



SCRAP and the APPROVED SCRAP PROCEDURE

NORMAL PROCESS FOR DISPOSAL OF GOVERNMENT PROPERTY

- FOLLOW DIRECTIONS IN THE CONTRACT
- IF NO DIRECTION:
 - FOLLOW DIRECTIONS IN THE GOVERNMENT PROPERTY CLAUSE, FAR 52.245-1
 - Or if under the “old” rules
 - FAR 52.245-2
 - FAR 52.245-5
 - FAR 52.245-7/10/11
 - SUBMISSION OF INVENTORY DISPOSAL SCHEDULES (SF 1428)
 - PLCO will direct DISPOSITION

Ahhhhhhh....

- **BUT WHAT ABOUT SCRAP?**
- **Do we really want that “stuff” to go through the entire disposal screening process?**
- **NOPE!!!**

So Whadda' we do?

DEFINITIONS

- **SCRAP – FAR 2.101**
 - means personal property that has no value except its basic metallic, mineral, or organic content.



REAL WORLD EXPERIENCE
One person's scrap is another
Person's treasure!



Government Property Disposal

52.245-1(j)

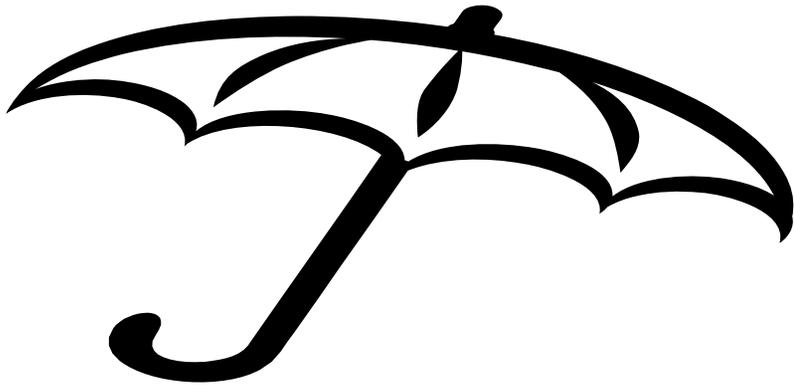


THREE DIFFERENT PROCESSES FOR DISPOSING OF SCRAP:

- APPROVED SCRAP PROCEDURE
- SCRAP LISTS
- INVENTORY DISPOSAL SCHEDULES

Government Property Disposal

52.245-1(j)



- WITH AN APPROVED SCRAP PROCEDURE
 - TWO OPTIONS
- WITHOUT AN APPROVED SCRAP PROCEDURE
 - ONLY ONE OPTION!

**The approved scrap procedure serves as an umbrella
Covering two processes for dispositioning scrap.
That why there is an umbrella!**

Government Property Disposal

52.245-1(j)(1)(ii)

SCRAP

CONTRACTORS WITHOUT AN APPROVED SCRAP PROCEDURE:



The contractor shall submit an inventory disposal schedule for all scrap.

Government Property Disposal

52.245-1(j)(1)(i)

SCRAP

**CONTRACTORS WITH AN
APPROVED SCRAP PROCEDURE:**

(A) The Contractor may dispose of scrap resulting from production or testing under this contract without Government approval.

HOWEVER...



Government Property Disposal

52.245-1 (j)

SCRAP

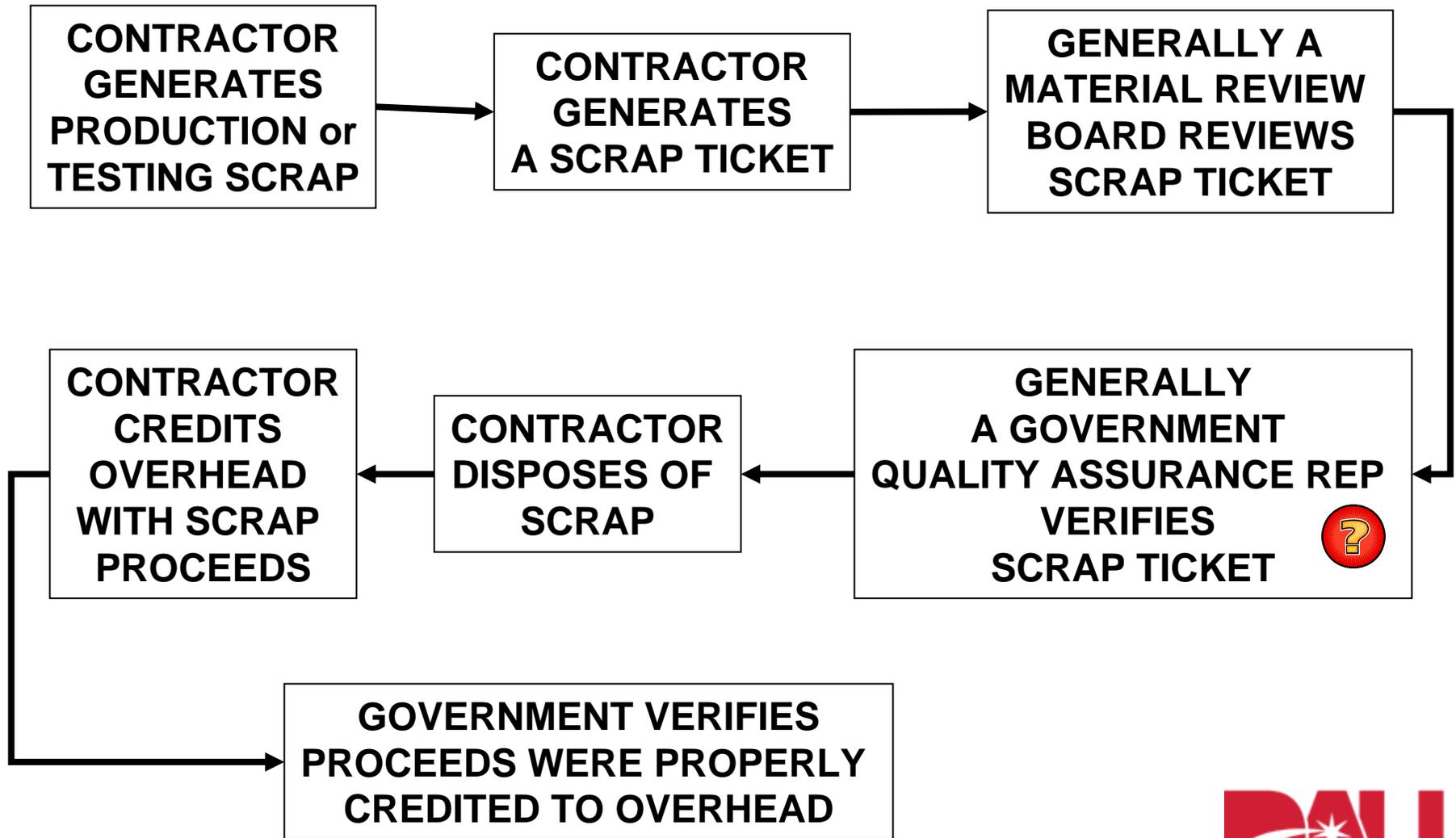
CONTRACTORS WITH AN APPROVED SCRAP PROCEDURE:

(A) CONTINUED...

HOWEVER, if the scrap requires **demilitarization** or is **sensitive property**, the Contractor shall submit the scrap on an **inventory disposal schedule**.



APPROVED SCRAP PROCEDURE



Government Property Disposal

52.245-1(j)(1)(i)

SCRAP



(B) For scrap from other than production or testing the contractor may prepare

scrap lists

in lieu of inventory disposal schedules, (provided such lists are consistent with the approved scrap procedures)

except for certain items that **MUST** be reported on Inventory Disposal Schedules

Government Property Disposal

52.245-1(j)(1)(i)(B) Cont'd



Scrap aircraft or aircraft parts
(Flight Certified Hardware)
and scrap that:

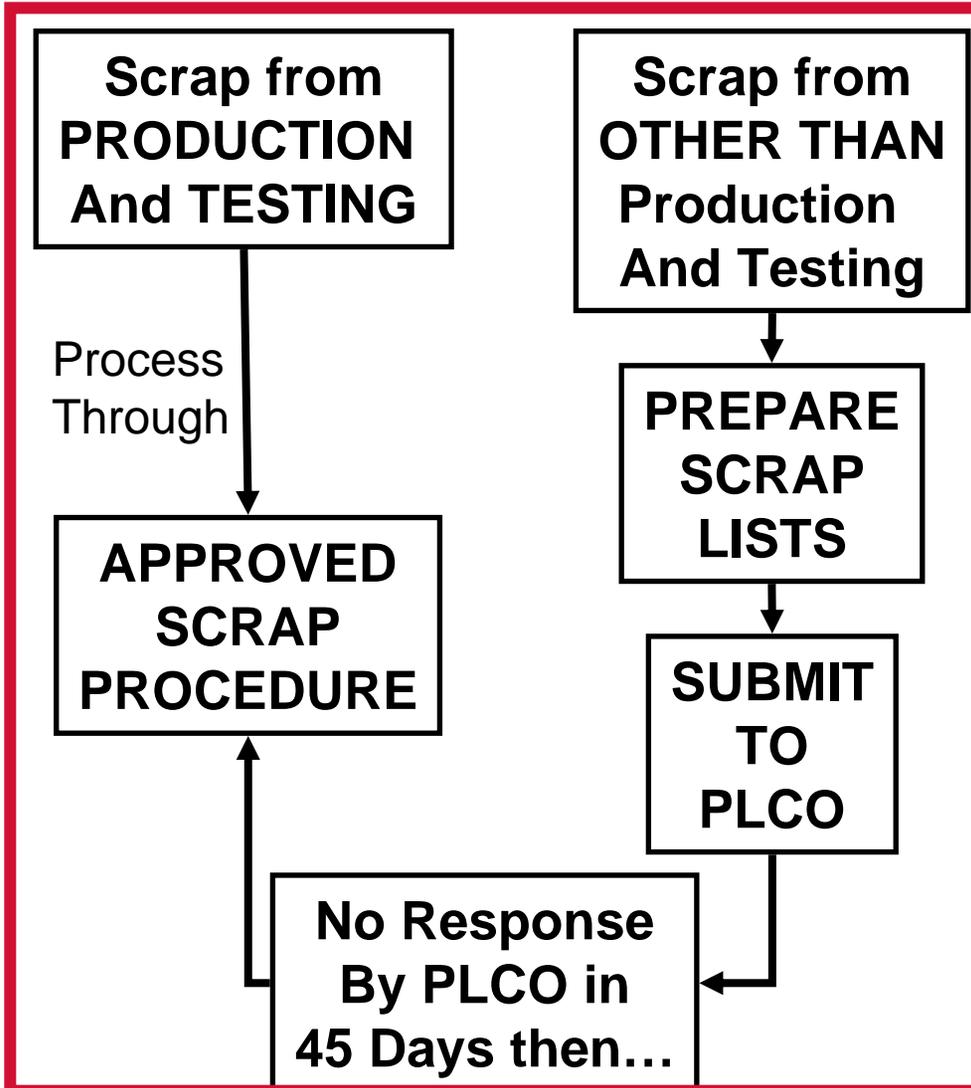
- Requires Demilitarization
- Is a classified item
- Is generated from classified items
- Contains hazardous material or waste
- Contains precious metals or
- Is dangerous to the public health, safety, or welfare.

FURTHER ACTION WITH SCRAP LISTS

- 52.245-1(j)(8)
 - (i) If the Government does not furnish disposition instructions to the Contractor within 45 days following **acceptance of a scrap list**, the Contractor **may dispose** of the listed scrap in accordance with the Contractor's **approved scrap procedures**.

VARIATIONS

APPROVED SCRAP PROCEDURE



EXCEPT!!!

Aircraft or aircraft parts (Flight Certified Hardware) and scrap that:
Requires Demilitarization
Is a classified item
Is generated from classified items
Contains hazardous material or waste
Contains precious metals or
Is dangerous to the public health, safety, or welfare.

SUBMIT INVENTORY DISPOSAL SCHEDULE TO PLCO