

value of the item. If the material is found suitable for issue on the date of inspection, the shelf life should be extended for a period equal to 50 percent of the original shelf-life period and the next reinspection date established accordingly. Material should be reinspected before the end of each extended shelf-life period and the shelf life extended again up to 50 percent of the original shelf life as long as the material conforms to the established criteria. Material on which the shelf life has been extended shall not be shipped to overseas activities if the time remaining in the extended shelf-life period is relatively short.

[40 FR 59596, Dec. 29, 1975]

§ 101-27.207-3 Marking material to show extended shelf life.

When the shelf-life period of Type II material (except for critical end-use items as described below) is extended, only the exterior containers of bulk stocks need be annotated or labeled to indicate the date of inspection and date material is to be reinspected. Individual units of issue not classified as having a critical end-use application are not required to be annotated or labeled as long as controls are established to preclude issuance of unserviceable material to a user. (A critical end-use item is any item which is essential to the preservation of life in emergencies; e.g., parachutes, marine life preservers, and certain drug products, or any item which is essential to the performance of a major system; e.g., aircraft, the failure of which would cause damage to the system or endanger personnel.) At the time of shipment, the date of inspection and date for reinspection shall be affixed by label or marked by other means on each unit of issue of Type II items having a critical end-use application.

[42 FR 61861, Dec. 7, 1977]

§ 101-27.208 Inventory analyses.

(a) An inventory analysis shall be conducted periodically for each Type I item to determine whether the quantity on hand will be used within the established shelf-life period. If the analysis indicates there are quantities which will not be used within the shelf-

life period, arrangements shall be made to ensure use of the item(s) within the holding agency or for redistribution to other agencies.

(b) An inventory analysis shall be conducted periodically for each Type II item with a shelf life of 60 months or less to determine whether issue of the quantity on hand is anticipated prior to the expiration of the designated shelf life. This analysis shall be made as follows:

Shelf-life period	Date of analysis
48 to 60 mos	12 to 16 mo. prior to expiration.
36 to 48 mos	8 to 12 mo. prior to expiration.
18 to 36 mos	6 to 8 mo. prior to expiration.
12 to 18 mos	4 to 6 mo. prior to expiration.
6 to 12 mos	3 to 4 mo. prior to expiration.
Up to 6 mos	No analysis required, but special emphasis should be placed on good requirements determination and proper order quantity.

(1) If the analysis indicates that the quantity on hand will not be issued within the shelf-life period and the cost of inspection or testing is not significant in relation to the line item value, the items shall be inspected to determine if the shelf-life period can be extended.

(2) If the analysis indicates that the quantity on hand will be issued within the shelf-life period, inspection is not required. However, such items shall be viewed again during the last month of the shelf-life period to determine whether quantities are sufficient to warrant inspection. The guidelines in § 101-27.207-2 shall be used to determine whether quantities are sufficient to warrant inspection and for extending the shelf-life period.

(3) If an agency does not have an inspection capability and the quantity and value of an indicated overage is sufficiently large to warrant special consideration, arrangements shall be made for qualified inspection or laboratory testing to determine whether the material is suitable for issue.

[40 FR 59596, Dec. 29, 1975]

§ 101-27.209 Utilization and distribution of shelf-life items.

Where it is determined that specified quantities of both Type I and Type II shelf-life items will not be used within the shelf-life period, such quantities

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shall be utilized or distributed in accordance with this section.

[35 FR 5010, Mar. 24, 1970]

§ 101-27.209-1 GSA stock items.

Shelf-life items that meet the criteria for return under the provisions of subpart 101-27.5 of this part may be offered for return to GSA.

[35 FR 12721, Aug. 11, 1970]

§ 101-27.209-2 Items to be reported as excess.

Shelf-life items which do not meet the criteria in subpart 101-27.5 of this part, which would, if returned to GSA, adversely affect the GSA nationwide stock position, or which are returned to GSA and are determined unsuitable for issue, will be reported as excess under the provisions of part 101-43 of this chapter.

[35 FR 12721, Aug. 11, 1970]

§ 101-27.209-3 Disposition of unneeded property.

If no transfer is effected and no donation requested, the property shall be assigned for sale, abandonment, or destruction in accordance with part 101-45 of this chapter.

[32 FR 6493, Apr. 27, 1967]

Subpart 101-27.3—Maximizing Use of Inventories

SOURCE: 32 FR 13456, Sept. 26, 1967, unless otherwise noted.

§ 101-27.300 Scope.

This subpart prescribes policy and procedures to assure maximum use of inventories based upon recognized economic limitations.

§ 101-27.301 [Reserved]

§ 101-27.302 Applicability.

The provisions of this subpart are applicable to all civil executive agencies.

§ 101-27.303 Reducing long supply.

Through effective interagency matching of material and requirements before the material becomes excess, unnecessary procurements and investment losses can be reduced. Timely ac-

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tion is required to reduce inventories to their normal stock levels by curtailing procurement and by utilizing and redistributing long supply. (The term *long supply* means the increment of inventory of an item that exceeds the stock level criteria established for that item by the inventory manager, but excludes quantities to be declared excess.) In this connection, requirements for agency managed items should be obtained from long supply inventories offered by agencies rather than by procurement from commercial sources. Because supply requirements usually fluctuate over a period of time, a long supply quantity which is 10 percent or less of the total stock of the item is considered marginal and need not be reduced.

[41 FR 3858, Jan. 27, 1976]

§ 101-27.303-1 Cancellation or transfer.

When the long supply of an item, including quantities due in from procurement, is greater than 10 percent of the total stock of that item, the inventory manager, or other appropriate official, shall cancel or curtail any outstanding requisitions or procurements on which award has not been made for such items, and may also cancel contracts for such items (if penalty charges would not be incurred) or transfer the long supply, if economical, to other offices within the agency in accordance with agency utilization procedures. In such cases, acquisition of long supply items shall not be made from other sources such as requirements contracts.

§ 101-27.303-2 Redistribution.

If the long supply of an item remains greater than 10 percent of the total stock of an item despite efforts to cancel or transfer the long supply as provided in § 101-27.303-1, the inventory manager shall offer the long supply to another agency or other agencies in accordance with this § 101-27.303-2. Before offering a long supply to any agency, the inventory manager shall determine whether the item to be offered is a centrally managed item or an agency managed item. A centrally managed item is an item of supply or equipment which