

(3) A single item to be acquired is to replace a single similar item. The only authorized exceptions to the 1 for 1 rule are that greater or lesser numbers of items may be acquired when they perform substantially all of the tasks performed by the item or items to be replaced and that greater or lesser numbers of containers or spare parts for items may be acquired in replacing containers and spare parts for similar items.

(4) A written administrative determination was prepared at the time of exchange or sale or at the time of acquisition, when acquisition precedes sale. The determination will indicate that the exchange allowance or sales proceeds will be applied to the item to be acquired, that the transaction fosters the economical and efficient accomplishment of an approved program, that the property has been offered to known users (see subpar. 10(a) below) and the users did not request transfer and that the property has been rendered safe or innocuous or has been demilitarized (see subpar. 9(e) below).

Note: Detailed cross-references between old and new items are not required. However, in the absence of a cross-reference, sufficient data should be retained to permit the GAO (General Accounting Office) to establish compliance with the law. Specifically, data are required to show that similar items were exchanged or sold, that exchange allowances or sales proceeds were available for application and that the transaction was otherwise in accordance with this instruction.

(b) Unless specific authority is obtained from GSA through the OASD (L. & L.) (Office of Assistant Secretary of Defense (Installations and Logistics)), an exchange/sale transaction may not be executed if the items fall within any of the FSC (Federal supply classification) groups shown in enclosure (2). Requests for waiver, which must be well justified, may be submitted to the NAVSUPSYS-COM (Naval Supply Systems Command) (SUP-0463).

(c) This instruction will not be construed to authorize:

(1) The acquisition of personal property which is not authorized by law.

(2) The acquisition of personal property which is contravened by other restrictions on procurement of commodities, or by replacement policies or standards promulgated by a competent authority.

(3) The acquisition of personal property when procurement under a consolidated purchasing, stores program or Federal supply schedule contract is required, except when acquired under such program or contract. However, when property is acquired under consolidated procurement, program or contract, the exchange allowance or sales proceeds may be applied in whole or part payment for the item being acquired.

(4) The sale, exchange, or transfer of excess and surplus property even though otherwise eligible in connection with the acquisition of personal property.

(5) The sale, exchange, or transfer of strategic or critical material, unless the quantity at one location at one time is less than the minimum quantities specified in reference (a), part 3, chapter XV, and the owning activity determines that there is no reasonable prospect of accumulating the minimum quantity within the following 12-month period.

(6) The sale, exchange, or transfer of Atomic Energy Commission controlled material, except in accordance with the Code of Federal Regulations, parts 30, 40, and 70, and with the prior approval of the Chief of Naval Operations.

(7) The sale or exchange of narcotics, except in accordance with reference (a), part 3, chapter X.

(8) The sale of new or unused personal property in connection with the acquisition of similar property. However, new or unused personal property may be exchanged.

(9) The sale, exchange, or transfer of scrap property in connection with the acquisition of personal property.

(10) The sale or exchange of property otherwise eligible, which was acquired from another agency as nonexcess, excess, or surplus, unless that property was in use for 1 year after acquisition.

(d) This instruction does not apply to national stockpile materials (50 U.S.C. 98-98h), supplemental stockpile materials (7 U.S.C. 1704(b)) and Defense Production Act inventory (50 U.S.C. app. 2093.)

(e) Property will be rendered safe or innocuous or when required by part 3, chapter XIV of reference (a) will be demilitarized prior to exchange or sale. Demilitarization should be accomplished so as to preserve to the maximum extent feasible any civilian utility or commercial value of the property.