 1647, Voluntary Default. Forward one copy to the SCO.

d. Refer any discrepancies to the SCO for resolution.

e. Obtain the signature of the purchaser/agent in block 11A of the DRMS Form 1427.

f. The person who actually releases the property will enter his signature in block 11B and the date of delivery in block 11C of DRMS Form 1427. If property was released on DLA Form 1367, enter "See Attached 1367s" in block 11B on the DRMO's copy of the DRMS Form 1427; annotate the SCO's copy with "Released in Partials" in block 11B and the date shown on the last DRMS Form 1367 in block 11C

NOTE: DRMO personnel responsible for signing release documents for sold property will not be the same as those responsible for signing receipt documents for property received in the DRMO. In those instances where it is not feasible to adhere to this policy, the DRMO chief will document the reasons for deviating from it and place it in the file. The DRMO Chief will review and update this documentation annually or when personnel changes impact policy. Do not consider the accountable property officer for this deviation. Designate in writing those personnel authorized to receipt for and release for the DRMO.

g. Give one unauthenticated copy of DRMS 1427 to purchaser/agent and release carrier.

h. For national sales, DRMOs are to file one copy of the DRMS Form 1427 marked "PAID" and other accompanying documents e.g., EUC, SOI, etc., in the appropriate transitory contract file in contract number sequence.

i. For local sales, file DRMS Form 1427, marked "PAID" and other supporting documents, e.g., IFB and amendments thereto, DRMS Form 1458, DRMS Form 763, etc. in appropriate contract file.

j. It is imperative that each original releasing DRMS Form 1427 be provided the administering SCO/SCO's technician not later than the day following the actual release of property or the default cure date if no property was removed.

3. Releasing Hazardous Material

a. Except for those materials identified at Chapter 1, paragraph E of this volume, the DRMO must provide a Material Safety Data Sheet (MSDS), if applicable, for each hazardous material being removed, even if the purchaser does not request one.

b. The DRMO must ensure that the property is still packaged in at least DoT standard packaging or host country equivalent. If the packaging is substandard or has deteriorated to the point that the packaging is substandard to DoT requirements, or host country equivalent, then it must not be released. The purchaser may elect to repackage the property to meet DoT specifications of host country equivalent.

c. The purchaser is required to prepare and sign the DoT Emergency Response Guidebook and that the shipping papers are accurate and complete before releasing the property.

d. The DRMO must ensure that the purchaser either has a DoT Emergency Response Guidebook and that the shipping paper correctly references the guide page or that such emergency response information is on the shipping paper itself.

e. Provide the host's 24-hour emergency response telephone number and ensure that the number is included on the shipping property.

f. The Hazardous Property Release Checklist (DRMS Form 1943) must be completed and signed prior to the release of any regulated hazardous property.

g. After removal of the hazardous property, attach a copy of each applicable DD Form 1348-1A, a copy of the applicable DRMS Form 1943 and a copy of the applicable shipping paper to the DRMS Form 1427 and

forward to the SCO administering the contract for inclusion in the contract file.

4. Releasing Hazardous Waste.

a. Before removal of hazardous waste, DRMO personnel must verify the transporter's EPA identification number and treatment, storage and disposal facility (TSD) EPA permit number on the manifest as being the same as those on the Statement of Intent. Additionally, verify that the manifest is complete according to DRMS-I 6050.1. Attempt to resolve discrepancies with the transporter. If they cannot be resolved, contact the SCO. Do not release the waste without a properly completed manifest.

(1) Verify that the property being loaded out is as described on the applicable uniform hazardous waste manifest.

(2) Process the uniform hazardous waste manifest as follows:

(a) Sign the manifest as generator.

(b) Obtain the handwritten signature of the initial transporter and date of acceptance.

(c) Retain the generator's copy.

(d) Give the remaining copies to the transporter.

(e) Process retained copy.

b. DRMO personnel are not required to sign any type of certification that a drum/container is empty.

c. The releasing official must ensure that the transport vehicle or freight containers are placarded, marked, labeled, and loaded according to DRMS-I 6050.1.

d. After removal, attach a copy of the manifest to the DRMS Form 1427 and forward to the SCO for inclusion in the contract file.

e. Upon receipt of a signed copy of the manifest from the transporter of the treatment, storage, disposal facility, make a photocopy and forward to the SCO. This copy should be annotated with the contract number. If no copy is received by the DRMO within 35 days (or sooner depending on state requirements) after removal, the procedures outlined in DRMS-I 6050.1 must be initiated.