



DEPARTMENT OF DEFENSE  
Defense Contract Management Agency

## IMMEDIATE POLICY CHANGE

### Plant Clearance

Contracts Directorate  
OPR: DCMA-AQCP

DCMA-INST 111 (IPC-1)  
July 23, 2015

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**1. POLICY.** This Immediate Policy Change (IPC) implements changes to DCMA-INST 111, “Plant Clearance” August 5, 2013.

**2. PURPOSE.** *The purpose of this IPC is to require plant clearance officers to:*

*2.1. Obtain from the contractor a copy of their Department of State registration (a federal requirement for firms involved in the “manufacturer, acquisition and disposition of defense articles”) prior to conveying property; e.g., surplus property sales.*

*2.2. Include an advisory statement on export control requirements on surplus property sale/transfer documents.*

**3. APPLICABILITY.** This IPC applies to all DCMA activities unless higher-level regulations, policy, guidance, and/or agreements take precedence. *DCMA Special Programs (DCMAS) will comply with this requirement to the extent commensurate with the security requirements of the administered classified contracts. Where DCMAS is required to deviate from this Agency policy, the intent of the policy shall be followed. Any exceptions or deviations from this Agency policy will be documented in a Supplemental Instruction (SI) maintained by the DCMAS Directorate.*

**4. NEW GUIDANCE.**

a. Add the following new references to the Reference page:

- (ar) Arms Export Control Act (Part 2751 et seq. of Title 22 United States Code (U.S.C.))*
- (as) International Traffic in Arms Regulations (Parts 120 through 130 of Title 22 of Code of Federal Regulations (C.F.R.))*
- (at) Export Administration Act of 1979, as amended (App. 2401 et seq. of Title 50 U.S.C.)*
- (au) Export Administration Regulations (Parts 730-774 of Title 15 CFR)*
- (av) DFARS PGI 225.7901-2, “Export Controlled Items,” June 26, 2013*
- (aw) Executive Order 12999, “Educational Technology: Ensuring Opportunity for All Children in the Next Century,” April 21, 1996*
- (ax) DFARS PGI 225.7901-3, “Policy,” June 26, 2013*

- (ay) *DoD Directive 5400-11, "DoD Privacy Program," October 29, 2014*
- (az) *DoD Regulation 5400-1-R, "DoD Privacy Program," May 14, 2007*
- (ba) *PGI 225-7901-2, "General" (1)(i)(D), June 17, 2013*

b. Delete Section 3.12. in its entirety and replace with the following:

***3.12. DISPOSITION OF PROPERTY ITEMS (CONTRACT PROPERTY AND TERMINATION INVENTORY) SUBJECT TO EXPORT CONTROLS.***

*3.12.1. Certain types of items are subject to export controls in accordance with the Arms Export Control Act (Part 2751 et seq. of title 22 U.S.C.) (Reference (ar)), the International Traffic in Arms Regulations (Parts 120-130 of Title 22 CFR) (Reference (as)), the Export Administration Act of 1979, as amended (App. 2401 et seq of Title 50 U.S.C.) (Reference (at)), and the Export Administration Regulations (Parts 730-774 of Title 15 CFR) (au). See PGI 225.7901-2 (Reference (av)) for additional information. See also DoD Instruction 2030.08, "Implementation of Trade Security Controls (TSC) for Transfer of DoD U.S. Munitions List" (USML) and Commerce List (CCL) Personal Property to Parties Outside of DoD Control" (Reference (an)).*

*3.12.2. Pursuant to the statutes, regulations, and instructions referenced in paragraph 3.12.1., persons engaging in the manufacturing or exporting defense articles or furnishing defense services are required to register (and keep their registration current) with the U.S. Department of State (DoS), Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, Office of Defense Trade Controls Compliance (DTCC), Washington, DC.*

*3.12.3. Sales, abandonment, donations in lieu of abandonment, and transfers under Executive Order 12999 (Reference (aw)) actions are permitted, provided the contractor, buyer, or other potential recipient is registered with the DoS, DTCC. Accordingly, in such cases, PLCOs shall:*

*3.12.3.1. Obtain from the contractor, buyer or potential recipient, a copy of their current DoS registration letter (as described at paragraph 3.12.2., above) prior to executing sales, abandonment, donations in lieu of abandonment, and transfers under Executive Order 12999 (Reference (aw)) actions.*

*3.12.3.2. Maintain a (redacted) copy of the current DoS registration letter in the plant clearance case file; the contractor's DDTC Registration Code is considered proprietary and redaction of the code on the authorization letter is required prior to placing it the plant clearance case file or official records management system; e.g., Integrated Workflow Management System contract repository.*

*3.12.3.3. Ensure the prospective recipient is not listed on the System for Award Management (SAM) Exclusions. See [www.sam.gov](http://www.sam.gov).*

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***NOTE: Prior coordination with the DLA Trade Security Office and use of DLA Form 1822, “End Use Certificates” is not required if the contractor, buyer, or other potential recipient is registered with the DoS.***

***3.12.3.4. Include (notwithstanding the DoS registration) in all property sales, abandonment, donations in lieu of abandonment, and transfers under Executive Order 12999 (Reference (aw)) transaction documents, a statement clearly stating: “It is [insert name and address of recipient and CAGE code if the recipient is a DoD contractor] responsibility to comply with all applicable laws and regulations regarding export-controlled items. This responsibility exists independent of, and is not established or limited by, this document.”***

***3.12.3.5. Obtain the recipient’s acknowledgment on all transaction documents; the acknowledgment should be signed by an individual authorized to bind the recipient.***

***NOTE (1): The above statement at paragraph 3.12.3.4. is inserted in accordance paragraphs 3 and 5 of enclosure 3 of DoDI 2030.08 (Reference (an)) and is consistent with DFARS 225.7901-3 (Reference (ax)), in that it is the contractor’s (by extension any property recipient) responsibility to comply with applicable laws and regulations regarding export-controlled items.***

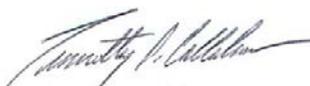
***NOTE (2): To the extent that contractor employee information; i.e., personally identifiable information is obtained or collected, such information shall be appropriately safeguarded and, at a minimum, marked or labeled “For Official Use Only, Privacy Act of 1974” in accordance with DoD Directive 5400.11, “DoD Privacy Program” (Reference (ay)), and DoD Regulation 5400.11-R “DoD Privacy Program”(Reference (az)).***

***3.12.4. If the potential recipient is not registered with the DoS, PLCOs shall consult with the DLA Trade Security Control Assessment Office for sales, abandonment, donations in lieu of abandonment, and transfers under Executive Order 12999 Reference (aw)).***

***3.12.5. Questions regarding compliance with International Trade and Armaments Regulations or Export Administration Regulations shall be referred to the DoS or Department of Commerce, as appropriate. This is consistent with guidance to Contracting Officers at PGI 225-7901-2 (1)(i)(Reference (ba)).***

**5. RELEASABILITY – UNLIMITED.** This IPC is approved for public release.

**6. EFFECTIVE DATE.** By order of the Director, DCMA, this IPC is effective immediately and shall remain in effect until rescinded, superseded, or incorporated in a DMCA policy, whichever is sooner.



Timothy P. Callahan  
Executive Director, Contracts



DEPARTMENT OF DEFENSE  
Defense Contract Management Agency

## INSTRUCTION

### Plant Clearance

Contracts Directorate  
DCMA-AQ

DCMA INST 111  
August 5, 2013

*Validated Current with Administrative Changes, July 31, 2014*

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**1. PURPOSE.** This Instruction:

- a. Reissues and updates DCMA Instruction (DCMA-INST) 111, “Plant Clearance” (Reference (a)).
- b. Provides instruction for the disposition of Government contract property no longer needed for contract performance; i.e., contractor inventory (as defined in Federal Acquisition Regulation (FAR) 45.101) (Reference (b)).
- c. Implements DCMA policy pursuant to References (c) through (aq).
- d. Is established in compliance with DoD Directive 5105.64 (Reference (c)).

**2. APPLICABILITY.** This Instruction applies to DCMA’s Plant Clearance Group (DCMA-AQBP), DCMA International (DCMAI) and DCMA Special Programs (DCMAS).

**3. MANAGEMENT INTERNAL CONTROL PROGRAM.** In accordance with DCMA’s Managers’ Internal Control Program (Reference (d)), this Instruction is subject to evaluation and testing. The process flowchart is located at Appendix A. ~~The process flowchart is located at Appendix A.~~

**4. RELEASABILITY – UNLIMITED.** This Instruction is approved for public release.

**5. PLAS CODE.** 105

**6. POLICY RESOURCE PAGE.** <https://home.dcma.mil/POLICY/111r>

**7. EFFECTIVE DATE.** By order of the Director, DCMA, this Instruction is effective immediately.

  
Timothy P. Callahan  
Executive Director  
Contracts

## Contracts

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**REFERENCES**

- (a) DCMA-INST 111, "Plant Clearance," July 24, 2012 (hereby canceled)
- (b) Federal Acquisition Regulation (FAR) 45.101
- (c) DoD Directive 5105.64, Defense Contract Management Agency (DCMA), January 10, 2013
- (d) DCMA-INST 710, "Managers' Internal Control Program," *April 21, 2014*
- (e) DCMA-INST 402, "Workload Acceptance" *April 3, 2014*
- (f) DCMA-INST 307, "National Aeronautics and Space Administration Support," February 2010
- (g) DCMA-INST 809, "Records Management," May 2011
- (h) FAR 45.6
- (i) DoD 4160.28-M, "Defense Demilitarization Manual," *June 7, 2011*
- (j) Defense Federal Acquisition Regulation Supplement (DFARS) 252.245-7004
- (k) FAR Part 2
- (l) DFARS 201.670
- (m) DCMA-INST 129, "Warrants and Other Official Appointments," *August 5, 2013*
- (n) Procedures, Guidance, and Information (PGI) 245.602-70 (1) through (3)
- (o) FAR 45.604
- (p) DFARS 245.604-3
- (q) **DFARS** PGI 245.602-70 (7) through (15)
- (r) FAR 45.603(a)
- (s) FAR 45.603 (c) and (d)
- (t) ~~Federal Management Regulation (FMR) Part 102-36.320 of Title 41, Code of Federal Regulations~~
- (u) ~~Federal Management Regulation (FMR) Part 102-36.390 of Title 41, Code of Federal Regulations~~
- (v) **DFARS** PGI 245.602-70 (6)
- (w) DoD 5220.22-M, "National Industrial Security Program Operating Manual," February 28, 2006
- (x) FAR 45.602-1(a)
- (y) DFARS 245.6
- (z) **DFARS** PGI 245.602-70
- (aa) FAR 45.602-2
- (ab) DCMA Memorandum 12-034, "Support to Plant Clearance Officer Requests for Inventory Verification Surveys and Witnessing of Demilitarization"
- (ac) DoD 4160.28-M, "Defense Demilitarization Manual," Volume 3, paragraph 6,
- (ad) DFARS 252.204-7000
- (ae) **DoD Manual 5200.01, Volume 3, "DoD Information Security Program: Protection of Classified Information," February 24, 2012, as amended**
- (af) FAR 45.602-2(c)
- (ag) ~~Federal Management Regulation (FMR) Part 102-36.475 of Title 41, Code of Federal Regulations~~
- (ah) **DFARS** PGI 245.6, paragraph 11
- (ai) FAR 52.245-1(j)(2)(i)

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- (aj) DoD 4160.21-M, "Defense Material Disposition Manual," August 18, 1997
- (ak) DFARS 209.403 (2)(iii)(B)
- (al) DCMA-INST 118, "Contract Receipt and Review," June 25, 2013
- (am) Part 102-33.370 of title 41, Code of Federal Regulations, Special Requirements for Disposition of FSCAP and Life-Limited Parts
- (an) DoD Instruction 2030.08, "Implementation of Trade Security Controls (TSC) for Transfers of DoD U.S. Munitions List (USML) and Commerce Control List (CCL) Personal Property to Parties outside of DoD Control," May 23, 2006
- (ao) FAR 52.204-2
- (ap) FAR 52.209-5
- (aq) DFARS 252.204-7008

## CHAPTER 1

### POLICY

**1. POLICY.** It is DCMA policy that:

1.1. Government contract property no longer needed for contract performance be disposed of effectively, efficiently, consistent with FAR and Defense Federal Acquisition Regulation Supplement (DFARS) requirements, and in accordance with contract terms and conditions.

1.2. Workload acceptance, including plant clearance support to non-DoD; e.g., National Aeronautics and Space Administration (NASA), will be accomplished in accordance with DCMA-INST 402, "Workload Acceptance" and DCMA-INST 307, "National Aeronautics and Space Administration Support" (References (e) and (f), respectively).

1.3. Plant clearance cases will be established and maintained within the DCMA eTool Plant Clearance Automated Reutilization Screening System (PCARSS), DCMA's system of record for plant clearance actions. See DCMA-INST 809, "Records Management" (Reference (g)). Additional and/or supporting documentation associated with plant clearance cases shall be accessible either electronically or by hard copy.

1.4. PCARSS will be used to accomplish the requirements of FAR 45.6 (Reference (h)); manual processes are permissible to the extent PCARSS is not appropriate (classified contracts) or unavailable (overseas or remote locations).

1.5. Only unclassified data/information be entered into PCARSS.

1.6. For contingency contracts, plant clearance actions will be coordinated with the Central Command Contracting Command.

1.7. Plant clearance actions will be managed based on calendar days, unless otherwise specified.

## CHAPTER 2

### ROLES AND RESPONSIBILITIES

#### **2.1. DIRECTOR, PLANT CLEARANCE GROUP, DCMA INTERNATIONAL, AND DCMAS CONTRACT MANAGEMENT OFFICE (CMO) CONTRACTS DIRECTOR.**

The Director, Plant Clearance Group, DCMAI and DCMAS CMO Contracts Director shall:

2.1.1. Ensure that plant clearance officers (PLCO) follow FAR, DFARS, DoD 4160.28-M, Defense Demilitarization Manual (Reference (i)), and contractual requirements pertaining to personal property disposal requirements.

2.1.2. Maximize use (open, manage, close plant clearance cases) of PCARSS, a requirement cited under DFARS clause 252.245-7004 (Reference (j)).

2.1.3. Appoint only qualified personnel as PLCOs (as defined in FAR Part 2 (Reference (k)), in accordance with DFARS 201.670 (Reference (l)). See DCMA-129, “Warrants and Other Official Appointments” (Reference (m)).

2.1.4. Ensure that only personnel appointed as PLCOs and operating under the authority of DFARS 201.670 (Reference (l)), establish, manage, and close plant clearance cases.

2.1.5. Ensure timely, effective, and efficient plant clearance operations.

#### **2.2. PLANT CLEARANCE OFFICER (PLCO).** PLCOs shall:

2.2.1. Follow FAR 45.6 requirements (Reference (h)).

2.2.2. Establish plant clearance cases in accordance with Department of Defense (DoD) Procedures, Guidance, and Information (PGI) 245.602-70 (1) through (3) (Reference (n)).

2.2.3. Ensure contractor sales, including scrap sales, are conducted in accordance with FAR 45.604 (Reference (o)), DFARS 245.604-3 (Reference (p)) and **DFARS** PGI 245.602-70 (7) through (15) (Reference (q)).

2.2.4. Direct contractors to conduct property abandonment and destruction actions only as authorized by FAR 45.603(a) (Reference (r)).

2.2.5. Consider donation (in lieu of abandonment) of unsold surplus property to U.S. public bodies in accordance with FAR 45.603(c) and (d) (Reference (s)). (A public body is any department, agency, specific purpose district, or other instrumentality of a State or local government; any Indian tribe; or any agency of the Federal Government.). See **Federal Management Regulation (FMR) part 102-36.320 of Title 41, Code of Federal Regulations (CFR)** (Reference (t)); and for foreign excess personal property, see **FMR-part 102-36.390 of Title 41, CFR** (Reference (u)).

2.2.6. Close plant clearance cases in accordance with **DFARS** PGI 245.602-70 (6) (Reference (v)) (upon receipt of final disposal documentation).

2.2.7. Ensure contractors properly dispose of classified property; coordinate disposal actions with the Defense Security Service and DCMA security personnel (DCMAN-X). See DoD 5220.22-M, “National Industrial Security Program Operating Manual” (Reference (w)).

## CHAPTER 3

### PROCEDURES

**3.1. ESTABLISH PLANT CLEARANCE CASES.** Upon acceptance of an inventory schedule (See FAR 45.602-1(a)) (Reference (x)), the PLCO shall:

3.1.1. Ensure plant clearance cases for termination inventory receive the highest priority.

3.1.2. Notify the cognizant Termination Contracting Officer (TCO) of all PCARSS actions initiated by contractors for terminated contracts; ensure prior coordination with the cognizant TCO prior to formally accepting the contractor's inventory schedule and establishing a plant clearance case for termination inventory. Any and all property disposition actions potentially impacting a termination settlement shall be coordinated with the contracting officer (CO).

3.1.3. Establish a plant clearance case and initiate appropriate screening.

3.1.4. Follow the guidance at FAR Part 45.6 (Reference (h)), DFARS 245.6 (Reference (y)), and **DFARS** PGI 245.602-70 (Reference (z)).

3.1.5. Ensure the plant clearance case file contains the following documentation as applicable:

- PCARSS generated inventory schedule or hard copy Standard Form (SF) 1428, Inventory Disposal Schedule (if PCARSS is not used)
- Plant clearance case summary; i.e., action taken to establish, manage, and close the plant clearance case, including screening actions over and above normal PCARSS screening, documentation on case file processing delays; and any other related actions involving case management (see Plant Clearance Policy Resource Page)
- DD Form 1131, Cash Collection Voucher (or proof of electronic payment)
- Inventory Verification Risk Rating Form (see Plant Clearance Policy Resource Page)
- SF Form 1423, Inventory Verification Survey
- DD Form 1637, Notice of Acceptance of Inventory Schedules
- DD Form 1639, Scrap Warranty
- DD Form 1640, Request for Plant Clearance
- DD Form 1641, Disposal Determination Approval
- Certification of Demilitarization
- Defense Logistics Agency (DLA) Form 1822, End-Use Certificate (EUC)
- SF 97, Government Certificate to Obtain Title to a Vehicle
- Related correspondence; e.g., proof of disposal, sales method, or special disposal instructions
- CO correspondence, including TCO requests for plant clearance action
- PCARSS generated inventory disposal report

- EPA Form 8700-22A, Uniform Hazardous Waste Manifest (to document shipments of materials destined for disposal as hazardous waste)
- Hard drive certificate or certification that sanitizing has taken place

3.1.6. Notify the assigned property administrator (PA) and/or CO of repeated significant inaccuracies of contractor reported data.

3.1.7. Facilitate screening by providing inventory schedules in either hard copy or electronic format in the event a DoD Component is not using PCARSS.

3.1.8. Delegate Plant Clearance Actions. To the extent that property is located outside the prime PLCO's geographic area of responsibility, the prime PLCO may refer (delegate) to the cognizant PLCO using PCARSS generated DD Form 1640. In such cases, the prime PLCO shall ensure:

3.1.8.1. Block 14, "Remarks," of DD Form 1640 contains the following:

3.1.8.1.1. Procuring activity and/or requiring agency name, address and email address.

3.1.8.1.2. Nonstandard contract clauses imposing disposal obligations on the contractor or subcontractor.

3.1.8.1.3. The manner in which sale proceeds are to be credited.

3.1.8.1.4. Documentation related to screening if PCARSS is not used; e.g., copies of emails or other correspondence.

3.1.8.1.5. Any special property screening requirements.

3.1.8.2. Inventory schedules contain Federal Supply Codes (FSC) assigned for each item.

3.1.8.3. Prime contractor concurrence (for delegations involving property located at subcontractors). This action includes ensuring that prime contractor Contractor and Government Entity (CAGE) code (as shown on the prime contract) is reflected on the inventory disposal schedule.

3.1.8.4. Ensure subcontractor CAGE code is entered into PCARSS (in the appropriate field) along with additional subcontractor information as needed; e.g., subcontractor control number.

3.1.9. Plant Clearance Referral Actions. Upon receipt of an acceptable inventory schedule and DD 1640, the receiving PLCO shall:

3.1.9.1. Accept the referral (within PCARSS, if PCARSS is used).

3.1.9.2. Notify the prime contractor and prime PLCO of disposition actions affecting the subcontractor.

3.1.9.3. Assign, process, manage, and closeout the plant clearance case; notify the prime PLCO that all disposal actions have been completed and the plant clearance case has been closed.

### **3.2. REQUEST INVENTORY VERIFICATIONS AND ALLOCABILITY REVIEWS.**

PLCOs shall:

3.2.1. Document the rationale used for requesting/not requesting inventory verification survey.

3.2.2. Consider the status of the contractor's property management system, the nature of the property involved, and the resources needed to accomplish the inventory verification or allocability review.

**NOTE:** PLCOs may generally rely on property data supplied by contractors provided the contractor's property management system is in good standing and there is no suspect data.

3.2.3. Request inventory and allocability reviews in cases where the contractor's property management system was disapproved or the data suspect, or if physical review and verification of property is necessary and appropriate; i.e., to ensure proper allocability of termination inventory, to mitigate public safety concerns (for example, to verify proper storage of arms and ammunition), or for other technical reasons. In locations outside the continental United States where there are no functional specialists, or where travel is not safe, warranted, or funded, the PLCO may request support through other Government agencies or perform verifications by other means; e.g., photographs. The term "functional specialist" means the cognizant or assigned PA, industrial specialist, or product/quality assurance specialist. The individual tasked depends on the location of personnel with respect to the property in question as well as the required technical expertise. Functional specialists residing at contractor plant residency offices shall support inventory verification surveys. In all cases, requests for inventory verifications and allocability reviews shall be processed through the functional specialist's appropriate chain of command.

**NOTE:** The sampling guidance document located at the Plant Clearance Policy Resource Page may be used to conduct inventory verifications. Other sampling methods may be used provided they produce valid and reliable results.

### **3.3. PROCESS REUTILIZATION, TRANSFER, AND DONATION REQUISITIONS.**

The PLCO will process requisitions based on the requirements of FAR 45.602-2 (Reference (aa)).

### **3.4. REQUEST WITNESSING OF DEMILITARIZATION.**

3.4.1. The PLCO shall request assistance from other functional specialists to witness demilitarization of excess property to the extent that witnessing is required. See DCMA Memorandum 12-034 (Reference (ab)). Functional specialists residing at contractor plant residency offices shall support inventory verification surveys and witnessing of demilitarization as part of their normal duties.

3.4.2. All requests for witnessing of demilitarization shall be processed through the functional specialist's appropriate chain of command. See DoD 4160.28-M Volume 3, Enclosure 3, paragraph 6 (Reference (ac)), Certification of Demilitarization, for additional guidance. The sample format at figure 1 (Certification of Demilitarization) of Reference (ac), must be used to validate demilitarization actions. **NOTE:** Government personnel (or those contracted to perform demilitarization duties), not the contractor, are required to certify and verify demilitarization actions. However, in limited circumstances involving demilitarization in overseas locations where U.S. personnel are not located and travel is not possible, contractors may act as both certifier and verifier. The verifier must be a U.S. citizen unless the DoD Demilitarization Program Office grants an exception (Reference ac)).

### **3.5. ENSURE PROPER DISPOSITION OF PROPERTY CONTAINING CLASSIFIED, UNCLASSIFIED, AND CONTROLLED UNCLASSIFIED INFORMATION.**

3.5.1. The PLCO shall ensure that, prior to disposal of reported property, the contractor takes appropriate and necessary steps to prevent release of property containing classified and/or controlled unclassified data and information. This includes data and information considered sensitive or otherwise inappropriate for release to the public; e.g., operating system software, contractual, financial, programmatic, technical data, or personally identifiable information contained within such property. Appropriate and necessary steps in this case include destroying, purging, degaussing, sanitization or overwriting the hard drive or other data storage device. This is consistent with the requirements of the DFARS 252.204-7000, "Disclosure of Information," (Reference (ad)). *See also DoD Manual 5200.01, Volume 3, "DoD Information Security Program: Protection of Classified Information" (Reference (ae)).*

3.5.2. The PLCO shall coordinate with Defense Security Service and DCMAN-X to ensure that the contractor disposes of classified items in accordance with contract terms and conditions or as directed by the CO.

**3.6. FACILITATE DISPOSITION OF INFORMATION TECHNOLOGY EQUIPMENT UNDER THE COMPUTERS FOR LEARNING PROGRAM.** After completion of General Services Administration screening, the PLCO shall process requests for donation of the items under the Computers for Learning program in accordance with FAR 45.602-2(c) (Reference (af)). See also *FMR part 102-36.475 of Title 41, CFR* (Reference (ag)). **NOTE:** The PLCO shall coordinate with Defense Logistics Agency Disposition Services (DLADS) to ensure eligibility of the school.

**3.7. COORDINATE PROPER USE OF DLADS.** Consistent with the *DFARS* PGI 245.602.70, paragraph 11 (Reference (ah)) PLCOs shall ensure that property disposition actions involving DLADS are first authorized by the CO. **NOTE:** PLCOs and contracting officer representatives have no authority to authorize contractors to use DLADS services as such use may change the terms and conditions of the contract. In such cases, use of DLADS may alter existing contract terms and conditions involving property disposition; i.e., FAR 52.245-1(j)(2)(i) (Reference (ai)) and DFARS 252.245-7004 (Reference (j)). See Chapter 4, paragraph 14 of DoD 4160.21-M (Reference (aj)).

**3.8. WORKLOAD ACCEPTANCE SUPPORT.** The PLCO shall process plant clearance cases from other DoD Components and Federal Agencies in the same manner as DCMA cases, consistent with the requirements of this Instruction and the requirement of the referral and DCMA-INST 402 (Reference (e)). When non-DoD work is accepted, the PLCO shall request a Document Control Number from the Plant Clearance Reimbursable Monitor (to enable appropriate charging of reimbursable hours).

**3.9. CONDUCT SALES.** PLCOs shall authorize sales in accordance with DFARS 245.604-3 (Reference (p)) and use sales terms and conditions (examples of which are located at the DCMA plant clearance portal) that are substantially the same as those used by DLADS.

3.9.1. To the extent applicable, sales will be conducted in accordance with country-to-country agreements, diplomatic notes, and memoranda of agreement or understanding.

3.9.2. Sales to contractors who have been suspended or debarred by the Defense Logistics Agency Special Assistant for Contracting Integrity (DFARS 209.403 (2) (iii) (B); Reference (ak)) are not authorized. Information on suspended or debarred contractors can be found in the Excluded Parties List System. (The link is located on the policy resource page of this Instruction.)

**3.10. ENSURE PROPER DEMILITARIZATION AND/OR MUTILATION/DESTRUCTION OF SIGNIFICANT MILITARY EQUIPMENT AND OTHER PERSONAL PROPERTY.** PLCOs shall:

3.10.1. Ensure contractors demilitarize or mutilate property as required by contract terms and conditions. See Enclosure 3 of Reference (ac) for procedural guidance. Mutilation and destruction requirements vary from contract to contract. Accordingly, in coordination with the assigned PA, PLCOs shall also ensure that contractor property management procedures include guidance on the proper disposal of residue resulting from demilitarization, mutilation, and destructions actions. **NOTE:** Residue may still be subject to export controls and demilitarization.

3.10.2. Issue a Contract Deficiency Report (CDR) in Electronic Document Access (EDA) for those contracts lacking appropriate property disposition terms and conditions, including demilitarization. See DCMA-INST 118, "Contract Receipt and Review," (Reference (aI)). When creating an EDA-CDR, the assigned CO shall be identified as the reviewing/validation official; notify the CO in writing if use of EDA is not appropriate (DCMAS) or unavailable (overseas or remote locations).

3.10.3. Ensure contractors mutilate Flight Safety Critical Aircraft Parts (FSCAP) and Life-Limited Parts as required by contract terms and conditions. See part 102-33.370 of Title 41, CFR (Reference (am)) for procedural guidance.

**3.11. ENSURE COMPLETION OF SPECIALIZED SCREENING REQUIREMENTS (INCLUDING, BUT NOT LIMITED TO):**

3.11.1. Ozone Depleting Substances (ODS). Prior to allowing the contractor to dispose of any Class 1 ODS, the PLCO shall forward the inventory schedule to the DoD ODS Program Office, Defense Supply Center - Richmond, Attention: DSCR-VO, Richmond, Virginia 23297-5100. Email address is: [dscr.odsreserve@dla.mil](mailto:dscr.odsreserve@dla.mil). The ODS Program Office will furnish shipping instructions for the items or provide authorization for disposition to the PLCO. Additional information and links are available on the policy resource page of this Instruction.

3.11.2. Nuclear Material. Prior to allowing the contractor to dispose of nuclear material, the PLCO shall:

3.11.2.1. Forward the inventory schedule to the appropriate Nuclear Regulatory Commission (NRC) point of contact for guidance on disposal in the state where the material is located. The PLCO shall also request assistance from the DCMA Contract Safety Specialist to ensure proper and valid licenses (for disposal) are issued to the contractor performing the final disposal. The NRC link is located on the policy resource page of this Instruction.

3.11.2.2. Instruct the contractor to dispose of nuclear material and radioactive waste in accordance with all applicable Federal and State guidelines and NRC guidance.

### **3.12. ENSURE TRADE SECURITY CONTROLS.**

3.12.1. The PLCO shall consult with the DoD Trade Security Control (TSC) program office to determine if property can be sold to the public. See DoD Instruction 2030.08 (Reference (*an*)) and *DFARS* PGI 245.602-70 (12) (Reference (*q*)). However, not all prospective sales require prior notification. The exceptions are:

3.12.1.1. Sales to contractors who are the original equipment manufacturer for the property to be sold.

3.12.1.2. Sales to contractors where the contract to which the property is accountable contains either FAR 52.204-2, Security Requirements (Reference (*ao*)); or FAR 52.209-5, Certification Regarding Responsibility Matters (Reference (*ap*)).

3.12.1.3. Sales to contractors where the contract to which the property is accountable contains DFARS clause 252.204-7008, Requirements for Contracts Involving Export-Controlled Items (Reference (*aq*)).

3.12.2. Regardless of whether DoD TSC clearance is required, in all cases, the PLCO shall:

3.12.2.1. Ensure prospective contractors (sales buyers) complete DLA Form 1822, EUC. The EUC shall include the Data Universal Numbering System (DUNS) (contractor identification) number and be signed by the firm's personnel authorized to bind the contractor.

3.12.2.2. Provide the DoD TSC office with the completed sales documentation.

**3.13. CLOSE PLANT CLEARANCE CASE.** PLCOs shall:

3.13.1. Close the plant clearance case upon receipt of disposal documentation from the contractor.

3.13.2. Upload into the official contract administration file located within Electronic Data Warehouse (EDW), documentation and correspondence directly related to the plant clearance action including outside audits, memorandums and correspondence (provided such documentation is not already placed within PCARSS).

**NOTE:** To ensure ease of retrieval and standardize the naming convention, the Plant Clearance Case Number shall be used as the “Document Title” when new documents are added to the EDW contract folder; i.e., S2206A-1053. If the plant clearance case is associated with a referral, it is the cognizant PLCOs responsibility to upload the documents into EDW. The cognizant PLCO shall notify the prime PLCO when the case has been closed and is available for review in EDW.

**ACRONYMS**

CAGE	Commercial and Government Entity Code
<b>CFR</b>	<b><i>Code of Federal Regulations</i></b>
CDR	contract deficiency report
CMO	contract management office
CO	contracting officer
DCMAI	DCMA International Directorate
DCMA-INST	DCMA Instruction
DCMAN-X	DCMA Security Center
DCMAS	DCMA Special Programs Directorate
DFARS	Defense Federal Acquisition Regulation Supplement
DLA	Defense Logistics Agency
DLADS	Defense Logistics Agency Disposition Services
EDA	Electronic Document Access
EDW	Electronic Data Warehouse
EUC	End-use Certificate
FAR	Federal Acquisition Regulation
<del>FMR</del>	<del>Federal Management Regulation</del>
NRC	Nuclear Regulatory Commission
ODS	Ozone Depleting Substances
PA	property administrator
PCARSS	Plant Clearance Automated Reutilization Screening System
PGI	Procedures, Guidance, and Information
PLAS	Performance Labor Accounting system
PLCO	Plant Clearance Officer
SF	standard form
TCO	termination contracting officer
TSC	trade security controls