market value of the property. When the market value of the property provided by the sales office is $50 higher than the best cash offer, the property will be transferred to the servicing PDO (property disposal officer) for sale. These findings will be made part of the procurement transaction file.

(7) A minimum of 14 calendar days should be allowed in CONUS for the inspection of property being offered for exchange/sale. For sales outside of CONUS, the minimum inspection period should normally be 21 calendar days.

(*e*) *Sale of exchange/sale property*

(1) The methods of sale, terms, and conditions of sale and forms prescribed in appropriate regulations will be used in the sale of property being replaced, except that the only circumstances permitting negotiated sales of exchange/sale personal property are contained in section 3709, Revised Statutes, as amended (41 U.S.C. 5).

(2) While it is the policy to sell exchange/sale property after publicly advertising for bids, such property also may be sold by negotiation subject to obtaining such competition as is feasible, when (i) The reasonable value involved in any one case does not exceed $500, or when (ii) Otherwise authorized by the ASPR (Armed Services Procurement Regulations) or law.

(3) All invitations for bids containing only exchange/sale property shall include the statement prescribed by subparagraph 10(*c*) above. When an IFB (invitation for bids) includes both surplus and exchange/sale property, the foregoing statement will be modified to identify the items in the invitation that are exchange/sale property.

(4) PDO's may accomplish the sale of exchange/sale property if so requested. Otherwise, the property may be sold and awarded as provided for in paragraph f below.

(*f*) *Exchange of exchange/sale property*

(1) The normal procedure applicable to a procurement, coupled with an exchange/sale transaction, is formal advertising (see subpar. 10(*e*) above). However, exchange/sale property may be listed for exchange on a negotiated procurement in the same solicitation which seeks proposals on the new (replacement) items being procured.

(2) If purchase of the new items is to be advertised formally (and as excepted in subpar. 10(*d*) above), each solicitation listing exchange/sale property, in addition to asking for prices for the new items being procured, shall ask for offers in terms of either cash or exchange (trade-in allowance) for the exchange/sale property listed. Also, the solicitation in such cases should provide for award(s) on the basis or bases resulting in the best overall arrangement to the Government. Examples: If the lowest net price to the Government of the items to be procured (i.e., the price of the new items less the amount offered for the exchange/sale items either in cash or in trade-in) results from an offer by a supplier of the new item(s) who agrees to accept the exchange/sale item(s) as a trade-in, a single award would be made which would cover both the acquisition by the Government of the new item(s) and the disposal of the exchange/sale item(s) by trade-in. If the lowest net price to the Government results from combining a low offered price from a supplier of the new item(s), and a high cash offer from a different offerer to purchase the exchange/sale item(s), two awards would be made—one for acquisition of the new item(s), and the other for the sale of the exchange/sale property.

(3) If new items are to be acquired by negotiation under authority contained in 10 U.S.C. 2304(a) (1) through (17), exchange/sale property will be offered for exchange only (i.e., application of a trade-in allowance to the purchase price). Such negotiated disposal is authorized by the same authority as the acquisition. (See subpar. 10*e*.)

(*g*) Availability of proceeds: Proceeds of sale derived from the sale, exchange, or reimbursable transfer of property pursuant to this instruction will be accounted for in accordance with appropriate NAVCOMPT instructions. However, it is mandatory that all proceeds derived from the sale of exchange/sale property be utilized for the acquisition of similar replacement item(s) within the fiscal year or the fiscal year following the fiscal year of the sale.

11. Donation

Property designated for exchange/sale pursuant to this instruction is not eligible for donation and will not be made available for that purpose.

12. Eligibility of books and periodicals for exchange

Notwithstanding any other provision of this instruction, Navy activities may exchange, without monetary appraisal or detailed listing or reporting, books and