

CHAPTER 7 - CONTRACT ADMINISTRATION

A. GENERAL

Two types of sales contracts are authorized:

1. One Time Sales Contract. A one-time sales contract is used when a sale is made in one transaction (actual deliveries may consist of several release transactions).
2. Term Contract. A term contract is limited to the disposal of property generated over a specific period of time and in quantities that can be reasonably estimated for the period of time. It may be offered with minimum-maximum quantity provisions.

B. NUMBERING AND DISTRIBUTION OF SALES CONTRACTS AND DRMS FORM 1427

1. Numbering. All sales contracts, including negotiated sales contracts, made under the provisions of this volume are prescribed below. A typical example of a sales contract identification is "31-6001-018".

a. The number "31" represents the assigned number of the sales office.

b. The number "6001" denotes the fiscal year and sale number. The first digit "6" represents the fiscal year and the other digits "001" represent the first sale number in FY 96.

c. The number "018" denotes the applicable bidder number, assigned on DRMS Form 1458, Bid and Deposit Register.

2. Distribution of Sealed Bid Contracts

a. Place original contract (sealed bid and sealed bid-term), signed by the purchaser, together with a legible copy of the applicable DRMS Form 1427 (signed by the SCO), in the contract folder, and maintain according to current files procedure.

b. Furnish two copies of DRMS Form 1427, including the original, signed by the SCO, to the purchaser. Mail the original and one copy to the Purchaser or facsimile one copy to those bidders who have requested facsimile notification as indicated on the bid page.

c. Furnish one unsigned copy of DRMS Form 1427 DFAS, if desired by that office.

3. Distribution of Spot Bid and Auction Sales Contracts

a. File one copy of DRMS Form 1427, signed by the SCO, in either the unpaid or paid DRMO contract file, as appropriate.

b. Furnish one original and one copy of DRMS Form 1427, signed by the SCO, to the purchaser either on the day of sale (buyer/agent pick-up) or if not picked up, mailed by close of business that same day. Block 8 will remain blank.

c. Furnish one unsigned copy of DRMS Form 1427 to DFAS, if desired by that office.

4. Distribution of Negotiated Sales Contract

a. Retain original signed contract, SF 114E, and the copy of the signed DRMS Form 1427, along with other pertinent documents such as oral or written requests for quotations, written approvals required, and documents covering the justification for the negotiated sale, in the sales office contract file.

b. Furnish a copy of the original contract, and two signed copies of DRMS Form 1427, to the purchaser.

c. Furnish one unsigned copy of DRMS Form 1427 to DFAS, if desired by that office.

d. Furnish a copy of the contract to DRMO with the appropriate number of copies of DRMS Form 1427.

5. Modifications. File modifications to contracts (supplemental agreements) in sequence with the applicable contract.

6. Distribution of DRMS Form 1427 to DRMOs

a. The NSO will distribute DRMS Form 1427 via DNSP Access Reports.

b. The DRMO will:

(1) At the time of delivery, provide a properly annotated and signed copy of DRMS Form 1427 to the purchaser or his authorized representative as proof of right to possess the property.

(2) Forward the DRMS Form 1427(s) and supporting documents to the NSO, immediately upon completion of the contract. The DRMS Form 1427 must bear the legible signature of the person authorized to release the property to the purchaser, must be annotated to indicate the actual quantities or weights of the property delivered, and must bear the legible signature of the purchaser or his representative.

(3) Request additional copies of DRMS Form 1427, provided the additional copies are necessary for their internal operations and properly justified, from the NSO.

c. When partial shipments are made to the purchaser or his authorized representative or when shipment is made on a commercial bill of lading upon direction of the purchaser, DRMS Form 1427 may not always bear the signature of the purchaser or his authorized representative. In these cases, the DRMO should annotate the DRMS Form 1427 to indicate that the property was removed by partial shipments or that the property was shipped on a commercial bill of lading. In addition, show the following information relative to each partial shipment released after the free removal period on DRMS Form 1427.

(1) Date of removal.

(2) Item number.

(3) Weight of property.

7. Hazardous Contracts. Distribute DRMS Form 1427s the same as for negotiated, one-time or term contracts. However, forward one copy of the applicable DRMS Form 1645 or 1645-1, Statement of Intent, with the appropriate 1427.

8. Copies of DRMS Form 1427/915. For term contracts, the NSO will furnish the DRMOs concerned, each month or more frequently if necessary to assure proper billing and collection of payments, the required number of copies of DRMS Form 1427 together with sufficient copies of DRMS Form 915, Statement of Account (Billing Document), to cover the period of the contract. The DRMOs should be indicating thereon the quantity released. Block 11 of DRMS Form 915 will bear a statement as to delivery made, e.g., "October delivery", and purchaser signature is not required.

9. Paid Release Copy. For term contracts involving the sale of property on a lot basis, the SCO will furnish the DRMO concerned a paid release copy of the DRMS Form 1427 immediately upon receipt of the full contract amount. For this type contract, the DRMO will be furnished the required number of copies of DRMS Form 1427 during the last month of the contract period for completion. Return the copy to the sales office within 1 week after the contract's completion.

10. Signed Copy. Furnish the official contract file copy of DRMS Form 1427 to the sales office. It will be signed by the purchaser and the DRMO Chief or his authorized representative. It replaces the suspense copy and does not require "PAID" block stamping. However, the suspense copy may be retained in the contract file as a recap sheet if desired. In the case of term contracts with overage billing, storage charge notice, etc., or

whenever multiple DRMOs are involved in an award to a single purchaser, only one copy of each DRMS Form 1427 transaction will be retained and filed in date sequence on top of the initial Notice of Award.

11. Term or Multi-Shipment Contracts

a. Maintain a "Term or Multi-Shipment Recapitulation Record", DRMS Form 1583-1 for contracts resulting from term sales and all one-time contracts where multi-removals are required.

b. As soon as possible after award, complete the upper part of the record and place in the individual contract folder. On the first sheet only, change the heading "Collections" to read "Total Collections" and block out the word "Collections" for any attaching sheets. The nomenclature of material may be entered on the form in any convenient place.

c. To ensure that SCOs take prompt and appropriate action with respect to term contracts, DRMS Form 1583 should be reviewed monthly. Additionally, the SCO should place his initials on the form indicating that such a review has been accomplished. For contracts covering more than one sale item, it is unnecessary to post the amount of payment for the particular item in the collection column of each DRMS Form 1583. Post only the first column of the DRMS Form 1583 to indicate the total payment received on all items.

d. Expediently post all transactions involving release of property or collection of monies under the contract to the record in the contract folder. The NSO will assure that monies collected are sufficient to cover the price of property released and that property released does not exceed variations allowed under the contract.

e. To effectively monitor shipments, it is emphasized that DRMOs must be cognizant of all monies on hand under the contract item in order to preclude shipments for which monies are not available. DRMO personnel should immediately contact the SCO when it becomes apparent that an impending delivery will exceed monies on hand by more than a negligible amount. The SCO can then arrange for advance payment as appropriate.

f. Unless a contract expires due to time period or is terminated by either party, the contract normally will be concluded on the basis of adjustment for variation in quantity and weight. The last statement to the purchaser should contain an appropriate statement, e.g., "Per Article _____ Adjustment for Variation in Quantity or Weight (this contract is completed) or (items _____ and _____ of this contract are completed)."

C. BILLING (INVOICING) PROCEDURES

1. DRMS Form 915, Statement of Account. This form is generated when transactions occur on a government surplus sales contract, e.g., monies due government or monies due purchaser

2. Entries. Entries on DRMS Form 915 are basically self-explanatory. DRMS Form 915 is generated by HQ DRMS personnel, sent to ACCESS REPORTS. This form may be printed out by the DRMOs for ease in retaining a record of charges and removals. However, DNSP should be reviewed for current financial status of a contract to ensure monies owed government are paid prior to release of property.

3. TERM CONTRACTS

a. DRMS Form 915 is generated on a monthly basis by HQ DRMS-TRR, Financial Analysis and Policy Office, after the 10TH day of the month, for prior month(s) removals. The DRMO must input into DNSP monthly, either the quantity removed or a zero (0) if there were no removals or no removal information is available, to enable the system to generate DRMS Form 915. Every effort should be made to ensure removal data is input in a timely manner as missing delivery information causes the system to **NOT** generate billings. Upon receipt of missing removal information, the DRMO should delete the zero and input the removal quantity. This will allow for billing to be generated in the next month's billing cycle.

b. Missing delivery information and no bill generated may be an indicator that the purchaser is either not performing or not paying in a timely manner. This may result in a default being issued, and removals stopped on a contract. **NOTE: Default for nonpayment stops removals on ALL ITEMS on a contract.** Therefore, several DRMOs may be adversely impacted by missing delivery information. DRMOs will use DLA Form 1367,

Shipment Receipt/Delivery Pass to support and effect accounting record credit actions decreasing the inventory balance.

4. ONE-TIME CONTRACTS

a. DRMS Form 915, Statement of Account, will be prepared by contract clerk, upon receipt of:

(1) Signed DRMS Form 1427 from the DRMO, including annotation of quantity removed by each line item and including statement at bottom indicating if all property available was removed or zero (0) by each line item requiring liquidated damages to be billed due to non performance.

(2) DRMS Form 61, Late Removal Charge Computation, and,

(3) DLA Form 1367 Shipment Receipt/Delivery Pass, for partial and final removals. Accuracy of billing for storage charge is dependent on correct quantity(ies) and date(s) of removal. Removal dates must be input into DNSP as recorded on DLA Form 1367; do not input several removals under one date if in fact they are different dates. The "lump sum" input results in erroneous charges.

D. DISSEMINATION OF INFORMATION CONCERNING AWARDS

1. Individuals May Inspect. Permit individuals who have expressed an interest in recent sales to inspect abstract of bids or sales resume at the installation and provide the name and address of the successful bidder together with the contract price.

2. List of Successful Bidders. To promote sales, to create good will, and to relieve property disposal personnel from providing information on numerous requests, sales offices will prepare a list of successful bidders (LSB) (normally within 20 workdays after each bid opening).

a. The names of successful bidders are not required to be shown in alphabetical order. A supplemental list is not required for items not awarded within 20 workdays after the sale opening, but subsequently awarded. Reproduction of lists should not be in excess of reasonable requirements.

b. Where high bid for items has been rejected for insufficient prices, indicate the price rejected in the LSBs.

c. Information concerning bids made on an all-or-none basis will not contain the prices of individual bid items or lots, but will contain only the total contract prices.

3. High Bid Information. High bid information will be publicly announced, and an abstract of bids or sales resume will be prepared and may be examined by interested parties at the sales office.

4. Requests for Bid Information. Do not honor requests for any bid information received by any sales office personnel by telephone call, telegram, letter or other means to any bidder or individual until after awards have been made. For items such as aircraft, vessels or items subject to the antitrust provisions, bid information may be released as soon as the responsible SCO has verified the bids with the abstract and assured himself that it is accurate. When an award for any item is being held pending resolution of a mistake in bid, protest, or for other reasons, bid information for those items may be released after awards have been made for the other items on the sale. Any bid information released prior to award, under the above situations, will be released only by a SCO or a staff officer designated by him. Advise the person requesting such information that such information is tentative, unofficial and confers no right upon the requester regarding subsequent actions by the responsible SCO. Do not grant any deviation from this policy and do not afford preferential treatment to any bidder or individual. Awards on auction and spot bid sales are made at the time of sale and award information can be given on these sales immediately after the sale unless award has been withheld on specific item(s). Do not furnish award information on sealed bid sales until after the award has been mailed or otherwise furnished to the purchaser.

5. Machine Run Abstract. The abstract furnished for all sales processed at DRMS may be displayed for customer review as soon as received. If displayed, place the following notice with the list: "These are unofficial

listings and are furnished for customer convenience only. An official LSB will be furnished after awards have been made”.

6. Commercial Recording Firms. Furnish the name(s) of commercial recording firm(s) that attend public bid openings to record and furnish bid information to their customers only when such information is specifically requested, either orally or in writing. Advise the requester that furnishing names of such firms does not constitute their endorsement by the Government. Additionally, advise the requester that the information furnished by the recording firm(s) is tentative and should not be construed to imply that an award will be made at the high bid price shown or furnished for the item(s).

7. Distribution of List of Successful Bidders (LSBs) Make distribution of LSBs as follows:

a. Each participating DRMO is provided a copy automatically through DNSP Access Reports.

b. One copy to ATTN: DLSC-LC, Defense Logistics Support Center, 8725 John J. Kingman RD., Suite 2533, Ft. Belvoir, VA 22060-6221.

8. Handling Requests for List of Successful Bidders (LSBs)

a. For all requests (written or oral) from non-participating bidders for LSBs after the sale is processed can be found on the Web. This information is available for approximately two weeks after it is posted.

b. Other requests for LSBs will be referred to the Freedom Of Information Act program.

c. Inform individuals or firms who, after awards have been mailed, request high bid information that is not included on the LSB that the information may be obtained by examining the abstract of bids at the sales office, or Web site. Furnish LSBs without charge until supplies are exhausted after which subsequent requests are subject to charges for copies. Process and charge all requests for sales records. (See Supplement 4, DRMS-I 4160.14 Vol. VI, for a table of fees).

d. Use DLA Form 65-R, Notification Form, overprints, furnished by DRMS to the sales offices, to reply to requests when the supply of LSBs is depleted or when advising that LSBs are not prepared for local spot bid or local auction sales.

E. FACSIMILE NOTIFICATION OF AWARDS.

If bidder requests facsimile notification of award by checking the appropriate block on the item bid page (SF 114A), provide the notification on the day of award. Facsimile notification is self-explanatory.

F. CONTRACT MODIFICATION (SUPPLEMENTAL AGREEMENT)

1. Not for Overages and Shortages. Supplemental agreements are not required for overages or shortages in delivery of property. If the value of property exceeds by \$1,000 the quantity authorized for delivery under the contract, the SCO will contact assigned counsel prior to taking action.

2. Concurrence. All contract modifications (supplemental agreements), except those issued in finalizing guaranteed description claims, require concurrence of assigned counsel prior to issuance. Normally, concurrence will be obtained in writing; however, if time is of the essence, or in some cases such as minor adjustments of Risk of Loss cases, telephonic concurrence may be required. Document telephonic concurrence and make a part of the contract file.

G. CONTRACT ADMINISTRATION FILES

1. Files Requirements. Each sale requires the following files: IFB folder, individual contract folders(s), financial folders and an unsuccessful bids folder.

a. The invitation folder, financial folder and contract folder(s) pertaining to a specific invitation may be combined in one folder if desired.

b. Checklists to be used as guidelines in maintaining, completing and performing reviews and pre-audits of IFB folders, financial folders and individual contract folders are shown in Supplement 4. Do not make the checklists a part of any file. These checklists are subject to changes based on current requirements.

2. Filing Sequence. During administration of the contracts, file folders in IFB numerical sequence front to back as follows:

a. IFB folder and individual contract folder(s) in contract numbered sequence (not alphabetical contractor sequence) identified in two lines (e.g., 37-3002-012, Smith and Brown Co.), in that order, in the active file cabinets. Completed individual contracts may be relocated from the active contract file cabinets to inactive (completed) contract file cabinets, pending the completion of all contracts for an IFB. File the unsuccessful bids in a separate container in IFB sequence due to earlier destruction action.

b. Financial folders will be maintained by the sales office cashier(s).

3. Financial Folder Location. At the completion by the SCO of allocations for an IFB, place the financial folder between the IFB folder and the individual contract folders and relocate to an inactive status or holding area in the sales office for subsequent review, audit and records retirement as required.

4. Invitation Folder. An invitation folder, identified by IFB number, for each invitation issued should contain in action sequence, the following:

a. For non-dedicated hazardous property sales, the item numbers of each hazardous item offered on the sale and the corresponding contract numbers annotated on the outside of the invitation folder.

b. Copy of the IFB and any amendment published.

c. Correspondence and memoranda of telephone conversations between prospective bidders and the SCO or his representative pertaining to property offered for sale.

d. Copy of DRMS Form 1458. This copy is discarded when replaced by the original DRMS Form 1458, after disposition of all deposits has been completed.

e. Copy of the DRMS Form 1458-1 or machine processed abstract of bids (if applicable) and all-or-none bid evaluation work papers (if applicable).

f. Copy of DRMS Form 1833, Summary of Items Pending Award (if applicable).

g. Recap sheet or sales summary of successful bidders and prices for each item (LSB).

h. Copy of other documents or correspondence pertaining to the IFB.

5. Contract Files. The following should be filed by action sequence in each contract folder, identified by contract number.

a. Copy of completed DRMS Form 1427, SF 114F, Item Bid Page, Spot Bid or Auction cards of successful bidders, successful bidders' registration card on auction or spot bid sales, SF 114E for a Negotiated Sales Contract and Storage charge computation sheets. Also any memos or other documents pertaining to the contract (including DRMS Form 1645, DRMS Form 1873, an DRMS FL 526 (if used for term sales) for all hazardous contract files). Do not maintain or duplicate contract files of their sales offices except for interim purposes during the processing of the contract.

b. Any documents, letters or records pertaining to protests, defaults, claims, cancellations of contract, termination of contract, etc.

c. Any correspondence relating to the contract.

6. Chargeout Record. Displace folders removed from files, for other than routine postings, by a Chargeout Record, Optional Form 23, properly annotated, or other appropriate form.

7. Unsuccessful Bids Folder. The unsuccessful Bids Folder will contain, as applicable, unsuccessful bidders registration cards for auction sales, unsuccessful, canceled, rejected bids, or spot bid cards for sealed bid and spot bid sales. File photostat copies of envelopes and copies of transmittal letters or forms for late bids returned in a separate container or filed in IFB sequence pending disposition. Provide the disposition of unsuccessful bid files in the records disposition regulations, per DLAI 5015.1, DLA Records Management Procedures and Records Schedule. However in no event will documents involved in any protest or complaint submitted by an unsuccessful bidder be destroyed prior to final resolution of such protest or complaint. Destroy IFB forms returned by prospective bidders without any bid thereon after the bid opening date unless required for retention due to receipt of a timely modification.

8. Financial Folders

a. Establish a financial folder for each IFB.

b. Receipted hand or machine-stamped financial documents are acceptable in place of signed copies when this is the established procedure at the installation concerned. Do not retain extra copies. When additional data are received, i.e., A&FO control number, subsequent to a machine-stamped copy, add the additional data to the document containing the A&FO hand or machine-stamped receipted copy.

c. The cashier will maintain financial documents in financial folders. The cashier will prepare and maintain the folder as follows:

(1) Process financial documents by IFB number, i.e., transactions for more than one IFB will not be grouped on one financial document but will be processed separately for each IFB. Any deviation requires prior written approval from DRMS-TR.

(2) Separate and file collection, refund, transfer and adjustment vouchers by the type of document in voucher number sequence. Prong fasteners may be used to facilitate filing because of the requirement to file similar documents together.

(3) File transfer and refund vouchers on the right inside folder, with the transfer vouchers on top. If there are any adjustment vouchers, e.g., reverse collection vouchers due to dishonored checks, file them on top of the transfer vouchers.

(4) For one-time sale IFBs, separate adding machine tapes will be attached to the last action of collection vouchers, transfer vouchers refund vouchers and adjustment vouchers, if any, with a balancing tape of the totals.

H. CONTRACT ADMINISTRATION REVIEW

1. Internal Review. Establish a systematic internal review of contract files.

2. In Process Review. The SCO having primary interest or succession responsibility for specific contracts for a given IFB, as determined by the sales chief, is responsible for the "in process" contract administration. An "in process" review, including mathematical computation, will be conducted within 30 days after award of contract to ensure contracts and their supporting documentation are accounted for. It is necessary that the contracts are accounted for; collection, refunds, transfers and adjustments are processed; litigation or misdescription cases are processed on a timely basis; files are screened for extraneous material; and contract administration file policies and procedures are adhered to. Reconcile financial folders with the contracts to ensure they are in balance.

3. Sales Contracting Officer Responsibilities:

a. Administer all contracts and maintain contract administration files.

b. Ensure "in process" review of contract files and timely completion of required actions.

c. Review all contracts for each completed sale. Review ensures that all necessary documents are accounted for and will include completion of the audit of records portion of DRMS Form 714 within 90 calendar days after the final free removal date.

(1) If any particular contract file is being held pending completion, the review of contract files for that IFB and completion of DRMS Form 714, Audit of record and Certificate of Review, will not be postponed. The pending contract(s) will be separated and retained in sales contracting until completed using Optional Form 23, Chargeout Record, to account for the pending contract files(s).

(2) Separate completed contracts into three files; one for those contracts less than \$25,000, one for those \$25,000, and over, one for hazardous materials/wastes.

(3) Arrange completed contracts in contract number order with lowest number on top.

(4) For other than DNSP processed sales, manually prepare original and three copies of DRMS Form 714 annotating in the remarks section the specific contract file number(s) still pending action (if no contracts are pending completion, prepare original and two copies of the Form 714). For DNSP sales, select "Audit and Certification of Review (Form 714)" from the Generate Forms Process menu, printing, otherwise reproducing, three or four copies, as needed.

(5) Review contents of completed folders and ensure completeness of folders by comparison with current checklists. Confirm that all required actions have been taken on each completed contract, reconciling any discrepancies.

(6) Upon completion of the review, the SCO will sign all copies of the DRMS Form 714. File one signed DRMS Form 714 with the hazardous contracts, one with the contracts less than \$25,000, and one with those \$25,000 and over. Suspend file one copy if there are contracts pending completion. Mark off the specific contract number on all four copies of DRMS Form 714 when a previously pending contract has been completed, reviewed and filed. Discard suspense copy when all pending contracts have been completed, reviewed and filed.

NOTE: IFB/financial folders will be filed with contract files \$25,000 and over.

(7) Dispose of the contracts according to the instructions contained in DLAI 5015.1.

(8) For ease of disposition, Hazardous Property Sales Contracts may be stored in a separate location from other sales contracts. If this option is used, the hazardous contracts will be displaced by an Optional Form 23, Chargeout Record, or other appropriate form, to indicate that the removal contract is a hazardous contract and where it is being stored.

d. Hazardous Waste Contracts. Use the checklist in Supplement 4, to aid in the review of hazardous property contracts. SCOs will ensure that the contract contains a copy of the completed Uniform Manifest, e.g., block 20 is signed by a representative of the designated Treatment, Storage or Disposal Facility certifying that the property described on the manifest was delivered to the facility designated in block 9. SCOs will also compare the transporter's EPA identification number and the Treatment, Storage or Disposal Facility's EPA permit number appearing on the completed Uniform Manifest to those provided on the Purchaser's Statement of Intent.

I. VERIFY SALES PROCEEDS.

1. Procedures. To verify the accuracy of sales proceeds entered in the system, use the following procedure.

a. After all sales disposition data for an IFB is entered in the system, run a consolidated inquiry. If the sale includes both usable and scrap property, run an inquiry for both categories of property for the specific IFB number. Take the following steps for the consolidated inquiry.

(1) Enter the IFB number.

(2) Enter the RIC Suffix.

(3) Enter the Record Status Code (RSC) of “! Z” (not equal to RSC Z).

(4) Press F3 to find all the records not in RSC Z.

b. If no records are found in the search, all items in the IFB are in RSC Z. If records for this IFB are found in the search, begin research to determine why sales disposition data has not been entered.

c. After all items in the IFB are in RSC Z, run another consolidated inquiry using the following steps.

(1) Enter the IFB Number.

(2) Enter the RIC Suffix.

(3) Enter the RSC of Z.

d. After the data entries for the consolidated entry have been input, press F1 to begin creating a report. Answer YES “Y” at the prompt to create a wide report. Next Select USER DEFINED INQUIRY REPLY. Follow the screen prompts and press F9 to create the report. The report should contain certain print fields for usable and for scrap. Those fields are as follows:

(1) Print fields for usable property.

(a) DTID Number.

(b) Record Status Code (RSC) (All records should be in RSC Z.)

(c) Total Sales Proceeds.

(d) IFB Item Number.

(2) Print fields for scrap property.

(a) Scrap ID.

(b) Record Status Code (RSC) (All records should be in RSC Z.)

(c) Total Sales Proceeds.

(d) IFB Item Number.

(e) Weight (should be zero).

e. After you have selected the print fields, a screen message will ask you to enter the sort fields. For usable inquiries, select DTID within the IFB Number sequence. This entry will go in the SORT BY Block as “34,13. (34 = Sales IFB Number and 13 = DTID Number.) For scrap inquiries, the sort should be in IFB Number sequence.

f. After selecting the sort sequence, complete the entry for the SUB-TOTAL BY Block. Subtotals for both scrap and usable entries should be by IFB Item Number.

g. Press F9 to print the report.

2. Corrections. When you receive the printed report, compare the total proceeds at the end of the report with the actual sales proceeds. If the two amounts match, the verification of sales proceeds is complete. If the amounts do not match, each IFB item must be checked to locate and correct the error(s). After the corrections are made and entered in the system, run another inquiry to verify that the proceeds in the report and the actual proceeds match.

NOTE: If an IFB contains both usable and scrap property, a consolidated inquiry must be done for both. Combine the report totals and compare with the actual sales proceeds. If the amounts match, the

verification process is complete. If the amounts do not match, follow the procedure in paragraph J2 above.

J. REVIEW OF COMPLETED SALES.

It is the responsibility of the NSO sales chief, or his designee, to review monthly the status of the completed sales to ensure that a contract review has been completed within 90 days after the final free removal date. SCO should insert his/her initials and date in the remarks column of each DRMS Form 840 reflecting sales not completed and initiate any action deemed appropriate to have such completed, including any follow-up necessary.

K. DRMO TRANSITORY CONTRACT ADMINISTRATION FILES (NATIONAL SALES)

1. NSO Authorizing the Sale. DRMO Central/Satellite Sites: Do not maintain or duplicate these files. Instead, establish transitory contract administration files prefixed with file number 650.620.020 for each sale as follows:

a. Transitory Unpaid Contract File. This file will contain, as a minimum, three copies of each award document (DRMS Form 1427) and, as applicable, one copy of the negotiated sales contract, waivers, default notice, pertinent correspondence and memoranda for record.

b. Transitory Paid Contract File (Property Awaiting Removal). This file will contain, as appropriate, the documents listed in paragraph L1a, this chapter; also, one additional copy of award marked "paid", shipment receipt/delivery passes, release authorizations or instructions, copies of commercial or Government bills of lading, computation of storage charge, weight tickets, and if the DRMO collected any money on the contract, a vouchered copy of the collection vouchers.

c. Transitory Term Sale or One-Time Partial Delivery Contract Files. Establish individual contract folders for:

(1) One-time contracts where partial deliveries are/will likely be effected and

(2) Term contracts. Each folder will contain, as a minimum, the documents listed in paragraph L1a, copies of the completed, sequentially numbered DLA Form 1367, Shipment Receipt/Delivery Pass, weight tickets, commercial or Government bills of lading, and release authorizations or instructions.

d. Transitory Financial File. This file will contain vouchered copies of financial transactions effected by the DRMO, such as collections, transfers or refunds of any money on contracts.

2. Filing. When the 20th calendar day after bid opening is reached, send one copy of each contract that is completed, either by contractor performance or by termination, with supporting documents (including respective validated DD Form 1131, DRMS Form 1583-1 and a copy of purchaser's receipt for payment of customs, duties, taxes or like charges levied by foreign governments) to the sales office for in-process reviews and filing in the authorized contract administration file. Destroy the DRMS Form 1583-1 forwarded to the NSO after verification and reconciliation with the SCO copy. Transfer one copy of DRMS Form 1427 and supporting documents (DLA Form 1367, release authorization or instructions, copies of commercial or Government bills of lading and weight tickets) to the Source Document File for property accounting. Close the transitory contract administration file out since all documents will have been removed at this point.

3. Release Authorization. When a defaulted contract is terminated or when the NSO advises a DRMO that award of all items of a DRMS Form 1427 has been canceled, immediately return the release authorization document (DRMS Form 1427) to the NSO.

L. DELAY IN PAYMENT OR REMOVAL OF PROPERTY

1. Storage Charges. Condition No. 8, SF 114C, entitled "Delivery, Loading and Removal of Property" gives the Government a right to collect storage charges in the event of delay in removal of property. Accordingly, purchasers will be required to pay storage charges for failure to remove property within the period designated in the sales contract. Assess such charges according to the provisions of the contract. Storage charges can only be excused by the SCO under certain conditions. Storage charges will not be assessed when an extension of time is requested by the purchaser and approved in writing by the SCO under the provisions of the contract. It

should be noted that in some IFBs a lot removal clause is used in place of Condition No. 8. As used in this section, "late removal charges" and "storage charges" are synonymous.

2. Delay in Removal. The purchaser's written request for a delay in removal, applicable telephone or verbal conversation records or memorandum and the SCO's letter to the purchaser approving or denying the removal extension, fulfills the requirement of "reducing the determination to writing"; no other formal or informal "Determination and Findings" is required to document the contract file. A copy of the SCO's letter to the purchaser will be furnished to the DRMO.

3. Extension. Extension of removal period or default cure period.

a. The Purchaser shall remove the property at his expense within the period of time allowed in the Invitation. If the Contracting Officer determines that the failure to remove the property within the period of time originally allowed arose out of causes beyond the control and without the fault or negligence of the purchaser, such determination shall be reduced to writing, and a reasonable extension of time for removal shall be allowed. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and severe weather. If the purchaser is permitted to remove the property after the expiration of the time originally allowed for removal or any additional time allowed by the Contracting Officer pursuant to this clause, the Government, without limiting any other rights which it may have, may require the purchaser to pay a reasonable storage charge. The purchaser shall reimburse the Government property caused during the removal operations by the purchaser or his authorized representative.

b. Such additional time may be authorized either by extending the cure period if the purchaser is in default or by contract modification if the request is received prior to issuance of the notice of default.

c. If the storage charges for the extended period would exceed the 50 percent criteria, accomplish the extension by a contract modification increasing the total contract price by that amount.

4. Selling of Time. When the amount of storage charges reach 50 percent of the contract price (maximum that can be assessed) and the purchaser requests additional removal time, the contract may be modified or the default cure period may be extended.

a. If modified, the new contract price is computed by taking the original contract price, plus the amount of accrued storage charges, plus the amount of additional "time to be sold" (number of days additional removal time requested times storage rate per day). Purchaser is then entitled to a new free-removal period (equal to the number of additional days sold) and a new Notice of Default. If performance is not completed by the new free-removal date, the contract is placed in default. The maximum storage charges assessable is equal to 50 percent of the new contract price. If termination occurs, liquidated damages are assessed using the new contract price.

b. If only the default cure period is to be extended, SCOs can sell time without issuing a Supplemental Agreement (SF 114D) to the contract by effecting only a new default cure period. This may be accomplished by letter (see Supplement 4 - Letter for Selling of Time). This letter may be sent after the purchaser and SCO have verbally reached an agreement on the amount of additional time needed and cost of additional time.

5. Failure to Pay on Term Contracts. Monthly billings are to be paid within the 30-day timeframe provided by DRMS Form 915. If not, advise the purchaser in writing that money held as a bid deposit will be offset by the amount due if not paid. Continue to permit removals until such time as the total balance due the Government (including that quantity removed and not yet billed) is equal to the bid deposit on hand. At this time removals will be stopped and the contract placed in default for failure to pay.

NOTE: Storage charges are not to be assessed for failure to pay. If the default is not cured, the contract terminates as it would under normal contract administration. At termination, use the bid deposit money to offset the money owed, including any interest that may have accrued. Subsequent billings may be necessary to recover assessed liquidated damages.

6. Liquidated Damages. In the event that the contract is terminated for failure to pay for or remove the property, assess liquidated damages in lieu of and in full settlement of any accrued storage charges or other costs.

7. Payment. In all instances when storage charges are assessed, payment to the SCO or his authorized representative at the holding activity will be made by the purchaser prior to the removal of the property unless otherwise authorized. When the purchaser is a state or local government or instrumentality thereof, or where the total storage charges do not exceed \$200 and a reasonable effort has been made to collect such charges from the agent or representative of the purchaser, the property may be released prior to collection and subsequent billing will be accomplished by the SCO. If storage/late removal charges are more than \$200, collect such charges before the property is removed. The SCO or his authorized representative at the holding activity should make every effort to collect storage charges in full. However, as a minimum, the amount over \$200 must be paid by the purchaser or agent prior to the removal of the property with subsequent billing for the balance accomplished by the SCO. A Memorandum for Record will be placed in the transitory paid contract file to reflect what action was taken in the attempt to collect storage charges.

8. Compute Storage Charges. Although the SCO is responsible for the assessment and collection of storage charges, the DRMO must compute storage charges and must collect prior to release except as provided in paragraph M7. Deposit any funds so collected with the DFAS-CO. The SCO will obtain a copy of the instrument containing the DFAS-CO voucher number used for the deposit or stamp acknowledging receipt of the proceeds.

9. Storage Charge Computations. DRMS Form 61, Storage Charge Computation, will be used by DRMS to document storage charge computations and as a supporting document in the contract files for such assessments. Please note that the instructions contained on the reverse side of DRMS Form 61 Feb 84 delineate that the computation for CWT/100kg should be rounded to the next higher whole number.

M. DEFAULTS

1. Definition. Default describes the status of a contract when the purchaser has failed to comply with the contract terms and conditions.

2. Types of Defaults. When a purchaser fails to pay for or remove property or otherwise perform as required by the terms and conditions of sale, he is considered to be in default; the consequences of this failure to properly perform his obligation under the contract may result in contract termination.

a. Termination for Default for Failure to Pay for and Remove Property.

(1) Condition No. 9, SF 114C, entitled "Default", provides that in the event the purchaser fails to make payment or fails to remove the property within the time specified, the SCO will send the purchaser a "DRMS Form 860/Notice of Default". According to the provision, the purchaser is allowed 15 calendar days (or such further period under unusual circumstances as the SCO may allow) in which to cure the default on sales contract, excluding local spot bid and local auction sales. When computing the "cure" period for a Notice of Default and the final day for cure falls on a Saturday, Sunday, Federal holiday, or any day the activity where the property is located is closed, designate the next workday as the last day to cure the default. When a "cure" period involves days such as holiday periods when installations are closed for an extended time, e.g., December 24th through January 2nd, sufficient allowance should be made in computing the last day to cure the default. Send DRMS Form 860 to the defaulting purchaser by regular mail or airmail, or otherwise furnished to the purchaser, except DRMS Form 860 will not be issued on Spot Bid or auction contracts for failure to make partial payment. Neither will the form be issued earlier than the day following the final free removal date for the item(s) concerned. DRMS Form 860 may be issued for nonpayment or for non-removal of awarded property or both. Furnish a copy of the form along with a copy of the DRMS Form 1427 to the Surety, for its information in those cases involving bid deposit bonds where default is due to nonpayment for award of property. If the default is not cured within the prescribed period, applicable holding activities will return DRMS Form 1427 to the NSO. Send a DRMS Form 433, Statement of Account for Liquidated Damages, to the purchaser by regular mail or airmail, or otherwise furnished the purchaser.

(2) The entries on DRMS Form 433 are basically self-explanatory. For uniformity enter the word "None" in lieu of \$ zero entries; enter the word "Due" or "Paid" parenthetically in block 14 whenever a storage charge is involved; and a partial default, second default against the contract, or enter any remark necessary to assure computation clarity, parenthetically at the bottom of block 8 pertaining to the item(s) liquidated. Notwithstanding the provisions of the "Default" and "Adjustment for Variation in Quantity or Weight" conditions, use only the quantity or weight shown in the IFB for calculating damages in those cases of no removal or in cases of partial removal, e.g., if 20,000 pounds were shown in the IFB, 7,000 pounds were delivered, and contract is terminated, the liquidated damages would be based on 13,000 pounds undelivered. Exceptions to this general procedure may arise, such as when quantities or weights available are more or less than that shown in the IFB, or for which the SCO may have cause for basing damages on actual circumstances. In these type cases, make coordination with counsel prior to issuing DRMS Form 433. On cases involving a partial removal and liquidated damages for the balance of an item, enter the word "Undelivered" parenthetically following the item description in block 8, enter and the quantity delivered parenthetically in block 11.

(3) Furnish copies of DRMS Form 860 and DRMS Form 433 to applicable holding activities as a safeguard against release of property after right, title and interest in the property have reverted to the Government. DRMS Form 433 will serve to return control of a national sales item to the DRMO (exception: property having an acquisition value exceeding \$50,000 where it is in the interest of the Government to downgrade to scrap).

b. Termination for Default for Failure to Perform Other Provisions of the Contract. When the purchaser fails to perform according to the provisions of sale, other than provisions relating to payment and removal, the failure to comply will be considered a "breach of contract". This may result in contract termination. The Notice of Default is inappropriate and will not be used for termination for breach of contract. When the purchaser is believed to have breached his contract, the SCO will take the following actions:

(1) Conduct an investigation to the degree necessary to conclusively determine whether or not the contract has been breached.

(2) Determine whether the best interests of the Government would be served by termination of the contract. Legal advice will be obtained prior to making this determination or taking any action to terminate for breach of contract.

(3) If a decision is made to terminate for breach of contract, notify the purchaser of the breach and of the decision to terminate the contract. These notices must be coordinated with assigned counsel.

(4) In coordination with counsel, determine the amount of damages resulting from breach and make written demand by certified mail upon the terminated purchaser. The subject of the letter will be Demand for Payment of Damages as a Result of Breach of Contract. The letter will clearly set forth:

(a) The terminated purchaser's name and complete address.

(b) Sales and contract number and, if appropriate, item number.

(c) A reference to the notice of breach of contract.

(d) A detailed explanation and computation of damages.

(e) A demand to forward payment, payable to the U.S. Treasury, to the SCO for the full amount of damages.

c. Notice to Surety. In the event that a surety has underwritten either a bid bond or a performance bond that may be affected by contract termination, furnish a copy of the applicable DRMS Form 1427 to that surety, concurrent with its transmittal to the purchaser.

d. Purchaser's Requests for Early Default Actions. Purchasers may request that default action be taken earlier than when it would be taken under the terms of the contract. All such requests must be submitted in writing and may be accepted by the SCO by inserting on DRMS Form 433 the statement "TERMINATED

PURSUANT TO PURCHASER'S REQUEST". In no event will such action be taken until all liquidated damages have been collected. Use DRMS Form 1647, Voluntary Default.

e. Defaults on Term Contracts. Under the provisions of the special condition of the contract entitled "termination", a term contract may be terminated by either party upon giving the required notice to the other. However, during the notice period, the purchaser is required to continue to perform until the expiration of the notice period. If he fails to do so, or, if without notice, fails to make payments or remove as required by the contract, he is in default. When the default occurs, send a Notice of Default to the purchaser by regular mail, allowing at least 15 calendar days to cure the default. The procedure prescribed in paragraph N2a will be followed. If the purchaser fails to cure the default, liquidated damages will be calculated in the following manner:

(1) If either party has given notice that the contract will be terminated and the purchaser has failed to perform from the date of the notice of termination, 20 percent of the contract price for the quantity estimated to be generated during the period of the notice will be charged.

(2) If either party has given notice that the contract will be terminated and the purchaser performs during a part of the notice period but does not continue to perform during the entire period, 20 percent of the contract price for the quantity estimated to be generated from the date performance closes to the end of the notice period will be charged.

(3) If no notice has been given by either party that the contract will be terminated and the purchaser merely fails to perform and does not cure the default within the cure period, the failure to perform will be treated as a notice by the purchaser that he is terminating the contract and liquidated damages will be calculated as provided in paragraph M2a(2) this chapter.

f. Reinstatement of Contracts

(1) The general rule is that once the default cure period has expired, the purchaser loses all right, title and interest to the property. Under such circumstances DRMS is relegated to re-offering the item on a new IFB. However, there may be circumstances when an SCO may continue contract performance with the original purchaser on a contract that has terminated for default. For example, when a purchaser, subsequent to the termination (after the cure period) of a contract, establishes that he was excusably delayed in the performance of the contract, i.e., the failure to pay for and/or remove the property within the period of time originally allowed arose out of causes beyond the control and rescinded by the SCO and a new removal date established. The fact that notice and evidence of the excusability was not forthcoming until after the termination of the contract generally is immaterial, so long as the purchaser acted in good faith in attempting to meet his obligation under the contract. One might argue in this situation that the contract never ended and DRMS is merely continuing the old contract in a status quo condition. Assess no storage charges during the initial free removal period or the extension caused by the cancellation of the default notice. If the contractor fails to complete the terms of the contract after being granted this reasonable extension, the contractor is then again placed in default with a 15-day cure period after which termination is effected.

(2) In any case, SCOs will discuss potential reinstatements with assigned counsel prior to actual reinstatement of any contract.

N. ASSESSING LIQUIDATED DAMAGES FOR TERM CONTRACTS TIED TO MARKET PRICE.

Sale by Reference, Part 4, Sale of Government Property, Special Sealed Bid – Term Conditions, Condition F, Failure to Perform, states that, for the purchaser's failure to perform, the Government shall be entitled to retain or collect as liquidated damages a sum equal to 20 percent of the contract price for the quantity estimated to be generated within a 30-day period. For purposes of assessing liquidated damages for term contracts tied to market price, use the contract unit price computed on the latest available price published in the applicable publication.

O. TERMINATION NOTICES FOR TERM CONTRACTS

1. Actions. The sales office will promptly initiate the following actions upon receipt of termination notice of subject contracts:

- a. Notify the CORs at the generating activity.
- b. Notify the commander of the generating activity.

2. Difficulty. If difficulty is anticipated in obtaining a new contract, particularly in the case of edible garbage contracts, take the following additional actions:

- a. Advise NSO sales chief of the circumstances and action taken to resolve the problem.
- b. Advise the COR and commander of the generating activity that adoption of an alternate method of disposal may be required, i.e., procurement for service contract, either on a temporary or permanent basis.

P. RESALE OF ITEMS TERMINATED AS A RESULT OF DEFAULT

1. Negotiate. The SCO may negotiate the sale of terminated property with the original purchaser when it is in the best interest of the Government and the property is available intact.

2. Approvals and Limitations. Under these circumstances, the approvals and limitations as to contract price required for negotiated sales apply.

3. New Sale Number. Assign new sale number and execute the contract on SF Form 114E as with other negotiated sales.

Q. AUDITING/SURVEILLANCE OF HAZARDOUS SALES CONTRACTS

1. Audit Responsibilities. The SCO conducting hazardous property sales will be responsible for referring purchasers to be audited to the environmental division.

- a. The NSO will submit a prioritized request to DRMS-LH to audit/inspect hazardous property purchasers.
- b. DRMS-O will audit all hazardous property purchasers annually.

2. Selection of Purchasers

a. The selection of specific purchasers can be based on one or more of the following criteria:

- (1) Commodity.
- (2) Level of participation.
- (3) Random sampling.
- (4) Specific concerns by the DRMO, the SCO or the environmentalist.
- (5) Request for a pre-award site inspection (wastes).
- (6) Information available from other sources, e.g., EPA.

b. Note that selection must be made with an objective in mind, i.e., a purchaser may have an outstanding manifest, may purchase large amounts of hazardous property, the NSO wants a perspective of what is happening with certain commodities, or what is occurring to property sold from a specific DRMO.

c. The clause entitled "Government's Right of Surveillance", provides the audit team the authority to audit our purchaser's customers. The audit team should follow the trail of the property until confident that they have determined the actual disposition of the property sold.

d. If the purchaser is being referred for a special reason, i.e., an outstanding manifest or a follow up to a previous audit, the referral should include such reason and should also specify any additional information that is pertinent. The referral must include the objectives of the audit.

e. Before a referral is made, it must be verified that the applicable contract has included the article entitled "Government's Right of Surveillance". Absent of that article, there is no contractual authority to conduct a surveillance audit.

3. Referrals. The following information, at a minimum, will be provided with each referral:

- a. Copy of each applicable IFB.
- b. Purchaser's Statement of Intent.
- c. Copy of the pre-award survey documentation.
- d. Copy of DRMS Form 1427, Notice of Award, Statement and Release Document.
- e. Copies of all applicable removal documentation. Such may include:
 - (1) DRMS Form 1427, Notice of Award, State and Release Document.
 - (2) DRMS Form 1369, Shipment Receipt and Delivery Pass.
 - (3) DRMS Form 1583, Term or Multi-Shipment Recapitulation Record.
 - (4) Manifest.
 - (5) DTID.

4. Filing of Audit Reports. Audit reports will be filed in accordance with DLAI 5015.1.

R. CONTRACTUAL ACTIONS BY DRMO PERSONNEL (NATIONAL SALES)

1. Collections

a. DRMO personnel who are authorized to make collections of money for their activities are further authorized, unless otherwise specified by the SCO:

- (1) To accept storage charges.
- (2) Money other than storage charges when the purchaser is a state or local government or instrumentality thereof.
- (3) When storage charges do not exceed \$200.
- (4) When the purchaser has an approved bond and the amount does not exceed the penal sum of their Deposit Bond-Annual.

b. However, every effort should be made to collect charges prior to release of the property. When storage/late removal charges exceed \$200, contact the SCO for guidance.

2. SCO Actions. There are some actions that only the SCO can take with respect to a contract. DRMO personnel will exercise extreme caution not to take any action that would be construed as changing or supplementing "the terms of an IFB or contract" or "IFB item description".

3. Where Doubt Exists. Where a doubt exists as to the propriety of an action to be taken concerning property for sale or which has been sold, the SCO will be contacted for guidance.

S. DEMILITARIZATION BY SALES OR SERVICE CONTRACTOR.

1. General

a. Property to be sold with DEMIL as a condition of sale or critical FSG/FSC items and FSCAP items to be sold with mutilation as a condition of sale. DRMOs will e-mail or FAX requests to offer this property for sale with DEMIL or mutilation to be performed as a condition of sale to the DEMIL Business Unit, DRMS-TSD, for approval. The request will include the NSN, nomenclature, quantity, DEMIL Code, DEMIL or mutilation instructions and where the DEMIL or mutilation is proposed to be performed (DRMO or off-site). DRMS-TSD will coordinate with the DEMIL Center and the Scrap Business Unit to determine the best method of DEMIL or mutilation performance—either by the DEMIL Center or as a condition of sale in place at the DRMO. The FAX number is DSN 661-4759.

b. Upon making the determination that demilitarization by a sales contractor is the most cost effective method, the DRMO and contracting officer must determine that there are effective controls and surveillance to assure adequate and timely demilitarization.

c. Except for combatant ships and expended small arms cartridge cases, perform all demilitarization at a U.S. Government installation, unless otherwise authorized by DRMS-TSD. DRMS-TSD, in coordination with the NSO, may approve requests for off-installation demilitarization of disposable material as a condition of sale, if determined to be cost effective and provided that an adequate level of material security and demilitarization can be maintained. The DRMO must provide procedures for assuring adequate level of material security and precise procedures for demilitarization surveillance. The records in support of such approvals should contain cost estimated for personnel travel, martial security and demilitarization surveillance for on and off-installation demilitarization.

d. Releasing Property Requiring Demilitarization. The DRMO Chief or his designee will personally make a visual check of demilitarized property after it is loaded on the purchaser's or his agent's conveyance (before it leaves the military installation), to verify that no unauthorized property is being removed.

e. When demilitarization as a condition of sale is to be accomplished on other than Government premises, perform surveillance of demilitarization according to arrangements and instructions of the SCO responsible for the contract. The SCO will file the demilitarization certificate(s) in the official contract file.

2. Service Contract. Forward all requests to accomplish demilitarization by service contract to DRMS-TSD. Each request must be fully justified.

T. AMMUNITION

1. Expended Small Arms Ammunition Cartridge Cases. The DRMO must develop appropriate procedures and maintain necessary controls to ensure that undemilitarized cases are not commingled with demilitarized cases.

2. DRMOs that do not receive sufficient quantities of undemilitarized expended small arms cartridge cases to attract buyers will ship them to the nearest DRMO where generations are sufficient to ensure expeditious sales.

3. The NSO, based on economic considerations and cost effectiveness, is responsible for determining where to accumulate sufficient quantities to attract buyers. The NSO is also responsible for providing appropriate shipping instructions. Required levels of security are an important factor in determining locations for consolidation shipments.

NOTE: Expended Small Arms Cartridge Cases require demilitarization outside the U.S. and its territories.

U. SPECIAL NOTICE/CERTIFICATION ON DRMS FORM 1427

1. Rubber Stamp/Typewriter. Occasionally, there are items sold requiring special handling or notice and emphasis of such notice/certification on DRMS Form 1427 is necessary. Such notice or certification may be accomplished by the use of a rubber stamp or a typewriter.

2. Statements. DRMS Form 1427 will contain the appropriate statement prescribed for the following.
- a. Residue of M151 vehicles.

THE MATERIAL HEREBY BEING RELEASED IS THE RESIDUE OF A M151 VEHICLE AND NOT THE VEHICLE ITSELF.

- b. PCB or PCB-Contaminated Property. Overprint the DRMS Form 1427 with the following certification, which must be signed by the purchaser or his agent prior to release of the property:

CERTIFICATION (Purchaser/Agent Must Sign)

Purchaser hereby certifies that he has inspected item(s) _____, which is (are) PCB or PCB-contaminated item(s), or less than 50 PPMPCB items, and it is (they are) intact and non-leaking.

_____Signature

NOTE: For states or countries that regulate less than 50 PPM, e.g., California, must be less than 5 PPM, delete 50 and insert the quantity required by the state.

- c. RCRA Certification. If the purchaser fails to sign the certification at the time of bid submission, the certification will be signed by the purchaser or authorized agent prior to release of the property.

- d. Hazardous Waste. If the property awarded is considered a hazardous waste, either by the state in which it is currently located or under the Resource Conservation and Recovery Act (RCRA), stamp the purchaser and DRMO copies of DRMS Form 1427 with the following notification:

MANIFEST REQUIRED FOR ITEM(S) _____ . The applicable item number(s) will be annotated thereon prior to dissemination of these documents.

- e. Loading Requirements. The NSO may elect to include the Loading Legend requirements, e.g., Purchaser Must Load (No Government Assistance), in block 10 of DRMS Form 1427. If incorporated with mechanized term sale input, such notices will be pre-printed on the static contracts. Conversely, manual annotation is necessary on contracts generated for all other methods of sale.