

ORDER

DRAFT
DOE O 580.1A

Approved: XX-XX-XXXX

Department of Energy Personal Property Management Program



U.S. DEPARTMENT OF ENERGY
Office of Management

SUBJECT: Department of Energy Personal Property Management Program

1. **PURPOSE.** To set forth (a) requirements that implement and supplement Public Laws, Executive Orders, Office of Management and Budget directives, and any other agency issuances affecting the Department of Energy's (DOE) personal property management program; (b) requirements that reflect the accountability perspective of property management which supports lifecycle management of items to include the documentation of lifecycle events and transactions; (c) policy that assists DOE property managers, contracting and financial managers, and other DOE officials in understanding their property management roles and responsibilities with DOE-owned or leased personal property and equipment; and (d) standards, practices, and performance expectations for the management of personal property owned or leased by DOE.
2. **CANCELLATION.** DOE O 580.1, Chg 1, Department of Energy Personal Property Management Program, dated 05-08-08.

Cancellation of a directive does not, by itself, modify or otherwise affect any contractual or regulatory obligation to comply with the directive. Contractor Requirements Documents (CRDs) that have been incorporated into a contract remain in effect throughout the term of the contract unless and until the contract or regulatory commitment is modified to either eliminate requirements that are no longer applicable or substitute a new set of requirements.

3. **APPLICABILITY.**

- a. Departmental Applicability. This Order applies to all DOE elements with personal property management responsibilities.

Each organizational entity is responsible for ensuring personal property items that may reveal classified or controlled unclassified information (i.e., Official Use Only or Unclassified Controlled Nuclear Information) are managed and controlled in accordance with the requirements found in other DOE directives or Agency regulations, as specified in the References section.

The Administrator of the National Nuclear Security Administration (NNSA) must assure that NNSA employees comply with their responsibilities under this directive. Nothing in this directive will be construed to interfere with the NNSA Administrator's authority under section 3212(d) of Public Law (P.L.) 106-65 to establish Administration specific policies, unless disapproved by the Secretary.

- b. DOE Contractors. Except for the equivalencies/exemptions in paragraph 3.c., the Contractor Requirements Document (CRD) sets forth requirements of this Order that will apply to contracts that include the CRD. The CRD must be included in all contracts for the management and operation of Department-owned facilities. The CRD or its requirements must be included in non-Management and Operating

(M&O) contracts that require management of DOE-owned or leased personal property.

- c. This Order does not apply to classified property, atomic weapons, nuclear weapons, nuclear materials as listed in DOE O 474.2, intellectual property, internal use software, records and information, motor vehicles, or real property.
- d. Equivalencies/Exemptions for DOE O 580.1A.
 - (1) Equivalency. In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 USC sections 2406 and 2511, and to ensure consistency through the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this Directive for activities under the Director's cognizance, as deemed appropriate.
 - (2) Consistent with Secretarial Delegation Order No. 00-33.00B to the Administrator and Chief Executive of the Bonneville Power Administration, this Order does not apply.

4. REQUIREMENTS.

- a. Voluntary Consensus Standards. Voluntary Consensus Standards (VCS), such as ASTM International, or Industry Leading Practices (ILP), are to be used to the greatest degree practical for the management of personal property, as deemed appropriate by the Organizational Property Management Officer (OPMO).
- b. Identification.
 - (1) Wherever practical, and in consultation with the OPMO, property must be identified or tagged as U.S. Government property (or U.S. DOE).
 - (2) DOE tags must be removed or permanently covered to the extent practical before formal release from DOE inventory.
- c. Accountable Property.
 - (1) Accountable Property. Accountable personal property is any property item having an original unit acquisition cost of \$10,000 or more, or meeting the sensitive property/HRPP definitions, or precious metals. Accountable property records must be managed and maintained current in a property management system of record from inception to formal disposition and removal from DOE inventory.
 - (2) Other Accountable Property. Accountable property records may also be established for items that do not otherwise meet the accountable property

threshold or sensitive/high risk definitions or precious metals, when the OPMO has determined that, notwithstanding its acquisition cost, an item must be controlled and managed to protect against unauthorized use, disclosure, or loss; or whenever required by law, policy, regulation, or agency direction. Examples of such property considerations include:

- (a) Property containing Controlled Unclassified Information (CUI), as determined by the site's cyber security Risk Management Approach or appropriate program management; and
 - (b) Pilferable items, i.e., designated by each organizational entity, as especially subject to loss, and if unaccounted for, presents a significant concern for disruption to mission operations.
- (3) Capitalized Property. The capitalization threshold for items acquired prior to October 1, 2011 is \$50,000. For items acquired on or after October 1, 2011, the threshold is \$500,000. Capital equipment is to be managed in accordance with DOE Financial Management Handbook.
- (4) Accountable Records. Accountable property records must include, at a minimum, the following information:
 - (a) Property Control Number (agency item unique identification),
 - (b) Contract number or equivalent,
 - (c) Receipt or acceptance date,
 - (d) Description,
 - (e) Manufacturer and model number, serial number and/or National Stock Number,
 - (f) Unit acquisition cost (as appropriate, depreciated value),
 - (g) Quantity and unit of measure (e.g., received, fabricated, issued, or on hand),
 - (h) Owner (custodial or organizational),
 - (i) Location,
 - (j) Use status (active, storage, excess, retired, etc.),
 - (k) High Risk designation, export control jurisdiction, and relevant export control regulation citation, as applicable,

- (l) Condition code.
- d. Sensitive Property.
 - (1) Each DOE element must develop and maintain a list of personal property items to be controlled as sensitive. A Sensitive Items List must be approved by the OPMO annually. Refer to the “Sensitive Property” definition in Attachment 2.
- e. High Risk Personal Property (HRPP)
 - (1) Export Controlled HRPP is:
 - (a) Property especially designed or prepared (EDP) for use in the nuclear fuel cycle illustrative list in the Nuclear Regulatory Commission regulation 10 CFR part 110, including items listed in the Nuclear Suppliers Group (NSG) Trigger List (International Atomic Energy Agency (IAEA) Information Circular 254, Part 1).
 - (b) Property listed on the Department of Commerce Control List (15 CFR part 774) because of dual-use applications in the design, development, production or use of weapons of mass destruction, and conventional weapons, including property as listed in the NSG Dual-Use List (IAEA Information Circular 254, Part 2), and the International Control Lists of the Australia Group, the Missile Technology Control Regime, and the Wassenaar Arrangement.
 - (c) Property listed on the Department of State U.S. Munitions List (22 CFR part 121), and the Atomic Energy Act of 1954, including nuclear weapon components or weapon-like components ***that do not contain special nuclear material.***
 - (2) Firearms, Ammunition, and Explosives. Organizations with approved use of firearm, ammunition, and explosives, and their associated components must have processes in place to ensure the safe handling, storage, inventory control, and maintenance of this HRPP. Refer to Paragraph 4.i (Loaning Personal Property) for loaning of firearms.
 - (3) HRPP must be identified at acquisition or, if modified, whenever it comes under U.S. export controls that makes it HRPP, and must be controlled through disposition. Additionally, any required reviews for classification and controlled unclassified information (i.e., Official Use Only and Unclassified Controlled Nuclear Information) must be conducted in accordance with the applicable DOE directives and Agency regulations specified in the References section.

- (4) Nuclear weapon components, nuclear weapon-like components and Trigger List items that are to be permanently buried must follow the requirements in DOE O 471.6 and other applicable agency directives. Items buried must be reported as “retired” in the property system of record.

f. Precious Metals Management.

Protocols for the control, utilization and disposition of precious metals must include the establishment of stringent physical protection from receipt to final disposition.

- (1) Unused or unneeded precious metals are to be returned to the DOE applicable business center.
- (2) Unused or unneeded precious metals not returned to the DOE applicable business center are to be justified annually in writing and approved by the site manager or designee. A copy of all justifications is to be provided to the cognizant OPMO and/or designated DOE Official.
- (3) When requested, provide the DOE applicable business center a forecast of anticipated withdrawals and returns of precious metals.

g. Administratively Controlled Items.

Administratively controlled items, although not accountable property, merit deliberate internal controls to prevent loss, theft, unauthorized removal, and abuse.

h. Physical Inventories.

Properly planned and executed physical inventories serve to continuously monitor property condition and operational availability, and validate accountable property record accuracy. The scheduling, type, method, and scope of the physical inventory process is to align with management expectations and risks.

- (1) Physical inventories of Sensitive Property and Precious Metals must be conducted at least annually with an inventory accuracy expectation of 100%. The inventory method selected is to be approved by the OPMO. If the sampling method is allowed, a wall-to-wall inventory is to be used at least every three years.
- (2) HRPP must be inventoried at least annually. However, when a complete physical inventory (existence testing) is not appropriate, a sampling method can be used on a graded approach based on the assessed risk (safety considerations, restricted access, exposure to contamination, etc.).

Inventory method selected must take into consideration the property condition, classification, and location, and be approved by the OPMO; excludes firearms, ammunition, pyrotechnics, and explosives.

- (3) Firearms, ammunition, pyrotechnics, and explosives must be inventoried at least annually. However, the OPMO may elect to use inventory protocols outlined in DOE O 473.3, *Protection Program Operations*, Appendix A, Section F,7, “Inventory of Firearms, Ammunition, Pyrotechnics and Explosives.
- (4) Capital Accountable Property must be inventoried at least annually with an accuracy expectation of 100%. The inventory method selected must take into consideration the property condition, classification, and location, and approved by OPMO.
- (5) Physical inventories of all other accountable property (excludes items listed in Paragraph 4.h. ((1) and (2) above) must be conducted at least every three years and method approved by the OPMO with an inventory accuracy expectation of 98%.
- (6) Physical inventories of the following types of personal property are required to be conducted on a frequency and method approved by the OPMO:
 - (a) Spares
 - (b) Stores

i. Loaning Personal Property.

- (1) Government Personal Property may be loaned, provided the property is:
 - (a) Not excess.
 - (b) Used in performing research, studies, and other efforts that result in benefits to both the U.S. Government and the borrower.
 - (c) Used by local agencies in support of health, safety, or security requirements in emergency conditions or upon appropriate Departmental notification of emergency conditions.
 - (d) Does not adversely affect the DOE mission.

- (e) Loaned to another DOE organization, contractor, Government agency, or organization that has a valid Federal contract, financial assistance agreement, treaty, international or collateral agreement.
 - (2) A loan package must include an approved DOE F 4420.2, U. S. Department of Energy Personal Property Loan Agreement which must document that high risk, export control, and hazardous reviews have been completed. For foreign loans, refer to Paragraph 4.m. (Foreign Transactions).
 - (3) Firearms may be loaned to a local law enforcement agency to provide direct safety or protection support to the DOE facility, as deemed necessary and approved by the OPMO.
- j. Loss, Damage, or Destruction of Personal Property.
- (1) Loss (to include theft), damage, or destruction of DOE personal property is to be reported promptly to the OPMO, and as appropriate, to law enforcement organizations, in accordance with local procedures and DOE O 470.4B, *Safeguards and Security Program*.
 - (2) Reporting of loss, damage, or destruction is essential to the accountable property record audit trail and is required to formally reconcile accountable property records when loss has been experienced.
 - (3) At a minimum, the property loss report and documentation is to include:
 - (a) Circumstances or cause,
 - (b) Determination of responsibility,
 - (c) Actions to prevent further loss, damage, destruction, of personal property.
 - (4) DOE Federal Employees may be subject to administrative action and financial liability for loss, damage, destruction, or unauthorized use of personal property in their possession and control.
- k. Disposition of Property.
- (1) When practical, DOE organizational entities must use excess personal property as the first source of supply in fulfilling requirements.
 - (2) Reportable DOE excess personal property must be screened for Departmental reutilization using the Energy Asset Disposal System (EADS). Specific guidance on access to this system can be found in DOE

Guide 580.1-1 and the online EADS User Guide. Refer to the Office of Science website (<http://www.osti.gov/ledp/>) for information on donating scientific equipment to universities and colleges using the Laboratory Equipment Donation Program. Refer to the Office of Legacy Management's website (http://www.lm.doe.gov/Office_of_Site_Operations/Property_Team_Functions/Community_Assistance/Personal_Property_Disposition_-_CROs.aspx) for information on Economic Development Property donations.

- (3) Excess property must go through a high risk review unless directed to an authorized on-site waste stream.
- (4) All personal property that contains or reveals classified information must be handled in accordance with DOE O 471.6.
- (5) Disposition of HRPP:
 - (a) Screening for reutilization of HRPP on the Trigger List, nuclear weapon components and nuclear weapon-like components must be limited to only within DOE, and must not be reported to the General Services Administration.
 - (b) HRPP that is on the Trigger List, nuclear weapon components and nuclear weapon-like components must be sanitized or destroyed. Trigger List items, nuclear weapon components and nuclear weapon-like components that are not sanitized or destroyed must be approved for alternative disposition, in accordance with the DOE Financial Management Handbook, Chapter 3.3. DOE F 580.1, U. S. Department of Energy End-Use Certificate (OMB Control Number 1910-5121) must be completed by the recipient of the HRPP and signed by the appropriate approving official and, as necessary, the Deputy Administrator for Defense Nuclear Nonproliferation. The completed certificate becomes part of the transfer record.
 - (c) For all other HRPP, the export control review on the DOE F 580.1 must be completed by the local export control subject matter expert.
 - (d) HRPP on the U.S. Munitions List, other than nuclear weapon components and nuclear weapon-like components, can be transferred to federal agencies or dispositioned in accordance with the DoD Demilitarization Manual (DoD 4160.21-M-1).

- (e) Destruction or sanitization of Trigger List, nuclear weapon components and nuclear weapon-like components, and Munitions List property must be witnessed and documented.
 - (f) Firearms must be dispositioned in accordance with 41 CFR 101-42.1102-10 to include participation in transfer to state and local law enforcement agencies.
 - (g) Radioactive or hazardous personal property must be dispositioned in accordance with applicable Federal regulations and DOE directives. Personal property with the potential to be radioactive or hazardous must be verified as not being radioactive or hazardous before disposing of the property by conventional means. Contamination-free personal property will be tagged as authorized for transfer or sale; contaminated personal property will be referred back to the program office for appropriate action.
- (5) Personal property transfers, sales or other offerings must be in accordance with the DOE Financial Management Handbook, Chapter 3.3, and must contain the “Export Restriction Notice.
- (6) Information Technology Equipment must be sanitized prior to disposition to ensure that data, information, and software cannot subsequently be recovered. **The sanitization process must be coordinated with the appropriate cyber security risk management personnel with documentation certifying the completion of the sanitization.** Information Technology Equipment must be reviewed for export controls prior to disposition.
- (7) DOE organizations may cannibalize equipment, as approved in writing by the OPMO.
- l. **Documentation of Property Retirements.**

A retirement work order or similar documentation must be used to report Government property that is lost (to include theft), damaged beyond economical repair or no longer meets operational capabilities, destroyed, or is abandoned.
- m. **Foreign Transactions.**
 - (1) Foreign transaction request packages for DOE must be submitted to the OMPO for submission to the Property Executive. NNSA must submit foreign transactions request packages to the NNSA OPMO.
 - (2) Foreign request packages, to include loans and transfers, must include the following:

#	Documentation Requirements	DOE	NNSA
1	DOE or contractor personal property request to transfer, abandon or loan.	✓	✓
2	High Risk Certification–(unless property was purchased by a third country).	✓	✓
3	Equipment list to include description, quantity, and acquisition cost.	✓	✓
4	Export Control and Hazardous Reviews.	✓	✓
5	Copy of country-to-country or collaborative agreement between the United States/DOE and foreign entity.	✓	✓
6	Copy of foreign entity personal property acceptance letter.	✓	✓
7	Completed Personal Property Loan Agreement (DOE F 4420.2) for foreign loan request.	✓	✓
8	Cognizant Headquarters (HQ) Program Office concurrence in writing to the DOE site and/or contractor that supports the efforts of the foreign transaction.	✓	✓
9	OPMO review and recommendation for HQ review and approval. NNSA OPMO approves foreign title transfers. NNSA HQ approves foreign loans.	✓	
10	Contracting Officer (CO) or the Contracting Officer Representative (COR), if delegated, concurrence. (if applicable) (not required by NNSA).	✓	

- (a) Foreign loans may be approved for a period of up to five years or the length of the collaborative agreement between the United States and the foreign entity, with annual inventory verification.
 - (b) OPMO approval is required for previously approved foreign loan requests requiring extensions, additions, or changes of property and the country-to-country or collaborative agreement must still be in effect.
- (3) Specific Guidance.

NNSA Packages:

- (a) NNSA has the authority under Section 161j of the Atomic Energy Act to transfer personal property for the Global Threat Reduction Initiative Program, Material Protection, Control and Accounting Program, Second Line of Defense Program, and the International Nuclear Safeguards and Engagement Program.
- (b) While some transfers to foreign entities may be administered by a DOE national laboratory, personal property acquired with NNSA funds remains NNSA property until it is properly transferred or otherwise legally dispositioned. Accordingly, the NNSA OPMO has the authority to approve the transfer of all NNSA property, regardless of the contracting mechanism employed. This authority cannot be delegated outside NNSA.
- (c) Requests to transfer property to a foreign entity are to be coordinated with NNSA General Counsel for legal review. After review, the NNSA OPMO provides written approval to the contractor.
- (d) The Office of Policy and International Affairs clearance is not required, but a courtesy review is requested with each foreign loan request.
- (e) All foreign loan request packages are submitted to the Senior Procurement Executive, Office of Resource Management for approval.
- (f) After the loan is approved by the Senior Procurement Executive, Office of Resource Management, the NNSA OPMO provides direction to the contractor to loan the property.
- (g) Requests for abandonment or donation are to be submitted in writing for review/approval by the NNSA OPMO. Local general counsel review is sufficient.

n. Reports.

Annual personal property reports as required by 41 CFR Ch 102 and internal DOE personal property reports must be submitted to the Property Executive at a date determined by the Property Executive.

5. RESPONSIBILITIES.

- a. Secretary of Energy is responsible for acquisition, management, and disposition of personal property held by the Department for official use by its employees and contractors. The Secretary has delegated this responsibility for DOE activities through the Director, Office of Management, to the Director, DOE Office of Procurement and Assistance Management, and for NNSA activities, through the Under Secretary for Nuclear Security to the Director, NNSA Office of Acquisition and Supply Management.
- b. Heads of Departmental Elements.
 - (1) Ensure that heads of field offices have implemented a personal property management program consistent with this Order.
 - (2) Ensure that personal property management operating procedures, internal controls, and performance measurements are in place.
 - (3) Ensure that all employees entrusted with Government property are made aware of their responsibilities to safeguard that property.
 - (4) Ensure that incidents of lost, damaged, or destroyed property are reported, investigated, documented, and resolved by a determination as to appropriate administrative action, if any, for the loss.
 - (5) Review and concur in requests for alternative disposition of nuclear weapon components, nuclear weapon-like components and Trigger List items.
- c. Director, Office of Management.
 - (1) Establishes a personal property management program for all non-NNSA DOE direct operations located in the Washington, DC metropolitan area, except for the Federal Energy Regulatory Commission (FERC).
 - (2) Appoints an OPMO who is responsible for the organization's personal property management program.
 - (3) Approves, conditionally approves, or disapproves contracted property management systems for all DOE direct operations located in the Washington, DC metropolitan area, except for FERC.
- d. Director Office of Acquisition and Supply Management for NNSA, Heads of Field Elements, and Heads of Contracting Activities.
 - (1) Establish a personal property management program for their respective organizations.

- (2) Appoint an OPMO responsible for personal property management in their respective organizations.
 - (3) Appoint Plant Clearance Officers, if applicable, responsible for the oversight in the screening, redistribution, and disposition of Government-owned personal property in the hands of the contractors.
 - (4) Approve, conditionally approve or disapprove contractor personal property management systems. The approval authority may be re-delegated to the contracting officer or the contracting officer's designee.
 - (5) Conditional approval and disapproval authority cannot be re-delegated.
- e. Deputy Administrator for Defense Nuclear Nonproliferation.
 - (1) Reviews and grants/modifies/denies requests for alternative disposition of Trigger List components, equipment or materials, nuclear weapon components and nuclear weapon-like components.
 - (2) Reviews and grants/modifies/denies export control approval on DOE F 580.1 transfer requests of Trigger List components, equipment or materials; nuclear weapon components; and nuclear weapon-like components.
- f. Assistant Deputy Administrator for Defense Nuclear Nonproliferation.
 - (1) Reviews and refers to Deputy Administrator for Defense Nuclear Nonproliferation, if appropriate, requests for alternative disposition of Trigger List components, equipment or materials, nuclear weapon components and nuclear weapon-like components.
 - (2) Reviews and refers to Deputy Administrator for Defense Nuclear Nonproliferation, if appropriate, DOE F 580.1 transfer requests of Trigger List components, equipment or materials; nuclear weapon components; and nuclear weapon-like components
- g. The Director, DOE Office of Procurement and Assistance Management and the Director, NNSA Office of Acquisition and Supply Management are the senior procurement executives (SPEs) for their respective organizations, and are responsible for the development and administration of an effective and efficient personal property management program for the acquisition, management, and disposition of personal property held by the DOE/NNSA for official use by employees and contractors. The SPEs are responsible for notifying contracting officers regarding which contracts are affected by this Order.
- h. Property Executive.

The Director, Office of Policy, Personal Property Policy Division, for DOE, and the Director, Office of Acquisition and Supply Management for NNSA, are designated Property Executives.

- (1) Develops, administers, and oversees the Department-wide personal property management program.
 - (2) Establishes policies, standards, and guidance in accordance with applicable laws, regulations and sound personal property management practices and standards.
 - (3) Advises and provides staff assistance to Headquarters and field organizations that perform personal property management functions.
 - (4) Establishes performance-based personal property management objectives, measures, and expectations.
 - (5) Evaluates Federal and contractor personal property management systems, functions, operations, procedures, and self-assessment programs.
 - (6) Serves as:
 - (a) Career manager for establishing and administering the personal property management career development program; and
 - (b) DOE National Utilization Officer responsible for promoting acquisition and utilization of excess personal property.
- i. Organizational Property Management Officers establish and administer personal property management programs within their organizations consistent with applicable laws, regulations, practices, and standards and provide for the following:
- (1) Planning, acquisition, control, management, and disposition of personal property in the custody of DOE offices.
 - (2) Conducting oversight and periodic management reviews of DOE personal property management activities at least every three years to ensure:
 - (a) Personal property management program expectations are met and;
 - (b) Applicable policies, procedures, practices; and standards are followed.
- j. Contracting Officers.

- (1) Insert the CRD or its equivalent requirements or applicable contract clauses in applicable contracts upon notification of its applicability, but not later than six months after the effective date of this Order/CRD.
 - (2) Appoint a property administrator for each contract and financial instrument that contains Government Furnished Property to ensure the following:
 - (a) Contracts that involve personal property contain the applicable property contract clauses and applicable financial assistance requirements for personal property.
 - (b) Contractor personal property management systems are reviewed, appraised, and accepted.
 - (c) Contractors implement the applicable provisions of the Federal Management Regulation, Federal Acquisition Regulations, DOE Acquisition Regulations, and this Order.
 - (3) Consult with the appropriate PA/OPMO for procedural guidance and personal property management requirements, when needed.
- k. Property Administrators, as authorized representatives of the CO, are responsible for the following:
 - (1) Performing delegated contract administration functions for contract and financial assistance requirements relating to Government personal property.
 - (2) Developing and applying an oversight program to include periodic management reviews of contractor personal property activities at least every three years; resolving property administration issues; and making recommendations concerning the acceptability of contractor personal property management systems.
 - (3) Advising COs and OPMOs of any contractor noncompliance with accepted procedures, or other significant problems that cannot be resolved, and recommending appropriate action.
- l. Local Export Control Subject Matter Expert is responsible for the review and grant/modify/deny export control approval on DOE F 580.1 of transfer of all HRPP, except for Trigger List components, equipment and materials; nuclear weapon components; and nuclear weapon-like components.

6. REFERENCES.

- a. 42 United States Code (U.S.C) §2011 et seq. Atomic Energy Act of 1954,as amended.
- b. 40 U.S.C. 101 et seq., Federal Property and Administrative Services Act of 1949, as amended.
- c. 10 CFR part 600, Financial Assistance Rules.
- d. 10 CFR part 850, Chronic Beryllium Disease Prevention Program.
- e. 10 CFR part 1045, Nuclear Classification and Declassification.
- f. 10 CFR part 1017, Identification and Protection of Unclassified Controlled Nuclear Information.
- g. 41 CFR Chapter 102, Federal Management Regulation.
- h. 41 CFR Chapter 109, Department of Energy Property Management Regulations.
- i. 48 CFR part 45 and 52, Federal Acquisition Regulations.
- j. 48 CFR part 945, Government Property.
- k. 48 CFR Subpart 970.5245-1, Property.
- l. P.L. 106-65, Title XXXII, National Nuclear Security Administration Act.
- m. DOE O 203.1, *Limited Personal Use of Government Office Equipment including Information Technology*, dated 1-7-05.
- n. DOE O 205.1B, *Department of Energy Cyber Security Program*, dated 5-16-11.
- o. DOE O 243.1A, *Records Management Program*, dated 11-7-11.
- p. DOE O 361.1B, *Acquisition Career Management Program*, dated 1-24-08.
- q. DOE O 436.1, *Departmental Sustainability*, dated 5-2-11.
- r. DOE O 458.1 Chg. 2, *Radiation Protection of the Public and the Environment*, dated 6-6-11.
- s. DOE O 470.4B, *Safeguards and Security Program*, dated 7-21-11.
- t. DOE O 471.1B, *Identification and Protection of Unclassified Controlled Nuclear Information*, dated 3-1-10.
- u. DOE O 471.3, Chg.1, *Identifying and Protecting Official Use Only Information*, dated 1-13-11.
- v. DOE M 471.3-1, Chg. 1, *Manual for Identifying and Protecting Official Use Only Information*, dated 1-13-11.
- w. DOE O 471.6, *Information Security*, dated 6-20-11.
- x. DOE O 473.3, *Protection Program Operations*, dated 6-27-11.
- y. DOE O 474.2, *Nuclear Materials Control and Accountability*, dated 6-27-11.
- z. DOE O 475.2A, *Identifying Classified Information*, dated 2-1-11.
- aa. DOE Acquisition Guide, Chapter 3.3, dated 1-12.
- bb. DOE Financial Management Handbook, dated 6-6-11.
- cc. DoD 4160.21-M-1, Defense Demilitarization Manual.
- dd. Voluntary Industry Consensus Standards, such as ASTM International.
- ee. Executive Order 12344, Naval Nuclear Propulsion Program.
- ff. GSA Bulletin FMR B-8, Procedures Covering the Utilization and Disposal of Small Amounts of Ammunition and Non-standard Firearms, dated 4-18-05.

7. DEFINITIONS. Refer to Attachment 2.

8. CONTACT. Questions concerning this Order should be addressed to the Office of Procurement and Assistance Management, Office of Policy, Personal Property Policy Division at 202-287-1593.

BY ORDER OF THE SECRETARY OF ENERGY:

Logo
inserted
here after
approval

DANIEL B. PONEMAN
Deputy Secretary

CONTRACTOR REQUIREMENTS DOCUMENT
DOE O 580.1A, *DEPARTMENT OF ENERGY PERSONAL PROPERTY MANAGEMENT*
PROGRAM

Regardless of the performer of the work, the contractor is responsible for complying with the requirements of this CRD. The contractor is responsible for flowing down the requirements of this CRD to subcontractors at any tier to the extent necessary to ensure the contractor's compliance with the requirements.

1. The contractor must establish, implement, and maintain a cost-effective, risk-based personal property management program to manage personal property from receipt, to use, to final disposition processing by acceptable means. This program should use consensus standards as the basis of its policies, processes, standards, and assessments. For Management and Operating contracts, the program must be in accordance with 48 CFR 970-5203-1, and integrated with the contractor's broader assurance system, as appropriate.
2. Contractors may use Voluntary Consensus Standards (VCS), such as ASTM International, or Industry Leading Practices (ILP), to the greatest degree practical for the management of personal property, as deemed appropriate by the Property Administrator (PA)/Organizational Property Management Officer (OPMO).
3. Contractors are responsible for ensuring personal property items that may reveal classified or controlled unclassified information (i.e., Official Use Only or Unclassified Controlled Nuclear Information) are managed and controlled in accordance with the requirements found in other DOE directives or Agency regulations, as specified in the References section.
4. This CRD does not apply to classified property, atomic weapons, nuclear weapons, nuclear materials as listed in DOE O 474.2, intellectual property, internal use software, records and information, motor vehicles, or real property.
5. The contractor's graded approach to the risks presented by various types of personal property must meet the minimum requirements defined below for each property type. The contractor must identify additional controls as appropriate.

a. Identification.

Whenever practical, Government personal property must be identified or tagged as U.S. Government property (or U.S. DOE property). The contractor must remove or permanently cover, to the extent practical, tags before formal release from DOE inventory.

b. Accountable Property.

- (1) Accountable Property. Accountable personal property includes items with an original unit acquisition cost of \$10,000; sensitive property/High

Risk Personal Property (HRPP) (reference Attachment 2), or precious metals, regardless of cost.

- (2) Other Accountable Property. The contractor may designate other property as accountable if it is determined that the items must be controlled and managed to protect against unauthorized use, disclosure, or loss; or when otherwise required by law, policy, regulation, or agency direction.
- (3) Accountable Property Records. The contractor must maintain a property system of record for accountable personal property. Accountable property records must include, at a minimum:
 - (a) Property Control Number (agency item unique information),
 - (b) Contract number or equivalent,
 - (c) Receipt or acceptance date,
 - (d) Description,
 - (e) Manufacturer and model number, serial number and/or National Stock Number,
 - (f) Unit acquisition cost (and as appropriate, depreciated value),
 - (g) Quantity and unit of measure (e.g., received, fabricated, issued, or on hand),
 - (h) Owner (custodial or organizational),
 - (i) Location,
 - (j) Use status (active, storage, excess, retired, etc.),
 - (k) High Risk designation, export control jurisdiction, and relevant export regulation citation, as applicable,
 - (l) Condition code.

c. Sensitive Property.

- (1) The contractor must develop and maintain a list of personal property items considered sensitive. The contractor must annually submit a Sensitive Items List to the PA/OPMO annually for acceptance. Refer to the “Sensitive Property” definition in Attachment 2 to develop the sensitive item list.

- (2) The contractor must identify, based on risk and in collaboration with the appropriate groups in their organization, appropriate physical inventory, use and disposition controls for sensitive items.

d. High Risk Personal Property.

- (1) Personal Property meeting the definition of HRPP is found in Attachment 2. This includes property used in the nuclear fuel cycle, firearms, ammunition and explosives, nuclear weapon components, nuclear weapon-like components, items on the Department of Commerce Control List, and items on the Department of State U.S. Munitions List.
- (2) HRPP must be identified at acquisition or, if modified, whenever it comes under U.S. export controls that makes it HRPP, and must be controlled through disposition.
- (3) The contractor must conduct reviews for classification and controlled unclassified information (i.e., Official Use Only and Unclassified Controlled Nuclear Information) in accordance with the applicable DOE directive and Agency regulations specified in the References section.
- (4) Firearms, Ammunition, and Explosives. Organizations with approved use of firearms, ammunition, and explosives, and their associated components must have processes in place to ensure safe handling, storage, inventory control, and maintenance of this HRPP. Refer to Paragraph 5.h. (Loaning Personal Property) for loaning of firearms.
- (5) Nuclear weapon components, nuclear weapon-like components and Trigger List items that are to be permanently buried must follow the requirements in DOE O 471.6 and other applicable agency directives. Items buried must be reported as “retired” in the property system of record.
- (6) The contractor must meet the property disposition requirements for HRPP in Paragraph 5.j.(4)(c).

e. Precious Metals Management.

Protocols for the control, utilization and disposition of precious metals must include the establishment of stringent physical protection from receipt to final disposition.

- (1) Unused or unneeded precious metals are to be returned to the DOE applicable business center.
- (2) Unused or unneeded precious metals not returned to the DOE applicable business center are to be justified annually in writing and approved by the

site manager or designee. A copy of all justifications is to be provided to the cognizant PA/OPMO and/or designated DOE Official.

- (3) When requested, provide the DOE applicable business center a forecast of anticipated withdrawals and returns of precious metals.

f. Administratively Controlled Items.

Administratively controlled items, although not accountable personal property, merit deliberate internal controls to prevent loss, theft, unauthorized removal, and abuse.

g. Physical Inventories.

- (1) The contractor must regularly conduct physical inventories of accountable personal property in their custody to ensure safeguards and demonstrate accountable property record accuracy. The contractor must align the scheduling, type, method, and scope of the physical inventory process with management expectations and risk. For accountable and administratively controlled property, the contractor must conduct physical inventories that meet the frequency levels, accuracy expectation rates, and inventory methods and controls as detailed below.
- (2) Sensitive Property and Precious Metals inventories must be conducted at least annually with an inventory accuracy expectation of 100%. The inventory method selected is to be accepted by the PA/OPMO. If the sampling method is allowed, a wall-to-wall inventory is to be used at least every three years.
- (3) HRPP inventories must be conducted at least annually. However, when a complete physical inventory (existence testing) is not appropriate, a sampling method can be used on a graded approach based on the assessed risk (safety considerations, restricted access, exposure to contamination, etc.). Inventory method must take into consideration the property condition, classification, and location, and be accepted by the PA/OPMO; excludes firearms, ammunition, pyrotechnics, and explosives.
- (4) Firearms, ammunition, pyrotechnics and explosives must be inventoried at least annually with an accuracy expectation of 100%. The contractor may use inventory requirements as outlined in DOE O 473.3., *Protection Program Operations*, Appendix A, Section F.7, "Inventory of Firearms, Ammunition, Pyrotechnics and Explosives".
- (5) Capital Accountable Property. Conduct inventories at least annually with an accuracy expectation of 100%. The inventory method must be accepted by the PA/OPMO.

- (6) Other Accountable Property. Conduct inventories at least every three years with an accuracy expectation of 98%. The inventory method must be accepted by the PA/OPMO.
- (7) Stocks, Stores, and Administratively Controlled Property. Conduct inventories on a frequency per the CO/PA/OPMO.
- (8) Inventory Methods. Physical inventories may take different forms, including wall-to-wall, cyclic, sampling, and "by exception" methodologies (use of actions or transactions as an inventory event). Sampling may be used, where appropriate, provided they achieve statistically valid results.
- (9) An independent group must validate the results of physical inventory.
- (10) The contractor must reconcile the results with the financial records, as applicable.
- (11) The contractor must submit inventory results and requested write-offs of personal property not found (Refer to Paragraph j., Documentation of Property Retirements), to the CO/PA/OPMO for acceptance within 60 days after concluding the inventory. If the contractor operates within acceptable tolerance for inventory accuracy, the contractor's performance must be considered acceptable. If the contractor does not operate within acceptable tolerances, the contractor must use a graded approach to identify opportunities for improvement.

h. Loaning Personal Property.

- (1) The contractor may loan Government personal property if the loan meets the following criteria:
 - (a) Not excess.
 - (b) Used to perform research, studies, and other efforts that result in benefits to both the U.S. Government and the borrower.
 - (c) Used by local agencies in support of health, safety, or security requirements upon appropriate Departmental notification of emergency conditions.
 - (d) Does not adversely affect the DOE mission.
 - (e) Loaned to another DOE organization, contractor, Government agency, or organization that has a valid Federal contract, financial assistance agreement, treaty, international or cooperative agreement.

- (2) The contractor must complete an approved DOE F 4420.2, U. S. Department of Energy Personal Property Loan Agreement, which must document that high risk, export control, and hazardous reviews have been completed. For foreign loan package requirements, refer to Paragraph 5.j. (Foreign Transactions).
- (3) The contractor may loan firearms to the local law enforcement agency to provide direct safety or protection support to the DOE facility. The CO must approve the need to loan firearms with notification to the PA/OPMO.
- (4) The CO must approve domestic loans with notification to the PA/OPMO.

i. Loss, Damage or Destruction of Personal Property.

- (1) Loss (to include theft), damage, or destruction of DOE personal property is to be promptly reported as required by the CO/PA/OPMO.
- (2) Loss reporting is essential to the accountable property record audit trail, and is required to formally reconcile accountable property records when loss has been experienced.
- (3) The contractors may use the ASTM International VCS, *E 2121-01 Standard Practice for Assessing Loss, Damage, Destruction of Property*, or other comparable standards. If the ASTM standard is used, the acceptable loss, damage, and destruction ratios listed in the standard apply unless appropriate DOE offices require the use of different ratios.

j. Disposition of Property.

- (1) The contractor must submit reportable DOE excess personal property to the must be screened for Departmental reutilization using the Energy Asset Disposal System (EADS). Specific guidance on access to this system can be found in DOE Guide 580.1-1 and the online EADS User Guide.
- (2) Firearms must be dispositioned in accordance with 41 CFR 101-42.1102-10 to include participation in transfer to state and local law enforcement agencies.
- (3) The contractor must conduct personal property transfers, sales, or other offerings in accordance with DOE Financial Management Handbook, Chapter 3.3.
- (4) Prior to disposition, the contractor must:

- (a) Disposition radioactive or hazardous personal property in accordance with applicable Federal regulations and DOE directives. Personal property with the potential to be radioactive or hazardous must be verified as not being radioactive or hazardous before disposing of the property by conventional means. Contamination-free personal property will be tagged as authorized for transfer or sale; contaminated personal property will be referred back to the program office for appropriate action.
- (b) Sanitize Information Technology equipment to ensure removal or destruction of data, information, and software when required by the site's Cyber Security Management Approach.
- (c) Disposition of HRPP as contained in the table below.

Type	Where screened	Disposition requirements if not needed
Dual-Use List	DOE then GSA per CO	The recipient must complete the DOE F 580.1, U.S. Department of Energy End-Use Certificate (OMB Control Number 1910-5121). The local export control subject matter expert and appropriate approving official must sign the certificate, which must be part of the transfer records.
Trigger List, nuclear weapon components, nuclear weapon-like components	Within DOE; don't report to GSA	<p>The recipient must complete the DOE F 580.1. The appropriate approving official and the Deputy Administrator for Defense Nuclear Nonproliferation must sign the certificate, which must be part of the transfer records.</p> <p>Sanitize or destroy. Need witness and documentation. Alternative disposition requires written request through the cognizant Head of Departmental Element and then through the Assistant Deputy Administrator for Nonproliferation and International Security for disposition approval by the Deputy Administrator for Defense Nuclear Nonproliferation.</p>
U.S. Munitions list	Optional: DOE & GSA	Dispose of per DoD Demilitarization Manual

		(DoD 4160.21-M-1).
Firearms (41 CFR 101-42.1102-10), ammunition, and explosives	DOE & GSA	Firearms must be dispositioned in accordance with 41 CFR 101-42.1102-10 to include participation in transfer to state and local law enforcement agencies.

k. Documentation of Property Retirements.

A retirement work order or similar documentation must be used to list Government property that is lost, stolen, destroyed, abandoned, damaged beyond economical repair or no longer meets operational capabilities.

j. Foreign Transactions.

(1) Foreign transaction request packages for DOE must be submitted to the OMPO for submission to the Property Executive. NNSA must submit foreign transactions request packages to the NNSA OPMO.

(2) Foreign request packages, to include loans and transfers, must include the following:

#	Documentation Requirements	DOE	NNSA
1	DOE or contractor personal property request to transfer, abandon or loan.	✓	✓
2	High Risk Certification (unless property was purchased by a third country).	✓	✓
3	Equipment list to include description, quantity, and acquisition cost.	✓	✓
4	Export Control and Hazardous Reviews.	✓	✓
5	Copy of country-to-country or collaborative agreement between the United States/DOE and foreign entity.	✓	✓
6	Copy of foreign entity personal property acceptance letter.	✓	✓
7	Completed Personal Property Loan Agreement (DOE F 4420.2) for foreign loan request.	✓	✓
8	Cognizant Headquarters (HQ) Program Office concurrence in writing to the DOE site and/or contractor that supports the efforts of	✓	✓

	the foreign transaction.		
9	OPMO review and recommendation for HQ review and approval. NNSA OPMO approves foreign title transfers. NNSA HQ approves foreign loans.	✓	
10	Contracting Officer (CO) or the Contracting Officer Representative (COR), if delegated, concurrence. (if applicable) (not required by NNSA).	✓	

- (a) Foreign loans may be approved for a period of up to five years or the length of the collaborative agreement between the United States and the foreign entity, with annual inventory verification.
 - (b) Foreign loan modification requests for extensions, additions, or changes of property must be approved by the CO, with notification to the PA/OPMO. The country-to-country or collaborative agreement must still be in effect to allow loan modifications.
- (3) Specific Guidance for NNSA Packages:
- (a) NNSA has the authority under Section 161j of the Atomic Energy Act to transfer personal property for the Global Threat Reduction Initiative Program, Material Protection, Control and Accounting Program, Second Line of Defense Program, and the International Nuclear Safeguards and Engagement Program.
 - (b) While a DOE national laboratory may administer some transfers to foreign entities, personal property acquired with NNSA funds remains NNSA property until it is properly transferred or otherwise legally dispositioned. Accordingly, the NNSA OPMO has the authority to approve the transfer of all NNSA property, regardless of the contracting mechanism employed. This authority cannot be delegated outside NNSA.
 - (c) Coordinate requests to transfer property to a foreign entity with NNSA General Counsel for legal review. After review, the NNSA OPMO provides written approval to the contractor.
 - (d) The Office of Policy and International Affairs clearance is not required, but a courtesy review is requested with each foreign loan request.

- (e) Submit all foreign loan request packages to the Senior Procurement Executive, Office of Resource Management, for approval.
- (f) After the loan is approved by the Senior Procurement Executive, Office of Resource Management, the NNSA OPMO provides direction to the contractor to loan the property.
- (g) Submit requests for abandonment or donation in writing for review/approval by the NNSA OPMO. Local general counsel review is sufficient.

k. Contract Closeout.

Contractor must inventory accountable property at the time of contract closeout as directed by the CO. Contractor is responsible for returning all Government property to DOE or transferring it to a new contractor as directed by the CO.

l. Reports.

Annual personal property reports as required by 41 CFR Chapter 102 and internal DOE property reports must be submitted to the CO and/or PA/OPMO at a date determined by the CO.

DEFINITIONS

This Attachment provides definitions associated with DOE O 580.1A as well as information and/or requirements applicable to contracts in which the associated CRD (Attachment 1 to DOE O 580.1A) is inserted. Alternative definitions may be applicable to specific contracts, financial assistance agreements, or other agreements between DOE and a third party.

- (a) **Acceptance** - For the purpose of this document, a Government review of contractor processes, systems or products, so as to determine compliance with contract requirements or specifications.
- (b) **Approval** - For the purpose of this document, a formal Government approbation or permission to proceed with contract performance, as defined by the contract.
- (c) **Administratively controlled items** - Personal property items for which there is no Departmental requirement for formal property records to be maintained; not subject to inventory.
- (d) **Cannibalization** - To remove serviceable parts from one item of equipment in order to install them on another item of equipment (48 CFR Subpart 45.101).
- (e) **Controlled Unclassified Information (CUI)** - Unclassified information that is controlled within DOE because its release could cause damage. CUI within DOE encompasses Official Use Only (OUO) and Unclassified Nuclear Information (UCNI). OUO includes information such as Personally Identifiable Information, Export Controlled Information, proprietary information, and other information not covered by other DOE directives. CUI is also a developing Government-wide policy governed by Executive Order 13556, Controlled Unclassified Information, which will mandate uniform standards for the control of unclassified information within the Government.
- (f) **Equipment** - A tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use (48 CFR Subpart 45.101).
- (g) **Explosive** - Any chemical compound or mechanical mixture which is designed to function as an explosive, or chemical compound which functions through self-reaction as an explosive, and which, when subjected to heat, impact, friction, shock, or other suitable initiation stimulus, undergoes a very rapid chemical change with the evolution of large volumes of highly heated gases that exert pressures in the surrounding medium. The term applies to materials that either detonate or deflagrate. DOE explosives may be dyed various colors except pink, which is reserved for mock explosive.

- (h) **Hazardous Property** - Personal property that is deemed a hazardous material, chemical substance or mixture, or hazardous waste under the Hazardous Materials Transportation Act (HMTA) (49 U.S.C. 5105); the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6901-6981); or the Toxic Substances Control Act (TSCA) (15 U.S.C. 2601-2609); or is contaminated with hazardous material (e.g., beryllium). Equipment containing or contaminated by radioactive materials are not included as hazardous property.
- (i) **High Risk Personal Property** – High Risk Personal (HRPP)-Property that, because of its potential impact on public health and safety, the environment, national security interests, or proliferation concerns, must be controlled and dispositioned in other than the routine manner. This order provides accountability and control requirements for *only the following categories of HRPP*: especially designed or prepared property; export controlled property; hazardous property; radioactive property; nuclear weapon components or weapon-like components that do not contain nuclear materials as listed in DOE O 474. 2; proliferation sensitive property; and firearms, ammunition, pyrotechnics, and explosives. For the purposes of this order, HRPP does not include nuclear materials within the scope of DOE O 474.2.
- (j) **Munitions List** – Property designated as defense articles listed in 22 CFR part 121.1 pursuant to the Arms Export Control Act.
- (k) **Notification** - for the purposes of this document, formal notice by the contractor, to the government, to the approach selected and/or implemented to meet a specific contract requirement.
- (l) **Nuclear Suppliers Group Dual-Use List Property** - Nuclear related dual-use equipment and materials described in International Atomic Energy Agency Information Circular 254 Part 2.
- (m) **Nuclear Suppliers Group Trigger List Property** - Equipment and materials, designed or prepared especially for use in the nuclear fuel cycle, and described in International Atomic Energy Agency Information Circular 254 Part 1.
- (n) **Personal Property** - Includes all equipment, material, and supplies not classified as real property (Refer to 41 CFR Chapter 102-71), Federal Government Records, special nuclear material, and atomic weapons (as defined by Section 11 of the Atomic Energy Act of 1954 (42 USC 2014) as amended).
- (o) **Personal Property Management** – The system of acquiring, maintaining, using and disposing personal property under the stewardship of that organization or entity. Includes monitoring and control function relative to lifecycle management of the property in support organizational objectives, sound business practices, and compliance with applicable standards, policies, regulations, and contractual requirements.
- (p) **Pilferable Items** - Property that has a ready resale value or application to personal possession and that are, therefore, especially subject to theft.

- (q) **Precious Metals** - Uncommon and highly valuable metals, including gold, silver, and the platinum group metals—platinum, palladium, rhodium, iridium, ruthenium and osmium.
- (r) **Radioactive Property** - For the purposes of this document, personal property that is radioactive or radioactively contaminated, as described in DOE O 458.1, Chg. 2. Property with accountable nuclear materials is excluded from this Order and follows the accountability reporting requirements found in DOE O 474.2, Nuclear Material Control and Accountability.
- (s) **Sensitive Property** – Property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals (48 CFR Subpart 45.101).
- (t) **Store Items** - On-hand operating materials and supplies normally used or consumed, maintenance, and/or general use; formally controlled using a stock record account.