

exchange/sale provisions. This judgment can be determined to a large degree by the average gross monetary return realized through past competitive bid sales or exchanges of similar items.

4. Prior to executing an exchange/sale transaction to the extent practicable and economical and within the time limits permitted to acquire the replacement property, the activity authorized to initiate the procurement will report to the appropriate General Services Administration (GSA) regional office that the property to be exchanged or sold is available for DOD and Federal Civil Agency utilization screening. Screening will be accomplished in accordance with GSA's established procedures. No attempt need be made to obtain utilization for that exchange/sale property which is eligible for replacement in accordance with established DOD/GSA replacement standards.

5. If during the utilization screening the property is requisitioned within the DOD, the property will be declared excess to the DOD component and transferred on a nonreimbursable basis to the requisitioner in accordance with the procedures for excess materiel. If the property is requisitioned by another Federal agency, it will be transferred with reimbursement and treated as an exchange/sale transaction. Reimbursement for these transactions will not be more than the estimated gross competitive bid value or exchange allowance. Exchange/sale property for which replacement is required will not be made available for donation screening.

6. Property which otherwise would be eligible for exchange/sale but for which no replacement is required, will not be classified as exchange/sale but rather, DOD excess/surplus, and any net proceeds derived from the sale of such property will be deposited to deposit fund account 97-6460.5191 rather than deposit fund account xx-6845.

7. The attention of all concerned should be invited to the fact that the exchange/sale authority is now not applicable to the 28 Federal supply classification groups which are listed in subpart 101-46.4901 of enclosure 1 to DOD Instruction 4160.1. AS D (I. & L.) has granted an exception to those items in FSC group 15, airframe structural components and FSC group 16, aircraft components and accessories. Accordingly, authorization is granted to exchange/sale non-excess replacement commercial-type aircraft repair parts and airframe structural components with the manufacturer for immediate replacement with new or remanufactured similar items.

8. It is also emphasized that it is mandatory that all (less cost of sale) proceeds derived through sale of exchange/sale property be utilized for the acquisition of similar replacement items of personal property within the fiscal year in which the sale was made or the fiscal year immediately following.

9. It is requested that the above guidance concerning materiel utilized and exchange/sale proceeds utilization be disseminated to all concerned.

For the Deputy Chief of Staff for Logistics :

WILLIAM H. McDONALD,
Colonel, GS, Deputy Director of Supply.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS AIR FORCE LOGISTICS COMMAND,
Wright-Patterson Air Force Base, Ohio, May 28, 1968.

AFLC CMAL No. 68-21—Redistribution and marketing.

Subject: Exchange/sale property.

To: MAJCOM's—CONUS and overseas, AMA's, Mil Acft Stor Dspn Cen, and AFB's—CONUS and overseas.

Expires when incorporated in DOD 4160.21-M or in volume VI, AFM 67-1, or May 28, 1969, unless sooner updated, rescinded or superseded.

Authority: Paragraph 4, chapter 1, volume VI, AFM 67-1.

Note.—Directive, this CMAL furnishes information regarding pending changes to the exchange/sale program and provides guidance to be followed during the interim pending implementation of these changes. Applies to all redistribution and marketing activities worldwide. Compliance by all activities concerned is mandatory.

1. Changes pending to the exchange/sale program are anticipated to include the following:

(a) Application will be on a case-by-case basis with the determination being made by the AFLC item manager (IM) for centrally procured items (or any other service/agency IM) or the base supply officer for locally purchased items.

(b) Redistribution and marketing (R. & M.) will not designate items as ex-