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CLOSING THE SOLID WASTE CIRCLE:

RECYCLING

***THE
COMBINED SERVICES
GUIDE
FOR
QUALIFIED RECYCLING PROGRAMS***

15 September 1997

**Prepared by:
The Combined Services Recycling Working Group**

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FOREWORD

This *Guide* is issued under the authority of Executive Order 12873, “Federal Acquisition, Recycling and Waste Prevention,” and DoD Instruction 4715.4, “Pollution Prevention,” June 18, 1996 (reference (a) and (b)). It prescribes guidance for an Integrated Solid Waste Management Program coordinating affirmative procurement, recycling, and solid waste disposal. This *Guide* specifically delineates the preparation, coordination, and oversight for implementing a Qualified Recycling Program (hereafter referred to as a “QRP”).

This *Guide* applies to the Office of the Secretary of Defense (OSD), the Military Services, the Chairman of the Joint Chiefs of Staff, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as “the DoD Components”).

This *Guide* is effective immediately and is mandatory guidance for use by all of the DoD Components. The Heads of DoD Components may issue supplementary *Guidelines* when necessary to provide for unique requirements within their organizations.

Send recommended changes to the *Guide* to:

Office of the Deputy Under Secretary of Defense for Environmental Security
Chairman of the DoD Pollution Prevention Committee
3400 Defense Pentagon
Washington, DC 20301-3400

The DoD Components may obtain copies of this *Guide* through their own publications channels. Approved for public release; distribution unlimited.

(Insert distribution requirements, i.e., DTIC, National Technical Information Service.)

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REFERENCES

- (a) Executive Order (E.O.) 12873, “Federal Acquisition, Recycling, and Waste Prevention,” dated October 20, 1993
- (b) DoD Instruction 4715.4, “Pollution Prevention,” dated June 18, 1996
- (c) Resource Conservation and Recovery Act (“RCRA”), Public Law 94-580, as amended (42 CFR §§6901 - 6907)
- (d) Section 6002 of the Solid Waste Disposal Act of 1976, as amended by the Resource Conservation Recovery Act of 1976 (RCRA), as amended 42 U.S.C. § 6962. Referred to as RCRA, 40 CFR Part 240 thru Part 272
- (e) The Under Secretary of Defense (Acquisition and Technology) Memorandum, “Preference for Environmental Protection Agency (EPA) *Guideline* Items,” dated August 25, 1994
- (f) The Under Secretary of Defense (Acquisition and Technology) Memorandum, “Use of Re-Refined Administrative Service Motor Oil,” dated November 26, 1996
- (g) 10 U.S.C. §2577, “Disposal of Recyclable Materials” (Military Construction Codification Act of 1982, P.L. 97-214, July 12, 1982)
- (h) 40 U.S.C. §484, “Disposal of Surplus Property” (Federal Property and Administrative Services Act of 1949, P.L. 152)
- (i) 41 CFR Parts 101-45 and 101-46, “Sales of Government Personal Property”
- (j) 32 CFR Part 172, “Disposition of Proceeds from DoD Sales of Surplus Property,” August 28, 1989
- (k) 10 U.S.C §2216a, “Defense Business Operations Fund,” February 10, 1996

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ABBREVIATIONS AND ACRONYMS

ALMC—Army Logistics Management College
APF—Appropriated Funds
APP—Affirmative Procurement Program
BCE—Base Civil Engineer
CFR—Code of Federal Regulations
DBOF—Defense Business Operations Fund (also known as “Working Capital Fund”)
DLA—Defense Logistics Agency
DoD—Department of Defense
DoDI—Department of Defense Instruction
DPW—Director of Public Works
DRMO—Defense Reutilization and Marketing Office
DRMS—Defense Reutilization and Marketing Service
DTID—Disposal Turn-In Document
DUSD(ES)—Deputy Under Secretary of Defense for Environmental Security
EPA—U.S. Environmental Protection Agency
MWR—Morale, Welfare and Recreation
NAF—Non-Appropriated Funds
OCC—Old Corrugated Cardboard
ONP—Old Newspapers
PPE—Personal Protective Equipment
PWO—Public Works Officer
QRP—Qualified Recycling Program
RCRA—Resource Conservation and Recovery Act
SWAR—Solid Waste Annual Report
USC—United States Code
WCF—Working Capital Fund

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C1. CHAPTER 1

INTRODUCTION

C1.1. The City of Athens promulgated the first solid waste management regulations in 500 B.C. The regulations established the first municipal waste dump, and prohibited the disposal of waste within one mile of the city walls. As populations and standards of living have increased over the centuries, so has solid waste increased. In addition, concerns about the health and safety effects of solid waste disposal have become significant. As a result, laws and regulations covering solid waste have increased, and become more strict.

C1.2. On 20 October 1993, President Clinton issued Executive Order 12873, “Federal Acquisition, Recycling, and Waste Prevention,” (reference (a)) which directed “the Federal Government should--through cost-effective waste prevention and recycling activities--work to conserve disposal capacity, and serve as a model in this regard for private and other public institutions.”

C1.3. DoD Components have embraced the President’s Order and have championed the Federal Government’s efforts to develop and implement integrated waste management programs throughout their organizations. Through these programs and a commitment to enhance the management of integrated waste streams, significant contributions towards waste minimization, or source reduction and recycling of waste streams have been made.

C1.4 Meaningful opportunities for waste minimization and recycling often are limited only by the information available to a waste generator and creative ingenuity; however, DoD has made considerable progress in the use of on-site recycling and integrated waste management programs, and has become the Federal Government’s flagship for recycling.

C1.5. DEPARTMENT OF DEFENSE ENVIRONMENTAL INITIATIVE

C1.5.1. To fully appreciate this *Guide*, it is imperative that the reader first understand the concept and purpose of Pollution Prevention (P₂), and the important role that recycling plays within P₂. Pollution Prevention (P₂) is an environmental initiative embraced by DoD, which is a comprehensive overall plan for the implementation and execution of good environmental stewardship for all of the components for which DoD has authority. As part of the Pollution Prevention Act of 1990, Congress established the following national environmental management hierarchy:

- Pollution should be prevented or reduced at the source whenever feasible;
- Pollution that cannot be prevented should be recycled in an environmentally safe manner whenever feasible;
- Pollution that cannot be prevented or recycled should be treated in an environmentally safe manner whenever feasible; and

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- Disposal or other release into the environment should be employed only as a last resort and should be conducted in an environmentally safe manner.

C1.5.2. Pollution Prevention embodies a large number of techniques, and is an all encompassing plan (P₂ Plan) that includes, but is not limited to: source reduction, identification and characterization of waste streams, reuse, abatement, alternative measures which are more friendlier to the environment, toxic release inventories and reduction, elimination of unnecessary processes that generate waste and pollution, affirmative procurement of environmentally friendly and recycled products, reduction and elimination of ozone depleting substances, reduction and elimination of hazardous materials, Integrated Solid Waste Management (ISWM), and any other innovation where the result produces a cleaner, safer and healthier environment.

C1.6. In accordance with DoDI 4715.4, every DoD installation is required to have a P₂ Plan. A significant part of any P₂ Plan should be a strategy for reducing solid waste – an ISWM plan. DoD installations can reduce environmental impacts and costs by analyzing their solid waste and creating an integrated plan that addresses all aspects of solid waste management, including collection, transportation, and disposal. Recycling must be part of any ISWM plan.

C1.7. A P₂ Plan, like any other weapon we have in our arsenal, is a tool to combat pollution generated by DoD. However, it is only a tool, and like any other weapon, its effectiveness is dependent on its decisive employment and swift execution. Of course, in order to truly and decisively win the pollution battle, we must first be committed to finding solutions and alternatives that will eliminate the generation of pollutants in the first place, thus eliminating the necessity for their management. In the mean time, as we develop and implement alternative solutions to eliminate and reduce pollution, it is our responsibility and duty as good stewards to develop and implement sound ISWM plans to help achieve the overall success required by the P₂ Plan.

C1.8. It is with this understanding and commitment that the Combined Services Recycling Working Group has written this *Guide*. This *Guide* is the first in a series of three *Guides* that will ultimately be published by the Combined Services Recycling Working Group in CLOSING THE SOLID WASTE CIRCLE. Additional *Guides*, when published, will address *Integrated Solid Waste Management* and *Affirmative Procurement*, thus *Closing the Solid Waste Circle*. It is therefore the intention of this first *Guide*, *Closing The Solid Waste Circle: Recycling*, to fully explain the importance of *Recycling* and where *Recycling* and *Qualified Recycling Programs* fit into the overall scheme of an ISWM plan, which represents just one piece of the P₂ Plan.

C1.9. The ISWM plan represents the second most important part of a P₂ Plan, with hazardous material management being the first. It deals not only with the disposal of non-hazardous material generated by DoD, but it also deals with the reuse and recycling of solid waste materials generated by DoD. Although the ultimate goal of pollution prevention may be to eliminate all waste through source reduction, recycling and reuse will be a necessary part of pollution

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prevention for the foreseeable future. Without recycling or reuse of solid waste, we will continue to deplete natural resources, continue to use resource intensive processes to convert virgin materials into finished products, and continue to pay fees to dispose of increasing amounts of solid waste into landfills. Not to mention the cost associated with cradle to grave management of landfills once they close and the impact these closed landfills will have on future generations to come. We should make no mistake that without recycling or reuse of solid waste materials, landfills will continue to close as they reach capacity and will rapidly cease to exist because we will run out of available "Earth" to dump our garbage.

C1.10. The *Closing The Solid Waste Circle: Recycling Guide* is a dynamic living document, as will the follow-on guides for *Solid Waste* and *Affirmative Procurement*, which will grow and change as modern technology and alternative solutions become available to DoD. The *Closing The Solid Waste Circle: Recycling Guide* is a comprehensive guide for *RECYCLING* and clearly delineates the difference between "*RECYCLING*" and "*QUALIFIED RECYCLING PROGRAMS*" and the significant roles they play in an ISWM plan.

C1.11. MEASURES OF MERIT

Because of the monumental expense associated with solid waste disposal and recycling, the Combined Services Recycling Working Group has developed two new "Measures of Merit (MoM)," which, when applied, will measure the effectiveness and associated cost of recycling and solid waste disposal. These measures are viable tools designed to assist all levels of management, from the recycling or environmental manager to the Secretary of Defense. These measures will validate the effectiveness and associated costs of recycling programs, which are invaluable management tools. They also demonstrate the commitment of DoD to defending our environmental security as part of our national security.

C1.12. The new "Non-Hazardous Solid Waste Diversion Rate" Measure of Merit is:

"By the end of FY 2005, ensure the diversion rate for non-hazardous solid waste is greater than 40%."

C1.13. The new "Economic Benefits of Non-Hazardous Solid Waste Management" Measure of Merit is:

"Ensure that non-hazardous solid waste management programs provide an economic benefit when compared with disposal using landfilling and incineration alone."

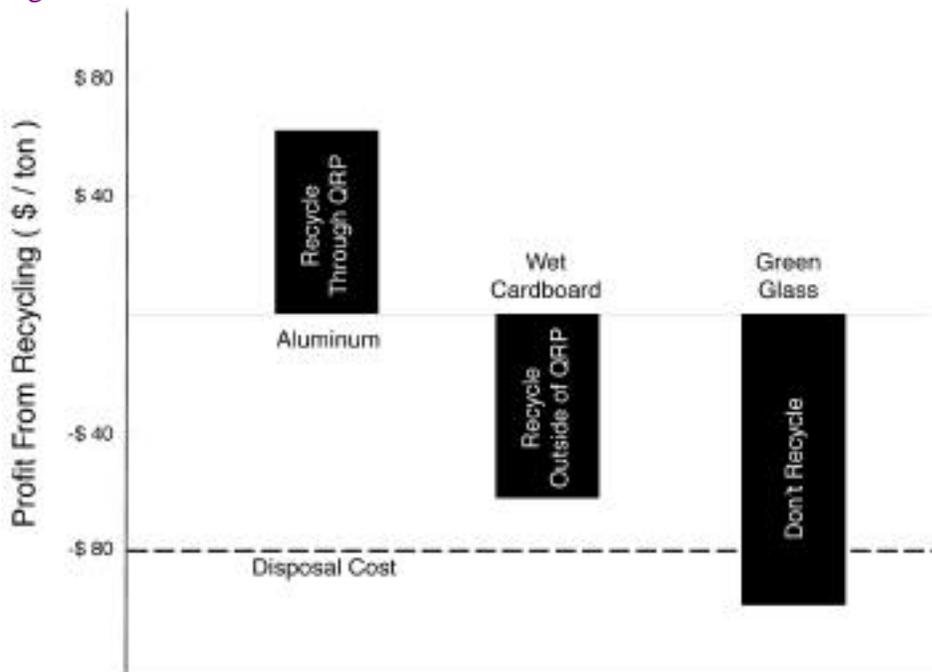
Note: Installations shall begin reporting the new MoMs for FY 1998. The new measures will be included in the next revision of DoDI 4715.4.

C1.14. Installations must follow some simple rules if they are to achieve success and take full advantage of these new measures. First, installations must now think and act like a business, and

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like any successful business, profitability is the single most important measurement of its worth. *However, because we are a federal entity, net sum zero gain is consider profitable and is clearly a noteworthy measurement of worth.* Second, in order to produce profitability, your business must look at alternatives for disposal of solid waste – landfilling, disposal through a Qualified Recycling Program, and disposal by recycling outside of a Qualified Recycling Program. In other words, you need a business plan! And lastly, you need to be competitive. This means installations must pay special attention to the “supply and demand” of their market, which in turn should drive the decision matrix on just how many QRPs should operate within your region to produce a higher return on investment (ROI). Does it make sense to have 2 or 3 small recycling operations competing against each other, or does it make better sense to have a regional QRP and share with your partners higher profits that result from having one well managed centralized program? Throughout this *Guide* you will find the necessary tools to help installations make the decisions necessary to set up and run a successful recycling business. The success of that business will clearly depend on its management and how senior leadership embraces this paradigm shift. Figure 1.1 below displays typical situations for each of the three disposal methods. By following this simple graph you will increase your diversion rate and at the same time increase your profitability. *Remember, Recycling is mandatory and costs associated with recycling outside the QRP are a function of Integrated Solid Waste Management. Recycling for profit is is a function of the QRP and as such, is a stand alone business that does not share in the cost of recycling outside the QRP.* This *Guide* is the framework of your success and the means to achieve these measures. Use it as your corner stone for building a better tomorrow and as a future for generations to come.

Figure 1.1

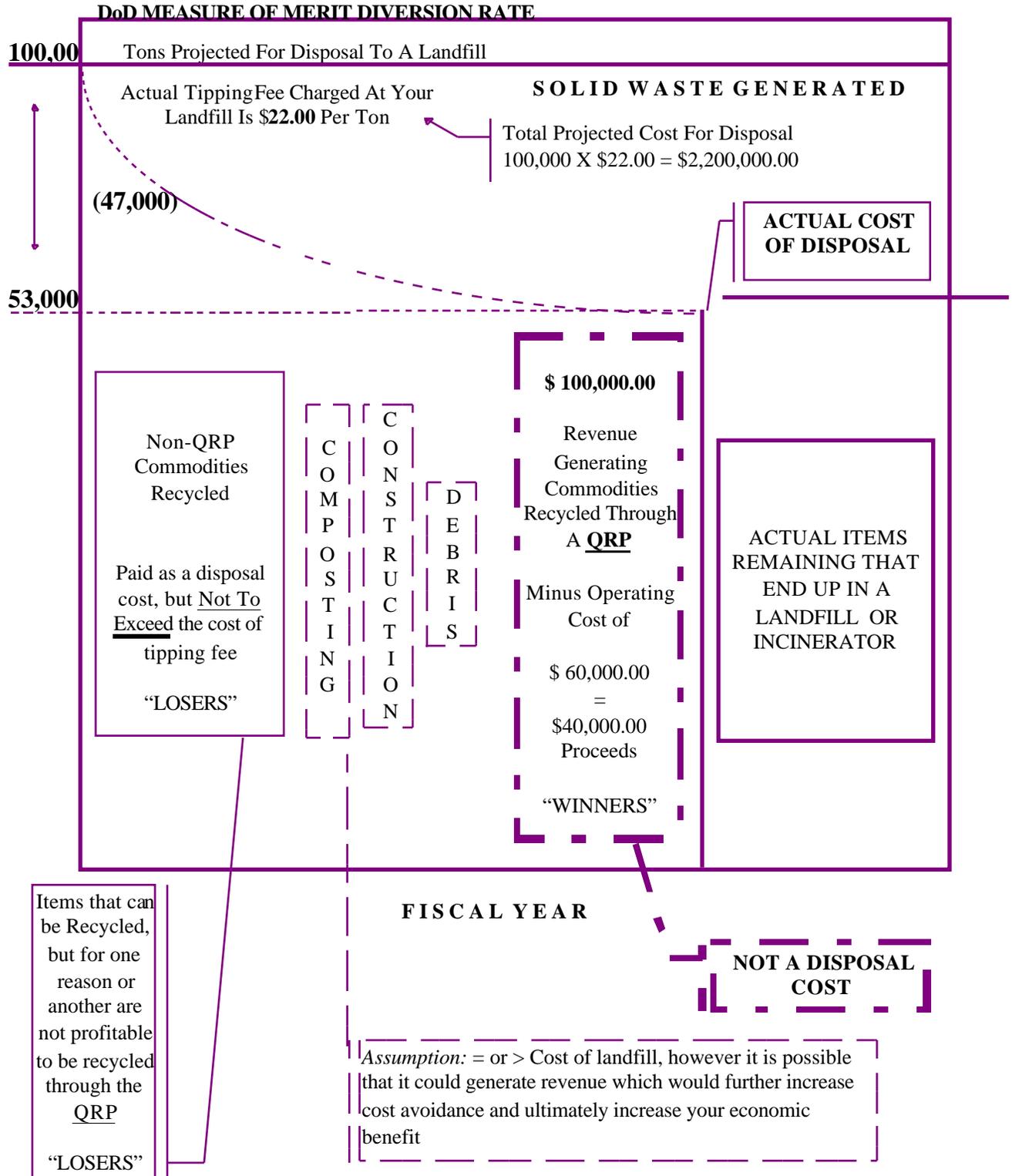


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C1.15. To help fully visualize this concept, the following chart, Table 1-1, is a representation of an ISWM plan and how to apply the DoD "Non-Hazardous Solid Waste Diversion Rate" and "Economic Benefits of Non-Hazardous Solid Waste Management." This is only an example, and in order to fully utilize this chart, you should first conduct an economic analysis of your solid waste stream and develop a business plan based on your specific market. **Note:** Recyclables are designated as ***“Profitable” or “Non-Profitable”*** based on their marketability, i.e., either they make money for your QRP, or they don't!

C1.16. It is also important to understand, due to contractual constraints, that once your solid waste contract has defined which materials will be disposed of under the contract, the QRP cannot recycle those materials for the length of the contract. It will be necessary to take an in-depth look at your market before making a final decision. Of course, the good news is, if your market should dramatically change mid-year, you are only bound by the length of your disposal contract before changes can be made to your plan. *Chapter Four of this Guide goes into greater detail of this process and defines how to run a successful QRP.*

Table 1-1 DoD MEASURE OF MERIT DIVERSION RATE



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DoD MEASURE OF MERIT DIVERSION RATE

Diversion Rate measured by weight as % of Total Generation:

$$\frac{100 \times R}{R + L}$$

R = amount (in tons) of solid waste recycled, composted, mulched, reduced or otherwise diverted from disposal facility

L = amount (in tons) of solid waste landfilled

Table 1-2 DoD MEASURE OF ECONOMIC BENEFIT

DoD MEASURE OF ECONOMIC BENEFIT

FISCAL YEAR

100,00 Tons Projected - 47,000 Tons = 53,000 Tons 47,000 Tons Diverted = **Diversion Rate = 47%**

53,000 Tons Disposed x \$ 22.00 = \$ 1,166,00.00 Actual Cost of Disposal = \$ 1,166,00.00

47,000 Tons Diverted x \$ 22.00 = \$ 1,034,000.00 Cost Avoidance = \$ 1,034,000.00

QRP Generated \$ 100,000.00 in Revenue - \$60,00.00 of Operational Cost = \$ 40,000.00 of Proceeds

Economic Benefit for an Integrated Waste Management Program in this Example is:

Cost Avoidance = \$ 1,034,000.00 + \$ 40,000.00 of QRP Proceeds = **Economic Benefit = \$ 1,074,000.00**

C1.17. WASTE MINIMIZATION AND RECYCLING

Various public laws and regulations have been enacted over the years aimed at source reduction and recycling (see Appendix 1). The Resource Conservation and Recovery Act (RCRA) (references (c) and (d)) and a number of Executive Orders have been issued with the same objective: focus Federal efforts regarding recycling and waste prevention. Waste minimization, pollution prevention, and recycling efforts of DoD incorporate significant aspects of ISWM plans. This *Guide* focuses on a particular area of significance: qualified recycling programs within the recycling arena; however, a discussion of other aspects of an ISWM plan follows.

C1.18. SOLID WASTE MANAGEMENT:

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C1.18.1. The DoD's comprehensive program of solid waste collection, disposal, material recovery, and recycling is based on two objectives:

- The preservation and protection of the environment, and
- The conservation of natural resources.

C1.18.2. These objectives will be achieved through:

- Judicious collecting and disposing of solid waste;
- Reducing the amount of material wastes; and
- Recovering and recycling materials from solid waste as an alternative to burial in landfills, incineration, or environment-menacing dispositions.

C1.19. Solid waste collection, disposal and resource recovery programs will be implemented in the most cost-effective manner and periodically reviewed to assure continuing cost-effective operations. Alternative methods of processing solid waste must be considered in the establishment of local programs and implemented singly or in combination, if beneficial.

C1.20. Installations will also integrate cost-effective waste reduction and recycling programs into their solid waste management program. Installations must ensure that receptacles, collection routes, collection schedules, and collection equipment meet 40 CFR Part 243, as well as DoD, Federal, State and local requirements. Each installation must have an ISWM plan that addresses:

- *An ISWM plan
- *Handling, storage and collection
- *Disposal
- *Recordkeeping and reporting
- *Pollution prevention

C1.21. POLLUTION PREVENTION:

The purpose of pollution prevention is to reduce or eliminate pollution problems rather than control them. The preventive approach attacks pollution at the source through conservation of resources, replacement of hazardous materials by less hazardous materials, waste reduction, and recycling.

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C1.22. DoD takes a leadership role in preventing pollution by reducing the use of hazardous materials and the release of pollutants into the environment. Preventing pollution requires a proactive and dynamic management approach because prevention achieves environmental standards through source reduction rather than “end-of-pipe” treatment. Pollution prevention is the preferred approach to integrating these practices into all activities, from redesigning weapon systems to improving the management of hazardous materials at installations. DoD relied on “end-of-pipe” solutions to its environmental problems to control and mitigate the effects of using environmentally harmful materials and procedures. Pollution prevention offers a better way.

C1.23. WHO SHOULD HAVE A QUALIFIED RECYCLING PROGRAM

In accordance with DoD Instruction 4715.4, each installation shall have a Qualified Recycling Program that shall serve all tenant organizations occupying space on the installation, including leased space. This *Guide* recommends that there be only one qualified recycling program per installation, but accepts that there may be unusual circumstances at an installation that makes it cost effective to establish more than one. Contracts covering government-owned, contractor-operated (GOCO) facilities will include provisions that obligate the contractor to participate with a DoD QRP, or establish their own recycling program.

C1.24. Most DoD waste results from disposal of surplus items that were originally purchased with appropriated funds. By law, the proceeds resulting from the sale of surplus material purchased with appropriated funds must be returned to the U.S. Treasury, unless a specific legislative exception applies. In 1982, in 10 USC 2577, Congress did provide an exception from the general rule regarding disposition of sales proceeds for DoD recyclable materials sold by a Qualified Recycling Program. Under 10 USC 2577, DoD Qualified Recycling Programs can keep the proceeds from the sale of recyclable materials to use for covering the cost of operating the program, with any balance remaining available for environmental, safety, and health activities, or for morale, welfare, and recreation activities.

C1.25. DoD established additional policies covering the operations of Qualified Recycling Programs, contained in DoDI 4715.4, covering such issues as items prohibited from being sold through a Qualified Recycling Program.

C1.26. DoD installations have the option of operating relatively simple recycling operations as long as they return sales proceeds to the U.S. Treasury. Installations wanting to take advantage of the opportunity provided in 10 USC 2577 must establish a Qualified Recycling Program, which must be operated in accordance with the law and DoD policy. The requirement that Qualified Recycling Programs must first cover their operating costs obligates such programs to operate like a business, keeping accurate records of all proceeds and costs. Operating like a business makes Qualified Recycling Programs more complex to manage.

C1.27. The complexity of managing a QRP, and ensuring that it complies with all laws and DoD policies, is the reason for the focus of this *Guide* – operating a recycling program as a business.

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In the past, some DoD installations have failed to operate their Qualified Recycling Programs in accordance with the law and DoD policies. Evidence of these failures is found in reviews performed by the General Accounting Office, the DoD Inspector General, and the Military Department Inspectors General. If DoD is to retain the privilege provided in 10 USC 2577 regarding the retention of sales proceeds, then we must operate our Qualified Recycling Programs in accordance with this *Guide*.

C1.28. CONSTRUCTION AND DEMOLITION DEBRIS AND “GREENWASTE”

Two items that represent a large portion of the solid waste disposal problem are construction and demolition debris, and greenwaste. Because of the large volume of these items at many DoD installations, disposing of these items in a landfill can be very expensive. Also, when these items represent a large portion of the solid waste stream at an installation, the installation will probably have great difficulty in meeting DoD’s recycling and solid waste goals unless an effort is made to find a way other than landfilling to dispose of these items. Finally, some state and local jurisdictions are beginning to establish regulations restricting the amount of solid waste that can be disposed in municipal landfills, with some of these regulations establishing fines for exceeding disposal limits, and prohibiting the disposal of some types of waste, such as construction and demolition debris. For these reasons, DoD installations may have to establish separate programs outside of their recycling programs, Qualified Recycling Program or other, to deal with these items.

C1.29. Construction and Demolition (C&D) debris represent over sixty-seven percent of the material in today’s landfills. Construction projects are turning to source separated recycling as a cost-effective method of handling waste. Recycled-content building products can be manufactured using recycled feedstocks from these wastes, offering a closed-loop recycling opportunity. These products are an efficient use of our energy, economic and environmental resources. They create needed markets for waste materials and simultaneously reduce the strain of enormous virgin resource consumption by the construction industry. Disposal options differ somewhat for each material considered, influencing the nature of recycling activity which might occur. It will be impossible to meet the DoD “Measures of Merit” without aggressive and innovative recycling alternatives of construction and demolition debris.

C1.30. DoDI 4715.4 requires that each installation will, as appropriate, operate a composting program or participate in a regional composting program. Composting programs will generally be operated outside of recycling programs, but will be an important part of ISWM plans. Although operated outside of recycling programs, diversion of greenwaste from landfills by means of composting will count toward meeting DoD’s solid waste and recycling goals. Each installation will, as appropriate, operate a composting program or participate in a regional composting program. At a minimum, the composting program will include yard waste.

C1.31. RECYLCING AND QUALIFIED RECYCLING PROGRAMS

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C1.31.1. The solid waste generated at a typical DoD installation will be a mixture of items of varying value. Some items will be of such low value that they cannot be cost effectively recycled. Even taking into account of landfill disposal costs that are avoided, and proceeds from the sale of the items, it is still not cost-effective to recycle them. Installations naturally should continue to dispose of such items in landfills.

C1.31.2. Other items in the solid waste stream will be of relatively high value. Scrap aluminum is a good example. For such items, the sales proceeds alone will cover all costs of recycling. Such items are the best candidates for recycling through a Qualified Recycling Program. A Qualified Recycling Program can sell these items, pay for the costs of recycling, and retain the balance for projects that will benefit their installation. Items suitable for recycling through a Qualified Recycling Program are characterized as follows:

- Sales proceeds from the item alone are enough to cover all the costs of recycling.

C1.31.3. In between those items that are clearly suitable for only the landfill, and those items suitable for recycling through a Qualified Recycling Program, are a third set of items. The third set is characterized as follows:

- They cannot be sold for an amount such that the sales proceeds alone are sufficient to cover the cost of recycling; and
- They can be recycled for less than the cost of disposing of them in a landfill.

Installations clearly want to recycle this third category of items, but may not want to recycle them through a Qualified Recycling Program. Installations do not want to recycle these through a Qualified Recycling Program because the sales proceeds are insufficient to cover the recycling costs. Remember, Qualified Recycling Programs must be operated like a business – income must be greater than costs, or the business goes broke.

C1.32. Why do installations want to recycle these items? First, recycling these items helps installations meet the recycling and solid waste goals set by DoD, and ensure that installations meet their obligation to operate in an environmentally sound manner. But more important, installations can save money by recycling these items outside of a Qualified Recycling Program. They can avoid all or part of the cost of landfilling these items, even though they will not generate revenue for their Qualified Recycling Program.. By recycling these items, installations will be able to reduce their overall solid waste disposal costs.

C1.33. For example, in some areas the proceeds from the sale of newspaper by themselves may not cover the cost of recycling. Thus, installations in these areas should not recycle newspapers through their Qualified Recycling Program. However, there may be recycling brokers or pulp plants willing to pick up newspaper for less than the cost of disposing of the newspaper in a landfill, thus making it beneficial for installations to recycle newspaper outside of the Qualified Recycling Program. Installations can use appropriated funds to pay for recycling performed

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outside of the Qualified Recycling Program. These funds will usually come from the installation's solid waste disposal budget. In making the decision to recycle an item outside of the Qualified Recycling Program, installations must ensure that cost of disposal through recycling is less than cost of disposal through landfilling. The proceeds from the sale of items recycled outside of a Qualified Recycling Program **cannot** be used to offset processing and handling costs caused by recycling these items. Sales proceeds from these items must be returned to the U.S. Treasury. (See the explanation in Paragraph C1.26. regarding why only sales proceeds from items recycled through a Qualified Recycling Program can be retained, and why proceeds from the sale of items recycled outside of a Qualified Recycling Program must be returned to the U.S. Treasury.)

C1.34. AFFIRMATIVE PROCUREMENT:

C1.34.1. What is "Affirmative Procurement (AP)?" The purchase of products made from recycled products. Under Section 6002 of the RCRA (reference (d)), EPA issued a list of designated items in a Comprehensive Procurement Guideline (CPG) to assist government agencies in buying recycled products (Appendix 2). The list of designated items contains thirty-two (32) items and will be updated annually by EPA. It is DoD policy that 100% of purchases of designated AP products meet or exceed those EPA guideline standards (reference (e)).

C1.34.2. The DoD Affirmative Procurement Program is an environmental preference program essential to the conservation of resources and improvement in the national environment. The purpose of the Affirmative Procurement Program is to conserve resources, and to urge the private sector to produce environmentally preferable and recycled quality products and services. According to E.O. 12873, DoD must promote new technologies and improve Federal efforts to procure products listed in Appendix 2.

C1.34.3. Installations will implement affirmative procurement programs for materials with recycled content according to RCRA, §6002 and E.O. 12873. Acquisition of recycled materials will be based on the EPA's procurement guidelines for purchasing recovered materials. Each installation will review and revise specifications for the designated items to allow procurement of products containing recovered materials. All affirmative procurement programs must have four elements:

- *a preference program.
- *a promotion plan.
- *procedures for obtaining and verifying estimates and certifications of the content of recovered materials.
- *annual review and monitoring.

C1.35. This *Guide*, which supersedes previously issued individual service and DoD QRP guidance, will help to promote the development of both similar recycling and waste reduction programs throughout the DoD Components and other governmental partners, and the initiation

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for more innovative, efficient and cost-effective programs. Of course, you should consult with your Office of General Counsel and chain of command to discuss the specifics of your waste minimization and recycling programs, proposals, or questions.

C1.36. The Combined Services Recycling Working Group was established by the Department of Defense Pollution Prevention Committee to coordinate and publish this *Guide*. The Executive Agent and Chair of this working group is the Chief of Naval Operations (N45), 2211 South Clark Place, Suite 680, Crystal Plaza Five, Arlington, VA, 22244. The Combined Services Recycling Working Group expanded on the policies outlined in DoD Instruction 4715.4. Conflicts or clarifications will be resolved by directing correspondence through your Military Service's chain of command to the Chairman of the DoD Pollution Prevention Committee (DUSD(ES)), 3400 Defense Pentagon, Washington, DC 20301-3400.

C1.37. *Closing the Circle*

If we are truly committed to improving recycling programs within the DoD and becoming better stewards of our environment, it will be necessary for Commanding Officers, Environmental Officers, Facilities Officers, Procurement Officers, Supply Managers, Recycling / Solid Waste Managers, and policymakers to embrace a business approach in order to have effective ISWM. We can no longer afford to be passive in our waste management and minimization programs within DoD. We must be aggressive in search of solutions, remove boundaries that have traditionally thwarted creativeness and innovation, and be committed to setting standards. The intent of this *Guide* and the spirit of our Environmental Security is to remove boundaries, establish goals that are achievable and to invoke an attitude of Excellence in *Closing the Circle*.

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C2. CHAPTER 2

GENERAL INFORMATION

C2.1. PURPOSE

This *Guide* is produced to assist the pollution prevention efforts of the DoD Components through affirmative procurement, the use of efficient and cost-effective recycling programs, and waste reduction practices. While waste minimization and recycling efforts are inherently site-specific, a number of generic approaches and techniques have proven to be especially worthwhile to implement. This *Guide* summarizes these approaches and techniques in order to aid in the development or enhancement of your local recycling and waste reduction initiatives. The steps to set-up and run a QRP include the following:

- C2.1.1. Getting started.
- C2.1.2. Determining what to recycle.
- C2.1.3. Determining how to sell (direct sales).
- C2.1.4. Responsibilities and recordkeeping.
- C2.1.5. Answers to frequently asked questions.

C2.2. APPLICABILITY

This *Guide* applies to the Office of the Secretary of Defense (OSD), the Military Services, the Chairman of the Joint Chiefs of Staff, the Defense Agencies, and the DoD Field Activities (“the DoD Components”). The term “Military Services,” as used herein, refers to the Army, the Navy, the Air Force, the Marine Corps. This *Guide* applies to the Coast Guard for informational purposes only.

C2.3. DEFINITIONS

- C2.3.1. Terms used in this *Guide* are defined in Appendix 3.
- C2.3.2. Considerable effort has been made to use terms in this *Guide* that are generally accepted by the DoD Components; however, certain terms may cause some confusion to the reader because of unique “language” differences within each DoD Component. For the purpose of this *Guide*, these terms have been defined in Appendix 3 and must be reviewed to fully understand their context. For example, the term “landfill” is generically used to cover disposal

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methods which include: landfills, incinerators, ocean dumping or any other disposal method that is used after reuse or recycling is found to be too costly.

C2.4. POLICY

As referenced in DoDI 4715.4, it is DoD policy to ensure that DoD Components in the United States comply with applicable Federal, State, interstate, regional, and local environmental laws, regulations and standards, and with relevant Executive Orders. Through a management approach, DoD Components will emphasize pollution prevention in all phases of acquisition, operations, maintenance, support and ultimate disposal of equipment and materials over the system life-cycle. DoD Components must promote pollution prevention through public and private partnerships, and develop, demonstrate, and implement innovative pollution prevention technologies and business practices.

C2.5. RESPONSIBILITIES

C2.5.1. Department of Defense

The DoD establishes policy and guidance for the disposal of defense surplus materials. The DoD must comply with all legislative and Executive Orders concerning solid waste reduction and recycling. The DoD Instruction 4715.4 directs heads of DoD Components to establish recycling programs and procedures that authorize installation commanders to directly sell recyclables and “Other Qualified Recycling Program Materials.” The DoD Instruction 4715.4 also authorizes installation commanders to consign recyclables and other QRP materials to the Defense Reutilization and Marketing Office (DRMO) for sale.

C2.5.2. Military Services and Defense Agencies

The Military Services and Defense Agencies and their organizations implement DoD integrated solid waste management policy.

C2.5.3. Installation Commanders

Installation commanders have overall responsibility to set-up and run a QRP. The installation commander shall:

C2.5.3.1. Establish a cost-effective recycling business plan.

C2.5.3.2. Make QRPs available to all tenant organizations and tenant contractors.

C2.5.3.3. Structure the program for a variety of recyclables with emphasis on total waste stream reduction.

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C2.5.3.4. Ensure QRPs comply with all applicable public laws, Executive Orders, DoD and respective Military Service policies and regulations (see references (a) thru (k), and Appendix 1), as well as State and local requirements.

C2.5.3.5. Encourage and support the expansion of existing recycling programs to take on new commodities.

C2.5.3.6. Encourage new and innovative methods of recycling both existing and new recyclables.

C2.5.3.7. Establish management controls to correct program weaknesses and comply with major commands/major claimants oversight.

C2.5.3.8. Establish an annual incentives/awards program for enhancements to recycling programs.

C2.5.3.9. Encourage participation in partnership programs with other services, other DoD activities, Federal agencies, municipalities, and community organizations.

C2.5.3.10. Encourage regionalization plans to improve cost-effective recycling programs.

C2.5.3.11. Secure investigative support from cognizant defense criminal investigative organizations to pursue allegations of fraud or corruption.

C2.5.3.12. Ensure the appointment and training of a QRP Manager.

C2.5.4. QRP Manager

The QRP Manager must:

C2.5.4.1. Manage the QRP and budget oversight through General Counsel coordination.

C2.5.4.2. Properly screen “Other Qualified Recyclable Program Materials” through an informal process or coordinate with the local DRMO prior to sale.

C2.5.4.3. Designate a trained individual to conduct local sales (term and spot sales, see Appendices 7 and 8) and award contracts.

C2.5.4.4. Report all matters relating to fraud or criminal conduct to the installation commander or call audit, internal review, or criminal investigative personnel.

C2.5.4.5. Require the designated contracting sales officer to sign all documents requiring signature for the Government.

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C2.5.4.6. Perform contract administrative actions.

C2.5.5. Tenant Activities and Contractors Residing on DoD Property

C2.5.5.1. In accordance with E.O. 12873, tenant activities and contractors residing on DoD properties shall participate in the installation's QRP unless permitted to conduct their own QRP. The option of conducting a QRP outside of the installation's must be feasible.

C2.5.5.2. Activities conducting their own QRP shall provide solid waste management data to the installation for summary reporting.

C2.5.6. Defense Logistics Agency (DLA)

DLA shall establish policy for the DRMO to dispose of DoD surplus property.

C2.5.7. Defense Reutilization and Marketing Service (DRMS)

The DRMS shall exercise operational supervision of DRMO.

C2.5.8. Defense Reutilization and Marketing Office (DRMO)

DRMO shall:

C2.5.8.1. Accept qualified recyclable materials from the QRP.

C2.5.8.2. Accept materials excluded from QRPs for recycling or other disposal, and deposit the recycling proceeds, if any, to the Treasury.

C2.5.8.3. Maintain and control the consolidated DoD bidders list and serve as the DoD focal point for inquiries pertaining to the sale of recyclable property. Make the DoD bidders list available to activities conducting direct sales of recyclables.

C2.5.8.4. Dispose of hazardous property as delegated by DLA.

C2.5.8.5. Inspect and classify government property; verify identity and quantity; determine disposal condition code; and process for disposal. DRMOs make the final determinations on disposition of property if processed through DRMO.

C2.5.8.6. Assist QRP Managers by:

C2.5.8.6.1. Explaining turn-in procedures and training generating activities in recycling scrap segregation practices consistent with this *Guide*.

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C2.5.8.6.2. Performing informal screening as requested.

C2.5.9. Defense Finance and Accounting Service (DFAS)

The DFAS shall:

C2.5.9.1. Process financial documents/vouchers forwarded from the DRMO or DoD Components.

C2.5.9.2. Deposit proceeds into the installation QRP account as directed by law.

C2.5.9.3. Track DD Form 1348-1, DTID, see Appendix 9.

C2.5.9.4. Ensure timely and accurate financial recording of recyclables.

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C3. CHAPTER 3

ORGANIZING YOUR QRP

C3.1. DoD Instruction 4715.4 requires all installations to have or participate in active recycling programs. Recycling generally refers to the recovery and reuse of materials that otherwise would have been disposed of as trash. Effective recycling programs integrate two aspects of recycling by (a) preventing reusable trash from going to landfills; and (b) making it available for reuse.

C3.2. A recycling program that meets the requirements of this Chapter, and pursuant to 10 U.S.C. §2577, “Disposal of Recyclable Materials,” is a “Qualified Recycling Program (QRP)”. A QRP is a program organized to recover revenue-generating recyclable materials from waste streams, and to identify, segregate, and maintain or enhance marketability of the recyclable materials. DoD installations with established QRPs may keep the net proceeds from the sale of recyclables as outlined in this *Guide*.

C3.3. GENERAL

This Chapter will help you start your QRP or refine your existing program. If you already have a QRP, you should review this *Guide* carefully to make sure you comply with all applicable rules and regulations. If you do not have a QRP, this *Guide* will make it easier for you to establish an efficient and cost-effective QRP.

C3.4. GETTING STARTED

C3.4.1. Appoint a Program Leader

Designate a Program Leader to start your QRP. A good QRP requires a leader who has accountability, and has the authority and responsibility for its success. Ideally, this Program Leader is an advocate who will follow the QRP’s development from start-up to successful operation. The Program Leader could be anyone from a civilian employee to the installation commander.

C3.4.2. Organize a QRP Committee

C3.4.2.1. Your Program Leader must organize a QRP Committee. A QRP Committee may be a subcommittee of an Installation Recycling Committee, or serve as the recycling committee, depending on the local situation. Committee members establish program objectives designed to maximize recycling of materials and minimizing solid waste disposal. The QRP Committee oversees the operation of the QRP, serving as a “Board of Directors,” and advises the installation commander on program decisions, and residual fund disbursements. The Committee includes the QRP Manager and should be composed of representatives from a variety of installation

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organizations, to include tenants. As a minimum, recommend representatives from the following organizations: Contracting, Base Civil Engineer, Environmental Management, Legal, Public Affairs, Supply, the Public Works Officer (PWO), DFAS (appropriated funds (APF) & non-appropriated funds (NAF)), Morale, Welfare and Recreation (MWR), DRMO, fire and safety departments, and transportation.

C3.4.2.2. The initial tasks facing the QRP Committee are to create a business plan and obtain a waste stream assessment, to identify available resources and potential markets, to identify facility, equipment, and vehicle requirements, and to promote the QRP. On the basis of this data, the QRP Committee will develop a program startup strategy and obtain organizational support for the identified initiatives.

C3.4.3. When developing a business plan, base the plan on your P2 Plan and economic analysis.

C3.4.3.1. Review your P2 Plan to incorporate management strategies for reducing the use of hazardous materials and releases of pollutants into the environment, reducing waste streams, reusing generated waste, and recycling waste not reusable.

C3.4.3.2. Another essential tool is an economic analysis of the waste stream, handling methods, and material markets. This analysis allows the Committee to make intelligent choices in program startup and employment of resources. You will need an economic analysis to determine the processing costs and revenue associated with each recyclable material identified in the Waste Stream Assessment. A sample economic analysis is found in Appendix 4.

C3.4.4. Review Waste Stream Assessment to identify recyclable materials. This assessment designates recyclables as the “Winners” [self-supporting, profitable, not requiring supplemental funding, pay for themselves, no net loss, break even or better] or the “Losers” [non-self supporting, non-profitable, requiring supplemental funding, do not pay for themselves, do not break even].

C3.4.4.1. DoD Instruction 4715.4 provides whether a specific item can be recycled by a QRP. Use Table 3-1 and 3-2 as guides:

Table 3-1.

<p>Materials that “CAN” and “CANNOT” be Recycled by a <u>Qualified Recycling Program</u></p> <p>If any of the materials must go through special processing prior to disposal, materials may be recycled.</p> <p>Must meet the test of "Would it have gone to a Landfill?"</p> <p>Materials that meet this test can be sold directly by a QRP or may be recycled by DRMO and/or a combination of both. If a QRP elects to use DRMO as their “Direct Sales” agent,</p>
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DRMO must be reimbursed by the QRP for the cost of sales and handling of those recyclable materials.	
YES	NO
<p>Industrial scrap metal from non-DBOF activities</p> <p>Industrial scrap metal from DBOF activities if activity determines it is too costly to recycle.</p> <p>Expended small arm firing range brass and gleanings made unusable for military firing, i.e., which have been crushed, shredded, annealed or otherwise destroyed prior to recycling. Certified inert range bombs - ONLY THROUGH PROPER PROCEDURES</p> <p>Storage containers (metal, glass & plastic)</p> <p>Office paper (High quality, bond, computer, mixed, telephone books and Federal Registers)</p> <p>Newspaper</p> <p>Cardboard / Pressboard</p> <p>Glass and Plastics (non-beverage containers)</p> <p>Scrap wood and unusable pallets</p>	<p>Precious metal-bearing scrap</p> <p>Scrap metal generated from DBOF activity that is routinely used to offset overhead and customer costs.</p> <p>Items that must be demilitarized at any time during its life cycle, or can be used for their originally intended purpose, i.e., can be used for military firing</p> <p>Hazardous Material/Waste</p> <p>Commissary store wastes (food, scraps, cardboard) and Exchange store wastes (cardboard), unless the Commissary/Exchange chooses to use the QRP</p> <p>Materials that can be reused for their original purpose without special processing</p> <p>Repairable items, i.e., used vehicles, vehicle or machine parts</p> <p>Electrical components except as defined in "Other Qualified Recycling Program Materials"</p>
<p>Rags/Textile wastes which have not been contaminated with hazardous material or hazardous waste</p> <p>Used oil (unless prohibited by State law)</p> <p>Lead acid batteries (unless prohibited by State law)</p> <p>Automotive and light truck-type tires</p>	<p>Unopened containers of oil, paints, or solvents</p> <p>Fuels (uncontaminated and contaminated)</p> <p>Ships, planes, or weapons that must undergo demilitarization or mutilation prior to sale</p> <p>Munitions List Items or Strategic List Items that must undergo demilitarization</p>

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Food wastes from dining facilities	Printed Circuit Boards containing hazardous materials
Computers, printed circuit boards, and electronic office equipment that cannot be repaired, donated, or are of no market value (see Definitions, “Other Qualified Recycling Program Material”)	
Office-type furniture that is broken or too costly to repair	

C3.4.4.2. **PRECIOUS METALS:** Metals considered “Precious” under the DoD Precious Metals Recovery Program:

Items containing any of these elements must be turned over to your servicing DRMO. Precious metal found in:

Gold (Au)	Circuit boards in computers/weapon systems
Silver (Ag)	Dental x-ray machines, submarine batteries
Platinum (Pt)	Radium (Ra)
Palladium (Pd)	Iridium (Ir)
Osmium (Os)	Ruthenium (Ru)

C3.4.4.3. **HAZARDOUS MATERIALS/WASTE:** Hazardous materials are exempt from QRP operations. The prospect of hazardous materials, identified as DoD-owned, being misused is too great a liability for a QRP to assume. Therefore, **ALL HAZARDOUS MATERIALS MUST BE TURNED INTO DRMO.**

Table 3-2.

<p>“Other” Qualified Recycling Program Materials:</p> <p>Materials that fit neither the definition of recyclable materials nor the definition of excluded materials are classified as “Other qualified recycling program materials.” These are defined as materials that are in such poor condition and low value that:</p> <ol style="list-style-type: none">1. They probably are not reusable.2. They probably could not be donated.3. They would be too costly to process through the formal DRMO disposal process. <p>Such items must undergo local “screening” as defined in Appendix 3. If reuse opportunities do not exist as a result of this local screening, these items may be recycled by the QRP.</p>
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Suggestions for adding items to this list can be forwarded through DoD Component channels to the DoD Pollution Prevention Committee.

Note: In accordance with DoD 4160.21-M, the DRMO manual, materials turned in as recyclable materials may be upgraded by the DRMO for the reutilization, transfer, and donation program, if they are reusable. If this occurs, QRP records must be adjusted to reflect the “loss” of these materials. Any costs associated with their handling will not be charged to or recouped from the QRP.

C3.4.4.4. Gleaning of Range Munitions Residue

The gleaning of range residue, as defined by the DoD Instruction 4715.4, was authorized to aid qualified recycling programs by increasing revenues through direct sales of high quality expended brass, and to stimulate more aggressive management of range cleanup. According to the DoD, it was never the intention, nor is it now, a “license” to sell anything other than expended casings that cannot be reused for their originally intended purpose. The only authorized agency permitted to sell casings for the purpose of reuse is the Defense Logistics Agency (DLA). QRPs are prohibited from engaging in any activities that are contradictory to this policy. Additionally, QRPs are directed to establish local policy to ensure the safety and welfare of recycling personnel in the handling of gleaned range brass. Only qualified and certified ordnance disposal personnel shall be permitted to crush, shred, anneal or otherwise render expended casings for the purpose of direct sales by a QRP. This shall include casings that have been gleaned from land, air, or sea firing ranges, and shall include casings that are recovered internally from aircraft.

Agencies that are engage in dismantling munitions as a business are strictly prohibited from selling expended brass through a QRP. Refer to Chapter 7.

C3.4.4.4.1. Regulations on demilling an item before recycling:

See DoD Manual 4160.21-M (Oct 91) [Chg-1 14 FEB 95]. Revision #2 due in mid-1997. Current DoD policy prohibits demilitarization with the exception noted in the next paragraph. These items normally must be turned into DRMO for demilitarization. However, partnering with DRMO makes good sense, if for example, items such as drums demilitarization consists of simply removing a serial number or label.

C3.4.4.4.2. Selling demilitarized items through the QRP:

Expended small arm firing range metal casings, gleaned from firing range clean-up, including shallow ocean depth, that have been spent, and are not eligible for reloading for reuse by the Government. These items must be shredded, crushed, or otherwise destroyed prior to public sale.

C3.4.4.4.3. OCONUS Policy for Expended Firing Range Brass - The Exception:

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OCONUS QRPs CAN recycle expended firing range brass through DRMO. However, due to strict requirements under the Arms Exprt Control Act as implemented by 22 CFR Parts 120-130, the Traffic In Arms Regulations (ITAR), the recycling efforts of expended firing range brass must be conducted by DRMO for overseas QRPs. If an overseas activity wants to receive reimbursement for expended firing range brass, the brass must first be “demilitarized,” or made unusable for its intended purpose, and then turn it into DRMO along with a properly certified demilitarization certificate. OCONUS QRPs are required to demilitarize firing range brass, where CONUS QRPs must follow through on the required steps to shred, mutilate, anneal, and thus render the brass unusable for its originally intended purpose. The DRMO will sell the expended firing range brass and apply all sales and end-use controls. At this time, 100% of the proceeds are returned to the OCONUS QRP, however, in FY98, DRMO will be retaining approximately 25% of the proceeds for the cost of recycling expended firing range brass.

C3.4.4.4.4. Recycling ammo cans, ammo boxes, and powder tubes:

The QRP can recycle these items as long as they are not listed on a demilitarization list.

C3.4.4.4.5. Selling weapon system scrap through a QRP:

All Military Listed Items and Strategic List Items are restricted from sales. All weaponry must be rendered useless for military purposes and turned into DRMO.

C3.4.4.5. Recyclables from commissary or base/post exchanges for the QRP

Commissaries, Base/Post Exchanges, and DBOF (working capital funds, industrial, commercial, and support activities) operate under special funding categories. They have the option of contributing to the QRP but are not required. Remember, once again, the data on the amount of materials recycled separately by these organizations must be turned in to the installation for SWAR-base accounting and meeting the Measures of Merit for landfill diversion.

C3.4.5. Establish Generation Rates

C3.4.5.1. Recyclables are grouped into major categories such as paper, plastic, metal, glass, and wood. Each may have subcategories. A Waste Stream Assessment determines how much of each disposable material is generated at your installation. Solid waste is either measured by weight (tons) or by volume (cubic yards). The preferred measure is by weight (tons). A conversion table is found in Appendix 5.

C3.4.5.2. The following Table is a sample of a Waste Stream Assessment that can be used to estimate the generation rates, recoverable amounts, sellable amounts, quantities for other disposal, and the final amounts that would end up in a landfill.

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Table 3-3. SAMPLE WASTE STREAM ASSESSMENT

ITEM	Total Amount Generated (Tonnage)	Amount Recoverable	Amount Sellable as Recyclable	Other Disposal Amount (Reusable, burnable, composted, recycled by others)	Landfill Amount
<u>PAPER</u>					
Newspaper	11.93	8.00	5.00	1.00	5.93
Corrugated	14.74		10	1	4
Mixed Paper	28.74				
Total Paper	55.41				
<u>METALS</u>					
Ferrous	3.69				
Aluminum	1.32				
Brass	5.10				
Other	1.43				
Total Metals	6.95				
<u>GLASS</u>	6.28				
<u>FOOD WASTE</u>	0.85				
<u>WOOD</u>	2.23				
<u>YARD WASTE</u>	7.52				
<u>PLASTIC</u>					
PET	1.20				
HDPE	1.30				
Mixed	3.02				
Polystyrene	0.95				
Other	2.43				

C3.4.5.3. Your base civil engineer (BCE) or solid waste manager can give you the numbers you need for “Total Amount Generated,” as well as the “Landfill Amount” for the previous year. Another source of data would be previous solid waste studies. The “Amount Recoverable” usually depends on your current or intended recycling structure. Make your estimates from the best possible solution: maximize recycling. You can always make adjustments later.

C3.4.5.3.1. Curbside recycling generates more recyclables than drop-off centers, but may be more costly. Small, desk-side boxes, for office paper (with a larger box for consolidation in the

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office) generates more white paper for recycling than a single large box at the end of the hall. A dumpster reserved for cardboard in a convenient location outside a loading dock will generate more cardboard than a single dumpster for all recyclable materials.

C3.4.5.4. The “Amount Sellable as Recyclable” is generally based on existing markets for the materials. The paper from magazines is recyclable. However, you may be in one of the many areas where the market for magazines is so small you need to pay to have someone collect them. If this is the case, magazines should not be in this column, but placed in the “Other Disposal” or “Landfill” columns.

C3.4.5.5. “Other Disposal Amount” simply means any method of disposal other than “Sellable as Recyclable” that does not end in a landfill disposal (e.g., reusable, burnable, composting, recyclable materials not sellable).

C3.4.5.6. The last column is “Landfill Amount.” It covers all trash that is disposed of in any landfill, whether on or offbase, or at sea when and where permitted by law. The BCE or solid waste manager for the installation should have the data for this column.

C3.4.6. Determine Markets

C3.4.6.1. Your decision of what materials your QRP should recycle is based on whether or not there is a market for those materials, the “Winners.” This may include local, regional, national, or even international buyers. The more markets you identify, the greater the chance that the QRP will be a success. Those in the trade usually refer to the recycling market as the “post-consumer materials market.” You should weigh the pro’s and con’s of chasing the highest spot market price against fostering long term relationships, if not formal contracts, with reliable, established buyers.

C3.4.6.2. You can find lists of buyers in trade publications, your local DRMO, or in many industry manuals. Sometimes the best source of buyers are your neighboring military installations who may be selling the same materials you have to offer.

C3.4.6.3. There are three general types of buyers of recyclable materials. The first and most common is the broker. A broker purchases particular materials and sells them to processors/mills and/or end users. Brokers tend to accumulate the material, and then sell it to the mills and end users with a guarantee that the material meets certain specifications. Many mills and end users prefer buying their materials through brokers because of the guarantee of quantity and quality they need. Brokers can be a good option, even if they pay less than mills and end users. They often stockpile materials, waiting for market rates to go higher. Even in a down market, they may be willing to purchase your recyclables and hold them for later resale. The advantage to you is not having to store the material until the market rates increase. You can choose to sell the materials rather than giving them away or paying someone to take them.

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C3.4.6.4. Processors and mills smelt or convert the raw recyclable material into something (bars, ingots, pellets, fibers) that a manufacturer can use to produce a new product. Many of them buy directly from installation recycling programs, but there are fewer processors and mills than brokers. You may have a local mill for newsprint, but not one for metals, in your area or within reasonable transporting distance.

C3.4.6.5. End users are the manufacturers that use the converted material. Some end users also have mills, such as a newsprint plant that buys newspapers, de-inks them, and reuses the fibers to make blank newsprint to sell to newspaper printing companies. Contact end users to determine if they purchase recyclable materials. If they don't, they should give you a list of places where they obtain the materials they do use. This list may provide processors or mills that may be interested in purchasing your recyclables.

C3.4.6.6. Remember, the ability to sell recyclable materials improves with higher quantities, higher quality, and closeness of buyers. Buyers are most interested in a steady supply of material they can use immediately. A truckload of fresh, dry newsprint without coated inserts is usually sellable. Small quantities, wet, or contaminated newsprint may not be sellable. Contaminated newsprint may even have negative value, meaning the installation would have to pay to have it recycled. The prospective buyer's exact requirements (bundling, weight, acceptable contamination levels) need to be determined for each type of recyclable material you have identified as sellable.

C3.4.7. Select QRP Recyclables

C3.4.7.1. After you have determined the quantity and marketability of recyclable materials you generate, you can estimate your earnings from sales. This analysis of the economics and other factors helps you determine the size and scope of your recycling program. Size and scope is based almost exclusively on the number of items and quantity of material being recycled.

C3.4.7.2. The QRP should first collect most recyclable materials where the return is positive (a sales price higher than the cost of processing the material). Next, handling "break-even" materials is fine as long as the QRP is not harmed financially. Occasionally, a recycling center may handle "giveaway" material, such as magazines, if the processing cost is minimal. The same dealer who buys your white paper or newsprint may take magazines on a no-cost/no-payment basis. Materials not sellable by the QRP must be handled by the installation under "Other Disposal Amount" or consider landfill options.

C3.4.8. Selecting Options for Selling QRP Recyclables

C3.4.8.1. While the installation is ultimately responsible for managing the QRP, this does not mean the installation must operate the program. Like other services or utilities managed by the installation, recycling may be performed through in-house resources, agreements with other government entities, or contracts with the private sector. The program may be integrated into a

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solid waste collection process; operated separately by appropriated or non-appropriated entities; or operated in full or in part by a private firm.

C3.4.8.2. The best option for operating your QRP should be determined the same way you would conduct an A-76, a commercial activities study. Policy on how to evaluate the outsourcing of commercial activities is stated in DoD Directive 4100.15, “Commercial Activities Program,” March 10, 1989, and in the 1996 Supplemental Handbook. Specific requirements regarding these evaluations varies according to the size of the program and whether employees are paid using appropriated or non-appropriated funds. Compare the cost of outsourcing with the cost of in-house performance to determine which provides the best value for the Government. Consider price and other factors, such as quality and performance. You should maintain documentation showing the basis for the program option selected. It is also good business practice to re-assess the program structure as market conditions and organizational costs change.

C3.4.8.3. Determine which materials you will process through DRMO and which the QRP will sell. You should re-evaluate whenever there is a change in the factors which influenced the determination initially. If DRMO sells the items, per DoD Directive 4160.21-M, DRMO is obligated by the U.S. Government to attempt to get the best value possible for each item they receive as surplus or scrap property. The DRMO disposal hierarchy, from most desirable to least, is as follows: (1) reuse or transfer, (2) donate, (3) recycle, (4) direct sales, and (5) disposal.

C3.4.8.4. Under these constraints, DRMO will determine marketability of certain materials as required. It is in the interests of the QRP team to work closely with DRMO to determine qualification and marketability of materials turned in by the installation for recycling. Guidelines on how to conduct a recycling feasibility study to determine if materials qualify are found in Appendix 6.

C3.4.9. Identify Equipment

C3.4.9.1. Equipment can be one of the most costly components of your recycling program. Most equipment is rather simple in nature, and with moderate upkeep, will last a long time. You should carefully determine what equipment your QRP actually needs. In some cases, the proceeds received for recyclable materials isn’t worth the investment in equipment to process the materials. Equipment found in the largest recycling centers, includes:

C3.4.9.1.1. Balers. Various types exist for different materials. Materials such as newspapers, cardboard, and plastics are often baled to maximize the amount that can be hauled in a single load (compressed and bundled material is easier to stack, and takes up less room). If you can only have one piece of equipment, get a baler. It will pay for itself by reducing storage space and transportation costs.

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C3.4.9.1.2. Can Densifiers (Crushers). As the name implies, these are used to crush both aluminum and steel cans to reduce their volume, making storage and transport more economical.

C3.4.9.1.3. Glass Crushers. Like Can Crushers, these machines crush glass into small pieces (cullet).

C3.4.9.1.4. Magnetic Separators. These are big electromagnets that are passed over or through a pile of mixed metal. Ferrous (magnetic) material will stick to it, and non-magnetic metals will not. Ferrous and non-ferrous metals can have different markets. Therefore, if you process large quantities of metals, you can receive higher prices overall if the metals are separated.

C3.4.9.1.5. Wood Grinders/Chippers. These machines (also referred to as tub grinders) shred large pieces of wood, such as branches, wood left over from construction or deconstruction, and wooden pallets, into various sizes of chips that can be used for mulch and packing material.

C3.4.9.1.6. Scales. Industrial strength scales can be used to measure the weight of your recyclables. Larger units can weigh trucks, before and after a load, to compute actual weight of recyclable materials.

C3.4.9.1.7. Forklift. Used to lift, move, and load bales and pallets of recyclable materials.

C3.4.10. Equipment Funds

C3.4.10.1. Procure equipment for your QRP through the appropriations normally available for equipment acquisition. Pollution prevention funds, and operation and maintenance funds may be available for purchasing recycling equipment for the QRP. Construction of holding bins and sorting platforms or other recycling facility improvements can be paid with recycling money. Acquisition of new or replacement equipment related only to recycling of solid and other waste can be financed with net proceeds received from the sale of qualifying recyclable materials (i.e., net QRP proceeds). Reimburse start-up funds from your QRP proceeds in accordance with 10 U.S.C. §2577 (reference (g)). Contact your acquisition personnel, installation engineer or environmental office to apply for these funds. The A106 Form (Appendix 8) may be used to identify equipment funding needs. Plan ahead. These funds may not be available in the current fiscal year. The better your business plan is the better your chances are for getting these funds!

C3.4.10.2. Equipment for recycling, such as balers and shredders, available at a DoD installation or through the Government Services Administration (GSA), should be made available for use by all recycling programs on your installation. Sharing equipment reduces overall costs and makes better business sense.

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C3.4.11. Sources of Labor

C3.4.11.1. The highest single cost in any business (including a recycling program) is labor. There are a number of ways to obtain labor for recycling operations. Potential personnel sources include: military, civilian, and contracted manpower; Federal, State, county and military prisoners; physically and mentally challenged workers; and volunteers. Recycling managers must weigh various factors when deciding which labor force to use. Military and permanent civilian employees are applied against the installation manning document, but military manpower cannot be reimbursed from program revenues. Contracted labor does not count against your manning document, but is generally more expensive. Prison labor is inexpensive, but may not be always available and may require escorts. Volunteers, while usually enthusiastic, are not always available, and may incur unwanted liabilities.

C3.4.11.2. If the QRP is operated by MWR, Non-Appropriated Fund (NAF) labor can be used. NAF labor will generally cost less than appropriated fund employees, because most NAF personnel are not subject to Federal wage base standards.

C3.4.11.3. Recycling programs may draw from military sources for labor under the following limited conditions:

- *Medical hold personnel
- *Transit personnel
- *Legal hold personnel
- *Personnel awaiting separation
- *Personnel not assigned to a permanent billet

Under normal conditions, personnel assigned to permanent billets ordered into an activity to do specific tasks for a period of time (Tour of Duty) are not assigned to perform recycling tasks.

C3.4.12. Training and Safety

Training for direct sales and operation of equipment (static and mobile) is important and must be formalized and ongoing. Training for personal protective equipment (PPE) use, shock hazard, safe working habits and good housekeeping are also necessary. Use of the installation environmental and safety departments to conduct periodic surveys of recycling facilities is required. Certification training in direct sales is available from Army Logistics Management College (ALMC). See Appendix 7 for information on direct sales training.

C3.4.13. Estimate StartUp Costs

C3.4.13.1. Initial Investment Costs. Include the cost of new or rehabilitated facilities (e.g., buildings, sheds, fenced and paved storage areas), equipment procurement (e.g., trucks, forklifts, balers, shredders, tub grinders, conveyors, and scales), utility hook-ups (water, sewer, telephone,

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and electric), management systems (e.g., administrative, operating instructions, financial records and training), and public education/awareness programs.

C3.4.13.2. Recurring Operating Costs. Include cost of direct labor, transportation, utilities, supplies, maintenance and repairs on buildings and equipment.

C3.4.13.3. Applied Overhead Costs. Include installation services billed by the finance, personnel, and contracting offices.

C3.4.13.4. Other Overhead Costs Not Billed to a QRP. These are universal installation costs not applicable to a QRP.

C3.4.13.5. Avoidance Costs or “Savings.” These are expenses for off-site costs of waste handling, hauling and disposal that would have been incurred by the generating activity or installation in the absence of waste prevention and/or recycling. These “savings” can be estimated by determining the weight or volume of the material diverted from the waste stream, then calculating the labor, prorated hauling costs and maintenance costs, landfill tipping fee and any other disposal charges that would have been incurred. Current policy does not account for avoidance costs, nor do the generating activities share in the economic benefits. However, retention of such data may be helpful should the policy change.

C3.4.14. Develop Decision Matrix

Once you have performed the necessary economic analysis you are ready to present your analysis to the installation commander for decision. The following matrix displays the options that should be included for consideration. *Refer to Chapter One before a final decision is reached.*

Table 3-4. SAMPLE DECISION MATRIX

Option	Advantages	Disadvantages
Outsource all QRP Functions		
Perform all QRP Functions In-House		
Perform QRP functions through inter-governmental agreements or partnering arrangements.		
Determine recycling “Winners and Losers”		
Determine method of composting		
Perform QRP functions through a combination of the above options.		

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C3.4.15. Implement the Program

Once you have completed the QRP's initial plan which includes an economic analysis, brief the installation commander of the plan.

C3.4.16. Notify DRMO and SetUp Suspense Account

Send a letter to the local DRMO notifying them that you have established a QRP with accounting data and you are requesting a QRP account. (A sample letter is attached in Appendix 10)

C3.4.17. Establish an Installation QRP Instruction/Standing Operating Procedures

Once all the decisions have been made regarding recycling (who runs it, materials included, locations of materials), the installation commander should issue an installation regulation, directive, or policy letter regarding the QRP. It should cover the following at a minimum:

C3.4.17.1. Designation of a QRP Manager and duties of other installation offices that will support recycling (e.g., the DPW, Financial Officer);

C3.4.17.2. The types of recycling materials to be included in the QRP and other recyclables, and how they will be handled;

C3.4.17.3. Describe specific implementation procedures of the QRP (copies of the Directive should be sent to the DRMO and higher levels);

C3.4.17.4. Identify a means for tracking and maintaining records on types and quantity of materials covered by the QRP and other recyclables;

C3.4.17.5. Identify a means for tracking and maintaining records for accounting of funds received and disbursed via the QRP program and other recyclables;

C3.4.17.6. Provide for the payment/transfer of expenses associated with the QRP;

C3.4.17.7. Provide for the distribution of amounts remaining in the installation recycling account for authorized purposes; and

C3.4.17.8. Provide procedures for completing DD Form 1348-1, DTID.

C3.5. REMINDERS

C3.5.1. When operating your QRP and other waste disposal programs, the three most important recycling factors to remember are:

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a. If something is recyclable, it doesn't mean it must be recycled. Make your business decision based on facts and analysis.

b. If someone labels a material for recycling that doesn't mean it belongs to the QRP. But check it out before you decide one way or the other.

c. There is nothing wrong with having recycling programs outside the QRP. But remember: only a QRP can use the net proceeds from the sale of recyclable materials for installation programs.

C3.5.2. See Table 1-1 in Chapter One for further guidance. A checklist of the steps necessary to start a QRP follows, which will also act as a review of the requirements of this Chapter. (Details of implementation of a program are contained in Chapter 4.)

Table 3-5. STARTUP CHECKLIST FOR A QRP

Use this checklist to see if your start-up QRP plans meet all of the requirements. If the answer to each question is "yes," then you are ready to proceed. If not, consider a change to your plan, and you'll be ready to start.

1. Has the Program Leader who will run the QRP been identified in writing? (C3.4.1.)
2. Has a QRP account been established according to the requirements found in 32 CFR Part 172? See, Appendix 1.
3. Has a means been established for maintaining accountability for all funds received? (C3.4.16.5.)
4. Are DD Form 1348-1s properly documented so the proceeds from recyclable material sales are deposited to the installation budget clearing account? (C3.4.16.8. and C4.6.1.1.)
5. Has a QRP manager been appointed? (C3.4.16.1.)
6. Has an operating instruction, signed by the installation commander, been issued to establish the QRP? (C3.4.16.)
7. Are records maintained of the quantities and types of material sold for recycling? (C3.4.16.4.)
8. Has DRMO been notified that the installation has a QRP so recycling direct sales proceeds will be paid to the installation QRP account? (C3.4.15.)

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9. Are the means available for reporting amount, type, proceeds, and cost avoidance? (C3.4.12.5.)
10. Has the QRP Committee determined if in-house or outsourcing provides the best value to the Government? (C3.4.7.)
11. If your QRP requires space, have you identified that space and received the installation commander's permission to use it? (C3.4.12.1.)
12. If you are going to engage in direct sales, have you ensured that training and certification requirements have been met? (C3.4.11.)

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C4. CHAPTER 4

RUNNING YOUR QRP

C4.1. INTRODUCTION

Now that you have your equipment, labor and space, you are ready to start!

C4.2. SOLID WASTE (TRASH) PICKUP

In your business plan you identified the materials you plan to recycle through a QRP. Your first concern is to get those materials to the QRP. Your job is to choose the best way to pick up your solid waste. There are many methods of picking up installation trash, including recyclables (non-QRP and QRP). The differences are usually the frequency of pickup and the type of waste picked up during each trip. Every approach has its advantages and disadvantages. The conventional approach, particularly when recycling is first started, is to schedule an additional pickup for recyclables either commingled or separated. The Table below illustrates some of the pickup variations.

Table 4-1. METHODS FOR PICKING UP SOLID WASTE

Type of Service	Truck 1*	Truck 2	Truck 3
Conventional Approach	Mixed Solid Waste	Recyclables	Yard Waste
Modified Conventional Approach	Mixed Solid Waste	Recyclables Yard Waste**	
Integrated Approach	Mixed Solid Waste Recyclables Yard Waste**		

*May use a single truck with separate compartments for mixed solid wastes and recyclables, or commingle them in a single compartment and “bag” the recyclables for easier sorting at the Recycling Center. See paragraph C4.4.

**Yard wastes should always be in a separate compartment.

C4.3. SELECTING MOST APPLICABLE METHOD OF COLLECTING RECYCLABLES

C4.3.1. Recyclables can be collected in a number of ways. Each installation is unique and may use different collection methods for different items. The most cost-effective means of collection

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is separation at the source which will result in the highest quality product. You have to balance this with the need to consolidate the items and move them to the loading area. Enlist the building recycling coordinator and residents to do as much of this as possible to reduce your costs. You need to determine the best methods for collecting recyclables at your installation. Some suggestions for collection are shown in Table 4-2.

Table 4-2. EXAMPLES OF RECYCLABLE COLLECTION METHODS

	COLLECTION METHODS		
AREAS	Individual PickUp	Multi-Location Drop-Off	Central Drop-Off
Housing Area	CurbSide PickUp	Neighborhood Drop-Off Containers	QRP or Other Location Drop-Off Center
Barracks (cans, paper, newsprint)	Room PickUp	Floor or Building Bins	Central Barrack Area Drop-Off Bins
Offices (Paper)	Desk-Side Bins	Room Bins	Floor Bins
Offices (Aluminum Cans, Newspapers)		Room Bins	Floor Bins
Supply/Warehouse	Dumpsters for Cardboard Outside Each Main Door	Dumpster for Cardboard Near Each Building	Dumpster for Cardboard Near Each Building Complex
Food Service	Steel Can Bin for Each Kitchen	Bin for Steel Cans in Each Area	Single Bin for Steel Cans

C4.3.2. Based on the information in Table 4-2., consider the following factors in selecting the best collection method: (1) quality and quantity of recyclable trash in an area and (2) degree of participation in recycling efforts in the area. You may find you get the most cans and bottles from a barracks if you place recycling bins on each floor rather than having a central drop-off point. You may find the best participation from the housing area if you provide curbside pickup. Assign ratings of highest, high, medium, low, and lowest to the quality and quantity of the recyclable materials and to the amount of participation in recycling efforts in the area you are evaluating as shown in the Table below.

Table 4-3. QUALITY, QUANTITY, AND PARTICIPATION RATES

	COLLECTION METHOD		
SAMPLE	Individual PickUp	Multi-Location Drop-Off	Central Drop-Off

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HOUSING AREA			
Service Option	Curbside Pickup	Neighborhood Drop-off Containers (Compartments)	QRP or Other Location Drop-Off Center
Estimated Results	Medium to High Quality, Highest Quantity & High Participation	High Quality, Medium to Low Quantity, & Low Participation	Highest Quality, Lowest Quantity, and Lowest Participation

C4.3.3. In the housing area sample above, curbside pickup produces high participation rates, because it’s easy to participate. If the installation commander makes recycling in housing areas mandatory, you may be able to raise the participation rate to “highest.” Neighborhood drop-off bins and containers produce low participation because of the additional effort involved. A single, centrally located bin or container gets the lowest participation rate and the lowest quantity because it is inconvenient to deliver the recyclables.

C4.3.4. The best solution is the one that obtains the best quality, the most quantity, and the highest participation rate at the most reasonable cost. This can only be determined locally, and is area or item-specific.

C4.4. RECYCLABLE DELIVERY TO QRP--MIXED OR SEPARATED

C4.4.1. Once you have selected a collection method, you need to decide how you want the recyclable materials delivered to the QRP. You can pickup recyclables from residential recycling programs in a number of ways. The type of residential program used will determine what type of recyclable materials you receive. It can be commingled recyclables (generally, newspaper, glass, aluminum, and steel cans), or to lower your QRP processing cost you may want to receive material that has already been segregated. As shown in the Table below, you may have a number of options available to you. The option you select should have the least impact to QRP processing costs while being the most cost-efficient to the installation.

Table 4-4. OPTIONS FOR PRE-PICKUP SORTING OF RECYCLABLES
(Newspapers, Glass, Plastic, Aluminum and Steel Cans)

Sorting Methods	Details
Commingled Bag	All recyclables are put in specific colored bags for curbside pickup. Clear is preferred, to check that contents are recyclables. Bags are dumped at QRP.
Commingled Bin	All recyclables are put in colored bins. Contents dumped in trucks. Truck dumps mix at QRP.

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Separated Newspaper, Commingled Other	Newspapers are separated from other items on the truck. Newspapers dumped at one spot at the QRP, all other material dumped at another spot.
Separated Newspaper, Glass, & Plastic, Commingled Cans	Usually requires compartmentalized truck. Each type of recyclable is separated at the curb into the appropriate bin on the truck. Offloading into the designated sort holding area at the QRP is done by item.

C4.4.2. Sample Trash Collection Costs

The Table below compares the cost for “disposal,” delivery cost to the QRP, and QRP processing costs based on the trash collection method you select.

Table 4-5. IMPACT ON QRP COSTS FOR DIFFERENT TRASH COLLECTION METHODS*

Curb Side Collection	Base Cost for Disposal	Base Cost to Deliver to QRP	Savings to Base	QRP Cost to Process
Commingled Bag	\$75	\$25	\$50	\$25
Commingled Bin	\$75	\$27	\$48	\$18
Separated Newspaper, Commingled Other	\$75	\$29	\$46	\$16
Separated Newspaper, Glass, & Plastic, Commingled Cans	\$75	\$31	\$44	\$12

* Dollar cost data are for illustration purposes only and are per ton.

C4.4.2.1. If you select source separated newspaper, glass, plastic, and cans, the bottom line of the Table indicates a QRP processing cost of \$12/ton. The same line shows the installation’s cost to deliver to the QRP is \$31/ton resulting in a \$44/ton savings to the installation. At first glance, you might think the top line appears to be the best method. If you selected the commingled bag method shown on the top line, the \$25/ton cost to deliver to the QRP results in a \$50/ton savings to the installation.

C4.4.2.2. However, the decision on a trash collection method should not be made solely on the cost of delivery and savings to the installation. If it costs the QRP \$25 per ton to sort the commingled materials, and the sales proceeds from glass and newspaper are \$20 per ton, your QRP would not process those recyclables. The installation must then dispose of this recyclable

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material as solid waste through a recycling solid waste disposal contract, or at the listed \$75 per ton for landfilling/incineration.

C4.4.2.3. The following Table shows how the installation can maximize its disposal savings by diverting as much trash to the QRP as possible in a cost-efficient manner. You should evaluate all pickup methods before making a decision about collection methods.

Table 4-6. COSTS TO THE INSTALLATION FOR VARIOUS COLLECTION METHODS

Material	Tons	Recyclables in One Bag (Com-mingled)	Newspapers in Bin	Newspaper and Cans in Bin	All Materials Delivered to QRP (Separated)
Newspaper	2	\$150	\$ 52	\$ 58	\$ 62
Glass	1	\$ 75	\$ 75	\$ 75	\$ 31
Plastic	1	\$ 75	\$ 75	\$ 75	\$ 31
Cans	1	\$ 75	\$ 75	\$ 29	\$ 31
Total Cost to Installation Solid Waste	5	\$375	\$277	\$237	\$155

Note: Materials in shaded areas go to the QRP.

C4.4.2.4. The Table shows the installation spends substantially less overall if trash is diverted to the QRP. Again, look at the bottom line of the Table. If the QRP is eliminated, the installation disposal cost becomes \$375 for the 5 tons. If the installation delivers separated recyclables to the QRP, the installation would spend from \$155 to \$277 depending upon the number of recyclables delivered to the QRP.

C4.4.3. This method of analysis is the best way to determine savings to the installation from recycling. It should be used in most cases. The analysis verifies that a decision can be made that produces major savings to the installation while providing the lowest possible processing cost to the QRP. The analysis may vary based on local tipping fees, transportation, and labor costs.

C4.5. SORTING RECYCLABLES

C4.5.1. Pre-PickUp Sorting

The most cost-effective means of collection is sorting recyclables at the source (i.e., housing, barracks, offices). Pre-pickup sorting reduces the processing costs of sorting at a QRP drop-off area. Start up costs for bins or bags, as well as resident acceptance and participation need to be assessed. Options for pre-pickup sorting are listed in Table 4-4 above.

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C4.5.2. Sorting at the QRP Drop-Off Area

C4.5.2.1. If sorting of recyclables is handled at the QRP drop-off area, processing of the recyclables may be more costly. For example, if the “Commingled Bag” method is used, the cost to the QRP is greater than pre-pickup sorting. Bags require opening, dumping, hand picking of the contents, and sorting.

C4.5.2.2. Sorting of recyclables at the source may also result in the QRP receiving a better price. For example, Table 4-7 shows sorting of office paper (computer, white ledger, mixed office). For six tons of mixed office paper the value is \$72. On the other hand, sorting paper substantially increases its value. As Table 4-7 shows, the net increase is \$302 for the same quantity of paper sorted into paper types.

Table 4-7. SORTING OFFICE PAPER - POSITIVE RESULTS

Paper	Quantity (tons)	Value Per Ton	Total Value	Net Increase
MIXED OFFICE PAPER				
Mixed Office	6	\$12	\$72	\$0
SORTED OFFICE PAPER				
Computer	1	\$110	\$110	\$302 (\$374-\$72)
White Ledger	3	\$80	\$240	
Mixed Office	2	\$12	\$24	

C4.5.2.3. In some cases, sorting recyclables may be more costly to a QRP than keeping the recyclables mixed. This occurs when the price of the recyclable does not vary whether mixed or sorted. Table 4-8 shows the value of separating glass into three types (clear, green, brown).

Table 4-8. SORTING GLASS - NEGATIVE RESULTS

Glass	Quantity (tons)	Value Per Ton	Total Value	Net Increase
MIXED GLASS				
Mixed	6	\$18	\$108	\$0
SORTED GLASS				
Clear	1	\$43	\$43	\$23 (\$131-\$108)
Green	2	\$14	\$28	
Brown	3	\$20	\$60	

C4.5.2.4. Sorting does increase revenues. However, if sorting costs are higher than the additional revenue generated by sorting, your best option would be to sell this as mixed glass. In the example above, if your cost to sort the glass was \$35 and you only gained \$23, then you would lose \$12 by sorting the glass. Selecting mixed or sorted recyclables depends on quantity, mixture, and type of material. The best method maximizes net proceeds.

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C4.5.3. Sorting Recyclables by Subcategory and Grade

C4.5.3.1. Some recyclables seem to have an unlimited number of subcategories, and each of the subcategories may have a separate grade that will affect the price received. The more information you have about a specific material the more likely you are to maximize your profit.

C4.5.3.2. Paper is probably the best illustration of a recyclable having numerous subcategories. These include the basic groups of old newspapers (ONP), old corrugated cardboard (OCC), office paper, and heavier stock papers such as kraft or manila. Within each basic group are subcategories, which may, in turn, have different grades. The lower the class of paper, the lower the price you will ultimately receive.

Figure 4-9.
CATEGORIES OF PAPER
RANKED BY TYPICAL VALUE

Computer Paper
Manila Tab Cards
Bond Paper
White Ledger
Mixed Office Paper
Corrugated Containers
Sorted Office Paper
Kraft Paper
Newspaper
Colored Office Paper
Magazines

C4.5.3.3. Ultimately, the sorting method at pre-pickup and at drop-off areas is an important element which can greatly effect costs associated with your QRP, and should be given close consideration. (See Tables 4-2 and 4-4.)

C4.6. SELLING OR TURNING IN RECYCLABLES

The procedures you should use when selling recyclable materials depends on the amount of proceeds anticipated from the sales and whether the material will be provided to the DRMO for sale or be sold directly by the installation.

C4.6.1. DRMO Sales

C4.6.1.1. Prepare a DD Form 1348-1, "Disposal Turn-In Document (DTID)," (Appendix 9) to record the recycled material turned into DRMO. Enter the correct account and station code,

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identify the appropriate program, and list material code, weight, and date of turn-in. Remember: if you fail to provide accurate information, funds generated will be deposited to the general account of the Treasury, not to your installation.

C4.6.1.2. You may want to combine your recycled material with material from another activity to increase the marketability. In order for a generating activity to be credited directly by DRMO for recycling proceeds, the DTID must contain a reimbursable fund account number that is specific to that activity. If several generators have a centralized collection process and will be reimbursed separately, a DTID must be submitted for each generator specifying the amount of material originating from each. DRMO will then determine equitable distribution of sales proceeds.

C4.6.2. Direct Sales

C4.6.2.1. Greater than \$15,000:

Sales with anticipated proceeds exceeding \$15,000 must be conducted using procedures described in 40 U.S.C. §484 (reference (h)) and 41 CFR Parts 101-45 and 101-46 (reference (i)). These procedures include public advertising, bid and award.

C4.6.2.2. Less than \$15,000:

For sales less than \$15,000, at a minimum use the following procedures:

- 1) Establish and maintain a list of qualified recyclers and brokers.
- 2) Obtain a minimum of three quotes where possible from independent buyers on sales of material, and document the quotes.
- 3) Choose the bid most advantageous to the Government and execute a sales contract.
- 4) Create a file to document the sale.

C4.6.2.3. Contracting and Partnering

If the installation chooses to operate the QRP through a partnering agreement or contract with a non-installation entity, the QRP may still receive proceeds. Such contracts should be implemented using the Appropriated or Non-Appropriated Fund contracting system.

C4.6.2.4. Depositing Money into the QRP Account

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Money from the proceeds of sales comes to your QRP from two main sources: DRMS/DRMO following sales of turned-in material, or from direct sales to a buyer.

C4.6.2.4.1. Typically, DRMS/DRMO processes proceeds through the Defense Finance and Accounting Service (DFAS) for deposit to the QRP account. They may also send you a check. If you receive a check from DRMS/DRMO, submit the check with a Funds Transfer Document to the finance office for deposit into the QRP account.

C4.6.2.4.2. If you receive a check from a recycler through direct sales, be sure it is payable to the installation finance office. Checks must not be made payable to the QRP. Again, submit the check with a Funds Transfer Document to your finance office for deposit into the QRP account. **DO NOT ACCEPT CASH!**

C4.6.3. Paying QRP Bills

Ensure that QRP bills are paid from the QRP account using the local finance office and accounting procedures.

Table 4-10. WHO PAYS FOR WHAT

Installation O&M Pays For: Collection, transportation, and disposal of solid waste. (Disposal on or off the installation.)	QRP Pays For: Applicable QRP facility, utility and maintenance costs (determined locally), Also leased transportation and maintenance equipment costs
Collecting recyclable materials from installation and housing areas and delivering to a central location (installation recycling facility or an off installation recycling facility)*	Costs of doing direct sales
Compost operation on the installation	QRP workers' and managers' salaries allocated to the QRP
Landscaping. If landscaping is by contract, contractor takes waste to a composting facility on or off the installation.	Equipment purchased by QRP and used exclusively by the QRP** (examples are blue bins, balers, forklifts)
Janitorial contract which includes collecting recyclable items and depositing it to a central location.	Applied Overhead Costs (See C3.4.13.3.)
Cost of misc. recycling that takes place	Awards and Incentives

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outside the QRP.

Cost of construction and demolition***

*Appropriated funds shall be used to pay for the cost of pickup and delivery of recyclable items to the QRP. If it costs more to bring it to the QRP than solid waste disposal costs, the QRP pays the difference.

**Pollution Prevention equipment purchased by appropriated funds, i.e., purchased under a pollution prevention management plan. For example, a corrugated cardboard baler, can crushers, shredders, etc., that were purchased for waste disposal compliance are not reimbursable by the QRP. Equipment obtained from DRMO or other donated equipment is not reimbursable by the QRP.

***Recycling of construction and demolition debris is encouraged by the DoD Measure of Merit. Construction and Demolition debris may be recycled in many innovative ways, such as: using recycling to offset the cost of the demolition contract, recycling through your QRP, and donating to your local community.

C4.7. REVISING YOUR BUSINESS PLAN

Since your QRP operations will change due to quantity of recyclables, price/marketability, or participation, “revisiting” your business plan on a regular basis is important. The decision to implement a QRP was based on that plan. Keeping good records will help you when you review and renew this document as the need arises. Integrate your QRP decisions into the business plan to enhance your program.

C4.8. ESTABLISH MANAGEMENT CONTROLS

C4.8.1. You must establish a management control system to provide reasonable assurance that your program meets its goals and properly accounts for government resources. The management control process should emphasize prevention of waste, fraud, mismanagement, and timely correction of management control weaknesses. Management controls should be integrated into daily management practices. Several techniques to employ in your management control program are listed below. For additional information see DoD Directive 5010.38, “Management Control Program,” August 26, 1996.

C4.8.1.1. Physical Access. Ensure that access to valuable materials is controlled. Eliminate the use of cash transactions.

C4.8.1.2. Job Descriptions. Descriptions of duties that reflect the principle of division of duties should be established for employees of the QRP. Be sure to have one person responsible for selling the recyclable materials and a different person responsible for receiving, recording and depositing these checks.

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C4.8.1.3. Accounting Reconciliation and Analysis. Establish procedures that allow for periodic reconciliation of sales and financial records.

C4.8.2. Installation commanders and QRP Managers should be alert to the possibility of fraud and corruption. When suspicious situations occur such as repeated complaints or discrepancies that cannot be reconciled, call audit, internal review, or criminal investigative personnel for assistance.

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C5. CHAPTER 5

YOUR QRP: REGIONALIZATION, PARTNERSHIPS, MARKETING, & CLOSED-LOOP RECYCLING

C5.1. REGIONALIZATION AND PARTNERSHIPS

C5.1.1. Why should you partner or regionalize your QRP? As the QRP Manager you should ask yourself some very basic questions to make this determination.

C5.1.1.1. Does it make sense to have a QRP when a larger installation in your area is already running a successful program, regardless of whether it is a sister service?

C5.1.1.2. Do you need a QRP if you are a small administrative organization or reserve center that is near an installation that has a successful program?

C5.1.1.3. Should your small local municipality have a separate recycling program when your installation is running a successful QRP?

C5.1.1.4. Does it make sense to tear down a building and dump usable fixtures in a landfill, when a local government or charity could reuse them to refurbish low-income housing?

C5.1.1.5. Is it sound business practice for two or three installations, or a Federal building within a small geographical area to not recycle a particular item, because none of them alone generates marketable quantities?

C5.1.1.6. Would it be sensible for three installations within the same local area to each buy a cardboard baler when none of them generates enough cardboard to use the baler 100% of the time?

C5.1.2. Of course it does not make sense to have separate or duplicate programs! The result is higher overhead and lower proceeds. All of the programs could benefit from regionalization or partnerships. DoD policy supports and encourages this. You should explore all opportunities for mutual benefit through partnering and regionalization. Volume will influence and in some cases create markets. Having a single contract for sale that encompasses several installations is strongly recommended. Intra-service agreements and memorandums of understanding are used to establish partnerships. Be sure to have your installation SJA/OGC review and approve all partnership agreements. One of these documents should be in place to formally establish partnerships with a sister service, municipality, or other Federal agency.

C5.2. MARKETING YOUR QRP

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C5.2.1. You should publicize your QRP early. Start at least six months in advance of when you plan to begin collecting recyclable materials. Pick a date, if possible, which coincides with other well-known celebrations, such as Earth Day, Arbor Day, Groundhog Day, or Spring Cleanup Day. Start with articles in the installation newsletter describing your program: when it will start, what will be recycled, collection points, use of bins, frequency of collection, and what people will be expected to do to make the program a success. Emphasize the environmental benefits and the improvements in quality-of-life from recycling.

C5.2.2. As the program start date nears, repeat news articles, and expand publicity to other types of media – installation radio channel, cable news channel, bulletin boards, and flyers. An educational program should be instituted in the elementary school(s) to teach children the value of recycling and pollution prevention. Establish a “kick-off” day to inaugurate the recycling facility or transfer station. Make sure that the ceremony includes the installation commander, senior staff, and chaplain. If the program involves surrounding the community(s), elected officials (mayor, council, or selectman) should also be invited as distinguished guests or speakers.

C5.2.3. You may wish to conduct a contest to name the recycling facility, to formalize an installation recycling motto, or name a mascot. Pass out bumper stickers, balloons, and other novelty items to promote the program.

C5.2.4. After the program is underway, match unit against unit to encourage full participation in the recycling program:

C5.2.4.1. Offer initiatives to outstanding recycling units such as time off or special privileges.

C5.2.4.2. Recognize outstanding recycling initiatives at town meetings and other installation-wide gatherings.

C5.2.4.3. Offer the local community the opportunity to contribute prizes to the QRP. Publicize annual recycling rates and goals.

C5.2.4.4. Have an annual “open house” at the recycling center.

C5.2.4.5. Make sure to construct a display booth for schools, fairs, and Earth Day.

C5.2.4.6. Offer free composting classes through a local community or activities center.

C5.2.5. Continue to publicize the program by reminding people of recycling goals, and publicize environmental projects being funded by the proceeds of the QRP. **GET THE WORD OUT!** There are DoD Component and Federal award programs that recognize outstanding recycling achievements. These offer a great opportunity to demonstrate your successes.

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C5.3. CLOSED-LOOP RECYCLING

C5.3.1. Closed-loop recycling is a complete recycling program in which you buy back products manufactured from your recyclables. An example of a closed-loop recycling program is a “bottles to bags” program. This program involves contracting with a company who will buy all the recyclable plastic bottles from the installation QRP, and then sell back to the installation plastic bags made from those plastic bottles.

Table 5-1. EXAMPLES OF CLOSED-LOOP RECYCLING

SELL	BUY
Glass	Glassphalt
Tires	Asphalt filler or retread tires
Used oil	Re-refined oil
Plastic beads used for stripping paint	Molded ceramic-like products, such as sinks.

C5.3.2. Advantages of adopting closed-loop recycling, include:

C5.3.2.1. Obtaining another market for your recyclables.

C5.3.2.2. Cheaper source of recycled-content products.

C5.3.2.3. Guaranteed access to recycled-content products.

C5.3.2.4. Guaranteed market for your recyclables.

C5.3.2.5. Increases participation from installation personnel because closed-loop recycling shows a direct and visible return for their efforts.

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C6. CHAPTER 6

RECORDKEEPING

C6.1. WHY KEEP RECORDS?

Businesses must be able to justify why they were created and be open for external audit. A QRP acts like a business and is required to keep records. In addition to meeting requirements, good records provide a tool for market analysis and help you select the most appropriate way to operate your recycling program.

C6.2. REQUIRED RECORDS FOR ORGANIZING YOUR QUALIFIED RECYCLING PROGRAM

C6.2.1. Business Plan. Description of the Operation, Feasibility Study, Cost-Benefit Study, Market Analysis, Waste Characterization, Decision Matrix. (See Chapter 3.)

C6.2.2. Training Records.

C6.2.3. Prior Audit or Internal Review Reports.

C6.2.4. Management Control Reviews.

C6.2.5. Controls to Prevent the Sale of Excluded Items listed in the DoD Instruction 4715.4.

C6.2.6. Minutes from QRP Committee.

C6.2.7. Decision Documents on Use of Proceeds. Documentation of decisions supporting adoption of direct sales by the installation.

C6.2.8. Documentation in Your Business Plan Showing Consideration of Outsourcing for QRP Functions. If outsourcing is elected, contractors shall keep adequate records and provide summaries to the QRP Manager.

C6.2.9. List of Buyers.

C6.3. DOCUMENTS TO KEEP FROM YOUR DRMO SALES

Keep the following documents from your DRMO sales. See Appendix 7 for samples of these documents.

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C6.3.1. DD Form 1348-1, DTID. This form is used to record recycled material turned into the DRMO. This form should contain the correct account and station codes, identify the appropriate program, and list material code, weight and date of turn in.

C6.3.2. Local Form 1709. This local DRMO form is used to account for each QRP and working capital fund account they administer. Local Form 1709, which should be made available to the installation by the 10th working day of the month, contains your account code and total weight pulled by the contractor (buyer). One form will be provided for each contract.

C6.3.3. Standard Form 1080, Sales Receipts.

C6.3.4. Copies of Checks Received for Payment or Funds Transfers. Maintain these with supporting documentation and check against information on contracts provided by the DRMO.

C6.4. RECORDS OF DRMO SALES

Although DRMO maintains its own tracking system, the QRP Manager should also track the delivery and sales of installation recycled materials. Keep records of your DRMO sales on a data base containing the following elements.

Table 6-1. DRMO SALES DATA

Table 6-1. DRMO SALES DATA Control Number (From Form 1348-1)	Item Description	Date Delivered to DRMO	Date Credited with Sale	Contract Number	Contract Price	Received Price	Date Funds Received By Installation
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This information can be used to ensure payment is received and to analyze the time between turn in and payment for the material.

C6.5. RECORDS OF DIRECT SALES

C6.5.1. Copies of the following documents for direct sales shall be kept on file. Samples of these documents are contained in Appendix 7.

C6.5.1.1. Quotation Forms/Invitation For Proposal/Invitation For Bid

C6.5.1.2. Weight Certificates

C6.5.1.3. Shipment Receipts

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C6.5.1.4. Cashier Record

C6.5.1.5. Deposit Record

C6.5.1.6. Check Copy

C6.5.1.7. Dunning letters to buyers

C6.5.2. Keep records of your direct sales on a data base containing the following elements:

Table 6-2. DIRECT SALES DATA

Control Number (Sequentially Through Year)	Sales Date	Item Description	Sales Price	Company Name	Payment Due Date	Payment Date
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C6.6. RECORDS ON OPERATING AND OVERHEAD COSTS

Records on operating costs include purchase of equipment, maintenance, program operation and expansion, labor costs, training, publicity, and overhead for processing recyclable materials. See Chapter 3 for more information on cost allocation (these must be concurrent).

C6.7. DISTRIBUTION OF PROCEEDS

Records of incomes and expenditures shall be retained.

C6.8. RETENTION OF RECORDS

Generally maintain records for the current fiscal year and the two preceding fiscal years with the exception of documents chartering the program and documenting major decisions. After three years, send all EPA tracking documents to your environmental department for retention or retirement as required.

C6.9. ADDITIONAL REQUIREMENTS

Depending on the type of sales and what materials you are selling, you may have additional documents to retain. For example, EPA transportation control numbers, certificates of destruction, and end use certificates for the sale of batteries and oil documenting the handling of these materials by a permitted recycler.

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C7. CHAPTER 7

DEFENSE BUSINESS OPERATIONS FUND **RECYCLING PROGRAMS**

C7.1. DEFENSE BUSINESS OPERATIONS FUND (DBOF)

This Chapter distinguishes DBOF recycling from installation recycling programs. DBOFs are required to recycle under E.O. 12873; however, funding DBOF recycling activities and receipt of recycling proceeds must be handled appropriately and in accordance with 32 CFR Part 172 (reference (j)).

C7.1.1. The DBOF is mandated under 10 U.S.C. §2216a, Defense Business Operations Fund (reference (k)). DoD expanded the use of businesslike financial management practices through the establishment of the Defense Business Operations Fund (DBOF). The primary purpose of the DBOF activity is to provide a business management structure that encourages managers and employees of DoD support organizations to provide quality products and services at the lowest cost. Under this structure, customers establish requirements and are charged, through the rate structure, for the cost of industrial and commercial-type services and products provided. DBOF activities, in turn, produce quality goods and services which satisfy customer requirements at the lowest cost.

C7.1.2. Defense Business Operations Fund (DBOF) activities are categorized as working capital fund activities, or industrial, commercial, or support activities. DBOF activities include activities such as: commissaries, finance and accounting services, shipyards, and depot level maintenance organizations. DBOF activities have separate accounting, reporting, and auditing methods which prohibit the generation of revenues, or profits. DBOF activities must recycle, but cannot operate a QRP, since DBOF activities cannot generate revenues, only funds to offset the costs of doing business. DBOF activities may use the installation's QRP.

C7.2. FUNDS

C7.2.1. The distinction between DBOF activities and non-DBOF activities is critical in determining the distribution of costs and revenues. Do not confuse the term recycling with a Qualified Recycling Program. Non-QRP recycling is possible, if cost-effective. When deciding the materials to recycle through a recycling program or outside QRP source, remember the basic test: "Would it have gone to a landfill anyway, and would it be too costly for the DBOF to process for recycling?" The net proceeds from recycling by DRMO of recyclable materials originally purchased with working capital funds or other industrial, commercial, or support activity funds, must be returned to the DBOF activity. (See Figure 7-1.)

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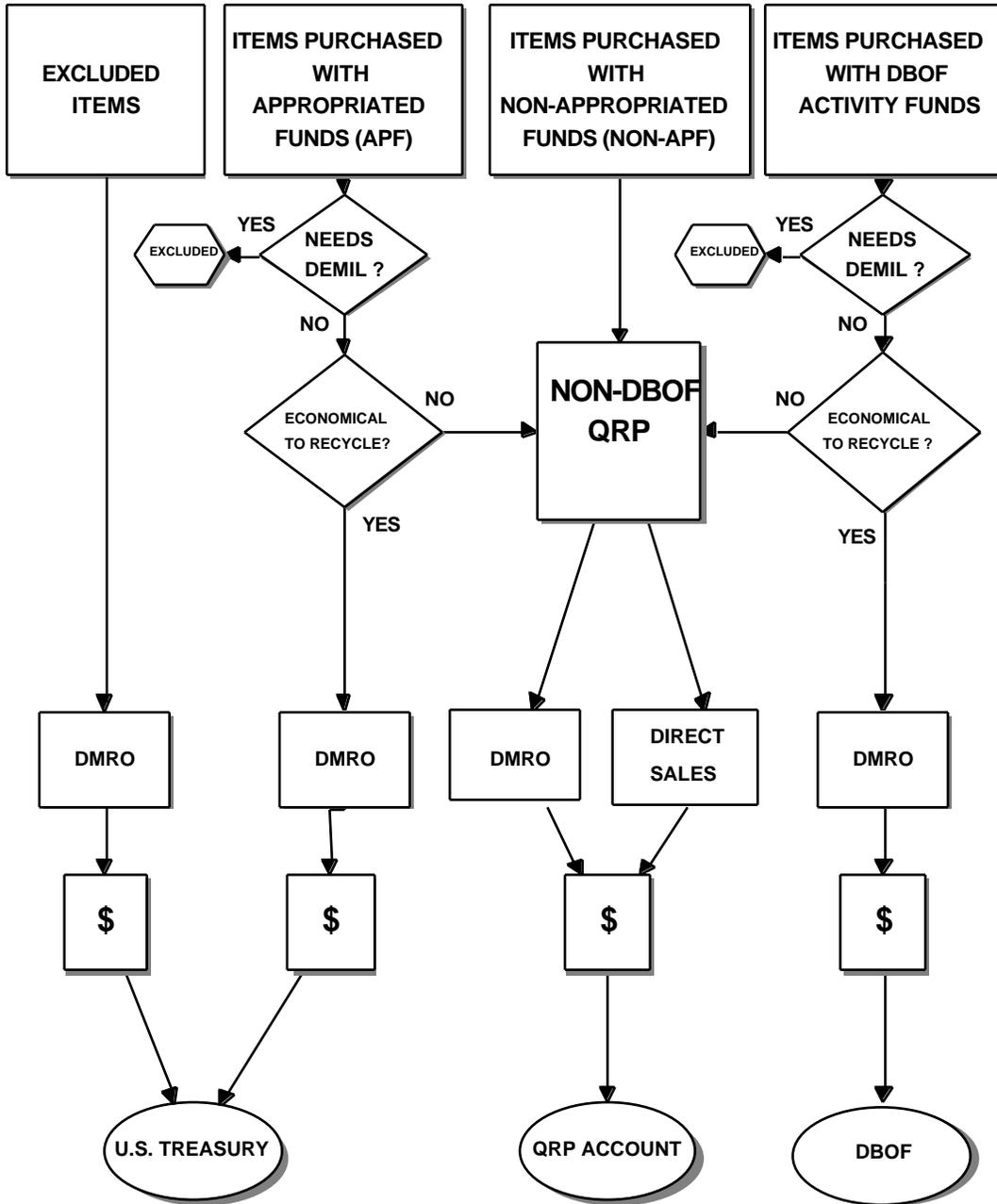
C7.2.2. Recycling high-value scrap metals has been a traditional method for DBOF activities to generate revenues for their activities. Other, lower value trash generated by DBOF activities, such as cardboard, paper, wood, and newspaper, have not often been recycled, because they were not cost-effective to the DBOF activity. DBOF activities must decide based only on cost and origin of scrap to decide if recyclable materials should be processed by an outside QRP or processed through DRMO. The DBOF activity should conduct cost analyses periodically on low value waste components. Solid waste that is too costly for a DBOF activity to recycle can be processed through an outside QRP source, as a donation to the QRP.

C7.3. TENANTS LOCATED WITH A DBOF ACTIVITY

A tenant of a DBOF installation can establish a QRP under the provisions in this *Guide*. The DBOF activity can use the tenant's QRP as its outside source.

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Figure 7-1. WHERE THE MONEY GOES FROM RECYCLING EFFORTS OF A DBOF ACTIVITY



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C8. CHAPTER 8

FREQUENTLY ASKED QUESTIONS AND ANSWERS

C8.1. Who do I call if I need authorization to run a QRP?

Service organizational level one commands (e.g., for the Navy: CNO (N45), for the Army: installations have this authority under AR 420-49).

C8.2. Who should run (be in charge of) my installation's QRP?

The installation commander determines who is in the best position to establish, conduct and maintain a recycling program in the most cost-effective and efficient manner. This may vary from installation to installation. Examples are Public Works, Engineering, Environmental, MWR, Supply, Contractors, and various combinations.

C8.3. Can I combine/partner my recyclable materials and/or efforts with another installation, service or even another Federal agency in order to capitalize my QRP?

Yes, in fact regionalization and partnering efforts are often preferred and can increase market proceeds based on increased quantities of recyclable stock, better packaging, and centralized marketing. Prior Memoranda of Agreements (MOAs) should be established between the partnering groups in order to ensure proportional sharing of proceeds and efforts.

C8.4. What is a Qualified Recycling Program?

A Qualified Recycling Program (QRP), by definition, is “an organized operation that requires concerted efforts to direct or recover scrap or waste from waste streams as well as efforts to identify, segregate, and maintain or enhance the marketability of the diverted material(s).” See “Definitions,” Appendix 3.

C8.5. What metals are considered “Precious” under DoD Regulation (i.e. precious metals bearing scrap may not be recycled by QRPs)?

Items containing any of these elements must be turned over to your servicing DRMS.

Precious metal found in:

Gold (Au)	Circuit boards in computers/weapon systems
Silver (Ag)	Dental x-ray machines, submarine batteries
Platinum (Pt)	Radium (Ra)
Palladium (Pd)	Iridium (Ir)

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Osmium (Os) Ruthenium (Ru)

C8.6. What are the regulations on demilling an item before recycling?

See DoD Manual 4160.21-M (Oct 91) [Chg-1 14 FEB 95]. Revision #2 due in mid-1997. Current DoD policy prohibits demilling with the exception noted in the next question. These items normally must be turned into DRMO for demilling. However, partnering with DRMO makes good sense, if for example, items such as drums demilling consists of simply removing a serial number or label.

C8.7. Can I sell demilled items through my QRP?

NO. Except for expended small arm firing range metal casings, gleaned from firing range clean-up, including shallow ocean depth, that have been spent and are not eligible for reloading for reuse by the Government. These items must be shredded, crushed, or otherwise destroyed prior to public sale.

C8.8. Can my QRP recycle ammo cans, ammo boxes, and powder tubes?

Yes. You are encouraged to recycle these items as long as they are not listed on a demilitarization list.

C8.9. Can I sell hazardous materials through a QRP?

No. Hazardous materials are exempted from QRP operations. The prospect of hazardous materials, identified as DoD-owned, being misused is too great a liability for a QRP to assume. Therefore, **ALL HAZARDOUS MATERIALS MUST BE TURNED INTO DRMO.**

C8.10. Can I sell weapon system scrap through a QRP?

No. All Military Listed Items and Strategic List Items are restricted from sales. All weaponry must be rendered useless for military purposes and turned into DRMO.

C8.11. Can I sell excess/surplus computers and parts?

Yes, following proper screening, including onsite review for reutilization and donation. The equipment must be of low or no market value (i.e., cannot be given away because it's in such poor condition or so outdated the items cannot be given away).

C8.12. Do I need authorization for direct sales of recyclables purchased with appropriated funds?

Yes. You can get authorization from the following:

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US Navy - major claimant
US Army - major command, may be delegated
US Air Force - major commands, may be delegated
US Marine Corps - headquarters
DLA - field level commanders
Defense Agencies - Directors.

C8.13. With the new “Direct Sales” authority can I still use DRMO to sell my recyclables?

Yes, you can use DRMO for some or all of your QRP recyclables. DRMO is authorized to charge an administrative cost for its services.

C8.14. How can I use QRP proceeds?

Proceeds from the QRP must first be used to cover the costs of operations, maintenance, and overhead for processing recyclable material including the cost of any equipment purchased for recycling purposes. Up to 50% of the balance remaining may then be used for pollution abatement, energy conservation, and occupational safety and health projects (not to exceed half the cost of a minor construction project). The remaining balance may be transferred to the non-appropriated fund (MWR) account at the installation. Proceeds may only be used for these two categories. At the end of the fiscal year, any balance over \$2 million in the QRP account reverts to the Treasury. Any questions, contact the Combined Services Recycling Committee.

C8.15. Can I get the recyclables from my commissary for the QRP?

Commissaries, Base Exchanges, Post Exchanges, and DBOF (working capital funds, industrial, commercial, and support activities) operate under special funding categories. They have the option of contributing to the QRP but are not required. Remember, once again, the data on the amount of materials recycled separately by these organizations must be turned in to the installation for SWAR-base accounting and meeting the Measures of Merit for landfill diversion.

C8.16. How long should I maintain sales records?

It’s best to keep sales records for the present fiscal year, plus the two preceding years. You may want to keep summary informatoin for as long as the program operates fortrend analysis and historical purposes.

C8.17. I’m confused about cost avoidance and how it’s suppose to work. Is there a rule?

The key to determining cost avoidance is when a process change occurs. Let’s say you find a component in your waste stream that you can economically sort, process, transport and market. With technological advances this may happen several times a year, most times it’s driven by cost of disposal and state and Federal mandates.

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Example #1: Your state decides that florescent bulbs can no longer be landfilled and must be managed as a hazardous waste. This increases cost of disposal to \$40 per bulb, or \$20,000 for 50,000 bulbs per year, in increased disposal costs. You apply for pollution prevention funds and obtain a processor that removes the mercury and allows the glass and metal to be recycled. You have effected a process change. Factor the avoided cost as long as the process remains unchanged.

Where no change in process occurs. all remains constant, year in and year out.

Example #2: Your base has an integrated solid waste program with an active QRP which source segregates or removes recoverable materials from the waste stream. That percentage removed or diverted in tons or cubic yards represents a direct savings in disposal cost and should be factored each year as avoided cost of disposal.

C8.18. Why are we limited to direct sales only within the continental U.S.?

There are numerous reasons: Trade status with the U.S., tariffs, shipping container and stevedore costs, monetary exchange ratios at time of entry, and, above all, contractual difficulties dealing directly with overseas scrap dealers instead of state-side brokers. Additionally, in the event the material was not properly identified as scrap or properly demilled, some materials end up in the wrong hands for less than amiable purposes.

C8.19. What is the best way to develop a “preferred bid list” for direct sales?

The best way to start is with your DRMO sales chief or the national sales office, DRMS. They keep track of companies that have a poor performance record or have faulted on contracts and are on the barred list. If you have Internet access, many large firms have home or web pages available.

C8.20. Can the QRP get the scrap generated from construction and demolition projects?

Yes. All construction and demolition projects should be reviewed to ensure that the most cost-effective contractual agreement for the installation is in place.

C8.21. How can I find out who recycles construction and demolition debris in my region?

Many major metro areas have developed construction and demolition materials recycling/reuse *Guides*, or try your local builder’s association.

C8.22. Who should I contact if I suspect fraud, waste or abuse of the “direct sales” authorizations?

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Report instances of fraud, waste, or abuse to your command authorities or to the Defense Hotline, 1-800-424-9098.

C8.23. What will happen if my installation is found abusing the “direct sales” authorization?

First, your installation commander’s authority to conduct “Direct Sales” will be immediately revoked. Individuals involved will receive appropriate disciplinary action.

C8.24. What are the chances that the recycling program at my installation will be reviewed by outside auditors or evaluators?

Good. Between 1991 and 1997 recycling programs were the subject of one or more audits or evaluations conducted by the General Accounting Office, the Inspector General DoD, the Army Audit Agency, and the Air Force Audit Agency. The reviews included numerous on-site visits to DoD installations. Internal review officials at installations have also conducted periodic assessments of the program in the past. In addition, oversight reviews by subordinate commands of the Military Services may increase in the future.

C8.25. What do outside auditors or evaluators look at?

It depends. Reviews may deal with financial aspects of the program or with performance aspects, or both. To understand the specific project ask for a description of the objectives for the project. (Standards for audits require the up-front definition of the project's objectives.) You might also ask what criteria will be used in the assessment and what prompted the project. (Some reviews may be self-initiated while others may be requested.) One common objective is to review the management controls relevant to the topic of the audit or evaluation. In the broadest sense, this means discovering what you the manager are doing to ensure that the goals and requirements for the program are being met and testing to determine if these management controls are functioning properly. For more information see DoD Directive 5010.38, "Management Control Program," August 26, 1996.

C8.26. How should I prepare for an outside review?

To be sure you are meeting the requirements set forth in DoD Instruction 4715.4 and your Service guidance, conduct periodic self-inspections and reviews to find problems and correct them before others point them out. Avail yourself of internal review resources by meeting with installation internal review officials to discuss past and future coverage of the program. Several actions may facilitate relations with outside reviewers. In advance of visits, request information on what documents and individuals the review team will want to see during the visit. Remember, while the review team may collectively possess the skills and knowledge needed for the review, individuals may have different specific knowledge of the program. To help correct this, prepare or retain on hand a brief summary of the program that will provide useful background information for the reviewers.

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C8.27. Does a recycling program need a TDA for equipment?

Yes. A TDA should be part of the program structure when initiating or enhancing a recycling program. Establishing a TDA provides justification for equipment acquisition.

C8.28. Is there a dollar limit on equipment purchased on a QRP account?

No, but individual funds have procurement ceilings. Remember that all capital investments must be analyzed using traditional LCC procedures. Equipment rental, partnering, regionalization options are available. Contact your service representative for information on purchasing reconditioned equipment at substantial savings over new equipment.

C8.29. Are tenants on an installation allowed to use their own turn-in numbers so that the revenue generated by recyclables is returned to the tenants?

No. All revenues are returned to the QRP account to: Pay overhead costs, pay for Installation Pollution Prevention (P2) activities, to include: natural resources conservation projects, safety and health projects, and energy savings projects, Morale, Welfare, and Recreation activities.

C8.30. What should I do if recyclable material commodity prices drop and my QRP starts losing money?

Reevaluate your QRP. Perhaps you should not continue to recycle in the current manner. Try to initiate regional recycling activities with your sister services and other federal agencies. Remember that the markets for recyclable materials fluctuates from time to time. In times of profit, budget your funds for the leaner periods. Remember that you can “bank” up to \$2,000,000 before monies revert to the U.S. Treasury. Use this account to smooth out cash flow fluctuations and to ride out the “peaks” and “valleys” of the commodity markets.

C8.31. Why should I go to the DoD National Recycling Workshop?

The National Recycling Coalition Annual Conference is the premier recycling conference in the United States. This is the reason that DoD has selected to use this as a vehicle for convening the one and only national recycling meeting for Defense personnel. This is also recognized by the Federal Environmental Executive who has joined DoD in a partnership for a DoD-OFEE-NRC program. All recycling program managers and procurement personnel should set aside time and money to attend this important conference to meet and interact with their peers and hear firsthand the latest in policy changes and trends in the industry.

C8.32. Is the QRP required to recycle demolition debris from C&D?

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No. Construction and demolition debris may be recycled outside of the QRP. However, if an installation is attempting to meet the DoD Measures of Merit for solid waste, it is crucial that C& D be recycled and reported through the SWAR-base recordkeeping system.

C8.33. What is the status of the old DoD Measures of Merit?

The “old” Measures of Merit are the DoD requirements for a reduction in the amount of solid waste generated and an increase in the amount of materials recycled, based on a 1992 baseline. Rather than penalize installations who actively recycled prior to 1992, the Measure has been changed to reflect the current percentage of materials being diverted from landfills. This percentage enables an installation the opportunity to effectively gauge their Integrated Solid Waste Management (ISWM) efforts. This diversion rate gives a more realistic, installation-specific tool to determine the success of a recycling program and the costs associated with ISWM.

C8.34. If my recycling contractor picks up recyclable materials from family housing does the QRP have to pay for it?

No. In fact it should not pay for curbside collection. If the materials were not being recycled, that same contractor would be responsible for picking up the materials and taking it off site for disposal. By collecting recyclable materials, that contractor reduces the amount of materials that must be transported off site and avoids a substantial cost (tipping fees) and disposal capacity limits associated with municipal landfills.

C8.35. Is an installation composting program ever under the QRP?

Yes, it can be, but, it is not essential that the composting program be considered part of the QRP unless the product is sold on the open market. Remember, whether composting is part of the QRP or not, you should list the quantities of debris recycled in the SWAR-base recordkeeping system and these values will be used to meet the diversion rate Measure of Merit.

C8.36. If my question is not answered here, who do I call?

No one. E-mail the following:

Wallace Eakes: weakes@nfesc.navy.mil

Karl Weiss: weisska@acq.osd.mil

Barbara Krupiarz: Krupiarz@clark.net

Laura Seabeneck: laura.e.seabeneck@cpw01.usace.army.mil

Bill Eng: engw@pentagon-acsim3.army.mil

Maj Mike Haas: haasm@afce.hq.af.mil

Dave Heinrichs: heinrichsd@mqg-smtp3.usmc.mil

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AP1. APPENDIX 1

FEDERAL INSTRUCTIONS, LAWS AND DIRECTIVES

AP1.1. SUMMARY OF REGULATORY REQUIREMENTS

The requirements for QRPs within DoD Components are based on Public Laws, United States Code, and Executive Orders. DoD has issued implementing guidance and procedures as directives, regulations, instructions, policy memoranda, manuals, and handbooks. When there are conflicts or contradictions, the latest policy on an issue or subject area is usually considered valid and should be followed. The most significant QRP Federal requirements in this *Guide* are shown in full or summarized in this Appendix.

AP1.2. DoD Instruction 4715.4, "Pollution Prevention," June 18, 1996 (Supersedes DoD Policy Memoranda.)

AP1.2.1. Implements policy, assigns responsibility, and prescribes procedures for implementation of pollution prevention (P2) programs throughout DoD. Designates Executive Agents to lead DoD implementation of key P2 programs.

AP1.2.2. Emphasizes P2 as the alternative of choice, and adopts the environmental management hierarchy of solutions, in order of preference: Prevent, eliminate or minimize at the source; Reuse what cannot be eliminated and recycle what can not be reused; Safely treat what cannot be eliminated or recycled; and safely dispose or release only as a last resort what cannot be eliminated or recycled.

AP1.2.3. Requires DLA to establish procedures and controls for DRMS sale of recyclables to return 100 percent of proceeds to QRPs, less DRMS costs of sales and handling.

AP1.2.4. Requires Military Departments to establish procedures that:

AP1.2.4.1. Ensure that all installations have, or participate in, a QRP to serve host and tenant organizations alike. Ensure that GOCO and other types of contracts are modified where cost-effective to include recycling programs.

AP1.2.4.2. Ensure that QRP procedures address recyclable materials, excluded materials, and other qualified recycling program materials. Controls ensure that 32 CFR Part 172.2(b)(3) excluded materials are not sold through a QRP.

AP1.2.4.3. Authorize installations to sell directly recyclable and other qualified recycling program materials, or to consign them to DRMS for sale. Direct sales procedures must follow

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U.S. trade security controls (DoDI 4160.27 and DoD 4160.21-M-1) when selling firing range-expanded brass or mixed metals gleaned from firing range clean up that do not require demilitarization and that are not Munitions List Items or Strategic List Items. Expanded brass shall be crushed, shredded, or otherwise destroyed prior to public sale.

AP1.2.4.4. Ensure that the distribution of recycling proceeds is consistent with 10 U.S.C. §2577, such that sales proceeds are first used to cover costs directly attributable to the QRP, and that up to 50% of the remaining proceeds may be used for DoD Instruction 4715.4 listed environmental, energy, or safety and health projects. Any remaining proceeds may be transferred to the MWR account.

AP1.2.4.5. Establish accounting and control systems for management and audit information, materials and sales/cost/expenditure tracking.

AP1.2.4.6. Operate, or participate in, a composting program, if practicable.

AP1.3. EXECUTIVE ORDER 12873, “FEDERAL ACQUISITION, RECYCLING AND WASTE PREVENTION”

AP1.3.1. Consistent with efficiency and cost effectiveness, agencies shall “...incorporate waste prevention and recycling into the agency’s daily operations and work to increase and expand market for recovered materials through greater Federal Government preference and demand for such products.”

AP1.3.2. Consistent with Office of Federal Procurement Policy (“OFPP”) policies, agencies shall “...comply with executive branch policies for the acquisition and use of environmentally preferable products and services and implement cost-effective procurement preference programs favoring the purchase of these products and services.”

AP1.3.3. In acquisition planning and contract awards, agencies shall “...consider: elimination of virgin material requirements; use of recovered materials; reuse of product; life cycle cost; recyclability; use of environmentally preferable products; waste prevention (including toxicity reduction or elimination); and ultimate disposal.”

AP1.3.4. Agencies shall “...develop and implement affirmative procurement programs in accordance with RCRA §6002 (42 U.S.C. §6962),...” with “...responsibilities for preparation, implementation, and monitoring...shared between the program personnel and procurement personnel.” For purchases made pursuant to the order, EPA “...shall maximize environmental benefits, consistent with price, performance and availability considerations, and shall adjust bid solicitation *Guidelines* as necessary in order to accomplish this goal.”

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AP1.3.5. “Agencies shall establish affirmative procurement programs for all designated EPA *Guideline* item purchased by their agency. For newly designated items, agencies shall revise their internal programs within one year from the date EPA designated the new items.”

AP1.3.6. “For currently designated EPA *Guideline* items, which are: (i) concrete and cement containing fly ash; (ii) recycled paper products; (iii) re-refined lubricating oil; (iv) retread tires; and (v) insulation containing recovered materials, and for all future *Guideline* items, agencies shall ensure that their affirmative procurement programs require 100 percent of their purchases of products meet or exceed EPA *Guideline* standards unless written justification is provided that a product is not available competitively within a reasonable time frame, does not meet appropriate performance standards, or is available at an unreasonable price.”

AP1.3.7. “...Executive agencies shall review and revise federal and military specifications, product descriptions and standards to enhance Federal procurement of products made from recovered materials or that are environmentally preferable...”

AP1.3.8. “Each agency shall establish a goal for solid waste prevention and a goal for recycling to be achieved by the year 1995. Progress on attaining these goals shall be reported by the agencies to the Federal Environmental Executive for the annual report specified in §301 of this order.”

AP1.3.9. “Agencies shall strive to increase the procurement of products that are environmentally preferable or that are made with recovered materials and set annual goals to maximize the number of recycled products purchased, relative to non-recycled alternatives.”

AP1.4. Solid Waste Disposal Act of 1976, as amended, 42 U.S.C. §6901, et seq., (commonly known as the Resource Conservation and Recovery Act (RCRA)), 40 CFR 240-272, as amended, §6002.

AP1.4.1. Eliminates unnecessary virgin materials and prohibitions against recovered materials in specifications;

AP1.4.2. Adds preference for recovered materials; and

AP1.4.3. Requires affirmative procurement program for EPA (recycled) *Guideline* items.

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AP1.5. 10 U.S.C. §2577, “Disposal of Recyclable Materials,” Military Construction Codification Act of 1982, PL 97-214

(a)(1) The Secretary of Defense shall prescribe regulations to provide for the sale of recyclable materials held by a military department of defense agency and for the operation of recycling programs at military installations. Such regulations shall include procedures for the designation by the Secretary of a military department (or by the Secretary of Defense with respect to facilities of a defense agency) of military installations that have established a qualifying recycling program for the purposes of Subsection (b)(2).

(2) Any sale of recyclable materials by the Secretary of Defense or Secretary of a military department shall be in accordance with the procedures in Section 203 of the Federal Property Administration Services Act of 1949 (40 U.S.C. §4894) for the sale of surplus property.

(b)(1) Proceeds from the sale of recyclable materials at an installation shall be credited to funds available for operations and maintenance at that installation in amounts sufficient to cover the costs of operations, maintenance, and overhead for processing recyclable materials at the installation (including the cost of any equipment purchased for recycling purposes).

(2) If after such funds are credited a balance remains available to a military installation and such installation has a qualifying recycling program (as determined by the Secretary of the military department concerned or the Secretary of Defense), not more than 50 percent of that balance may be used at the installation for projects for pollution abatement, energy conservation, and occupational safety and health activities. A project may not be carried under the preceding sentence for an amount greater than 50 percent of the amount established by law as the maximum amount for a minor construction project.

(3) The remaining balance available to a military installation may be transferred to the non-appropriated morale and welfare account of the installation to be used for any morale or welfare activity.

(c) If the balance available to a military installation under this section at the end of any fiscal year is in excess of \$2,000,000, the amount of that excess shall be covered into the Treasury as miscellaneous receipts.

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AP1.6. 40 U.S.C. §484, “DISPOSAL OF SURPLUS PROPERTY”

This Section is also referred to as the “Federal Property and Administrative Services Act of 1949,” P.L. 152.

(a) Supervision and direction

Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) Care and handling

The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Method of disposition

Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this subchapter.

(d) Validity of deed, bill of sale, lease, etc.

A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this subchapter shall be conclusive evidence of compliance with the provisions of this subchapter insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

(e) Bids for disposal; advertising; procedure; disposal by negotiation; explanatory statement

(1) All disposals or contracts for disposal of surplus property (other than by abandonment, destruction, donation, or through contract brokers) made or authorized by the Administrator shall be made after publicly advertising for bids, under regulations prescribed by the Administrator, except as provided in paragraphs (3) and (5) of this subsection.

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(2) Whenever public advertising for bids is required under paragraph (1) of this subsection:

(A) the advertisement for bids shall be made at such time previous to the disposal or contract, through such methods, and on such terms and conditions as shall permit that full and free competition which is consistent with the value and nature of the property involved;

(B) all bids shall be publicly disclosed at the time and place stated in the advertisement;

(C) award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: Provided, That all bids may be rejected when it is in the public interest to do so.

(3) Disposals and contracts for disposal may be negotiated, under regulations prescribed by the Administrator, without regard to paragraphs (1) and (2) of this subsection but subject to obtaining such competition as is feasible under the circumstances, if:

(A) necessary in the public interest during the period of a national emergency declared by the President or the Congress, with respect to a particular lot or lots of personal property or, for a period not exceeding three months, with respect to a specifically described category or categories of personal property as determined by the Administrator;

(B) the public health, safety, or national security will thereby be promoted by a particular disposal of personal property;

(C) public exigency will not admit of the delay incident to advertising certain personal property;

(D) the personal property involved is of a nature and quantity which, if disposed of under paragraphs (1) and (2) of this subsection, would cause such an impact on an industry or industries as adversely to affect the national economy, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(E) the estimated fair market value of the property involved does not exceed \$15,000;

(F) bid prices after advertising therefor are not reasonable (either as to all or some part of the property) or have not been independently arrived at in open competition;

(G) with respect to real property only, the character or condition of the property or unusual circumstances make it impractical to advertise publicly for competitive bids and the fair market value of the property and other satisfactory terms of disposal can be obtained by negotiation;

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(H) the disposal will be to States, Territories, possessions, political subdivisions thereof, or tax-supported agencies therein, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or

(I) otherwise authorized by this Act or other law.

(4) Disposals and contracts for disposal of surplus real and related personal property through contract realty brokers employed by the Administrator shall be made in the manner followed in similar commercial transactions under such regulations as may be prescribed by the Administrator: Provided, That such regulations shall require that wide public notice of availability of the property for disposal be given by the brokers.

(5)(A) Negotiated sales of personal property at fixed prices may be made by the Administrator either directly or through the use of disposal contractors without regard to the limitations set forth in paragraphs (1) and (2) of this subsection: Provided, That such sales shall be publicized to the extent consistent with the value and nature of the property involved, that the prices established shall reflect the estimated fair market value thereof, and that such sales shall be limited to those categories of personal property as to which the Administrator determines that such method of disposal will best serve the interests of the Government.

(B) Under regulations and restrictions to be prescribed by the Administrator, property to be sold pursuant to this paragraph may be offered to organizations specified in paragraph (3) (H) of this subsection that have expressed an interest in the property to permit such an organization a prior opportunity to purchase at the prices fixed for such property.

(6)(A) Except as otherwise provided by subparagraph (C) of this paragraph, an explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

- (i) any personal property which has an estimated fair market value in excess of \$15,000;
- (ii) any real property that has an estimated fair market value in excess of \$100,000; except that any real property disposed of by lease or exchange shall only be subject to clauses (iii) through (v) of this subparagraph;
- (iii) any real property disposed of by lease for a term of 5 years or less, if the estimated fair annual rent is in excess of \$100,000 for any of such years;
- (iv) any real property disposed of by lease for a term of more than 5 years, if the total estimated rent over the term of the lease is in excess of \$100,000; or
- (v) any real property of real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

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(B) Each such statement shall be transmitted to the appropriate committees of the Congress in advance of such disposal, and a copy thereof shall be preserved in the files of the executive agency making such disposal.

(C) No such statement need be transmitted to any such committee with respect to any disposal of personal property made under paragraph (5) at a fixed price, or to property disposals authorized by any other provision of law to be made without advertising.

(D) The annual report of the Administrator under section 492 of this title shall contain or be accompanied by a listing and description of any negotiated disposals of surplus property having an estimated fair market value of more than \$15,000, in the case of real property, or \$5,000, in the case of any other property, other than disposals for which an explanatory statement has been transmitted under this paragraph.

(7) Section 5 of title 41 shall not apply to disposals or contracts for disposal made under this subsection.

(f) Contractor inventories

Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

(g) Agricultural commodities, foods, and cotton or woolen goods.

The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Transfer to Department of Agriculture for price support or stabilization reasons; deposit of receipts; limitation on sale of surplus farm commodities.

Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 485(b) of this title, when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in

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excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

(i) Vessels; laws governing sales

The Maritime Administration shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Administration determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1101 et seq.), and other laws authorizing the sale of such vessels.

(j) Transfers for donation of property to State agencies; State plan of operation; 'public agency' and 'State' defined

(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to transfer, without cost (except for costs of care and handling), any personal property under the control of any executive agency which has been determined to be surplus property to the State agency in each State designated under State law as the agency responsible for the fair and equitable distribution, through donation, of all property transferred in accordance with the provisions of paragraphs (2) and (3) of this subsection. In determining whether the property is to be transferred for donation under this subsection, no distinction shall be made between property capitalized in a working-capital fund established under section 2208 of title 10, or any similar fund, and any other property.

(2) In the case of surplus personal property under the control of the Department of Defense, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities which are of special interest to the armed services, such as maritime academies, or military, naval, Air Force, or Coast Guard preparatory schools. If the Secretary determines that such property is usable and necessary for said purposes, the Secretary shall allocate it for transfer by the Administrator to the appropriate State agency for distribution, through donation, to such educational activities. If the Secretary determines that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph (3) of this subsection.

(3) Except for surplus personal property transferred pursuant to paragraph (2) of this subsection, the Administrator shall, pursuant to criteria which are based on need and utilization and established after such consultation with State agencies as is feasible, allocate such property among the States in¹ a fair and equitable basis (taking into account the condition of the property as well as the original acquisition cost thereof), and transfer to the State agency property selected by it for distribution through donation within the State:

¹ So in original, Probably should be 'on'.

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(A) to any public agency for use in carrying out or promoting for the residents of a given political area one or more public purposes, such as conservation, economic development, education, parks and recreation, public health, and public safety; or

(B) to nonprofit educational or public health institutions or organizations, such as medical institutions, hospitals, clinics, health centers, drug abuse treatment centers, providers of assistance to homeless individuals², schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, child care centers, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, museums attended by the public, and libraries serving free all residents of community, district, State, or region, which are exempt from taxation under section 501 of title 26, for purposes of education or public health (including research for any such purpose).

The Administrator, in allocating and transferring property under this paragraph, shall give fair consideration, consistently with the established criteria, to expressions of need and interest on the part of public agencies and other eligible institutions within that State, and shall give special consideration to requests by eligible recipients, transmitted through the State agency, for specific items of property.

(4)(A) Before property may be transferred to any State agency, such State shall develop, according to State law, a detailed plan of operation, developed in conformity with the provisions of this subsection, which shall include adequate assurance that the State agency has the necessary organizational and operational authority and capability, including staff, facilities, means and methods of financing, and procedures with respect to: accountability, internal and external audits, cooperative agreements, compliance and utilization reviews, equitable distribution and property disposal, determination of eligibility, and assistance through consultation with advisory bodies and public and private groups. The chief executive officer shall certify and submit the plan to the Administrator. In the event that a State legislature has not developed, according to State law, a State plan within two hundred and seventy calendar days after October 17, 1976, the chief executive officer of the State shall approve, and submit to the Administrator, a temporary State plan. No such plan, and no major amendment thereof, shall be filed with the Administrator until sixty days after general notice of the proposed plan or amendment has been published and interested persons have been given at least thirty days during which to submit comments. In developing and implementing the State plan, the relative needs and resources of all public agencies and other eligible institutions within the State shall be taken into consideration. The Administrator may consult with interested Federal agencies for purposes of obtaining their views concerning the administration and operation of this subsection.

² So in original. Probably should be followed by a comma.

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(B) The State plan shall provide for the fair and equitable distribution of property within such State based on the relative needs and resources of interested public agencies and other eligible institutions within the State and their abilities to utilize the property.

(C)(i) The State plan of operation shall require the State agency to utilize a management control system and accounting system for donable property transferred under this section of the same types as are required by State law for State-owned property, except that the State agency, with the approval of the chief executive officer of the State, may elect, in lieu of such systems, to utilize such other management control and accounting systems as are effective to govern the utilization, inventory control, accountability, and disposal of property under this subsection.

(ii) The State plan of operation shall require the State agency to provide for the return of donable property for further distribution if such property, while still usable, has not been placed in use for the purpose for which it was donated within one year of donation or ceases to be used by the donee for such purposes within one year of being placed in use.

(iii) The State plan shall require the State agency, insofar as practicable, to select property requested by a public agency or other eligible institution within the State and, if so requested by the recipient, to arrange shipment of that property, when acquired, directly to the recipient.

(D) Where the State agency is authorized to assess and collect service charges from participating recipients to cover direct and reasonable indirect costs of its activities, the method of establishing such charges shall be set out in the State plan of operation. Such charges shall be fair and equitable and shall be based on services performed by the State agency, including, but not limited to, screening, packing, crating, removal, and transportation.

(E) The State plan of operation shall provide that the State agency may impose reasonable terms, conditions, reservations, and restrictions on the use of property to be donated under paragraph (3) of this subsection and shall impose such terms, conditions, reservations, and restrictions in the case of any passenger motor vehicle and any item of other property having a unit acquisition cost of \$5,000 or more. If the Administrator finds that an item or items have characteristics that require special handling or use limitations, he may impose appropriate conditions on the donation of such property.

(F) The State plan of operation shall provide that surplus property which the State agency determines cannot be utilized by eligible recipients shall be disposed of -

(i) subject to the disapproval of the Administrator within thirty days after notice to him, through transfer by the State agency to another State agency or through abandonment or destruction where the property has no commercial value or the estimated cost of its continued care and handling would exceed the estimated proceeds from its sale; or

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(ii) otherwise pursuant to the provisions of this Act under such terms and conditions and in such manner as may be prescribed by the Administrator.

Notwithstanding sections 485 and 512(c) of this title, the Administrator, from the proceeds of sale of any such property, may reimburse the State agency for such expenses relating to the care and handling of such property as he shall deem appropriate.

(5) As used in this subsection, (A) the term 'public agency' means any State, political subdivision thereof (including any unit of local government or economic development district), or any department, agency, instrumentality thereof (including instrumentalities created by compact or other agreement between States or political subdivisions), or any Indian tribe, band, group, pueblo, or community located on a State reservation and (B) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Virgin Islands, Guam, and American Samoa.

(k) Disposals by Secretary of Education, Secretary of Health and Human Services, Secretary of the Interior, and Secretary of Defense

(1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Secretary of Education or the Secretary of Health and Human Services for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Secretary of Education or the Secretary of Health and Human Services as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Secretary of Education of a proposed transfer of property for school, classroom, or other educational use, the Secretary of Education through such officers or employees of the Department of Education as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 501(c)(3) of title 26.

(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Secretary of Health and Human Services of a proposed transfer of property for public-health use, the Secretary of Health and Human Services, through such officers or employees of the Department of Health and Human Services as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 501(c)(3) of title 26.

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(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Secretary of Education and the Secretary of Health and Human Services shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

(D) 'States' as used in this subsection includes the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

(2) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Secretary of the Interior for disposal, such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Secretary of the Interior as needed for use as a public park or recreation area.

(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Secretary of the Interior of a proposed transfer of property for public park or public recreational use, the Secretary of the Interior, through such officers or employees of the Department of the Interior as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for public park or public recreational purposes to any State, political subdivision, instrumentalities thereof, or municipality.

(B) In fixing the sale or lease value of property to be disposed of under subparagraph (A) of this paragraph, the Secretary of the Interior shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or municipality.

(C) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection:

(i) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed in perpetuity, and that in the event that such property ceases to be used or maintained for such purpose during such period, all or any portion of such property shall in its then existing condition, at the option of the United States, revert to the United States; and

(ii) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Secretary of the Interior to be necessary to safeguard the interests of the United States.

(D) 'States' as used in this subsection includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(3) Without monetary consideration to the United States, the Administrator may convey to any State, political subdivision, instrumentalities thereof, or municipality, all of the right, title,

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and interest of the United States in and to any surplus real and related personal property which the Secretary of the Interior has determined is suitable and desirable to use as a historic monument, for the benefit of the public. No property shall be determined to be suitable or desirable for use as a historic monument except in conformity with the recommendation of the Advisory Board on National parks, Historic Sites, Buildings and Monuments established by section 463 of title 16, and only so much of any such property shall be so determined to be suitable or desirable for which such use as is necessary for the preservation and proper observation of its historic features.

(A) The Administrator may authorize use of any property conveyed under this subsection or the Surplus Property Act of 1944, as amended, for revenue-producing activities if the Secretary of the Interior (i) determines that such activities are compatible with use of the property for historic monument purposes, (ii) approves the grantee's plan for repair, rehabilitation, restoration, and maintenance of the property, and (iii) approves the grantee's plan for financing repair, rehabilitation, restoration, and maintenance of the property. The Secretary shall not approve a financial plan unless it provides that incomes in excess of costs of repair, rehabilitation, restoration, and maintenance shall be used by the grantee only for public historic preservation, park, or recreational purposes. The Administrator may not authorize any uses under this subsection until the Secretary has examined and approved the accounting and financial procedures used by the grantee. The Secretary may periodically audit the records of the grantee, directly related to the property conveyed.

(B) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection -

(i) shall provide that all such property shall be used and maintained for historical monument purposes in perpetuity, and that in the event that the property ceases to be used or maintained for that purpose, all or any portion of the property shall, in its then existing condition, at the option of the United States, revert to the United States; and

(ii) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interests of the United States.

(C) 'States' as used in this subsection, includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(4) Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection, except with respect to personal property transferred pursuant to subsection (j) of this section:

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(A) The Secretary of Education, through such officers or employees of the Department of Education as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom or other educational use;

(B) the Secretary of Health and Human Services, through such officers or employees of the Department of Health and Human Services as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces.⁴ is authorized and directed:

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformative or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant releases from any of the terms, conditions, reservations and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: Provided, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

³ So in original. Probably should not be capitalized.

⁴ So in original. Probably should be a comma.

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(l) Donations to American Red Cross

Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate to the American National Red Cross, for charitable purposes, such property, which was processed, produced, or donated by the American National Red Cross, as shall have been determined to be surplus property.

(m) Possession of abandoned or unclaimed property on Government premises; disposal; claims by former owners

The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

(n) Cooperative agreements with the State agencies

For the purpose of carrying into effect the provisions of subsection (j) of this section, the Administrator or the head of any Federal agency designated by the Administrator, and, with respect to subsection (k)(1) of this section, the Secretary of Education, the Secretary of Health and Human Services, or the head of any Federal agency designated by the Secretary, are authorized to enter into cooperative agreements with State surplus property distribution agencies designated in conformity with subsection (j) of this section. Such cooperative agreements may provide for utilization by such Federal agency, with or without payment or reimbursement, of the property, facilities, personnel, and services of the State agency in carrying out any such program, and for making available to such State agency, with or without payment or reimbursement, property, facilities, personnel, or services of such Federal agency in connection with such utilization. Payment or reimbursement, if any, from the State agency shall be credited to the fund or appropriation against which charges would be made if no payment or reimbursement were received. In addition, under such cooperative agreements and subject to such other conditions as may be imposed by the Administrator, or with respect to subsection (k)(1) of this section by the Secretary of Education or the Secretary of Health and Human Services, any surplus property transferred to the State agency for distribution pursuant to subsection (j)(3) of this section may be retained by the State agency for use in performing its functions. Unless otherwise directed by the Administrator, title to property so retained shall vest in the State agency.

(o) Annual reports to Congress and to Administrator by agencies disposing of property; biennial reports to Congress by Administrator, copies to Comptroller General

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(1) With respect to real and related personal property transferred or conveyed under subsection (p) of this section and real property disposed of under subsection (k) of this section and section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)), the head of each executive agency disposing of such property shall submit during the calendar quarter following the close of each fiscal year a report to the Congress and to the Administrator showing the acquisition cost and the sale or lease value of all real and related personal property so disposed of during the preceding fiscal year. Such reports shall also show transfers or conveyances of property according to State, and may include such other information and recommendations as the Administrator or other executive agency head concerned deems appropriate.

(2) Six months after the end of the first full fiscal year after November 5, 1988, and biennially thereafter, the Administrator shall transmit a report to the Congress that covers the initial period from November 5, 1988, and each succeeding biennial period and contains:

(A) a full and independent evaluation of the operation of programs for the donation of Federal surplus personal property.

(B) statistical information on the amount of excess personal property transferred to Federal agencies and provided to grantees and non-Federal organizations and surplus personal property approved for donation to the State Agencies for Surplus Property and donated to eligible non-Federal organizations during each succeeding biennial period, and

(C) such recommendations as the Administrator determines to be necessary or desirable.

(3) A copy of each report made under paragraph (2) shall also be simultaneously furnished to the Comptroller General of the United States. The Comptroller General shall review and evaluate the report and make any comments and recommendations to the Congress thereon, as he deems necessary or desirable.

(p) Transfer or conveyance of property for correctional facility use; consideration-free transfers; reimbursement for interim transfers; reversion option; terms and conditions

(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to transfer or convey to the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Island, the Commonwealth of the Northern Mariana Islands, or any political subdivision or instrumentality thereof, surplus real and related personal property determined by the Attorney General to be required for correctional facility use by the authorized transferee or grantee under an appropriate program or project for the care or rehabilitation of criminal offenders as approved by the Attorney General. Transfers or conveyance under this authority shall be made by the Administrator without monetary consideration to the United States. If the Attorney General determines that any surplus property transferred or conveyed pursuant to an

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agreement entered into between March 1, 1982, and the enactment of this subsection was suitable for transfer or conveyance under this subsection, the Administrator shall reimburse the transferee for any monetary consideration paid to the United States for such transfer or conveyance.

(2) The deed of conveyance of any surplus real and related personal property disposed of under the provisions of this subsection:

(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed in perpetuity, and that in the he event the property ceases to be used or maintained for that purpose, all or any portion of the property shall, in its then existing condition, at the option of the United States, revert to the United States; and

(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interests of the United States.

(3) With respect to surplus real and related personal property conveyed pursuant to this subsection, the Administrator is authorized and directed:

(A) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(B) to reform, correct, or amend any such instrument by the execution of a corrective reformatory or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(C) to (i) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (ii) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: Provided, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he or she shall deem necessary to protect or advance the interests of the United States.

AP1.7. 40 U.S.C. §485 PROCEEDS FROM SALES; USE; REPORT

(a) Disposition of receipts

All proceeds under this subchapter from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be

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covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), (e), and (h) of this section.

(b) Deposit of proceeds from sales; use; report

Except as provided in subsection (h) of this section, all the proceeds of such dispositions of surplus real and related personal property made by the Administrator of General Services shall be set aside in a separate fund in the Treasury. Not more than an amount to be determined quarterly by the Director of the Office of Management and Budget may be obligated from such fund by the Administrator to pay the direct expenses incurred for the utilization of excess property and the disposal of surplus property under this Act for fees of appraisers, auctioneers, and realty brokers, for costs of environmental and historic preservation services, and for advertising and surveying. Such payments from this fund may be used either to pay such expenses directly or to reimburse the fund or appropriation initially bearing such expenses. Fees paid to appraisers, auctioneers, and brokers shall be in accordance with the scale of fees customarily paid for such services in similar commercial transactions, and in no event shall more than 12 per centum of the proceeds of all dispositions within each fiscal year of surplus real and related personal property be paid out of such proceeds under this authorization to meet direct expenses incurred in connection with such dispositions. Periodically, but not less often than once each year, any excess funds beyond current operating needs shall be transferred from the fund to miscellaneous receipts: Provided, That a report of receipts, disbursements, and transfers to miscellaneous receipts under this authorization shall be made annually in connection with the budget estimates to the Director of Office of Management and Budget and to the Congress.

(c) Credit to reimbursable fund or appropriation on certain transactions

Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: Provided, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term 'net proceeds of the disposition or transfer' means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(d) Special account deposits

Any Federal agency disposing of surplus property under this subchapter (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any

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warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(e) Sale proceeds offset against price or cost of contractor's work

Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(f) Acceptance of property in lieu of cash

Any executive agency entitled to receive cash under any contract covering the lease, sale or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the President to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

(g) Management of credit, lease, and permits on property

Where credit has been extended in connection with any disposition of surplus property under this subchapter or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

(h) Property under control of a military department

(1) If the Secretary of a military department determines that real property, and improvements thereon, under the control of that department (other than property at a military installation designated for closure or realignment) is excess to the needs of that department, the Secretary of Defense shall provide that the property be made available for transfer without reimbursement to the other military departments within the Department of Defense. If the property is not transferred to another military department, the Secretary of the military department concerned shall request the Administrator to transfer or dispose of such property in accordance with the provisions of this Act, section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)), or other applicable law.

(2) The Administrator shall deposit any proceeds (less expenses or transferring or disposing of the property as provided in subsection (b) of this section) in a special account in the Treasury of the United States. The amount deposited in such account with respect to the

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transfer or disposal of any such property shall be available, to the extent provided in appropriation Acts, as follows:

(A) 50 percent of such amount shall be available for facility maintenance and repair or environmental restoration at the military installation where the property is located.

(B) 50 percent of such amount shall be available for facility maintenance and repair and for environmental restoration by the military department that had jurisdiction over the property before it was disposed of or transferred.

(3) As part of the annual request for authorizations of appropriations to the Committees on Armed Services of the Senate and of the House Representatives, the Secretary of Defense shall include an accounting of each transfer and disposal made in accordance with this subsection during the fiscal year preceding the fiscal year in which the request is made, including a detailed explanation of each such transfer and disposal and of the user of the proceeds received from it by the Department of Defense.

(4) For purposes of this subsection, the term ‘military installation’ shall have the meaning given that term in section 2687(e)(1) of title 10.

AP1.8. 32 CFR Part 172, “Disposition of Proceeds from DoD Sales of Surplus Property”

AP1.8.1. Instructions for collecting and disposing of funds received for the sale of recyclable DoD materials per 10 U.S.C. §2577.

AP1.8.2. Defines recyclable materials.

AP1.8.3. Warnings for recyclers of hazardous materials or wastes.

AP1.8.4. Exclusions from qualified recyclable materials.

AP1.8.5. Procedures for depositing proceeds from the sale of recyclable materials into the Budget Clearing Account.

AP1.8.6. Addresses work effort and cost elements associated with recycled materials.

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AP2. APPENDIX 2

EPA GUIDELINE ITEMS

Comprehensive Guide for Procurement of Products Containing Recovered Materials

Effective Date: May 1, 1996

Introduction: In Section 6002 of the Resource Conservation and Recovery Act (RCRA) Congress acknowledges the importance of recycling by mandating that government agencies increase their purchases of products containing recovered materials (i.e., waste materials and by-products that have been recovered or diverted from solid waste, not including materials and by-products generated from and commonly reused within an original manufacturing process.) To further that mandate, RCRA Section 6002 specifies that the Environmental Protection Agency (EPA) develop and issue procurement Guidelines that designate specific items that are or can be made with recovered materials, and recommend practices with respect to the procurement of recovered materials and items containing such materials. Procuring agencies (Federal, State, and agencies of political subdivisions of States that use appropriated Federal funds) and their contractors are required to buy designated items with the highest recovered material content practicable. In fulfillment of this mandate, EPA previously codified, at 40 CFR Parts 248, 249, 250, 252, and 253, five designated products or product categories that are or can be made with recovered materials.

Executive Order 12873, "Federal Acquisition, Recycling, and Waste Prevention," signed on October 20, 1993, prescribed an expedited, two-part process for EPA to follow when designating items that are or can be made with recovered material. This Regulatory Bulletin describes the first Comprehensive Procurement Guideline (CPG) (with 19 newly designated items) and Recovered Materials Advisory Notices (RMANs) (with recommendations for purchasing the items) developed by EPA using this new process.

Statutory Authority: Section 6002(e) of RCRA requires that EPA designate items that are or can be made with recovered materials and recommend practices to assist procuring agencies in purchasing the designated items. On April 20, 1994, at 59 FR 18858, EPA proposed a CPG that contained EPA's designations of 21 new items that are or can be made with recovered materials. DOE commented on this proposed rule by way of a letter dated June 20, 1994 (See Office of Environmental Guidance Memorandum: Consolidated Departmental Response to "Comprehensive Guideline for Procurement of Products Containing Recovered Materials" proposed rulemaking and "Recovered Materials Advisory Notice" draft document, July 21, 1994). On May 1, 1995, at 60 FR 21370, the

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EPA promulgated a final rule that designated 19 items that are or can be made with recovered materials.

This final CPG also consolidates the designations from EPA's five previous procurement guidelines into a newly codified CPG at 40 CFR 247. In addition, the RMAN, a companion document that provides recommendations (including suggested recovered material content) to procuring agencies on purchasing the items designated in the CPG, for all 24 items was also published in the Notices section of the May 1 Federal Register at 60 FR 21386. With this action, EPA promulgated the first rule and notice governing the purchase of products containing recovered materials using the two-part process specified in Executive Order 12873.

Background: Other provisions of Section 6002 provide that procuring agencies using Federal funds are to purchase EPA-designated items composed of the highest percentage of recovered materials practicable, taking into consideration competition, price, availability, and performance [Section 6002(c)(1)(A) through (C)]. This requirement applies if the purchase price of the item exceeds \$10,000 or when the total cost of such items purchased by the procuring agency during the preceding fiscal year was \$10,000 or more. Other RCRA sections mandate the revision of specifications to require the use of recovered materials and the elimination of specifications requiring the exclusive use of virgin materials [Section 6002(d)], and the development of an affirmative procurement program [RCRA Section 6002(i)] that sets forth each agency's policies and procedures for implementing the requirements of RCRA 6002.

Executive Order 12873 was enacted to streamline the process of complying with RCRA Section 6002. This Executive Order provides several measures to assure that the Federal Government maximizes the use of recycled material through an affirmative procurement program. Overseen by a newly created Federal Environmental Executive and Agency Environmental Executives, affirmative procurement programs are required at all Federal Agencies for all designated EPA guideline items that they purchase. EPA was charged with instituting a new process for designating these items in accordance with RCRA Section 6002(e). The new process requires that 1) EPA issue a CPG (requiring a formal notice and comment in the Federal Register and codification in the Code of Federal Regulations) containing designated items that are or can be made with recovered materials, and 2) concurrent with the issuance of the CPG, publish for public comment in the Federal Register an RMAN that presents the range of recovered material content levels within which the designated recycled items are currently available. These levels are to be updated periodically, after publication for comment, to reflect changes in market conditions. Prior to this Order, EPA combined item designations and purchasing recommendations into one Federal Register notice and codified both the CPG and RMAN in the Code of Federal Regulations. Using the two-step process specified in the Executive Order, designations (the CPG) are codified, but recommendations (the RMAN), though concurrently published in the Federal Register are treated as guidance.

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Provisions of the New Rule: The final rule completely recognizes EPA's previous RCRA Section 6002 regulations. Between 1983 and 1989, EPA issued five guidelines for the procurement of products containing recovered materials. The guidelines covered 1) cement and concrete containing flyash, 2) paper and paper products, 3) re-refined lubricating oils, 4) retread tires, and 5) building insulation. In addition, guidance was promulgated at 40 CFR 247 prior to the 1984 RCRA Amendments. The final rule deleted the existing Part 247 guidance; deletes Parts 248, 249, 250, 252, and 253; and consolidates the five procurement guidelines and 19 new item designations into a new Part 247. New 40 CFR 247 is organized into two Subparts: Subpart A General, which includes definitions and general requirements of RCRA, Section 6002; and Subpart B Item Designations, which includes the 24 items organized into related groupings as illustrated in the table on page 3.

The May 1, 1995 RMAN includes general recommendations regarding the review and revision of product specifications, the administration of affirmative procurement programs, and specific recommendations for the procurement of each designated item, including EPA's recommended minimum content standards. To assist procuring agencies in obtaining recycled designated items, EPA has also published availability lists. These lists are not endorsements by EPA, but rather a source of potential suppliers for users to consider. A copy of the availability lists can be obtained by calling the RCRA Hotline: (703) 412-9810 for the Washington/Metro area, and (800) 424-9346 for all other areas.

Categories and Designated Items:

Paper and Paper Products*

Vehicular Products

- Engine Coolants
- Re-refined Lubricating Oils*
- Retread Tires

Construction Products

- Structural Fiberboard
- Laminated Paperboard
- Carpet
- Floor Tiles
- Patio Blocks
- Building Insulation Products*
- Cement and Concrete Containing
- Coal Fly Ash*

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- Ground Granulated Blast Furnace Slag

Transportation Products

- Traffic Cones
- Traffic Barricades

Park and Recreation Products

- Playground Surfaces
- Running Tracks

Landscaping Products

- Hydraulic Mulch
- Yard Trimmings Compost

Non-paper Office Products

- Office Recycling Containers
- Office Waste Receptacles
- Plastic Desktop Accessories
- Toner Cartridges
- Binders
- Plastic Trash Bags

*Consolidated from previously issued guidelines

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AP3. APPENDIX 3

DEFINITIONS

AP3.1. Activity: a unit, organization, or installation that performs a function or mission.

AP3.2. Amount Recoverable: materials that have useful physical or chemical properties after serving their original purpose and can be reused or recycled for the same or other purpose.

AP3.3. Amount Sellable as Recyclable: materials that fit within the *Guidelines* for items that can be sold through a qualified recycling program.

AP3.4. Appropriated Funds: money set aside by Congress through a formal process for a specific use.

AP3.5. Closed-Loop Recycling: the three integral parts in the recycling process: collecting recyclables, processing and manufacturing recyclables into new items, and buying recycled products.

AP3.6. Combined Services Recycling Working Group: a working group formed by the DoD Pollution Prevention Committee to develop joint service Qualified Recycling Program (QRP) policy. The group includes all services (including Coast Guard), the Defense Logistics Agency (DLA), the Office of the DoD Inspector General, and the National Security Agency (NSA).

AP3.7. Commingled Bag: designated recycling materials placed in one recycling container; and may include paper, aluminum, glass, plastic and other materials.

AP3.8. Construction and Demolition Debris (C&D): waste building materials, packaging, and rubble resulting from construction, remodeling, repair, and demolition operations on pavements, houses, commercial buildings, and other structures. Includes: roofing, piping, dry wall, wood, bricks, concrete and similar materials, but excluding asbestos containing materials.

AP3.9. Defense Business Operating Fund: the management of a working capital fund, or industrial, commercial, and support-type activities by the Secretary of Defense through separate accounting, reporting, and auditing. These activities include the Defense Finance and Accounting Service, the Defense Commissary Agency, and the Defense Reutilization and Marketing Service. Proceeds routinely used to offset customer costs.

AP3.10. Defense Finance and Accounting Service: directs finance and accounting requirements for all appropriated, nonappropriated, working capital, revolving and trust fund activities.

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AP3.11. Defense Reutilization and Marketing Office: provides technical assistance to generating activities, receives excess material and authorized turn-ins from generating activities.

AP3.12. Defense Reutilization and Marketing Service: exercises program management and staff supervision of DoD Personal Property Reutilization and Marketing Program.

AP3.13. Demilitarization: the act of destroying the functional or military capabilities of certain types of equipment or material that has been screened through inventory control points and declared surplus or foreign excess. The term includes mutilation, cutting, crushing, scrapping, melting, burning, or alteration to prevent further use of this equipment or material for its originally intended purpose and applies equally to equipment or material in serviceable or unserviceable condition.

AP3.14. Department of Defense Pollution Prevention Committee

AP3.15. Disposal Turn-in Document: document used when property is delivered to DRMO for reutilization, transfer, donation, or sale.

AP3.16. DoD Component: The Army, the Navy, the Air Force, and the Marine Corps. The Coast Guard when it is operating as a Military Service in the Navy. The Defense Agencies, and DoD Field Activities, including other integral DoD organizational entity or instrumentality established to perform a governmental function.

AP3.17. Economic Analysis: examines costs, benefits, and risks of various alternatives. Clearly identifying any funding or budget constraints, cite rates, factors and estimates. For example, it may be more efficient to contract out (outsourcing) or transfer operations rather than fund a QRP.

AP3.18. Electrical Components: an integral part, assembly, or subassembly of a complete item.

AP3.19. End user: consumer, purchaser, buyer, or customer.

AP3.20. Funds Transfer Document

AP3.21. Generation Rates: measures the total waste generated on an installation - total waste is the sum of the disposal amount and the recycled/reused amount.

AP3.22. Installation: land, buildings, and ships/vessels, to include piers, docks, warehouses, under the control of a designated military service or defense agency, at which functions are carried on by that service.

AP3.23. Installation Commander: person responsible for DoD Component who has separate budget and supervisory control over resources and personnel, or an installation.

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AP3.24. Landfill:

AP3.25. Landfill Amount: generation rates for landfilling which equal recoverable amounts PLUS sellable amounts LESS quantities for other disposal. The final amounts end up in a landfill. It covers all trash that is disposed of in any landfill, whether on or off base, or at sea.

AP3.26. Non-Appropriated Funds: funds generated by DoD military and civilian personnel and their dependents. Used to augment funds appropriated by Congress to provide a comprehensive, morale-building, welfare, religious, educational, and recreational program. Designed to improve the well-being of military and civilian personnel and their dependents.

AP3.27. Other Disposal: that part which cannot be reutilized, reused, or recycled.

AP3.28. Other Qualified Recycling Materials: Materials that fit neither the definition of recyclable materials nor the definition of excluded materials. Materials that are in such poor condition and/or low value that they probably are not reusable; could not be donated; and/or would be too costly to process through DRMO. Such materials must undergo informal local screening. These materials may be recycled by the QRP.

AP3.29. Partnering:

AP3.30. Personal Protective Equipment:

AP3.31. Pollution Prevention Funds: appropriated funds for all work necessary to eliminate or reduce DoD Components' undesirable impacts on human health and the environment in regards to both its processes, practices, and the products used. Funds come from a variety of sources, including military construction (MilCon), operations and maintenance (O&M), and procurement. Program and budget P2 project requirements in accordance with associated rules for each appropriation.

AP3.32. Pollution Prevention Plan: P2 Plan of management strategies for reducing the use of hazardous materials and releases of pollutants into the environment, reducing waste streams, reusing generated waste, and recycle waste not reusable.

AP3.33. Program Leader: assigned to coordinate a qualified recycling program including personnel, funds, and equipment for the purposes of carrying out the objectives of this *Guide* and DoD Instruction 4715.4.

AP3.34. QRP Manager: a dedicated, enthusiastic, and creative program manager who is responsible for consolidating information from all recycling activities, reporting on solid waste reduction, and affirmative procurement activities.

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AP3.35. Qualified Recycling Program: organized pursuant to 10 U.S.C. §2577. A DoD Component program to recover recyclable materials from waste streams, and identify, segregate, and maintain or enhance marketability of the recyclable materials.

AP3.36. Recyclable Material: such materials would otherwise be sold as scrap or discarded as waste, but are capable of being reused after undergoing some type of physical or chemical processing.

AP3.37. Recyclable Grades: Recyclables are grouped into major categories such as paper, plastic, metal, glass, and wood. Each may have subcategories. Within each category or subcategory may be a “grade” of recyclable.

AP3.38. Recyclable Subcategory: Some recyclables seem to have an unlimited number of subcategories, and each of the subcategories may have a separate grade that will affect the price received.

AP3.39. Recycling: The result of a series of activities by which materials, that would become, or otherwise remain waste, are diverted from the solid waste stream by collection, separation, and processing, and are used as raw materials in the manufacture of goods sold or distributed in commerce, or the reuse of such materials as substitutes for goods made of virgin materials.

AP3.40. Residential Recycling Program: a program promoting recycling and waste reduction resulting from the normal activities of households.

AP3.41. Reuse: the return of a material or product to the economy for use without any change in its identity by finding different purposes for the materials. Special processing is not required.

AP3.42. Sales Contracting Officer: an individual who has been duly appointed and granted authority to sell surplus or excess property by any of the authorized and prescribed methods of sale (42 U.S.C. §484).

AP3.43. Solid Waste Annual Report: activities that generate more than 1 ton/day of solid waste must prepare an annual fiscal year report.

AP3.44. StartUp Costs: costs of starting recycling programs.

AP3.45. Tenant: activities co-located and possibly supported by an installation but functioning under separate budget and supervisory control.

AP3.46. Trained Individual/Direct Sales POC: person in charge of direct sales who has participated in and completed a “Direct Sales” course as required under this *Guide*.

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AP3.47. Total Amount Generated: the total waste generated on an installation - total waste is the sum of the disposal amount and the recycled/reused amount.

AP3.48. Waste Stream Assessment: determines amount of waste generated in the area to be managed; components of the waste stream; geographic location of generation of waste; seasonal fluctuations of all the above; and existing capacity of all waste management methods and facilities.

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AP4. APPENDIX 4

ECONOMIC ANALYSIS WORKSHEET AND SAMPLE ECONOMIC ANALYSIS

Economic Analysis Worksheet

Installation: _____	Date: _____
Preparer: _____	
Location: _____	Tons - Lbs Gal / Yr _____
<u>ESTIMATED ADDED COST</u>	
1. Source separation and material preparation	\$ _____/Yr
a. Equipment (amortize over life of equipment)	\$ _____/Yr
b. Labor	\$ _____/Yr
(1) Procurement (amortize over life of equipment)	\$ _____/Yr
(2) Operations	\$ _____/Yr
(3) Maintenance	\$ _____/Yr
c. Other (materials, supplies)	\$ _____/Yr
	<u>Subtotal</u> \$ _____/Yr
2. Collection and storage	\$ _____/Yr
a. Equipment (amortize over life of equipment)	\$ _____/Yr
b. Labor	\$ _____/Yr
(1) Procurement (amortize over life of equipment)	\$ _____/Yr
(2) Operations	\$ _____/Yr
(3) Maintenance	\$ _____/Yr
c. Other (materials, supplies)	\$ _____/Yr
	<u>Subtotal</u> \$ _____/Yr
3. Program administration	\$ _____/Yr
a. Equipment (amortize over life of equipment)	\$ _____/Yr
b. Labor	\$ _____/Yr
(1) Procurement (amortize over life of equipment)	\$ _____/Yr
(2) Operations	\$ _____/Yr
(3) Maintenance	\$ _____/Yr
c. Other (materials, supplies)	\$ _____/Yr
	<u>Subtotal</u> \$ _____/Yr
	TOTAL ADDED COST \$ _____/Yr

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ESTIMATED AVOIDED COSTS AND REVENUE

<u>ESTIMATED AVOIDED COSTS AND REVENUE</u>	
1. Savings resulting from reduced volume going to a disposal facility	\$_____/Yr
2. Sales revenue (tons-lb-gal / yr) x (\$ / ton-lb-gal)	\$_____/Yr
<u>TOTAL AVOIDED COSTS + REVENUE</u>	\$_____/Yr
<u>Estimated Return</u>	\$_____/Yr
<u>(TOTAL AVOIDED COSTS + REVENUE) - (TOTAL ADDED COST)=</u>	\$_____/Yr

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Sample Economic Analysis

Installation: Anywhere USA	Date: Anytime 1997
Preparer: QRP Manager	
Location: Anywhere USA	Tons - Lbs Gal / Yr: 200 net
<u>ESTIMATED ADDED COST</u>	
1. Source separation and material preparation	
a. Equipment - none necessary	
b. Labor:	
(0.2 worker / yr)(\$25,000 / worker)(1.12 overhead)	\$5,600 / Yr
c. Other (misc. packaging materials)	\$1,000 / Yr
	<u>Subtotal</u> \$6,600 / Yr
2. Collection and storage	
a. Equipment	
(1) Flatbed Truck (\$25,000)(1 day / wk) / 20 yr	\$ 250 / Yr
(2) Frontend Loader (\$30,000)(1 day / wk) / 20 yr	\$ 300 / Yr
(3) Warehouse (1300 ft)(\$25.10 / ft) / 20 yr	\$1,631.5 / Yr
b. Labor	
(1) Procurement	
(0.2 workers / yr) (\$25,000 / worker / yr) (1.12 overhead) / 20 yr	\$ 280 /Yr
(2) Operations	
(1 man / day / wk) (\$25,000 / work / yr) (1.12 overhead)	\$ 5,600 / Yr
(3) Maintenance	
(0.1 worker / yr) (\$25,000 / work / yr) (1.12 overhead)	\$ 2,800 / Yr
c. Other (pallets, shelves, fuel)	\$ 2,000 / Yr
	<u>Subtotal</u> \$12,861.5 / Yr
3. Program administration	
a. Instructions and operating procedures	
(0.1 worker / yr)(\$25,000 / worker / yr)(1.12 overhead)	\$ 2,800 / Yr
b. Fiscal Management	
(\$25,000 / worker / yr)(1.12 overhead)	\$ 1,400 / Yr
c. Publicity (0.05 worker / yr) (\$25,000 / worker / yr)(1.12)	\$ 1,400 / Yr
	<u>Subtotal</u> \$ 5,600 / Yr
TOTAL ADDED COST	\$25,061.5 / Yr

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AP 5. APPENDIX 5

RECYCLABLES CONVERSION TABLE⁵

MUNICIPAL SOLID WASTE

1 cubic yard = 250 pounds

1 cubic yard = 500 pounds

NEWSPAPER

3.333 cubic yards = 1 ton

Uncompacted-baled

7.018 cubic yards = 1 ton

1 cubic yard = 507.6 pounds

Bulk Container

Loose, whole bottles

3.333 cubic yards = 1 ton

55 gallon drum = 175 pounds

1 cubic yard = 1000 pounds

55 gallon drum = 300 pounds

1 cubic yard = 1800 pounds

55 gallon drum = 550 pounds

1 Tire = 90 pounds

1 tire = 20 pounds

1 gallon = 7 pounds

1 automobile = 2052 pounds

BATTERIES

61 batteries = 1 ton

FERROUS CANS

1 cubic yard = 150 pounds

Flattened

2.353 cubic yards = 1 ton

ALUMINUM CANS

1 cubic yard = 74 pounds

one grocery bag = 1.5 pounds

1 cubic yard = 250 pounds

Uncompacted-loose

Compacted

1 cubic yard = 600 pounds

one 12" stack = 35 pounds

CORRUGATED

1 cubic yard = 285 pounds

Compacted

3.940 cubic yards = 1 ton

OFFICE PAPER

1 cubic yard = 500 pounds

GLASS

1 cubic yard = 600 pound

one grocery bag = 16 pounds

Crushed (manually broken)

2.000 cubic yards = 1 ton

Crushed (mechanically broken)

1.111 cubic yards = 1 ton

TRUCK TIRES

22 tires = 1 ton

PASSENGER CAR TIRES

100.000 tires = 1 ton

USED MOTOR OIL

285.714 gallons = 1 ton

AUTOMOBILES

1 battery = 33 pounds

Whole

13.333 cubic yards = 1 ton

1 cubic yard = 850 pounds

Whole

27.027 cubic yards = 1 ton

Flattened

8.000 cubic yards = 1 ton

⁵Conversion factors from Solid Waste Association of North America

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PET (Soda Bottles)

66.666 cubic yards = 1 ton

1 cubic yard = 25 pounds

HDPE (Flat)

40.000 cubic yards = 1 ton

ORGANIC MATERIALS

1 cubic yard = 250 pounds

Leaves (uncomposted/compacted)

4.444 cubic yards = 1 ton

1 cubic yard = 500 pounds

Wood Chips

4.000 cubic yards = 1 ton

1 cubic yard = 404 pounds

PLASTIC

1 cubic yard = 30 pounds

HDPE (Whole)

80.000 cubic yards = 1 ton

1 cubic yard = 50 pounds

Leaves (uncomposted/uncompacted)

8.000 cubic yards = 1 ton

1 cubic yard = 450 pounds

Leaves (uncomposted/vacuumed)

5.714 cubic yards = 1 ton

1 cubic yard = 500 pounds

Grass Clippings

4.950 cubic yards = 1 ton

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AP6. APPENDIX 6

FEASIBILITY STUDY GUIDELINES

A6.1. The objectives of the feasibility study are to:

- identify potentially recyclable materials;
- estimate generation rates;
- determine if adequate markets exist; and
- conduct an economic analysis for each material.

A6.2. Identify Potentially Recyclable Materials.

The first step is to find what materials are available and eligible for recycling. The installation should coordinate closely with DRMO when collecting this information. Materials to consider first for recycling are those mandated by OPNAVINST 5090.1B and MCO P5090.2. They are scrap metal; high-grade paper; corrugated containers; and aluminum cans.

A6.3. The only exceptions to recycling the above materials are:

A6.3.1. market analyses conducted by DRMO or the managing activity indicate that the recovered materials cannot be sold; or

A6.3.2. the cost analysis shows that recycling the material is too costly. In other words, the added costs exceed the sum of recycling revenues plus avoided disposal costs.

A6.4. Note that under the DRMS Sale By Reference document, Part 7, contractors who buy high grade paper containing information covered by the Privacy Act are subject to the provisions of this Act. Therefore, contractors must exercise every care necessary to ensure compliance with respect to the handling and disposal of protected information.

A6.5. OPNAVINST 5090.1B and MCO P5090.2 also mandate that the following additional materials be considered for recycling: glass, plastics, newspapers from housing areas, scrap wood, and other wastes as markets are found.

A6.6. Other wastes qualifying for sale under the program are materials that normally have been or would be discarded and that may be reused after undergoing some type of physical or chemical processing. Unless specifically excluded, any material that meets this definition may be sold under this program.

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A6.7. Note that the definition of recyclable materials SPECIFICALLY EXCLUDES the following materials:

- precious-metal-bearing scrap;
- items that may be used again for their original purposes or that function without any special processing (e.g., used vehicles, vehicle or machine parts, bottles (not scrap glass), electrical components, unopened containers or unused oil/solvent, furniture, filing cabinets);
- ships, planes, weapons, or any discarded material that must undergo demilitarization or mutilation prior to or as a condition of sale. There are however two exceptions. Property that has undergone demilitarization or mutilation (or is generated as a result of either) prior to turn in is eligible for reimbursement. Also, expended cartridge cases (fired brass), including calibers suitable for reloading as well as calibers requiring demilitarization (regardless of when performed), are eligible for reimbursement. The Disposal Turn In Document (DTID) requires certification that the material has been inspected and verified to be inert before turn in.

A6.8. Estimate Generation Rates.

Determine the approximate quantity of materials that will be source separated, locations where each type of material would be stored for pickup, and frequency of required pickup as influenced by economic, environmental, hygienic, aesthetic, and safety requirements. Sources of this information include weight tickets, contractor billings and shop interviews.

A6.9. Determine if Adequate Markets Exist.

There are a number of factors which affect the market value of a material. First, the quality of the waste material must be considered. The quality of a material is generally determined by how contaminated it is. The degree of contamination is affected largely by how well materials are segregated. DRMO will not segregate materials for an installation, but will advise on the degree of segregation for the most cost-effective operation. (See Attachment 1 for waste segregation options.) To enhance marketability, quality control of source separation techniques is essential. For example, when recycling mixed paper, it is important that employees do not throw paper clips, carbons, and other trash into collection boxes.

A6.10. Packaging is also important in recycling markets; for example, because of bulk storage and transportation problems, cardboard cannot be economically recycled unless it is baled. Some materials also need to be packaged according to certain specifications.

A6.11. Dollar values fluctuate frequently and may vary significantly from the listed values based on various economic factors. Whether a waste may or may not be cost-effectively recycled depends on local conditions. Some areas may not have a market for certain materials, or an installation may not

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generate enough of a particular material to make recycling cost-effective. Installations may have to pay for removal of some recyclable materials but could save money through avoided costs for incineration or landfill disposal. Some potentially recyclable materials are provided in Attachment 2. Prices listed in the Table may vary greatly depending on location and quality of the material.

A6.12. A DRMO market analysis can identify which wastes are marketable in any area. Request a determination from DRMO of local markets for high-grade paper, corrugated containers, and/or newspapers, and all other materials that you are considering for recycling. Information to be obtained from DRMO includes the following:

- market price
- prognosis of price future
- pickup point changes
- any preparation required, such as baling, special tying

A6.13. Information can also be obtained from local brokers and end users of recyclable materials in addition to DRMO. After receiving the market analysis report and the estimated sales revenue, the installation conducts an economic analysis to determine if recycling the material would be cost-effective. If no market exists for the material, no further analysis is necessary.

A6.14. Conduct an Economic Analysis for Each Material.

Selling recyclable materials can raise revenue but may not always be cost-effective because the costs of operating the program may exceed revenues generated. Therefore, before any recycling of a specific material can be officially approved, an economic analysis must be performed for each material considered for recycling.

A6.14.1. Recycling of a material is economically feasible if:

$$\text{Added Costs} < \text{Avoided Costs} + \text{Revenue}$$

A6.14.2. Added Costs.

Added costs are the increased time, effort and possibly equipment associated with removing a recyclable material from the waste stream and subsequently preparing it for sale.

A6.14.3. Avoided Costs.

Estimate avoided costs by determining the weight or volume of each recyclable material diverted from the waste disposal stream by the QRP. Calculate tipping fees, surcharges, labor, prorated maintenance, hauling fees, permit fees, and generator "taxes" saved by recycling that quantity of material instead of disposing it. This may or may not be a significant factor, depending on the material. An example of avoided costs at Navy and Marine Corps facilities are reductions in tipping

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fees. Savings can be realized by less frequent pickups such as once per week instead of twice per week. The total avoided cost savings can be calculated on a monthly or annual basis.

A6.14.4. Revenue.

For each recyclable material, estimate annual sales revenue. Use DRMO market survey data for these estimates.

A6.15. Appendix 4 provides a worksheet for documenting an economic analysis and example. The example economic analysis is specific to recycling of tab cards and is based on a source separation program. The procedure for evaluating other materials would be quite similar.

A6.16. Making the decision.

If the economic analysis shows promise and the item is qualified, recycling personnel should begin collecting and segregating the material. If the economic analysis is not positive, you may still be required by your state solid waste regulations to recycle. Additional information and advice may be obtained from your Engineering Field Division solid waste contact or call the NFESC solid waste contact at (805) 982-4882 or DSN 551-4882.

A6.17. For more information on methods for performing economic analyses, see NAVFAC Publication P-442, Economic Analysis Handbook. This may be obtained from Naval Publications and Form Center, 5801 Tabor Avenue, Philadelphia, PA, 19120 (SN 0525-LP-543-5200).

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AP6.A1. ATTACHMENT 1 TO APPENDIX 6

WASTE SEGREGATION OPTIONS

AP6.A1.1. The mechanics of segregating recyclable materials falls into two categories: source separation and disposal site separation. Source separation is defined as the setting aside of one or more recyclable materials, such as paper, cans, or glass, from refuse. This must be done at the point of generation by the discarding unit before the materials become mixed into the solid waste stream. Disposal site separation generally uses mechanical equipment to separate recyclable materials from other post consumer wastes. Separation of materials at final disposal sites generally requires personnel protective equipment, a large investment in equipment, and a large, steady supply of raw material to justify the equipment. Likewise, markets for the recovered materials must exist. For these reasons, few military installations practice disposal site separation. Specific techniques for both types of separation, as specified in NAVFAC MO-213, are given below.

AP6.A1.2. Source Separation. DoD Directive 4165.60 (Dec 1986 Draft), "Solid, Hazardous and Petroleum Waste Management," requires the recovery and recycling of solid and other waste materials to the maximum extent practicable. Source separation is one of the simplest methods of compliance with this requirement. Separation of other materials for which there is a market may be accomplished and is encouraged. A source separation program may be instituted at an installation only after the DRMO determines that markets exist for the separated materials. If markets do not exist, source separation is not required. The minimum requirements for source separation considerations are:

1. High-grade office paper -- any installation employing over 100 office workers.
2. Newspapers -- installations with more than 500 family housing units.
3. Corrugated containers (cardboard) installations where commercial establishments collectively generate more than 10 tons per month.

AP6.A1.3. Disposal Site Separation. This type of recovery is distinguished from source separation in that recoverable materials enter the waste stream and are mixed with non-recoverable solid wastes. This method will generally require the use of specialized equipment machines not normally found in the military supply system. This mechanical equipment is used to separate recyclable materials from other post-consumer wastes. The simplest form is a conveyor belt manned by laborers who do the actual separation.

AP6.A1.4. The overall success of a mechanized material recovery facility depends on the technologies used. Ferrous metal recovery has been proven effective at several locations, whereas aluminum recovery has achieved a less successful track record. For economic and health reasons, mechanically recovered paper is currently used almost exclusively for the production of refuse-

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derived fuel (RDF) rather than fiber recovery. As a result, technologies designed to recover fiber have received relatively less attention. Glass recovery technologies have achieved limited success.

AP6.A1.5. The technology for separation of materials from military post-consumer solid waste is generally used in conjunction with energy recovery systems. The more common methods are discussed below.

AP6.A1.5.1. Hand-picking of recyclables from conveyors prior to discharge into transfer trailers or processing machinery is frequently practiced.

AP6.A1.5.2. Magnetic separators usually consist of a belt, drum, or pulley with a magnet used to attract and remove magnetic materials from refuse or other materials. At military industrial installations, cranes with electromagnetic hooks can be used to separate magnetic materials into large sorting bins.

AP6.A1.5.3. Eddy current separators are used to separate aluminum and other nonmagnetic metals using the properties of a magnetic field as a method of sorting. An alternating current is passed through a piece of metal causing it to become temporarily magnetic and thus deflected and separated.

AP6.A1.5.4. Heavy media separators use a suspension of finely ground dense minerals in water. When the mixture of glass, aluminum and other nonferrous metals is immersed in the liquid, the fluid density can be controlled so that the aluminum and glass float while the other metals sink.

AP6.A1.5.5. Equipment used in the paper industry can pulp waste paper and separate foreign matter. Hot water and agitation are used for pulping rather than chemicals. This process has been incorporated into certain resource recovery systems to recover paper fibers from municipal solid waste.

AP6.A1.6. Source separation is usually preferred over separation of materials at the final disposal site because it is easier, less expensive, requires limited equipment, and generally results in a higher grade of recovered material. Disposal site separation does, however, yield concentrated separation/collection options.

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AP6.A2. ATTACHMENT 2 TO APPENDIX 6

POTENTIALLY RECYCLABLE MATERIALS

Below are current ranges of price by item (i.e. disposal costs and potential recycling revenues which may be generated). Negative numbers indicate cost to dispose. Numbers vary due to market differences, local economies and individual state and local regulations.

Description	Price (1990)
PAPER	(\$/Ton)
Computer paper	20 to 125
Mixed paper	(-40) to 40
Cardboard	(-25) to 35
METAL	(\$/Pound)
Aluminum	(-.40) to .46
Steel cans	.50 to .116
Stainless Steel	(-.35) to .30
GLASS	(\$/Ton)
Clear	0 to 100
Broken, mixed	(-5) to 100
PLASTIC	(\$/Ton)
Clear, PET*	(-5) to 100
Mixed, HDPE**	0 to 200
MISCELLANEOUS	(\$/Pound)
Auto Batteries	.025 to 1.35

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AP7. APPENDIX 7

TRAINING AND CERTIFICATION

The Executive QRP Manager's Course is available from the Army Logistics Management College. THIS COURSE IS MANDATORY FOR ALL QUALIFIED RECYCLING PROGRAM MANAGERS. The certification is a 40 hour course and is available on site at Fort Lee, Virginia approximately 12 times per year. The cost for the course is \$800.00. To arrange for this training, please contact:

Mr. Don Hayes
ALMC

Fort Lee, Virginia 22____
1-800-____-____
(804) -__-____

Army Community and Family Support Center conducts a Non-Appropriated Fund Sales Course. The two week introductory course is provided to DoD staff _____ times a years at _____. For additional information on costs and availability, please contact:

Morale Welfare and Recreation

Air Force Community and Family Support Center.....

For more information, please contact:

Direct Sales Training is available through the Defense Logistics Agency. Although priority placement is reserved for DLA staff, there is periodic availability for DoD employees. The week-long course is available through the Battle Creek, Michigan Training Center for \$400.00. To check on space availability, please call:

Mr. Tom Marchazen (sp?)

Battle Creek, MI _____

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AP8. APPENDIX 8

SAMPLE CONTRACTS

I. SAMPLE SPOT SALE CONTRACT:

**SALE OF RECYCLABLE MATERIALS BY THE NAVY RECYCLING PROGRAM,
NAVAL STATION, _____**

SOLICITATION / CONTRACT FORM

TYPE OF CONTRACT: IT IS ANTICIPATED THAT THIS SOLICITATION (REQUEST FOR PROPOSAL) WILL RESULT IN THE FOLLOWING TYPE OF CONTRACT: FIRM FIXED PRICE, DEFINITE DELIVERY CONTRACT WITH DEFINITE QUANTITIES, SUBJECT TO AN INCREASED QUANTITY OPTION.

A. THE GOVERNMENT (NAVY RECYCLING PROGRAM), HAS THE OPTION TO INCREASE THE QUANTITIES CALLED FOR HEREIN UP TO 35% OF THE QUANTITY OF EACH ITEM (LOT), OFFERED IN THE SCHEDULE AT THE SAME PRICES SPECIFIED IN THE ACCEPTANCE OF PROPOSAL (CONTRACT). THE CONTRACTING OFFICER MAY EXERCISE THIS OPTION AT ANY TIME OR TIMES WITHIN 30 CALENDAR DAYS AFTER CONTRACT AWARD DATE BY GIVING NOTICE TO THE CONTRACTOR. DELIVERY/PICK-UP OF THE QUANTITIES OF ITEMS ADDED BY EXERCISE OF THIS OPTION SHALL BE IN ACCORDANCE WITH DELIVERY/PICK-UP DATES AGREED TO BY THE CONTRACTING OFFICER AND THE CONTRACTOR. THE AFOREMENTIONED INCREASED QUANTITY OPTION MAY BE FURTHER INCREASED BY MUTUAL AGREEMENT OF BOTH CONTRACTING PARTIES AT ANY TIME UP TO 60 CALENDAR DAYS AFTER CONTRACT AWARD.

B. SUPPLIES (RECYCLABLE MATERIALS) AND PRICES

NAVAL RECYCLING PROGRAM _____

LOT #	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT OF ISSUE	UNIT PRICE (CONTRACTOR FILL)
1	COPPER WIRE	100,000	LB.	

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C. PACKAGING AND MARKING

MATERIAL WILL BE PICKED UP IN A _____ CONTAINER BY THE CONTRACTOR, FOB ORIGIN. CONTRACTOR SHALL PROVIDE SAID STANDARD _____CONTAINER'S AT CONTRACTORS EXPENSE.

D. WEIGHT OF MERCHANDISE: THE PURCHASER (CONTRACTOR) AND THE CONTRACTING OFFICER WILL DECIDE BY MUTUAL AGREEMENT TO ACCEPT SCALE WEIGHTS USING THE SCALE LOCATED ON THE _____ NAVAL BASE LOCATED AT BUILDING _____, OR BY USE OF A CERTIFIED PUBLIC SCALE LOCATED BETWEEN THE CONTRACTOR'S FACILITY AND THE _____ NAVAL BASE (AT CONTRACTOR'S EXPENSE). WEIGHTS ARE SUBJECT TO VERIFICATION BY THE CONTRACTING OFFICER. WHEN MERCHANDISE IS LOADED ON A WOODEN PALLET OF UNKNOWN WEIGHT THE AVERAGE WEIGHT OF _____ POUNDS WILL BE DEDUCTED FROM THE GROSS WEIGHT OF THE RECYCLABLE MERCHANDISE FOR EACH PALLET UTILIZED TO ARRIVE AT THE NET WEIGHT OF THE RECYCLABLE MERCHANDISE.

E. INSPECTION AND ACCEPTANCE

1. **RECYCLABLE MERCHANDISE INSPECTION:** CONTRACTORS ARE EXPECTED TO INSPECT THE MERCHANDISE OFFERED FOR SALE AND TO SATISFY THEMSELVES AS TO MERCHANDISE QUALITY AND ALL GENERAL AND LOCAL CONDITIONS THAT MAY AFFECT THE OFFERS PROPOSED. IN NO EVENT WILL THE FAILURE TO INSPECT THE RECYCLABLE MERCHANDISE CONSTITUTE GROUNDS FOR A CLAIM AFTER AWARD OF A CONTRACT RESULTING FROM THIS SOLICITATION (REQUEST FOR PROPOSALS).

2. RECYCLABLE MERCHANDISE MAY BE INSPECTED ON AN APPOINTMENT BASIS AT BUILDING _____, NAVAL STATION, _____. APPOINTMENTS MAY BE MADE BY CONTACTING _____, CONTRACTING OFFICER (OR COR) AT _____. AS A MATTER OF INFORMATION NO INSPECTIONS WILL BE SCHEDULED ON SATURDAYS, SUNDAYS, OR ON FEDERAL HOLIDAYS.

3. INSPECTION AND ACCEPTANCE OF THE RECYCLABLE MERCHANDISE TO BE FURNISHED UNDER THIS CONTRACT SHALL BE MADE AT THE _____, BUILDING _____, NAVAL STATION, _____ BY THE SUCCESSFUL OFFEROR (CONTRACTOR) UNLESS OTHERWISE AGREED TO IN WRITING BY BOTH CONTRACTING PARTIES.

4. TITLE TO THE PROPERTY SOLD THEREUNDER WILL BE VESTED IN "THE PURCHASER (CONTRACTOR)" AS AND WHEN REMOVAL IS EFFECTED. NO RIGHT, TITLE, OR INTEREST IN OR TO ANY OF THE PROPERTY OFFERED FOR SALE THEREUNDER SHALL BE VESTED IN THE PURCHASER PRIOR TO ITS REMOVAL FROM THE _____, NAVAL STATION, _____.

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F. DELIVERIES AND PERFORMANCE

1. SALES OF RECYCLABLE MATERIALS ARE ON F.O.B. ORIGIN BASIS: F.O.B. ORIGIN IS DEFINED AS BEING LOADED BY THE RECYCLING PROGRAM, AT THE RECYCLING PROGRAM'S EXPENSE, ON TO THE CONTRACTOR'S OPEN TOP TRAILER OR TRUCK AT THE _____, BUILDING _____, NAVAL STATION, _____. AT THE OPTION OF THE CONTRACTING OFFICER THE RECYCLABLE MATERIALS MAY BE LOADED BY THE NAVY RECYCLING PROGRAM DIRECTLY INTO THE CONTRACTOR PROVIDED 20, 40 OR 45 FT. SHIPPING CONTAINER. THE CONTRACTOR SHALL INSURE THAT THEIR CONTAINERS CAN BE LOADED BY THE RECYCLING PROGRAM.

2. REMOVAL OF RECYCLABLE MATERIALS PURCHASED BY THE CONTRACTOR: VEHICLES USED FOR THE REMOVAL OF RECYCLABLE MATERIALS BY THE CONTRACTOR OR HIS AGENT MUST BE ADEQUATE IN CONFIGURATION SO THAT ALL PROPERTY LOADED THEREON WILL BE CONFINED WITHIN THE OUTSIDE DIMENSIONS OF THE VEHICLE AND SAID RECYCLABLE MATERIALS SHALL BE STACKED, TIED AND OTHERWISE SECURED BY THE CONTRACTOR TO PREVENT ANY PORTION OF THE LOAD FROM BEING DISLODGED IN ANY MANNER WHILE SAID VEHICLE IS ON GOVERNMENT PROPERTY. IT IS THE SOLE RESPONSIBILITY OF THE CONTRACTOR TO INSURE HIS/HER VEHICLES ARE PROPERLY LOADED IN THE AFOREMENTIONED MANNER.

G. CONTRACT ADMINISTRATION DATA

1. PAYMENT FOR MERCHANDISE BY THE SUCCESSFUL OFFEROR (CONTRACTOR) WITHIN 7 (SEVEN) CALENDAR DAYS FROM THE NOTICE OF AWARD OF CONTRACT(S) BASED ON THIS SOLICITATION, THE CONTRACTOR WILL DELIVER A CERTIFIED/CASHIERS CHECK TO THE CONTRACTING OFFICER IN AN AMOUNT EQUAL TO AWARD OF THAT PARTICULAR CONTRACT. UPON RECEIPT OF THE AFOREMENTIONED PAYMENT, PICK-UP OF THE RECYCLABLE MATERIALS MAY COMMENCE ON A MUTUALLY AGREED TO SCHEDULE BUT NOT LATER THAN 15 (FIFTEEN) CALENDAR DAYS AFTER PAYMENT IS RECEIVED UNLESS AN EXTENSION IS GRANTED BY THE CONTRACTING OFFICER. PAYMENT FOR RECYCLABLE MERCHANDISE COVERED IN SECTION A, PARAGRAPH 1A OF THIS CONTRACT SCHEDULE REGARDING INCREASED QUANTITY OPTION MAY BE MADE BY THE CONTRACTOR NO LATER THAN 3 DAYS AFTER REMOVAL OF SAID PROPERTY USING A COMPANY CHECK. ALL PAYMENTS MADE BY THE CONTRACTOR WILL BE MADE OUT TO "NAVAL STATION _____ RECYCLING PROGRAM."

2. UNDER NO CIRCUMSTANCES WILL THE CONTRACTOR BE AUTHORIZED TO MAKE CASH PAYMENTS FOR ANY MERCHANDISE COVERED UNDER THIS CONTRACT. THE ONLY AUTHORIZED METHOD FOR PAYMENT IS BY CHECK.

3. THE CONTRACTOR ASSUMES COMPLETE LIABILITY FOR ALL TAXES APPLICABLE TO ITS PROPERTY, INCOME, AND ALL OF ITS TRANSACTIONS ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THIS CONTRACT. THE CONTRACTOR WILL NOT BE REIMBURSED FOR ANY DIRECT OR INDIRECT TAX IMPOSED ON IT BY REASON OF THIS CONTRACT OR OTHERWISE.

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4. THE CONTRACTING OFFICER MAY, AT HIS/HER OPTION IMPOSE, A \$25.00 ADMINISTRATIVE CHARGE ON DISHONORED CHECKS RECEIVED FROM THE CONTRACTOR FOR THE PAYMENT FOR RECYCLABLE MATERIALS. A CHARGE OF \$100.00 PER CALENDAR DAY MAY BE ASSESSED BY THE CONTRACTING OFFICER TO ANY CONTRACTOR WHO FAILS TO REMOVE HIS/HER RECYCLABLE MATERIALS PURCHASED UNDER THIS AGREEMENT IN THE TIME SPECIFIED IN THE CONTRACT.

H. SPECIAL CONTRACT REQUIREMENTS

1. **INDEMNITY**: THE CONTRACTOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE NAVY RECYCLING PROGRAM, THE NAVY AND THE UNITED STATES (INCLUDING ITS AGENCIES AND INSTRUMENTALITIES), AND THEIR OFFICERS, AGENTS AND EMPLOYEES AGAINST LIABILITY AND AGAINST ANY AND ALL CLAIMS FOR LOSS, DEATH, INJURY, OR PROPERTY DAMAGE (INCLUDING COSTS AND EXPENSES INCIDENTAL THERETO), ARISING OUT OF OR IN CONNECTION WITH (I) THE PERFORMANCE OF THIS CONTRACT, (II) ANY OF THE ACTIVITIES OR ACTIONS OF THE CONTRACTOR'S SUBCONTRACTORS, REPRESENTATIVES, AGENTS OR EMPLOYEES WHILE PERFORMING THIS CONTRACT, OR (III) ANY OF THE CONTRACTOR'S ACTIVITIES OR ACTIONS.

2. **DAMAGE TO GOVERNMENT PROPERTY**: ANY DAMAGE TO GOVERNMENT PROPERTY DURING THE CONTRACTOR'S REMOVAL OPERATIONS IS THE RESPONSIBILITY OF THE CONTRACTOR, IF DEEMED BY THE CONTRACTING OFFICER THAT THE CONTRACTOR OR HIS/HER EMPLOYEE WAS AT FAULT, WILL BE REPAIRED AT THE CONTRACTOR'S EXPENSE, TO ITS ORIGINAL STATE OR A REASONABLE FACSIMILE THEREOF TO THE SATISFACTION OF THE CONTRACTING OFFICER.

3. **INSURANCE REQUIREMENTS**: THE CONTRACTOR AGREES TO FURNISH NECESSARY VEHICLE AND OTHER INSURANCE AS PROVIDED FOR IN THE REGULATIONS FOR THE STATE OF _____ AND THE NAVAL BASE SECURITY OFFICE.

4. **VEHICLE SAFETY AND LICENSING**: THE CONTRACTOR AGREES TO PROVIDE VEHICLES AND VEHICLE OPERATORS THAT ARE IN CURRENT COMPLIANCE WITH STATE AND LOCAL VEHICLE SAFETY AND/OR LICENSING REQUIREMENTS.

5. **DANGEROUS PROPERTY**: THE PURCHASER (CONTRACTOR) IS CAUTIONED THAT ARTICLES OR SUBSTANCES OF A DANGEROUS NATURE MAY REMAIN IN THE PROPERTY NOTWITHSTANDING THE CARE EXERCISED TO REMOVE SAME. THE GOVERNMENT ASSUMES NO LIABILITY FOR DAMAGES TO THE PROPERTY OF THE PURCHASER (CONTRACTOR) OR FOR PERSONAL INJURIES, DISABILITIES OR DEATH TO THE PURCHASER (CONTRACTOR), HIS/HER EMPLOYEES OR FOR ANY OTHER REASON ARISING FROM OR INCIDENT TO THE PURCHASE OF THIS RECYCLABLE MATERIAL OR ITS USE, OR SUITS, ACTIONS, OR CLAIMS OF WHATSOEVER NATURE ARISING FROM OR OUT OF THE PURCHASE OF THIS RECYCLABLE MATERIAL.

6. **INSULATED WIRE/CABLE**: IN SOME CASES INSULATED WIRE/CABLE MAY CONTAIN POLYCHLORINATED BIPHENYLS (PCBS) ABOVE 50 PARTS PER MILLION BY WEIGHT WHICH MUST BE PROPERLY HANDLED BY THE PURCHASER (CONTRACTOR) IN ACCORDANCE WITH ALL APPLICABLE

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FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS REGARDING HANDLING, RECYCLING AND THE EVENTUAL DISPOSAL OF ANY REMAINING BYPRODUCTS.

7. CHEMICAL AGENT RESISTANT COATING (CARC) PAINT: THE PURCHASER (CONTRACTOR) IS CAUTIONED THAT THE ITEMS LISTED BELOW ARE, OR ARE LIKELY TO BE, COATED WITH CHEMICAL AGENT RESISTANT COATINGS CONTAINING TRIVALENT CHROME, LEAD, COBALT-ZINC HEXAMETHYLENE DIISOCYANATE AND OTHER CHEMICALS WHICH REPRESENT A POTENTIAL HAZARD TO HUMAN HEALTH IF WELDED, CUT OR NOT PROCESSED PROPERLY. THE GOVERNMENT BRINGS THE FOLLOWING PRECAUTIONS/WARNINGS TO THE ATTENTION OF PROSPECTIVE PURCHASERS WHO PLAN TO DISTURB THIS PROPERTY IN ANY WAY:

(A) AIRLINE RESPIRATORS SHOULD BE USED FOR PROCESSING; UNLESS AIR SAMPLING SHOWS EXPOSURE TO BE BELOW OSHA STANDARDS, THEN EITHER CHEMICAL CARTRIDGE RESPIRATORS OR AIRLINE RESPIRATORS SHOULD BE USED.

(B) CHEMICALS SHOULD BE ISOLATED FROM HEAT, ELECTRICAL EQUIPMENT, SPARKS AND OPEN FLAME. LOCAL EXHAUST VENTILATION SHOULD BE USED FOR INSIDE PROCESSING.

(C) OVEREXPOSURE TO VAPOR/MIST CAN CAUSE IRRITATION TO RESPIRATORY TRACT (LUNGS, NOSE, THROAT), EDEMA, DERMATITIS, DIZZINESS, RASH, ITCHING, SWELLING OF EXTREMITIES, EYE IRRITATION OR DAMAGE TO NERVOUS SYSTEM, KIDNEYS OR LIVER. COATING MAY BE FATAL IF SWALLOWED. POSSIBLE ITEMS OR LOT #'S INCLUDE PAINTED ALUMINUM AND OTHER NON-FERROUS SCRAP METALS INCLUDING SHEETS, PIPES, TUBING, VALVES, NUTS, BOLTS, HARDWARE, INGOTS, ANODES, AND INSULATED WIRE.

I. CONTRACT CLAUSES

1. DEFINITIONS: AS USED THROUGHOUT THIS CONTRACT, THE FOLLOWING TERMS AND ABBREVIATIONS HAVE THE MEANINGS SET FORTH BELOW:

(A) THE TERM "CONTRACT" MEANS THIS AGREEMENT AND ANY MODIFICATIONS HERETO.

(B) THE ABBREVIATION "NAFI" MEANS NONAPPROPRIATED FUND INSTRUMENTALITY OF THE UNITED STATES GOVERNMENT.

(C) THE TERM "CONTRACTING OFFICER" MEANS THE PERSON EXECUTING OR RESPONSIBLE FOR ADMINISTERING THE CONTRACT ON BEHALF OF THE NAFI WHICH IS A PARTY HERETO, OR HIS SUCCESSOR OR SUCCESSORS.

(D) THE TERM "CONTRACTOR" MEANS THE PARTY RESPONSIBLE FOR BUYING RECYCLABLE MATERIALS AT A CERTAIN PRICE OR RATE FROM THIS NAFI (NAVAL STATION RECYCLING PROGRAM) _____ UNDER THIS CONTRACT.

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2. ADVERTISEMENTS: THE CONTRACTOR AGREES THAT NONE OF ITS NOR ITS AGENT'S ADVERTISEMENTS, TO INCLUDE PUBLICATIONS, MERCHANDISE, PROMOTIONS, COUPONS, SWEEPSTAKES, CONTESTS, SALES BROCHURES, ETC., SHALL STATE, INFER OR IMPLY THAT THE CONTRACTOR'S PRODUCTS OR SERVICES ARE APPROVED, PROMOTED OR ENDORSED BY THE NAFI (NAVAL STATION RECYCLING PROGRAM). ANY ADVERTISEMENT, INCLUDING CENTS OFF COUPONS, WHICH REFERS TO A NAFI WILL CONTAIN A STATEMENT THAT THE ADVERTISEMENT IS NEITHER PAID FOR NOR SPONSORED IN WHOLE OR IN PART BY THE PARTICULAR ACTIVITY.

3. ASSIGNMENT: CONTRACTOR MAY NOT ASSIGN HIS RIGHT OR DELEGATE HIS OBLIGATIONS UNDER THIS CONTRACT WITHOUT PRIOR WRITTEN CONSENT OF THE CONTRACTING OFFICER.

4. DISPUTES:

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS CONTRACT, ANY DISPUTE OR CLAIM CONCERNING THIS CONTRACT WHICH IS NOT DISPOSED OF BY AGREEMENT SHALL BE DECIDED BY THE CONTRACTING OFFICER, WHO SHALL STATE HIS DECISION IN WRITING AND MAIL OR OTHERWISE FURNISH A COPY TO THE CONTRACTOR. WITHIN 90 DAYS FROM THE DATE OF RECEIPT OF SUCH COPY THE CONTRACTOR MAY APPEAL BY MAILING OR OTHERWISE FURNISHING TO THE CONTRACTING OFFICER A WRITTEN APPEAL ADDRESSED TO THE ARMED SERVICES BOARD OF CONTRACT APPEALS AND THE DECISION OF THE BOARD SHALL BE FINAL AND CONCLUSIVE. THE CONTRACTOR SHALL BE AFFORDED AN OPPORTUNITY TO BE HEARD AND OFFER EVIDENCE IN SUPPORT OF ANY APPEAL UNDER THIS CLAUSE. PENDING FINAL DECISION OF SUCH A DISPUTE, HOWEVER, THE CONTRACTOR SHALL PROCEED DILIGENTLY WITH THE PERFORMANCE OF THE CONTRACT AND ACCORDING TO THE DECISION OF THE CONTRACTING OFFICER UNLESS DIRECTED TO DO OTHERWISE BY THE CONTRACTING OFFICER.

(B) THE "DISPUTES" CLAUSE DOES NOT PRECLUDE CONSIDERATION OF LAW QUESTIONS IN CONNECTION WITH DECISIONS PROVIDED FOR IN PARAGRAPH "A" ABOVE, PROVIDING THAT NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS MAKING FINAL THE DECISION OF ANY ADMINISTRATIVE OFFICIAL, REPRESENTATIVE OR BOARD ON A QUESTION OF LAW.

5. EXAMINATION OF RECORDS:

(A) THIS CLAUSE IS APPLICABLE IF THE AMOUNT OF THIS CONTRACT EXCEEDS \$10,000, AND THE CONTRACT WAS ENTERED INTO BY MEANS OF NEGOTIATION. THE CONTRACTOR AGREES THAT THE CONTRACTING OFFICER OR HIS DULY AUTHORIZED REPRESENTATIVE SHALL HAVE THE RIGHT TO EXAMINE AND AUDIT THE BOOKS AND RECORDS OF THE CONTRACTOR DIRECTLY PERTAINING TO THE CONTRACT DURING THE PERIOD OF THE CONTRACT AND UNTIL THE EXPIRATION OF THREE YEARS AFTER THE FINAL PAYMENT UNDER THE CONTRACT.

(B) THE CONTRACTOR AGREES TO INCLUDE THE CLAUSE IN "A" ABOVE IN ALL SUBCONTRACTS THEREUNDER WHICH EXCEED \$10,000.

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6. GRATUITIES:

(A) THE NAFI MAY, BY WRITTEN NOTICE TO THE CONTRACTOR, TERMINATE THE RIGHT OF THE CONTRACTOR TO PROCEED UNDER THIS CONTRACT IF IT IS FOUND AFTER NOTICE AND HEARING, BY THE SECRETARY OF THE NAVY OR HIS DULY AUTHORIZED REPRESENTATIVE, THAT GRATUITIES (IN THE FORM OF ENTERTAINMENT, GIFTS, OR OTHERWISE) WERE OFFERED OR GIVEN BY THE CONTRACTOR, OR ANY AGENT OR REPRESENTATIVE OF THE CONTRACTOR, TO ANY OFFICER OR EMPLOYEE OF THE GOVERNMENT OR THE NAFI WITH A VIEW TOWARD SECURING FAVORABLE TREATMENT WITH RESPECT TO THE AWARDING OR AMENDING, OR THE MAKING OF ANY DETERMINATIONS WITH RESPECT TO THE PERFORMING OF SUCH CONTRACT.

(B) IN THE EVENT THIS CONTRACT IS TERMINATED AS PROVIDED FOR IN PARAGRAPH "A" HEREOF THE NAFI SHALL BE ENTITLED (I) TO PURSUE THE SAME REMEDIES AGAINST THE CONTRACTOR AS IT COULD PURSUE IN THE EVENT OF A BREACH OF CONTRACT BY THE CONTRACTOR AND (II) AS A PENALTY IN ADDITION TO ANY OTHER DAMAGES TO WHICH IT MAY BE ENTITLED BY LAW TO EXEMPLARY DAMAGES IN AN AMOUNT (AS DETERMINED BY THE SECRETARY OF THE NAVY OR HIS DULY AUTHORIZED REPRESENTATIVE), WHICH SHALL BE NOT LESS THAN THREE NOR MORE THAN TEN TIMES THE COST INCURRED BY THE CONTRACTOR IN PROVIDING ANY SUCH GRATUITIES TO ANY SUCH OFFICER OR EMPLOYEE.

(C) THE RIGHTS AND REMEDIES OF THE NAFI PROVIDED IN THIS CLAUSE SHALL NOT BE EXCLUSIVE AND ARE IN ADDITION TO ANY OTHER RIGHTS AND REMEDIES PROVIDED BY LAW OR UNDER THIS CONTRACT.

7. HOLD AND SAVE HARMLESS: THE CONTRACTOR SHALL INDEMNIFY, SAVE HARMLESS AND DEFEND THE NAFI, ITS OUTLETS AND CUSTOMERS FROM ANY LIABILITY, CLAIMED OR ESTABLISHED FOR VIOLATION OR INFRINGEMENT OF ANY PATENT, COPYRIGHT OR TRADEMARK RIGHT ASSERTED BY ANY THIRD PARTY WITH RESPECT TO GOODS OR MERCHANDISE HEREBY SOLD OR ANY PART THEREOF. CONTRACTOR FURTHER AGREES TO HOLD THE NAFI HARMLESS FROM ALL CLAIMS OR JUDGMENTS FOR DAMAGES RESULTING FROM THE USE OF PRODUCTS LISTED IN THIS CONTRACT. ALSO, THE CONTRACTOR SHALL AT ALL TIMES HOLD AND SAVE HARMLESS THE NAFI (NAVAL STATION RECYCLING PROGRAM) _____, ITS AGENTS, REPRESENTATIVES AND EMPLOYEES FROM ANY AND ALL SUITS AND EXPENSES WHICH ARISE OUT OF ACTS OR OMISSIONS OF THE CONTRACTOR, ITS AGENTS, REPRESENTATIVES, OR EMPLOYEES.

8. LAW GOVERNING CONTRACTS: IN ANY DISPUTE ARISING OUT OF THIS CONTRACT, THE DECISION REQUIRES CONSIDERATION OF LAW QUESTIONS, THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL BE INTERPRETED AND DETERMINED ACCORDING TO THE SUBSTANTIVE LAWS OF THE UNITED STATES OF AMERICA.

9. LEGAL STATUS: THE NAFI (NAVAL STATION RECYCLING PROGRAM) IS AN INTEGRAL PART OF THE DEPARTMENT OF DEFENSE AND IS AN INSTRUMENTALITY OF THE UNITED STATES GOVERNMENT. THEREFORE, NAFI CONTRACTS ARE UNITED STATES GOVERNMENT

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CONTRACTS; HOWEVER, THEY DO NOT OBLIGATE APPROPRIATED FUNDS OF THE UNITED STATES. NO APPROPRIATED FUNDS OF THE UNITED STATES SHALL BECOME DUE OR BE PAID A CONTRACTOR BY REASON OF THIS CONTRACT.

10. MODIFICATIONS: NO AGREEMENT OR UNDERSTANDING TO MODIFY THIS CONTRACT WILL BE BINDING UPON THE NAFI UNLESS MADE IN WRITING AND SIGNED BY A CONTRACTING OFFICER FROM THE OFFICE THAT ISSUED THE CONTRACT OR ITS SUCCESSOR.

11. ORDER OF PRECEDENCE: IN THE EVENT OF AN INCONSISTENCY BETWEEN PROVISIONS OF THIS SOLICITATION/AWARD, THE INCONSISTENCY SHALL BE RESOLVED BY GIVING PRECEDENCE IN THE FOLLOWING ORDER: (1) SUPPLIES AND PRICES, (2) SPECIAL CONTRACT REQUIREMENTS, (3) CONTRACT CLAUSES, AND (4) OTHER PROVISIONS OF THE SOLICITATION/AWARD.

12. TERMINATION FOR CONVENIENCE: THE CONTRACTING OFFICER BY WRITTEN NOTICE MAY TERMINATE THIS CONTRACT, IN WHOLE OR IN PART WHEN IT IS IN THE BEST INTEREST OF THE NAFI (NAVY RECYCLING PROGRAM). IF THIS CONTRACT IS FOR SUPPLIES, AND IS SO TERMINATED, THE CONTRACTOR MAY BE COMPENSATED ACCORDING TO THE FEDERAL ACQUISITION REGULATION SUBPARTS 49.1 AND 49.2 IN EFFECT ON THE DATE OF THIS CONTRACT. IF THERE ARE ANY SUCH CONTRACTOR CLAIMS THEY SHALL BE SETTLED ACCORDING TO FAR SUBPARTS 49.1 AND 49.2.

13. TERMINATION FOR DEFAULT: THE CONTRACTING OFFICER, BY WRITTEN NOTICE, MAY TERMINATE THE CONTRACT IN WHOLE OR IN PART FOR FAILURE OF THE CONTRACTOR TO PERFORM ANY OF THE PROVISIONS HEREOF. IN SUCH EVENT THE CONTRACTOR SHALL BE LIABLE FOR DAMAGES INCLUDING THE EXCESS COST OF RESOLICITING OFFERS FOR SALES OF RECYCLABLE MERCHANDISE; HOWEVER, IF IT IS DETERMINED THAT THE CONTRACTOR'S FAILURE TO PERFORM IS WITHOUT HIS/HER OR HIS/HER SUBCONTRACTOR'S CONTROL, FAULT OR NEGLIGENCE THE TERMINATION MUST BE DEEMED TO BE A TERMINATION FOR CONVENIENCE. AS USED IN THIS PROVISION, THE TERM "SUBCONTRACTOR" MEANS SUBCONTRACTOR AT ANY TIER.

14. CLAUSES INCORPORATED BY REFERENCE: THE PROVISIONS OF THE FOLLOWING CLAUSES SET FORTH IN THE FEDERAL ACQUISITION REGULATION (FAR) ARE HEREBY INCORPORATED INTO THIS SOLICITATION/AWARD BY REFERENCE WITH THE SAME FORCE AND EFFECT AS THOUGH HEREIN SET FORTH IN FULL. AS USED IN THE FOLLOWING CLAUSES THE TERM "GOVERNMENT" IS DELETED AND THE ABBREVIATION NAFI (NAVY RECYCLING PROGRAM) IS SUBSTITUTED IN LIEU THEREOF. THE DATE OF EACH CLAUSE SHALL BE THE CURRENT DATE SET FORTH IN THE FAR ON THE ISSUANCE DATE OF THE CONTRACT(S) AWARDED AS A RESULT OF THIS SOLICITATION (REQUEST FOR PROPOSALS). CLAUSES MADE INAPPLICABLE BY THE REFERENCE OR BY THE KIND OF ORDER OR CONTRACT (E.G., CONTRACTS FOR SERVICES OR PURCHASE OF SUPPLIES) INSTEAD OF FOR SALE OF RECYCLABLE MATERIALS ARE SELF DELETING. THE COMPLETE TEXT OF ANY CLAUSE INCORPORATED IN THIS SOLICITATION/CONTRACT BY REFERENCE MAY BE OBTAINED FROM THE CONTRACTING OFFICER.

<u>CLAUSE NO.</u>	<u>REFERENCE</u>	<u>CLAUSE TITLE</u>
23	52.203-1	OFFICIALS NOT TO BENEFIT

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24	52.203-5	COVENANT AGAINST CONTINGENT FEES
26	52.222-20	WALSH-HEALY PUBLIC CONTRACTS ACT (SUPPLY CONTRACTS OVER \$10,000 NOT WITH FOREIGN CONTRACTORS)
27	52.222-26	EQUAL OPPORTUNITY (SUPPLY CONTRACTS OVER \$10,000)
28	52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED VETERANS AND VIETNAM ERA VETERANS (SUPPLIES OVER \$10,000)
29	2.222-36	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (SUPPLIES OVER \$2,500)

K. REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFEROR

SCRAP WARRANTY: THE PURCHASER, (CONTRACTOR) REPRESENTS, WARRANTS AND CERTIFIES TO THE U.S. GOVERNMENT THAT THIS PROPERTY WILL BE SCRAPPED BY PULPING, SHREDDING, OR OTHER EQUALLY COMPLETE MANNER WHICH PRECLUDES ANY RECOGNITION OR RECONSTRUCTION OF THE ITEMS. THE PURCHASER (CONTRACTOR) FURTHER REPRESENTS, WARRANTS, AND CERTIFIES THAT HE/SHE IS PURCHASING THE PROPERTY AS SCRAP AND THAT HE/SHE WILL ONLY USE IT AS SCRAP. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CONTRACT TO THE CONTRARY, TITLE TO THE PROPERTY SHALL NOT VEST IN THE PURCHASER UNTIL ALL REQUIRED SCRAPPING HAS BEEN ACCOMPLISHED. SHOULD THE PURCHASER (CONTRACTOR) FAIL FOR ANY REASON TO COMPLETE THE SCRAPPING WITHIN 60 CALENDAR DAYS AFTER REMOVAL OF THE PROPERTY, OR SUCH ADDITIONAL TIME AS MAY BE GRANTED BY THE CONTRACTING OFFICER, THE GOVERNMENT SHALL HAVE THE RIGHT TO REPOSSESS THE PROPERTY CHARGING THE PURCHASER (CONTRACTOR) WITH ALL COSTS INCURRED BY THE GOVERNMENT IN REPOSSESSING AND RESELLING THE PROPERTY INCLUDING ANY DIRECT LOSS ON ACCOUNT OF THE RESALE.

L. INSTRUCTIONS AND CONDITIONS AND NOTICES TO OFFERORS

1. TELEGRAPHIC OR FACSIMILE OFFERS: IN KEEPING WITH STANDARD SCRAP MARKETS INDUSTRY PRACTICE AND IN CONSORT WITH THE DEFENSE LOGISTICS AGENCY (DLA) POLICY OF ALLOWING SUBMISSION OF FACSIMILE OFFERS IN RESPONSE TO REQUESTS FOR PROPOSALS FOR THE SALES OF RECYCLABLE MATERIALS, FACSIMILE OR TELEGRAPHIC OFFERS MAY BE SUBMITTED IN RESPONSE TO THIS REQUEST FOR PROPOSALS. TELEGRAPHIC OR FACSIMILE OFFERS MUST BE RECEIVED AT THE PLACE DESIGNATED BY THE CONTRACTING OFFICER PRIOR TO THE TIME SPECIFIED FOR THE RECEIPT OF OFFERS IN THE REQUEST FOR PROPOSALS. SUCH OFFERS MUST SPECIFICALLY REFER TO THIS REQUEST FOR PROPOSALS; MUST INCLUDE THE ITEM(S) OR LOT(S), ESTIMATED QUANTITIES AND THE UNIT PRICES FOR WHICH THE OFFER IS SUBMITTED. ADDITIONALLY, THE OFFER MUST CONTAIN ALL THE REPRESENTATIONS AND OTHER INFORMATION REQUIRED BY THE REQUEST FOR PROPOSALS TOGETHER WITH A STATEMENT THAT THE OFFEROR AGREES TO ALL THE TERMS, CONDITIONS AND PROVISIONS OF

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THE SOLICITATION. FAILURE OF THE OFFEROR TO FURNISH IN THE TELEGRAPHIC OR FACSIMILE OFFER THE REPRESENTATIONS, AND INFORMATION REQUIRED IN THE REQUEST FOR PROPOSALS, MAY NECESSITATE REJECTION OF THE OFFER. FACSIMILE RESPONSES MUST BE SIGNED BY A PERSON AUTHORIZED TO CONDUCT NEGOTIATIONS AND SENT TO THE NAVY RECYCLING PROGRAM _____ (ATTN.: _____, (000) 000-0000).

2. COLLUSION WARNING: OFFERORS ARE CAUTIONED TO SUBMIT THEIR OFFERS WITHOUT CONSULTATION, COMMUNICATION, OR AGREEMENT WITH ANY OTHER OFFEROR FOR THE PURPOSE OF RESTRICTING COMPETITION. OFFER (BID) RIGGING IS A FEDERAL FELONY CRIMINAL OFFENSE UNDER SECTION 1 OF THE-SHERMAN ANTI-TRUST ACT (15 U.S.C. 1). CONVICTION CARRIES WITH IT A FINE OF UP TO \$1,000,000 FOR CORPORATIONS AND UP TO \$100,000 OR THREE YEARS IMPRISONMENT (OR BOTH) FOR INDIVIDUALS. YOU ARE ENCOURAGED TO REPORT SUSPECTED VIOLATIONS OF THIS CRIMINAL LAW TO THE CONTRACTING OFFICER AT (000) 000-0000. THIS MATTER IS OF THE GREATEST IMPORTANCE TO THIS PROGRAM AND YOUR UTMOST COOPERATION IN INSURING THAT THIS RECYCLING PROGRAM EXEMPLIFIES MAXIMUM FREE AND OPEN COMPETITION AMONG OFFERORS IS SOLICITED AND APPRECIATED.

3. NOTICE TO CONTRACTOR OF CERTAIN DRUG DETECTION PROCEDURE

(A) PURSUANT TO NAVY POLICY APPLICABLE TO BOTH GOVERNMENT AND CONTRACTOR PERSONNEL, MEASURES WILL BE TAKEN TO PREVENT THE INTRODUCTION AND UTILIZATION OF ILLEGAL DRUGS AND RELATED PARAPHERNALIA INTO GOVERNMENT WORK AREAS.

(B) IN FURTHERANCE OF THE NAVY'S DRUG CONTROL PROGRAM, UNANNOUNCED PERIODIC ON BASE INSPECTION OF THE FOLLOWING NATURE MAY BE CONDUCTED BY INSTALLATION SECURITY AUTHORITIES:

(1) RANDOM INSPECTION OF VEHICLES ON ENTRY OR EXIT WITH DRUG DETECTION DOG TEAMS AS AVAILABLE, TO ELIMINATE THEM (VEHICLES) AS A SAFE HAVEN FOR STORAGE OR TRAFFICKING IN ILLEGAL DRUGS.

(C) WHEN THERE IS PROBABLE CAUSE TO BELIEVE THAT A CONTRACTOR EMPLOYEE ON BOARD A NAVAL INSTALLATION HAS BEEN ENGAGED IN USE, POSSESSION OR TRAFFICKING OF DRUGS, THE INSTALLATION AUTHORITIES MAY DETAIN SAID EMPLOYEE UNTIL THE EMPLOYEE CAN BE REMOVED FROM THE INSTALLATION, OR CAN BE RELEASED TO THE LOCAL AUTHORITIES HAVING JURISDICTION.

(D) TRAFFICKING IN ILLEGAL DRUGS AND DRUG PARAPHERNALIA BY CONTRACTOR'S EMPLOYEES WHILE ON A MILITARY INSTALLATION MAY LEAD TO POSSIBLE CONTRACT TERMINATION AND/OR REFERRAL FOR PROSECUTION BY APPROPRIATE LAW ENFORCEMENT AUTHORITIES.

(E) THE CONTRACTOR IS RESPONSIBLE FOR THE CONDUCT OF HIS/HER EMPLOYEES PERFORMING WORK UNDER THIS CONTRACT AND IS, THEREFORE, RESPONSIBLE TO INSURE THAT EMPLOYEES ARE NOTIFIED OF THESE PROVISIONS PRIOR TO ASSIGNMENT.

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(F) THE REMOVAL OF CONTRACTOR PERSONNEL FROM A GOVERNMENT INSTALLATION AS A RESULT OF DRUG OFFENSES SHALL NOT BE CAUSE FOR EXCUSABLE DELAY, NOR SUCH ACTION BE DEEMED A BASIS FOR AN EQUITABLE ADJUSTMENT TO PRICE, DELIVERY OR TO OTHER PROVISIONS OF THIS CONTRACT.

4. REMOVAL FROM THE LIST OF PROSPECTIVE OFFERORS: AT THE OPTION OF THE CONTRACTING OFFICER INDIVIDUALS OR FIRMS THAT FAIL TO RESPOND TO THREE (3) OR MORE REQUESTS FOR PROPOSALS ISSUED BY THIS NAVY RECYCLING PROGRAM, OR ARE IN DEFAULT REGARDING A CONTACT ISSUED BY THIS NAVY RECYCLING PROGRAM MAY BE REMOVED FROM THE LIST OF PROSPECTIVE OFFERORS (COMMONLY REFERRED TO AS BIDDERS LIST) AND NOT BE SENT FURTHER REQUESTS FOR PROPOSALS FROM THIS ORGANIZATION UNTIL THEY ARE RE-INSTATED BY THE CONTRACTING OFFICER.

5. ACKNOWLEDGMENT OF AMENDMENTS TO REQUESTS FOR PROPOSALS: RECEIPT OF AN AMENDMENT TO A REQUEST FOR PROPOSALS BY AN OFFEROR MUST BE ACKNOWLEDGED BY (A) SIGNING AND RETURNING THE AMENDMENT, (B) BY ANNOTATION OF BLOCK #14 ENTITLED "ACKNOWLEDGMENT OF AMENDMENTS" ON THE SOLICITATION/OFFER FORM (STANDARD FORM 33), OR (C) BY LETTER, TELEGRAM OR FACSIMILE. SUCH ACKNOWLEDGMENT MUST BE RECEIVED PRIOR TO THE HOUR AND DATE SPECIFIED FOR THE RECEIPT FOR PROPOSALS.

6. EXPLANATION TO OFFERORS: ANY EXPLANATION DESIRED BY AN OFFEROR REGARDING THE MEANING OR INTERPRETATION OF THE REQUEST FOR PROPOSALS, SPECIFICATIONS, CONDITIONS, ETC., MUST BE REQUESTED IN WRITING AND RECEIVED BY THE CONTRACTING OFFICER IN SUFFICIENT TIME TO ALLOW FOR A REPLY TO REACH OFFERORS BEFORE THE SUBMISSION OF THEIR PROPOSALS. ORAL EXPLANATIONS OR INSTRUCTIONS GIVEN BEFORE THE AWARD OF A CONTRACT(S) WILL NOT BE BINDING. ANY INFORMATION GIVEN TO A PROSPECTIVE OFFEROR AS AN AMENDMENT TO THE REQUEST FOR PROPOSALS WILL BE FURNISHED TO ALL PROSPECTIVE OFFERORS.

7. LATE PROPOSALS: ANY PROPOSAL RECEIVED AT THE OFFICE DESIGNATED IN THE SOLICITATION (REQUEST FOR PROPOSALS) AFTER THE EXACT TIME SPECIFIED FOR THE RECEIPT WILL NOT BE CONSIDERED UNLESS IT IS RECEIVED BEFORE AWARD IS MADE; AND,

(A) IT WAS SENT BY REGISTERED OR CERTIFIED MAIL NOT LATER THAN THE FIFTH CALENDAR DAY PRIOR TO THE DATE SPECIFIED FOR RECEIPT OF OFFERS;

(B) IT WAS SENT BY MAIL/TELEGRAM/FACSIMILE AND IT IS DETERMINED BY THE GOVERNMENT THAT THE LATE RECEIPT WAS DUE SOLELY TO MISHANDLING BY THE GOVERNMENT AFTER RECEIPT AT THE GOVERNMENT INSTALLATION; OR,

(C) SENT BY CONTROLLED DISPATCH VIA NATIONALLY KNOWN U.S. COURIER (E.G., EMERY, FEDERAL EXPRESS, ETC.) NOT -LATER THAN 3 CALENDAR DAYS PRIOR TO THE DATE PROPOSALS WERE DUE; OR,

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(D) IT WAS THE ONLY PROPOSAL RECEIVED.

M. EVALUATION FACTORS FOR AWARD OF CONTRACT(S)

1. SINGLE AWARD BY LOT: AWARD WILL GENERALLY BE MADE TO A SINGLE RESPONSIVE, RESPONSIBLE OFFEROR FOR ALL ITEMS FOR EACH LOT. HOWEVER, THE NAVY RECYCLING PROGRAM RESERVES THE RIGHT TO SPLIT LOTS OR TO AWARD BY ITEM WHEN THE CONTRACTING OFFICER DETERMINES THAT TO BE MORE ADVANTAGEOUS TO THIS NAVY RECYCLING PROGRAM.

2. CONTRACT(S) WILL BE AWARDED TO THOSE RESPONSIBLE OFFERORS WHOSE PROPOSALS (CONFORMING TO THE REQUEST FOR PROPOSALS) WILL BE MOST ADVANTAGEOUS TO THIS NAVY RECYCLING PROGRAM, PRICE AND OTHER FACTORS CONSIDERED.

3. THE NAVY RECYCLING PROGRAM RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS AND TO WAIVE INFORMALITIES AND MINOR IRREGULARITIES IN PROPOSALS RECEIVED. IN ADDITION THE NAVY RECYCLING PROGRAM RESERVES THE RIGHT TO WITHDRAW OR NOT AWARD A CONTRACT FOR ANY LOT(S) FOR WHICH THE CONTRACTING OFFICER DETERMINES THE PRICE(S) RECEIVED ARE NOT FAIR AND REASONABLE.

4. THE NAVY RECYCLING PROGRAM MAY ACCEPT ANY ITEM OR LOT OR GROUP OF ITEMS OR LOTS IN ANY PROPOSAL UNLESS THE OFFEROR QUALIFIES HIS/HER PROPOSAL BY SPECIFIC LIMITATIONS. "ALL OR NONE" PROPOSALS WILL NORMALLY BE REJECTED UNLESS THE CONTRACTING OFFICER DEEMS THEM TO BE MORE ADVANTAGEOUS TO THE RECYCLING PROGRAM THAN OTHER OFFERS RECEIVED.

5. AWARD OF CONTRACT(S)/ACCEPTANCE OF PROPOSAL: AN "ACCEPTANCE OF PROPOSAL" SIGNED BY THE CONTRACTING OFFICER AND MAILED (OR OTHERWISE FURNISHED) TO THE SUCCESSFUL OFFEROR(S), WITHIN THE TIME FOR ACCEPTANCE SPECIFIED IN THE PROPOSAL, SHALL BE DEEMED TO RESULT IN A BINDING CONTRACT PROPOSAL IF SIGNED BY THE CONTRACTING OFFICER AND MAILED (OR OTHERWISE WITHOUT FURTHER ACTION BY EITHER PARTY). NO BINDING CONTRACT SHALL RESULT WITHOUT SUCH ISSUANCE OF A SIGNED "ACCEPTANCE OF PROPOSAL" BY THE CONTRACTING OFFICER.

SAMPLE TERM SALE CONTRACT

SALE OF RECYCLABLE MATERIALS BY THE NAVY RECYCLING PROGRAM,

_____.

A. SOLICITATION/CONTRACT FORM

THIS CONTRACT, MADE AND ENTERED INTO THIS _____ DAY OF _____, 1997, BY AND BETWEEN NAVAL STATION _____ RECYCLING NONAPPROPRIATED FUND INSTRUMENTALITY HEREINAFTER CALLED NAFI AND _____

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(HEREINAFTER CALLED CONTRACTOR), IS FOR THE SALE OF RECYCLED SCRAP MATERIAL SUBJECT TO THE PROVISIONS SET FORTH HEREUNDER. THE PARTIES AGREE TO CONTRACT FOR THE PURCHASING OF THE RECYCLED SCRAP MATERIAL AS MORE SPECIFICALLY DESCRIBED IN SECTION C HERETO. THE PARTIES AGREE AS FOLLOWS:

1. **CONTRACT PERIOD:** THE PERIOD OF PERFORMANCE FOR THIS CONTRACT WILL BE FOR ONE (1) YEAR, FROM THE COMMENCEMENT DATE. THE CONTRACT SERVICE PERIOD SHALL BEGIN _____ 1997. THE NAFI MAY EXTEND THE TERM OF THIS CONTRACT FOR SUCCESSIVE PERIODS OF ONE(1) YEAR BY MUTUAL AGREEMENT. THE CONTRACTING OFFICER WILL ADVISE THE CONTRACTOR IN WRITING AT LEAST 30 CALENDAR DAYS BEFORE THE CONTRACT PERIOD EXPIRES OF THE ACTIVITY'S DESIRE TO EXTEND THE PERIOD OF THE CONTRACT. THE TOTAL DURATION OF THIS CONTRACT, INCLUDING ANY EXTENSION PURSUANT TO THE OPTION EXERCISED UNDER THIS CLAUSE WILL NOT EXCEED FIVE(5) YEARS FROM THE DATE OF THE ORIGINAL CONTRACT.
2. **PAYMENT CYCLE:** IN CONSIDERATION FOR THE MATERIALS RENDERED, THE CONTRACTOR AGREES TO PAY THE NAFI 30 DAYS FROM THE PRESENTATION OF INVOICE OF SAID MATERIAL, OR ON EXPIRATION OF THIS CONTRACT, WHICHEVER OCCURS FIRST.
3. **INVOICES:** THE NAFI WILL SUBMIT INVOICES TO _____ AFTER THE CLOSE OF EACH MONTHLY CYCLE. EACH CYCLE SHALL BEGIN AND END ON THE SECOND ISSUE DATE. PAYMENT OF INVOICE WILL BE ACCOMPLISHED WITHIN 30 DAYS OF PRESENTATION OF THE INVOICE.
4. **SUBCONTRACTS:** WITH PRIOR APPROVAL OF THE CONTRACTING OFFICER A SUBCONTRACTOR MAY BE USED TO FULFILL THE TERMS OF THE CONTRACT. IF A SUBCONTRACTOR EXECUTES PART OR ALL OF THIS CONTRACT, THE CONTRACTOR WILL CONTINUE TO BE HELD RESPONSIBLE FOR ALL PROVISIONS OF THE CONTRACT IN TOTAL.
5. **PAYMENT RATES:** CONTRACTORS WILL BID FIXED NET PRICE PER TON BASED ON A PERCENTAGE OF THE PRICE INDEXED FROM THE "HIGH END" OF THE 2ND EDITION OF THE CURRENT MONTH OF THE _____, UTILIZING PRICES POSTED FOR THE " _____ " UNDER THE HEADING OF _____. ALL MATERIAL PICKED UP AFTER THE SECOND ISSUE SHALL BE BILLED ON THAT CYCLE UNTILL THE NEXT MONTH ISSUE.
6. **DEPOSIT:** A 20% DEPOSIT OF ESTIMATED THREE (3) MONTHS GENERATION, TO BE RETAINED AND APPLIED TO FINAL BILLING, WILL BE REQUIRED FROM THE CONTRACTOR BEFORE THE FIRST SHIPMENT. THE CONTRACTING OFFICER RESERVES THE RIGHT TO WAIVE ANY AND ALL DEPOSITS BEFORE THE FIRST LOAD IS DELIVERED.
7. **WEIGHT OF MERCHANDISE:** CONTRACTOR SHALL UTILIZE THE SCALES ON NAVAL STATION _____ AT BUILDING _____.
8. **CONTRACTOR BIDS** _____% OF MARKET.

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B. DESCRIPTION/MATERIAL SPECIFICATIONS

1. (NAME AND DESCRIPTION OF MATERIAL)
2. QUANTITY OF _____ WILL BE _____ (NET OR GROSS) TONS WITH A MARGIN OF 50% OVER OR 50% UNDER FOR THE ONE (1) YEAR TERM.
3. ALL MATERIAL WILL BE STORED (INDOORS OR OUTDOORS).
4. PROHIBITIVE MATERIALS WILL NOT BE PERMITTED.
5. TOTAL OUTTHROWS WILL NOT EXCEED ____%.

C. PACKAGING AND MARKING

MATERIAL WILL BE PICKED UP IN A _____ CONTAINER BY THE CONTRACTOR, F.O.B. ORIGIN. CONTRACTOR SHALL PROVIDE SAID STANDARD _____ CONTAINERS AT CONTRACTORS EXPENSE.

D. INSPECTION AND ACCEPTANCE

1. RECYCLABLE MERCHANDISE INSPECTION:

OFFERORS ARE EXPECTED TO INSPECT THE MERCHANDISE OFFERED FOR SALE AND TO SATISFY THEMSELVES AS TO MERCHANDISE QUALITY AND ALL GENERAL AND LOCAL CONDITIONS THAT MAY AFFECT THE OFFERS PROPOSED. IN NO EVENT WILL THE FAILURE TO INSPECT THE RECYCLABLE MERCHANDISE CONSTITUTE GROUNDS FOR A CLAIM AFTER AWARD OF A CONTRACT RESULTING FROM THIS SOLICITATION (REQUEST FOR PROPOSALS).

2. RECYCLABLE MERCHANDISE MAY BE INSPECTED ON AN APPOINTMENT BASIS AT BUILDING _____, NAVAL STATION, _____. APPOINTMENTS MAY BE MADE BY CONTACTING _____, CONTRACTING OFFICER (OR COR) AT (000) 000-0000. AS A MATTER OF INFORMATION NO INSPECTIONS WILL BE SCHEDULED ON SATURDAYS, SUNDAYS, OR ON FEDERAL HOLIDAYS.

E. DELIVERIES AND PERFORMANCE

1. SALES OF RECYCLABLE MATERIALS ARE ON F.O.B. ORIGIN: F.O.B. ORIGIN IS DEFINED AS BEING LOADED BY THE RECYCLING PROGRAM, AT THE RECYCLING PROGRAMS EXPENSE, ONTO THE CONTRACTOR'S OR SUBCONTRACTOR'S TRAILER AND TRANSPORTED AT CONTRACTOR'S EXPENSE TO CONTRACTOR'S FACILITY.

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2. REMOVAL OF RECYCLABLE MATERIALS PURCHASED BY THE CONTRACTOR:

ALL MATERIAL MUST BE PICKED UP BETWEEN MONDAY AND FRIDAY DURING NORMAL BUSINESS HOURS (0700-1430). CONTRACTOR AGREES TO PICK UP MATERIAL NO LATER THAN THREE DAYS AFTER A REQUEST FOR PICK UP HAS BEEN MADE BY THE NAFI.

3. **CONTRACTING OFFICERS REPRESENTATIVES RESPONSIBILITY:** TO SCHEDULE ALL DELIVERIES WITH THE CONTRACTOR'S FACILITY AND INSURE ALL PAPER WORK IS SUBMITTED CORRECTLY.

AUTHORIZED COR'S TELEPHONE: _____

F. CONTRACT ADMINISTRATION DATA

1. THE CONTRACTOR ASSUMES COMPLETE LIABILITY FOR ALL TAXES APPLICABLE TO ITS PROPERTY, INCOME, AND ALL OF ITS TRANSACTIONS ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THIS CONTRACT. THE CONTRACTOR WILL NOT BE REIMBURSED FOR ANY DIRECT OR INDIRECT TAX IMPOSED ON IT BY REASON OF THIS CONTRACT OR OTHERWISE.

2. THE CONTRACTING OFFICER MAY, AT HIS/HER OPTION IMPOSE, A \$25.00 ADMINISTRATIVE CHARGE ON DISHONORED CHECKS RECEIVED FROM THE CONTRACTOR FOR THE PAYMENT OF RECYCLABLE MATERIALS.

G. SPECIAL CONTRACT REQUIREMENTS

1. **INDEMNITY:** THE CONTRACTOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE NAVY RECYCLING PROGRAM, THE NAVY AND THE UNITED STATES (INCLUDING ITS AGENCIES AND INSTRUMENTALITYIES), AND THEIR OFFICERS, AGENTS AND EMPLOYEES AGAINST LIABILITY AND AGAINST ANY AND ALL CLAIMS FOR LOSS, DEATH, INJURY, OR PROPERTY DAMAGE (INCLUDING COSTS AND EXPENSES INCIDENTAL THERETO), ARISING OUT OF OR IN CONNECTION WITH (I) THE PERFORMANCE OF THIS CONTRACT, (II) ANY OF THE ACTIVITIES OR ACTIONS OF THE CONTRACTOR'S SUBCONTRACTORS, REPRESENTATIVES, AGENTS, OR EMPLOYEES WHILE PERFORMING THIS CONTRACT, OR (III) ANY OF THE CONTRACTOR'S ACTIVITIES OR ACTIONS.

2. **DAMAGE TO GOVERNMENT PROPERTY:** ANY DAMAGE TO GOVERNMENT PROPERTY DURING THE CONTRACTOR'S REMOVAL OPERATIONS IS THE RESPONSIBILITY OF THE CONTRACTOR, IF DEEMED BY THE CONTRACTING OFFICER THAT THE CONTRACTOR OR HIS/HER EMPLOYEE WAS AT FAULT, WILL BE REPAIRED AT THE CONTRACTOR'S EXPENSE, TO ITS ORIGINAL STATE OR A REASONABLE FACSIMILE THEREOF TO THE SATISFACTION OF THE CONTRACTING OFFICER.

3. **DANGEROUS PROPERTY:** THE PURCHASER (CONTRACTOR) IS CAUTIONED THAT ARTICLES OR SUBSTANCES OF A DANGEROUS NATURE MAY REMAIN IN THE PROPERTY NOTWITHSTANDING THE CARE EXERCISED TO REMOVE SAME. THE GOVERNMENT ASSUMES NO LIABILITY FOR DAMAGES TO THE PROPERTY OF THE PURCHASER (CONTRACTOR) OR FOR PERSONAL INJURIES, DISABILITIES OR DEATH TO THE PURCHASER (CONTRACTOR), HIS/HER EMPLOYEES OR TO ANY OTHER REASON ARISING

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FROM OR INCIDENT TO THE PURCHASE OF THIS RECYCLABLE MATERIAL OR ITS USE, OR SUITS, ACTIONS, OR CLAIMS OF WHATSOEVER NATURE ARISING FROM OR OUT OF THE PURCHASE OF THIS RECYCLABLE MATERIAL.

H. CONTRACT CLAUSES

1. DEFINITIONS: AS USED THROUGHOUT THIS CONTRACT, THE FOLLOWING TERMS AND ABBREVIATIONS HAVE THE MEANINGS SET FORTH BELOW:

(A) THE TERM "CONTRACT" MEANS THIS AGREEMENT AND ANY MODIFICATIONS HERETO.

(B) THE ABBREVIATION "NAFI" MEANS NONAPPROPRIATED FUND INSTRUMENTALITY OF THE UNITED STATES GOVERNMENT.

(C) THE TERM "CONTRACTING OFFICER" MEANS THE PERSON EXECUTING OR RESPONSIBLE FOR ADMINISTERING THIS CONTRACT ON BEHALF OF THE NAFI WHICH IS A PARTY HERETO, OR HIS SUCCESSOR OR SUCCESSORS.

(D) THE TERM "CONTRACTOR" MEANS THE PARTY RESPONSIBLE FOR BUYING RECYCLABLE MATERIALS AT A CERTAIN PRICE OR RATE FROM THIS NAFI (NAVAL STATION RECYCLING PROGRAM, _____) UNDER THIS CONTRACT.

2. ADVERTISEMENTS: THE CONTRACTOR AGREES THAT NONE OF ITS NOR ITS AGENT'S ADVERTISEMENTS, TO INCLUDE PUBLICATIONS, MERCHANDISE, PROMOTIONS, COUPONS, SWEEPSTAKES, CONTESTS, SALES BROCHURES, ETC., SHALL STATE, INFER OR IMPLY THAT THE CONTRACTOR'S PRODUCTS OR SERVICES ARE APPROVED, PROMOTED OR ENDORSED BY THE NAFI (NAVAL STATION RECYCLING PROGRAM). ANY ADVERTISEMENT, INCLUDING CENTS OFF COUPONS, WHICH REFERS TO A NAFI WILL CONTAIN A STATEMENT THAT THE ADVERTISEMENT IS NEITHER PAID FOR NOR SPONSORED IN WHOLE OR IN PART BY THE PARTICULAR ACTIVITY.

3. ASSIGNMENT: CONTRACTOR MAY NOT ASSIGN HIS RIGHT OR DELEGATE HIS OBLIGATIONS UNDER THIS CONTRACT WITHOUT PRIOR WRITTEN CONSENT OF THE CONTRACTING OFFICER.

4. DISPUTES:

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS CONTRACT, ANY DISPUTE OR CLAIM CONCERNING THIS CONTRACT WHICH IS NOT DISPOSED OF BY AGREEMENT SHALL BE DECIDED BY THE CONTRACTING OFFICER, WHO SHALL STATE HIS DECISION IN WRITING AND MAIL OR OTHERWISE FURNISH A COPY TO THE CONTRACTOR. WITHIN 90 DAYS FROM THE DATE OF RECEIPT OF SUCH COPY THE CONTRACTOR MAY APPEAL BY MAILING OR OTHERWISE FURNISHING TO THE CONTRACTING OFFICER A WRITTEN APPEAL ADDRESSED TO THE ARMED SERVICES BOARD OF CONTRACT APPEALS AND THE DECISION OF THE BOARD SHALL BE FINAL AND CONCLUSIVE. THE CONTRACTOR SHALL BE AFFORDED AN OPPORTUNITY TO BE HEARD AND OFFER EVIDENCE IN SUPPORT OF ANY APPEAL UNDER THIS CLAUSE.

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PENDING FINAL DECISION OF SUCH A DISPUTE, HOWEVER, THE CONTRACTOR SHALL PROCEED DILIGENTLY WITH THE PERFORMANCE OF THE CONTRACT AND ACCORDING TO THE DECISION OF THE CONTRACTING OFFICER UNLESS DIRECTED TO DO OTHERWISE BY THE CONTRACTING OFFICER.

(B) THE "DISPUTES" CLAUSE DOES NOT PRECLUDE CONSIDERATION OF LAW QUESTIONS IN CONNECTION WITH DECISIONS PROVIDED FOR IN PARAGRAPH "A" ABOVE, PROVIDING THAT NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS MAKING FINAL THE DECISION OF ANY ADMINISTRATIVE OFFICIAL, REPRESENTATIVE OR BOARD ON A QUESTION OF LAW.

5. EXAMINATION OF RECORDS:

(A) THIS CLAUSE IS APPLICABLE IF THE AMOUNT OF THIS CONTRACT EXCEEDS \$10,000, AND THE CONTRACT WAS ENTERED INTO BY MEANS OF NEGOTIATION. THE CONTRACTOR AGREES THAT THE CONTRACTING OFFICER OR HIS DULY AUTHORIZED REPRESENTATIVE SHALL HAVE THE RIGHT TO EXAMINE AND AUDIT THE BOOKS AND RECORDS OF THE CONTRACTOR DIRECTLY PERTAINING TO THE CONTRACT DURING THE PERIOD OF THE CONTRACT AND UNTIL THE EXPIRATION OF THREE YEARS AFTER THE FINAL PAYMENT UNDER THE CONTRACT.

(B) THE CONTRACTOR AGREES TO INCLUDE THE CLAUSE IN "A" ABOVE IN ALL SUBCONTRACTS THEREUNDER WHICH EXCEED \$10,000.

6. GRATUITIES:

(A) THE NAFI MAY BY WRITTEN NOTICE TO THE CONTRACTOR, TERMINATE THE RIGHT OF THE CONTRACTOR TO PROCEED UNDER THIS CONTRACT IF IT IS FOUND AFTER NOTICE AND HEARING, BY THE SECRETARY OF THE NAVY OR HIS DULY AUTHORIZED REPRESENTATIVE, THAT GRATUITIES (IN THE FORM OF ENTERTAINMENT, GIFTS, OR OTHERWISE) WERE OFFERED OR GIVEN BY THE CONTRACTOR, OR ANY AGENT OR REPRESENTATIVE OF THE CONTRACTOR, TO ANY OFFICER OR EMPLOYEE OF THE GOVERNMENT OR THE NAFI WITH A VIEW TOWARD SECURING FAVORABLE TREATMENT WITH RESPECT TO THE AWARDING OR AMENDING, OR THE MAKING OF ANY DETERMINATIONS WITH RESPECT TO THE PERFORMING OF SUCH CONTRACT.

(B) IN THE EVENT THIS CONTRACT IS TERMINATED AS PROVIDED FOR IN PARAGRAPH "A" HEREOF THE NAFI SHALL BE ENTITLED (I) TO PURSUE THE SAME REMEDIES AGAINST THE CONTRACTOR AS IT COULD PURSUE IN THE EVENT OF A BREACH OF CONTRACT BY THE CONTRACTOR AND (II) AS A PENALTY IN ADDITION TO ANY OTHER DAMAGES TO WHICH IT MAY BE ENTITLED BY LAW TO EXEMPLARY DAMAGES IN AN AMOUNT (AS DETERMINED BY THE SECRETARY OF THE NAVY OR HIS DULY AUTHORIZED REPRESENTATIVE), WHICH SHALL BE NOT LESS THAN THREE NOR MORE THAN TEN TIMES THE COST INCURRED BY THE CONTRACTOR IN PROVIDING ANY SUCH GRATUITIES TO ANY SUCH OFFICER OR EMPLOYEE.

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(C) THE RIGHTS AND REMEDIES OF THE NAFI PROVIDED IN THIS CLAUSE SHALL NOT BE EXCLUSIVE AND ARE IN ADDITION TO ANY OTHER RIGHTS AND REMEDIES PROVIDED BY LAW OR UNDER THIS CONTRACT.

7. HOLD AND SAVE HARMLESS: THE CONTRACTOR SHALL INDEMNIFY, SAVE HARMLESS AND DEFEND THE NAFI, ITS OUTLETS AND CUSTOMERS FROM ANY LIABILITY, CLAIMED OR ESTABLISHED FOR VIOLATION OR INFRINGEMENT OF ANY PATENT, COPYRIGHT OR TRADEMARK RIGHT ASSERTED BY ANY THIRD PARTY WITH RESPECT TO GOODS OR MERCHANDISE HEREBY SOLD OR ANY PART THEREOF. CONTRACTOR FURTHER AGREES TO HOLD THE NAFI HARMLESS FROM ALL CLAIMS OR JUDGMENTS FOR DAMAGES RESULTING FROM THE USE OF PRODUCTS LISTED IN THIS CONTRACT. ALSO, THE CONTRACTOR SHALL AT ALL TIMES HOLD AND SAVE HARMLESS THE NAFI (NAVAL STATION RECYCLING PROGRAM, _____) , ITS AGENTS, REPRESENTATIVES AND EMPLOYEES FROM ANY AND ALL SUITS AND EXPENSES WHICH ARISE OUT OF ACTS OR OMISSIONS OF THE CONTRACTOR, ITS AGENTS, REPRESENTATIVES, OR EMPLOYEES.

8. LAW GOVERNING CONTRACTS: IN ANY DISPUTE ARISING OUT OF THIS CONTRACT, THE DECISION REQUIRES CONSIDERATION OF LAW QUESTIONS, THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL BE INTERPRETED AND DETERMINED ACCORDING TO THE SUBSTANTIVE LAWS OF THE UNITED STATES OF AMERICA.

9. LEGAL STATUS: THE NAFI (NAVAL STATION RECYCLING PROGRAM) IS AN INTEGRAL PART OF THE DEPARTMENT OF DEFENSE AND IS AN INSTRUMENTALITY OF THE UNITED STATES GOVERNMENT. THEREFORE, NAFI CONTRACTS ARE UNITED STATES GOVERNMENT CONTRACTS; HOWEVER, THEY DO NOT OBLIGATE APPROPRIATED FUNDS OF THE UNITED STATES. NO APPROPRIATED FUNDS OF THE UNITED STATES SHALL BECOME DUE OR BE PAID A CONTRACTOR BY REASON OF THIS CONTRACT.

10. MODIFICATIONS: NO AGREEMENT OR UNDERSTANDING TO MODIFY THIS CONTRACT WILL BE BINDING UPON THE NAFI UNLESS MADE IN WRITING AND SIGNED BY A CONTRACTING OFFICER FROM THE OFFICE THAT ISSUED THE CONTRACT OR ITS SUCCESSOR.

11. ORDER OF PRECEDENCE: IN THE EVENT OF AN INCONSISTENCY BETWEEN PROVISIONS OF THIS SOLICITATION/AWARD, THE INCONSISTENCY SHALL BE RESOLVED BY GIVING PRECEDENCE IN THE FOLLOWING ORDER: (1) SUPPLIES AND PRICES, (2) SPECIAL CONTRACT REQUIREMENTS, (3) CONTRACT CLAUSES, (4) OTHER PROVISIONS OF THE SOLICITATION/AWARD.

12. TERMINATION FOR CONVENIENCE: THE CONTRACTING OFFICER BY WRITTEN NOTICE MAY TERMINATE THIS CONTRACT, IN WHOLE OR IN PART WHEN IT IS IN THE BEST INTEREST OF THE NAFI (NAVY RECYCLING PROGRAM). IF THIS CONTRACT IS FOR SUPPLIES AND IS SO TERMINATED, THE CONTRACTOR MAY BE COMPENSATED ACCORDING TO THE FEDERAL ACQUISITION REGULATION SUBPARTS 49.1 AND 49.2 IN EFFECT ON THE DATE OF THIS CONTRACT. IF THERE ARE ANY SUCH CONTRACTOR CLAIMS THEY SHALL BE SETTLED ACCORDING TO FAR SUBPARTS 49.1 AND 49.2.

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13. TERMINATION FOR DEFAULT: THE CONTRACTING OFFICER, BY WRITTEN NOTICE, MAY TERMINATE THE CONTRACT IN WHOLE OR IN PART FOR FAILURE OF THE CONTRACTOR TO PERFORM ANY OF THE PROVISIONS HEREOF. IN SUCH EVENT THE CONTRACTOR SHALL BE LIABLE FOR DAMAGES INCLUDING THE EXCESS COST OF RESOLICITING OFFERS FOR SALES OF RECYCLABLE MERCHANDISE; HOWEVER, IF IT IS DETERMINED THAT THE CONTRACTOR'S FAILURE TO PERFORM IS WITHOUT HIS/HER OR HIS/HER SUBCONTRACTOR'S CONTROL, FAULT OR NEGLIGENCE, THE TERMINATION MUST BE DEEMED TO BE A TERMINATION FOR CONVENIENCE. AS USED IN THIS PROVISION, THE TERM "SUBCONTRACTOR" MEANS SUBCONTRACTOR AT ANY TIER.

14. CLAUSES INCORPORATED BY REFERENCE: THE PROVISIONS OF THE FOLLOWING CLAUSES SET FORTH IN THE FEDERAL ACQUISITION REGULATION (FAR) ARE HEREBY INCORPORATED INTO THIS SOLICITATION/AWARD BY REFERENCE WITH THE SAME FORCE AND EFFECT AS THOUGH HEREIN SET FORTH IN FULL. AS USED IN THE FOLLOWING CLAUSES THE TERM "GOVERNMENT" IS DELETED AND THE ABBREVIATION NAFI (NAVY RECYCLING PROGRAM) IS SUBSTITUTED IN LIEU THEREOF. THE DATE OF EACH CLAUSE SHALL BE THE CURRENT DATE SET FORTH IN THE FAR ON THE ISSUANCE DATE OF THE CONTRACT(S) AWARDED AS A RESULT OF THIS SOLICITATION(REQUEST FOR PROPOSALS). CLAUSES MADE INAPPLICABLE BY THE REFERENCE OR BY THE KIND OF ORDER OR CONTRACT (E.G., CONTRACTS FOR SERVICES OR PURCHASE OF SUPPLIES) INSTEAD OF FOR SALE OF RECYCLABLE MATERIALS ARE SELF DELETING. THE COMPLETE TEXT OF ANY CLAUSE INCORPORATED IN THIS SOLICITATION/CONTRACT BY REFERENCE MAY BE OBTAINED FROM THE CONTRACTING OFFICER.

<u>CLAUSE NO.</u>	<u>REFERENCE</u>	<u>CLAUSE TITLE</u>
23	52.203-1	OFFICIALS NOT TO BENEFIT
24	52.203-5	COVENANT AGAINST CONTINGENT FEES
26	52.222-20	WALSH-HEALY PUBLIC CONTRACTS ACT (SUPPLY CONTRACTS OVER \$10,000 NOT WITH FOREIGN CONTRACTORS)
27	52.222-26	EQUAL OPPORTUNITY (SUPPLY CONTRACTS OVER \$10,000)
28	52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED VETERANS AND VIETNAM ERA VETERANS (SUPPLIES OVER \$10,000)
29	2.222-36	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (SUPPLIES OVER \$2,500)

L. INSTRUCTIONS AND CONDITIONS AND NOTICES TO OFFERORS

1. TELEGRAPHIC OR FACSIMILE OFFERS: IN KEEPING WITH STANDARD SCRAP MARKETS INDUSTRY PRACTICE AND IN CONSORT WITH THE DEFENSE LOGISTICS AGENCY (DLA) POLICY OF ALLOWING SUBMISSION OF FACSIMILE OFFERS IN RESPONSE TO REQUESTS FOR PROPOSALS FOR THE SALES OF RECYCLABLE MATERIALS, FACSIMILE OR TELEGRAPHIC OFFERS MAY BE SUBMITTED IN RESPONSE TO THIS REQUEST FOR PROPOSALS. TELEGRAPHIC OR FACSIMILE OFFERS MUST BE RECEIVED AT THE

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PLACE DESIGNATED BY THE CONTRACTING OFFICER PRIOR TO THE TIME SPECIFIED FOR THE RECEIPT OF OFFERS IN THE REQUEST FOR PROPOSALS. SUCH OFFERS MUST SPECIFICALLY REFER TO THIS REQUEST FOR PROPOSALS, MUST INCLUDE THE ITEM(S) OR LOT(S), ESTIMATED QUANTITIES, AND THE UNIT PRICES FOR WHICH THE OFFER IS SUBMITTED. ADDITIONALLY, THE OFFER MUST CONTAIN ALL THE REPRESENTATIONS AND OTHER INFORMATION REQUIRED BY THE REQUEST FOR PROPOSALS TOGETHER WITH A STATEMENT THAT THE OFFEROR AGREES TO ALL THE TERMS, CONDITIONS AND PROVISIONS OF THE SOLICITATION. FAILURE OF THE OFFEROR TO FURNISH IN THE TELEGRAPHIC OR FACSIMILE OFFER, THE REPRESENTATIONS, AND INFORMATION REQUIRED IN THE REQUEST FOR PROPOSALS MAY NECESSITATE REJECTION OF THE OFFER. FACSIMILE RESPONSES MUST BE SIGNED BY A PERSON AUTHORIZED TO CONDUCT NEGOTIATIONS AND SENT TO THE NAVY RECYCLING PROGRAM (ATTN: _____ AT _____).

2. COLLUSION WARNING: OFFERORS ARE CAUTIONED TO SUBMIT THEIR OFFERS WITHOUT CONSULTATION, COMMUNICATION, OR AGREEMENT WITH ANY OTHER OFFEROR FOR THE PURPOSE OF RESTRICTING COMPETITION. OFFER (BID) RIGGING IS A FEDERAL FELONY CRIMINAL OFFENSE UNDER SECTION 1 OF THE SHERMAN ANTI-TRUST ACT (15 U.S.C. 1). CONVICTION CARRIES WITH IT A FINE OF UP TO \$1,000,000 FOR CORPORATIONS AND UP TO \$100,000 OR THREE YEARS IMPRISONMENT (OR BOTH) FOR INDIVIDUALS. YOU ARE ENCOURAGED TO REPORT SUSPECTED VIOLATIONS OF THIS CRIMINAL LAW TO THE CONTRACTING OFFICER AT (000) 000-0000. THIS MATTER IS OF THE GREATEST IMPORTANCE TO THIS PROGRAM AND YOUR UTMOST COOPERATION IN INSURING THAT THIS RECYCLING PROGRAM EXEMPLIFIES MAXIMUM FREE AND OPEN COMPETITION AMONG OFFERORS IS SOLICITED AND APPRECIATED.

3. REMOVAL FROM THE LIST OF PROSPECTIVE OFFERORS: AT THE OPTION OF THE CONTRACTING OFFICER INDIVIDUALS OR FIRMS THAT FAIL TO RESPOND TO THREE (3) OR MORE REQUESTS FOR PROPOSALS ISSUED BY THIS NAVY RECYCLING PROGRAM, OR ARE IN DEFAULT REGARDING A CONTACT ISSUED BY THIS NAVY RECYCLING PROGRAM MAY BE REMOVED FROM THE LIST OF PROSPECTIVE OFFERORS (COMMONLY REFERRED TO AS "BIDDERS LIST") AND NOT BE SENT FURTHER REQUESTS FOR PROPOSALS FROM THIS ORGANIZATION UNTIL THEY ARE RE-INSTATED BY THE CONTRACTING OFFICER.

4. ACKNOWLEDGMENT OF AMENDMENTS TO REQUESTS FOR PROPOSALS: RECEIPT OF AN AMENDMENT TO A REQUEST FOR PROPOSALS BY AN OFFEROR MUST BE ACKNOWLEDGED BY (A) SIGNING AND RETURNING THE AMENDMENT, (B) BY ANNOTATION OF BLOCK #14 ENTITLED "ACKNOWLEDGMENT OF AMENDMENTS" ON THE SOLICITATION/OFFER FORM (STANDARD FORM 33), OR (C) BY LETTER, TELEGRAM OR FACSIMILE. SUCH ACKNOWLEDGMENT MUST BE RECEIVED PRIOR TO THE HOUR AND DATE SPECIFIED FOR THE RECEIPT FOR PROPOSALS.

5. EXPLANATION TO OFFERORS: ANY EXPLANATION DESIRED BY AN OFFEROR REGARDING THE MEANING OR INTERPRETATION OF THE REQUEST FOR PROPOSALS, SPECIFICATIONS, CONDITIONS, ETC., MUST BE REQUESTED IN WRITING AND RECEIVED BY THE CONTRACTING OFFICER IN SUFFICIENT TIME TO ALLOW FOR A REPLY TO REACH OFFERORS BEFORE THE SUBMISSION OF THEIR PROPOSALS. ORAL EXPLANATIONS OR INSTRUCTIONS GIVEN BEFORE THE AWARD OF A CONTRACT(S) WILL NOT BE

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BINDING. ANY INFORMATION GIVEN TO A PROSPECTIVE OFFEROR AS AN AMENDMENT TO THE REQUEST FOR PROPOSALS WILL BE FURNISHED TO ALL PROSPECTIVE OFFERORS.

6. LATE PROPOSALS: ANY PROPOSAL RECEIVED AT THE OFFICE DESIGNATED IN THE SOLICITATION (REQUEST FOR PROPOSALS) AFTER THE EXACT TIME SPECIFIED FOR THE RECEIPT WILL NOT BE CONSIDERED UNLESS IT IS RECEIVED BEFORE AWARD IS MADE; AND,

(A) IT WAS SENT BY REGISTERED OR CERTIFIED MAIL NOT LATER THAN THE FIFTH CALENDAR DAY PRIOR TO THE DATE SPECIFIED FOR RECEIPT OF OFFERS; OR

(B) IT WAS SENT BY MAIL/TELEGRAM/FACSIMILE AND IT IS DETERMINED BY THE GOVERNMENT THAT THE LATE RECEIPT WAS DUE SOLELY TO MISHANDLING BY THE GOVERNMENT AFTER RECEIPT AT THE GOVERNMENT INSTALLATION; OR,

(C) SENT BY CONTROLLED DISPATCH VIA NATIONALLY KNOWN U.S. COURIER (E.G., EMERY, FEDERAL EXPRESS, ETC.) NOT LATER THAN 3 CALENDAR DAYS PRIOR TO THE DATE PROPOSALS WERE DUE; OR,

(D) IT WAS THE ONLY PROPOSAL RECEIVED.

M. EVALUATION FACTORS FOR AWARD OF CONTRACT(S)

1. SINGLE AWARD BY LOT: AWARD WILL GENERALLY BE MADE TO A SINGLE RESPONSIVE, RESPONSIBLE OFFEROR FOR ALL ITEMS FOR EACH LOT. HOWEVER, THE NAVY RECYCLING PROGRAM RESERVES THE RIGHT TO SPLIT LOTS OR TO AWARD BY ITEM WHEN THE CONTRACTING OFFICER DETERMINES THAT TO BE MORE ADVANTAGEOUS TO THIS NAVY RECYCLING PROGRAM.

2. CONTRACT(S) WILL BE AWARDED TO THOSE RESPONSIBLE OFFERORS WHOSE PROPOSALS (CONFORMING TO THE REQUEST FOR PROPOSALS) WILL BE MOST ADVANTAGEOUS TO THIS NAVY RECYCLING PROGRAM, PRICE AND OTHER FACTORS CONSIDERED.

3. THE NAVY RECYCLING PROGRAM RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS AND TO WAIVE INFORMALITIES AND MINOR IRREGULARITIES IN PROPOSALS RECEIVED. IN ADDITION THE NAVY RECYCLING PROGRAM RESERVES THE RIGHT TO WITHDRAW OR NOT AWARD A CONTRACT FOR WHICH THE CONTRACTING OFFICER DETERMINES THE PRICE(S) RECEIVED ARE NOT FAIR AND REASONABLE.

4. AWARD OF CONTRACT(S)/ACCEPTANCE OF PROPOSAL: AN "ACCEPTANCE OF PROPOSAL," SIGNED BY THE CONTRACTING OFFICER AND MAILED (OR OTHERWISE FURNISHED) TO THE SUCCESSFUL OFFEROR(S), WITHIN THE TIME FOR ACCEPTANCE SPECIFIED IN THE PROPOSAL, SHALL BE DEEMED TO RESULT IN A BINDING CONTRACT PROPOSAL," SIGNED BY THE CONTRACTING OFFICER AND MAILED (OR OTHERWISE WITHOUT FURTHER ACTION BY EITHER PARTY). NO BINDING CONTRACT SHALL

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RESULT WITHOUT SUCH ISSUANCE OF A SIGNED "ACCEPTANCE OF PROPOSAL" BY THE CONTRACTING OFFICER.

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AP9. APPENDIX 9

SAMPLE QRP FORMS AND RECORDS

This Appendix will contain the following sample forms and records.

List of All Forms to Be Used:

Form A106
Funds Transfer Document
DD Form 1348-I
Local Form 1709
Standard Form 1080
Quotations Forms/Invitation For Proposal/Invitation For Bid
Weight Certificates
Vendor Receipts
Shipping Records
Cashier Record
Deposit Record
Check Copy
Dunning Letters to Buyers

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AP10. APPENDIX 10

LETTER TO DRMO REQUESTING QRP ACCOUNT

Sample letter will be inserted here.

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AP11. APPENDIX 11

SAMPLE QUALIFIED RECYCLING PROGRAM INSTRUCTION

REFERENCES:

1. All References are listed in Appendix 1 (of this sample Instruction).

PURPOSE:

2. This (Sample) Instruction:

- a. Establishes policy, assigns responsibility, and prescribes procedures under DoD Instruction 4715.4, (ref. a.) "Pollution Prevention," to execute a cost-effective waste prevention and qualified recycling program to reduce the volume of non-hazardous solid waste and impact of (Insert installation name wherever quotation marks are shown, and throughout document wherever indicated) activities on the environment, in accordance with Title 10 United States Code (U.S.C.) §2577 (ref. t.) and Executive Order (E.O.) 12873 (ref. c.), to be operated by the (").

- b. Designates (") personnel to lead the implementation of key pollution prevention and waste reduction programs within (").

- c. Formalizes an affirmative procurement program in accordance with 42 U.S.C. §6962 (ref. q.) and E.O. 12873 (ref. c.)

SCOPE:

3. This Instruction applies to all (") units and activities with the following exceptions:

- a. Procurement, use, generation, storage, processing, disposal, or management in any sense of radioactive materials subject to regulation under E.O. 12844 (ref. a.), 42 U.S.C. §7158 (ref. g.), the Atomic Energy Act, 42 U.S.C. §2011 (ref. h.); or the Low Level Radioactive Waste Policy Act, 42 U.S.C. §2021b (ref. i.).

- b. Additional pollution prevention requirements for transportation-related onshore and offshore facilities and vessels that are regulated by the U.S. 33 U.S.C. §§1901 - 1912 (ref. k).

DEFINITIONS:

4. To maintain consistency with other DoD components, the terms and definitions in Appendix 2 apply to this Instruction, and shall be used for any supplemental or delegated regulations, instructions, or publications promulgated by the (").

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POLICY:

5. It is (“) policy to:

a. Ensure (“) organizations in the United States comply with applicable Federal, State, interstate, regional, and local environmental laws, regulations and standards, and with relevant Executive Orders; or in the case of organizations located outside the United States, with applicable Executive Orders, international agreements, Federal Statutes with extraterritorial effect, and either the Final Governing Standards or the Overseas Environmental Baseline Guidance Document where no final Governing Standards have been issued.

b. Reduce the use of hazardous materials, the generation or release of pollutants, and the adverse effects on human health and the environment caused by activities.

c. Reduce pollution through improvements in energy and water efficiency, the use of alternative fuels, and other activities that improve resource utilization.

6. It is (“) policy to accomplish the objectives using a management approach that:

a. Emphasizes pollution prevention, including improvements in energy and resource utilization, as the alternative of first choice in achieving compliance with applicable environmental requirements and Executive Orders.

b. Incorporates pollution prevention throughout (") organizations and into all phases of acquisition, operations, maintenance, support and ultimate disposal of equipment and materials over the system life-cycle.

c. Uses the environmental management hierarchy to develop environmental solutions. In descending order of preference, (“) will:

(1) Prevent pollution at the source to eliminate or minimize adverse health effects while protecting, preserving, restoring, and enhancing the quality of the environment.

(2) Reuse pollutants that cannot be eliminated. Recycle, in an environmentally safe manner, pollutants that cannot be reused.

(3) Treat, in an environmentally safe manner, pollutants that cannot be eliminated or recycled.

(4) Dispose or release pollutants into the environment only as a last recourse and only where such disposal or release can be controlled and conducted in a manner that is safe for human health and the environment and consistent with applicable legal requirements.

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d. Reduces the life cycle costs of (“) equipment and processes by avoiding the use of hazardous materials.

e. Plans, programs and budgets to achieve the policies in this Instruction. (“) budgeting procedures shall use the environmental quality classes defined in appendix 2 and the following definitions for environmental compliance and pollution prevention:

(1) Environmental compliance includes all activities and projects that use end-of-pipe treatment or disposal methods to meet applicable environmental requirements.

(2) Compliance-type requirements that are satisfied by source reduction (pollution elimination or reduction), pollutant (toxicity) minimization, or recycling approaches are pollution prevention requirements and shall be funded as pollution prevention.

f. Instills knowledge and understanding by all personnel (military and civilian) of pollution prevention requirements through comprehensive education, training, career development, and awareness programs.

g. Promotes pollution prevention through positive relations and partnerships with Federal, State, Indian tribal, regional, and local government officials as well as host country, other private, and public stakeholders.

h. Develops, demonstrates, and implements innovative pollution prevention technologies and business practices.

ORGANIZATIONS:

7. A recycling committee shall be established to consist of members from Logistics Services; Occupational Health, Environmental, and Safety Services; Facilities Services; and General Counsel.

8. A representative from the Office of Contracting will attend committee meetings as a non-voting member when contracting issues are to be discussed.

9. The Recycling Manager will attend as the recorder.

10. The Chief or Deputy Chief, Occupational Health, Environmental, and Safety Services shall chair the committee.

11. The committee shall meet at least quarterly to review and approve proposals for pollution prevention and source reduction projects. Such projects will be funded by revenue generated from various recycling and waste prevention activities. The committee will review ways and means to improve and monitor recycling initiatives and procedures at the (“).

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12. The committee will annually review and approve the operating expenses of the (“) Recycling Program based on an annual budget prepared by the Recycling Manager.
13. Written reports/minutes covering formal meetings will be furnished to the committee members by the recorder within two weeks of each meeting.
14. As necessary, costs incurred because of equipment failure and/or personnel requirements during recycling operations will be included in the operation cost, and reimbursed to the activity as appropriate.
15. The committee will publish an annual report for the Commander and Deputy Under Secretary of Defense (Environmental Security) (DUSD(ES)) including, but not limited to, quantity and type of materials recycled, revenues generated, and disbursement of funds.
16. The committee will oversee the Affirmative Procurement Program in accordance with Executive Order (E.O.) 12873 (ref. c.).

RESPONSIBILITIES:

17. The Deputy Director for Support Services shall:
 - a. Oversee the (“) Waste Prevention and Qualified Recycling Program (QRP).
 - b. Implement programs to monitor and achieve progress toward the (“) goals highlighted in its Pollution Prevention Plan and compliance with E.O. 12866 (ref. n.).
18. The Recycling Manager will:
 - a. Develop, establish, and maintain the operation of an aggressive QRP.
 - b. Maintain Directorate-level attention.
 - c. Coordinate, when appropriate, with the Defense Reutilization and Marketing Office (DRMO) for:
 - (1) Assistance in program management and generation of recyclable materials.
 - (2) Technical advice and assistance.
 - (3) Sale of qualifying materials.

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d. Manage the overall (“) recycling program to ensure the continuation and expansion of the QRP, which will guarantee that (“) receives full benefit from the accumulation and sale of all recyclable materials that normally would be discarded.

e. Coordinate with Occupational Health, Environmental, and Safety Services on all aspects of environmental protection. Specifics include all matters that affect solid and hazardous waste management, general environmental compliance, and permit compliance and reporting.

f. Ensure that supporting documentation is kept for three years.

g. Advise generators of recyclable materials on source segregation, identification, and turn-in of recyclable materials (education).

h. Improve and expand the (“) recycling, source reduction and affirmative procurement programs as appropriate.

19. The Recycling Committee will:

a. Investigate options to purchase and operate alternative-fueled vehicles to reduce the emission of pollutants associated with recycling and maintenance vehicles, as required for non-tactical vehicles by Public Law (P.L.) 102-486 (ref. r.), E.O. 12844 (ref. a.), and DoD Regulation 4500.36-R (ref. m.).

b. Maintain financial control of the program through strong accounting and information system management procedures.

c. Execute strategies to eliminate reliance on Ozone Depleting Substances (ODS) in accordance with E.O. 12873 (ref. c.).

d. Provide necessary data to the Defense Logistics Agency so as to allow them to manage the DoD ODS Reserve and meet any reporting requirements, including those in DoD 4160.21-M (ref. v.).

e. Participate in periodic pollution prevention in-progress reviews (IPRs) as required by DUSD (ES).

f. Raise emerging DoD pollution prevention issues through the Defense Environmental Security Council (DESC), the Environment, Safety and Occupational Health Policy Board, or the DESO Pollution Prevention Committee, as established under DoD Directive 4617.10 (ref. d.).

g. Ensure that program procedures address recyclable materials, excluded materials, and other QRP materials.

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h. Divert recyclable materials from the non-hazardous solid waste stream where economically feasible. Individual types of recyclable materials that make up a substantial percentage of the non-hazardous waste stream should be included in recycling programs unless doing so will make the overall recycling program unprofitable. Recyclable materials do not require informal screening as defined in DoD 4160.21-M (ref. v.).

i. Sell recyclable and other QRP materials, or consign them to the DRMS for sale.

(1) Implement DoD procedures that ensure U.S. trade security control policies are followed in accordance with DoD Instruction 4160.27 (ref. x.) and DoD 4160.21 -M (ref. v.) prior to directly selling firing range expended brass or mixed metals gleaned from firing range cleanup that do not require demilitarization and that are Munitions List Items (MLI) or Strategic List Items (SLI).

(2) Prior to selling directly other recycling program materials, shall implement procedures for reuse screening to consider reuse programs in accordance with E.O. 12873 (ref. c.).

(3) Ensure that outside the United States, disposition of recyclable and other QRP materials, derived from goods which have been imported duty-free, is accomplished consistent with the provisions contained in status of forces agreements, surplus or excess property agreements, or other international agreements with host nations.

j. Assist Finance and Accounting in establishing an accounting and control system for recycling programs that provides detailed management and audit information, and tracks expenditures made for appropriate projects and programs. Integrity of the audit will be a priority concern.

k. Ensure that appropriate management controls are in place for recyclable materials that may be hazardous, such as lead-acid batteries.

20. The Office of Finance and Accounting will:

a. Establish and maintain a clearing account for the deposits of proceeds and ensure that all collections are accumulated in this account as received.

b. Ensure that all collection vouchers are issued for funds received in the clearing account and contain complete accounting classification. Copies of collection vouchers shall be provided to the Recycling Manager.

21. Finance and Accounting Fund Manager will:

a. Establish an accounting and control system for recycling programs which provides detailed management and audit information, tracks material quantity handled, calculates sales and

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handling costs for recycled material, and tracks expenditures made for appropriate projects and MWR programs. Integrity of the audit will be a priority concern.

b. The Recycling Program Manager will prepare and submit an annual budget for review by the Fund Manager and approval by the (“) Recycling Committee. The budget will identify and describe operation expenses and projected revenues.

22. Logistics Services will:

a. Provide the Recycling Manager with official documents of dollar amount of recyclable materials sold by DRMO or contractors for accrual of recyclable income.

b. Provide equipment to support the (“) Recycling program on an as available basis (non-reimbursable) until final purchases can be made.

c. Ensure that principles and procedures as outlined in this Instruction are followed to process all documents and materials cleared for direct turn-in to DRMO or direct sale to contractors for the recycling program.

d. Ensure that items to be disposed of are properly sanitized to ensure that no classified information is compromised.

23. Facilities Services will:

a. Participate in the necessary aspects of the program to assure a vigorous and accountable recycling program.

b. Within resource constraints and subject to good engineering practices, provide self-help materials and facility support to the (“) Recycling Program on a non-reimbursable basis.

c. Provide preventive maintenance and repair of equipment used for recycling materials on a reimbursable basis from the Recycling Fund.

d. Retain prepotency and responsibility for all aspects of the solid waste management program.

e. Ensure, where cost effective, that the Corps of Engineers' contracts that provide for contractor operation of a leased facility located within the United States, its territories, or possessions, include provisions that obligate the contractor to participate in a recycling program.

f. Modify existing contracts covering leased facilities, where cost-effective, to incorporate recycling provisions.

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24. Security Services will:

a. Establish procedures for recycling unclassified sensitive material. This includes manuals, bulletins, regulations, reference books, and all other instructional materials to include those manuals with distribution restrictions.

b. Maintain appropriate guidance, in writing, concerning the recycling of privacy act material paper products.

c. Manage spent ammunition brass.

25. Occupation Health, Environmental, and Safety Services will:

a. Manage all activities of the (“) Recycling Program.

b. Ensure that appropriate management controls are in place for recyclable materials that may be hazardous, such as lead-acid batteries.

c. Ensure that appropriate controls are in place for recycling processes.

d. Perform annual audits of recycling contractors. Forward these audits to the Recycling Committee for review within two weeks of performing the audit.

e. Chair the Recycling Committee.

f. Research and develop innovative pollution prevention technologies through partnerships with Federal agencies, Government laboratories, and the private sector.

26. The Office of Contracting will provide a non-voting member to the Recycling Committee and provide guidance on contractual issues related to the sale of recyclable items.

27. All (“) organizations, units, and activities will:

a. Support the recycling program by identifying, collecting, separating, and removing contaminants from all recyclable materials, e.g., staples, paper clips, carbon paper, etc.

b. Be responsible for property accountability for items such as recycling containers issued from the Recycling Manager on a hand receipt.

DISTRIBUTION OF PROCEEDS:

28. The proceeds from the sale of recyclable materials will be dispersed according to the following hierarchy:

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a. Proceeds shall first be used to cover the costs directly attributable to all (“) recycling programs, including, but not limited to, manpower, facilities, equipment, overhead, and other capital investments,

b. After these costs are recovered, up to 50% of the remaining proceeds may be used for pollution abatement, pollution prevention, energy/water conservation, composting and alternative-fueled vehicle infrastructure support and vehicle conversion, or occupational safety and health projects, with first consideration given to projects included in (“) pollution prevention plan.

c. In accordance with law, any proceeds remaining from the sale of direct recyclable materials or other qualified recyclable materials may be transferred to Morale, Welfare and Recreation activities, including, but not limited to, the MWR.

29. An accounting and control system shall be established for the (“) recycling program that provides detailed management and audit information, tracks the quantity of material recycled, calculates sales and handling costs for recycled material, and tracks expenditures made for operation and maintenance of recycling program projects as described in Paragraph 31.b. above, MWR programs, and to the Treasury by line item.

30. Changes in DoD policy after the date of this Policy Paper will be implemented through additional (“) documentation.

EFFECTIVE DATE AND IMPLEMENTATION: This Policy is effective immediately.

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References

- a. DoD Directive 4715.4 “Pollution Prevention,” 18 June 1996
- b. Executive Order 12969, “Federal Acquisition and Community Right-To-Know”
- c. Executive Order 12873, “Federal Acquisition, Recycling and Waste Prevention”
- d. DoD Directive 4715.1, “Environmental Security,” 24 February 1996
- e. DoD Directive 5000.1, “Defense Acquisition,” 15 March 1996
- f. DoD 5000.2-R “Mandatory Procedures for Major Acquisition Programs (MDAPS) and Major Automated Information System (MAIS) Acquisition Programs,” March 1996
- g. 42 U.S.C. §7158
- h. 42 U.S.C. §2011
- I. 42 U.S.C. §2021
- j. 33 C.F.R. §§154-156
- k. 33 U.S.C. §§1901-1912
- l. Executive Order 12873, “Federal Acquisition, Recycling, and Waste Prevention,” October 20, 1993
- m. DoD 4500.36-R “Management, Acquisition and Use of Motor Vehicles,” March 1994
- n. Executive Order 12856, “Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements,” August 3, 1993
- o. Executive Order 12902, “Energy Efficiency and Water Conservation at Federal Facilities,” March 8, 1994
- p. Public Law 102-484, §326, (10 U.S.C. §2301)
- q. 42 U.S.C. §6962
- r. Public Law 102-486, “Energy Policy Act of 1992”, October 24, 1992

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- s. Executive Order 12844, “Federal Use of Alternative Fueled Vehicles,” April 21, 1993
- t. 10 U.S.C. §2577
- u. Executive Order 12843, “Procurement Requirements and Policies for Federal Agencies for Ozone Depleting Substances,” April 21, 1993
- v. DoD 4160.21-M, “Defense Marketing and Reutilization Manual,” March 1990
- w. 32 C.F.R. Part 172
- x. 42 U.S.C. §§7401-7671
- y. 42 U.S.C. §11049(4)
- z. 42 U.S.C. §11023
- aa. 42 U.S.C. §6374
- ab. 19 U.S.C. §1401
- ac. 42 U.S.C. §§4321-4370
- ad. 40 C.F.R. Part 302
- ae. Federal Register, volume 57, page 33753, July 30,1992
- af. 42 U.S.C. §§13101-13109
- ag. 42 U.S.C. §6903

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AP 12. APPENDIX 12

WORLD WIDE WEB SITES FOR RECYCLING

Department of Defense

Office of the Deputy Undersecretary of Defense for Environmental Security–DUSD(ES):
<http://www.acq.osd.mil/ens/>

Safety and Occupational Health–ADUSD(SH):
<http://www.acq.osd.mil/ens/sh/>

Defense Environmental Network & Information Exchange (DENIX), developed, maintained, and operated by the US Army Corps of Engineers Construction Engineering Research Laboratories (USACERL):
<http://denix.cecer.army.mil/denix/denix.html>

Department of the Navy–Environmental Programs:
<http://enviro.navy.mil/>

Deputy Chief of Naval Operations Logistics–N4:
<http://www.n4.hq.navy.mil>

Environmental Protection, Safety & Occupational Health Division (N45):
<http://n4.nosc.mil/n45.html>

Chief of Naval Operations:
<http://www.n4.opnav.navy.mil/>

Naval Facilities Engineering Service Center:
<http://www.nfesc.navy.mil/home.htm>

Headquarters US Army Corps of Engineers, US Army Corp of Engineers Information Network (USACE INET):
<http://www.usace.army.mil/>

Engineer Strategic Studies Center (ESSC), Environmental Homepage, emphasizes pollution prevention:
<http://www.usace.army.mil/essc/pp/envir.htm>

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Corp of Engineer's Home page for Solid Waste Management:
<http://www.usacpw.belvoir.army.mil/ssg/dir-eng/chem-div/swm.htm>

U.S. Army Logistics Management College:
<http://www/almc.army.mil>

Army –Assistant Chief of Staff for Installation Management:
<http://www.hqda.army.mil/webs/acsimweb/homepage.htm>

C & D–U.S. Army Corp of Engineers:
<http://grn.com/grn/library/gloss.htm>

Army Environmental Policy Institute (AEPI):
<http://aepi.gatech.edu/>

Army Acquisition Pollution Prevention Support Office (AAPPSO), Headquarters, US Army Materiel Command:
<http://www.aappso.com/>

Oak Ridge National Laboratory:
<http://www.ornl.gov/ornlp2/recyinfo.htm>

Air Force Center for Environmental Excellence (AFCEE):
<http://www.afcee.brooks.af.mil/>

U.S. Environmental Protection Agency (EPA):
<http://www.epa.gov/>

EPA's Office of Solid Waste and Emergency Response:
<http://earth1.epa.gov/OSWRCRA/>

Environmental Law Institute
<http://www.eli.org/eli>

Environmental Products *Guide*
<http://www.gsa.gov>

Environmental Working Group
<http://ewg.org>

Government Printing Office:
http://www.access.gpo.gov/su_docs/aces/aaces002.html

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Legislative Web Site from the Capitol

http://www.cnie.org/nle/crs_toc.shtml

Federal Legislation

<http://www.thomas.loc.gov/>

National Pollution Prevention Roundtable

<http://es.inel.gov/nppr>

National Archives and Records Administration:

<http://www.nara.gov/>

National Institute for the Environment:

<http://www.cnie.org>

National Technical Information Service:

<http://www.fedworld.gov/ntis/ntishome.html>

Global Recycling Net (includes Construction Materials Recycling Association):

<http://grn.com/>

Recycling World:

<http://www.recycle.net/>

Chicago Board of Trade:

<http://cbot-recycle.com/welcom.htm>

Solid Waste Association of North America:

<http://www.swana.org/>

Waste News:

<http://www.wastenews.com/>

American Chemical Society:

<http://www.acs.org/>

“Get in the Loop” Campaign:

<http://marge.metrokc.gov/market/PROG-21.htm>

Brookhaven National Labs - Safety and Environment:

<http://sun10.sep.bnl.gov/>

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Pollution Engineering Magazine:

<http://www.manufacturing.net/magazine/polleng>

Clay.Net - Environmental Professional's Homepage:

<http://www.clay.net/>

Internet Recycling *Guide*

<http://www.obviously.com/recycle/>

Earth's Biggest Environmental Search Engine

<http://webdirectory.com/recycling>

Green Building Products

<http://www.oilos.com/>

Preserving Resources Integrating Sustainable Management of Waste

<http://www.wrfound.org.uk/cdwaste.infosheet.html>

Surfing the Net - Integrated Solid Waste Management

http://www.hdrinc.com/co_prof/wwwpaper.htm

THE END