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National Security and
International Affairs Division

B-279291

February 27, 1998

The Honorable Gary Condit
House of Representatives

Subject: Excess Equipment for Former Castle Air Force Base

Dear Mr. Condit:

This letter responds to your request for information regarding the availability of federal excess equipment to use in establishing a military retail store at the former Castle Air Force Base in California. Specifically, we were asked to (1) determine whether large and expensive type-equipment, such as refrigeration units, was available in defense disposal offices located in the general geographic area of the former base and (2) provide a brief description of the defense property disposal process.

BACKGROUND

Castle Air Force Base, prior to its closure on September 30, 1995, had both a commissary and a base exchange store. To serve the retired military population remaining in the area, your office proposed establishing a BXMart at the Castle base. BXMarts are military retail stores that sell both the hard goods normally found in a base exchange and the grocery-type goods associated with a military commissary. The Department of Defense currently operates two BXMarts which are managed by the Army and Air Force Exchange Service and supported by the Defense Commissary Agency.

PROPERTY AVAILABILITY

Our work showed that equipment in various serviceability conditions located at 18 disposal offices throughout California was available for potential use in a BXMart. Four federal stock classes were searched: (1) Self-Contained Refrigeration Units; (2) Self-Contained Air Conditioning Units; (3) Refrigeration and Air Conditioning Plants and Components; and (4) Cabinets, Bins, Lockers, and Shelving. Specifically, defense marketing service data disclosed a total of approximately 6,800 items with an original acquisition value of about \$1.3 million, that were coded as serviceable or, in a few cases, useable with some

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repair. The actual availability of specific items changes almost daily as items are disposed of or sold.

Defense marketing service officials recommend that any equipment available in the system be physically inspected to verify the item(s) condition and useability for its intended application.


DEFENSE DISPOSAL PROCESS

Equipment is constantly moving through the disposal system.¹ The process starts when defense activities turn in items to a Defense Reutilization and Marketing Office for distribution or disposal. Upon arrival, items are inspected, condition and demilitarization codes are verified, and the type of sale is determined. Items are accumulated for 2 to 4 weeks and then processed together. Customers may screen items and attach tags, indicating a desire to acquire them; however, disposition is governed by established priorities.

First priority is given to defense activities, federal agencies, and other entities with legislative priority equal to the Department of Defense. BXMarts are given this priority. Second priority is given to approved donee organizations, i.e., state and local governments, museums, and the Boy and Girl Scouts. Any equipment not claimed by the first two priority groups is available for sale to the general public. Within these priorities, items are dispensed on a first-come, first-served basis, and generally, customers have 14 days to requisition and 14 days to remove items.

We performed our work from September 1997 to January 1998 in accordance with generally accepted government auditing standards. If you have any additional questions regarding this matter, please call James Wiggins on (202) 512-8412 or Foy Wicker on (202) 512-6042.

Sincerely yours,


David R. Warren, Director
Defense Management Issues

(709294)

¹Federal Property Disposal: Information on DOD's Surplus Property Program (GAO/T-NSIAD-97-257, Sept. 12, 1997).

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