

## **GFP and CAP Basics: Post-Session Report**

### ***Executive Summary:***

This session covered the basics of contract property management. It introduced the audience to the concepts of Government Furnished Property (GFP) and Contractor Acquired Property (CAP), as well as some associated processes and responsibilities.

### ***Presented by***



**Amber Barber**

Office of the Under Secretary of Defense (Acquisition, Technology and Logistics)/Property and Equipment Policy Office

### ***Q&A:***

**Joe Stossel**

Office of the Under Secretary of Defense (Acquisition, Technology and Logistics)/Property and Equipment Policy Office

**Jim Craig**

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Defense Contract Management Agency

**Screenshot:**

**GFP (Government Furnished Property) and CAP (Contractor Acquired Property) Basics**

presented by  
**Amber Barber**

 OUSD (AT&L) Acquisition Resources and Analysis (ARA)  
**Property and Equipment Policy**  
KNOWLEDGE. CONFIDENCE. TRUST.

 **DPAS** Defense Property Accountability System

April 30, 2010

**Session Statistics:**

Session Date	30 April 2010
Number of Registered Attendees	110 guests
Number of Internal Attendees	10 (including hosts)
Total Attendee count	120

**Presentation Team:**

Names
Amber Barber
Scott Milewski
Nick Jacquemard
Joy Green
Rosana Heraud
Amy Congalton
Joseph Stossel
Annette Cook

**Poll Results**

<b>1. Which topic would you like to hear more about?</b>		
<b>Answer</b>	<b>Number</b>	<b>Percent</b>
GFP Policy	17	23%
CAP	12	16%
Personnel roles and responsibilities	22	29%
GFP Processes	24	32%

<b>2. How much did this webinar material apply to your job?</b>		
<b>Answer</b>	<b>Number</b>	<b>Percent</b>
Not at all	2	3%
Somewhat applies	30	38%
Highly applicable	46	59%

<b>3. Would you be interested in a more detailed online training course on the same topics?</b>		
<b>Answer</b>	<b>Number</b>	<b>Percent</b>
Yes, definitely	58	73%
Maybe	17	21%
No	2	3%
Not sure	3	4%

<b>4. Would you recommend this webinar to your colleagues?</b>		
Yes, definitely	67	89%
No	2	3%
Not sure	6	8%

**Participant Questions/Comments:**

1. Currently AFMC, specifically RAFB, requires a companion signature sheet with signature levels commensurate with various GFP item unit price. Why?

Answer: This is an internal Air Force policy. You will have to address that with the proper Air Force chain of command.

2. Is DPAS the only APSR?

Answer: No, there are several. An APSR is an accountable property system of record. The Defense Property Accountability System (DPAS) is not the only APSR.

There are many systems used throughout the Department, and some are specific to an Agency or Service. The new Enterprise Resource Planning (ERP) systems should incorporate the APSR characteristics as they are being built so they may become an APSR for their Components.

3. Does an APO need to be designated in writing?

Answer: Yes. The DoD Instruction 5000.64 requires that an Accountable Property Officer (APO) be designated in writing.

4. How does depreciation impact GFP in regards to calculating the total asset value?

Answer: It does not. Initial asset value does not take depreciation into account.

5. Can a contractor use the ASPR as their property management system?

Answer: Contractors are required to follow the guidelines of Financial Acquisition Regulations (FAR) regarding property stewardship.

6. Under GFE, if the equipment is destroyed, how does the Government receive compensation?

Answer: They have to follow the LTDD process and follow the determinations of the Contracting Officer. LTDD is Loss, Theft, Damage, Destruction. When property falls into one of those categories, there is a process that must be followed. The contractors, Property Administrators (PA), and Contracting Officer (CO) have the majority of the responsibilities here. The PA can relieve the contractor from liability, and there may be specific actions to take, depending on the terms and conditions of the contract. Please see FAR 45.6 and 52.245-1 for more information.

7. Where can I find more information on APO?

Answer: The responsibilities of the APO are outlined in the DoDI 5000.64.

8. Can anyone other than a PLCO dispose of excess GP?

Answer: Generally, the responsibility belongs to the PLCO. Government Property can be disposed through the Defense Reutilization Management Office (DRMO). Government Furnished Property will be disposed of according to the directions of the Plant Clearance Officer (PLCO) and the terms of the contract. The DRMO is not a typical disposal solution for GFP, and the guidance of the PLCO should be followed.

9. On contracts where CAP include inventory of S/N items (ex. new radio receivers) how does this enter the SCS inventory upon completion of contract?

Answer: It is only through the delivery, receipt and acceptance process that property, equipment and material can enter DoD inventory. Please note: in answering this question, the following assumptions were made: 1) SCS is the organization and 2) Inventory was interpreted to mean "Property Book" or APSR.

10. If the government is required to account for property, how do we go back 10-15 years and account for property?

Answer: It would be helpful to get advice from an Audit Agency since the ultimate goal is to achieve a clean audit opinion. The audit community may have particular advice on an acceptable amount of records for legacy assets.

11. Should the government place UII labels on GFP?

Answer: Yes, the DoD is currently working a legacy parts marking effort.

12. Doesn't the FAR state that there should be no duplication of effort (i.e. if the contractor is managing and accounting for the items, does the government have to?)

Answer: In the past, the FAR was unclear. The FAR was clarified in 2007. There is no duplication of effort; the government must track the assets. Contractors and the government account for items in different ways. The government has important fiduciary reporting responsibilities. If we did not maintain a record of the furnished property, we would fail to fulfill these fiduciary responsibilities. In a sense, the contractor records are for managing while the government records are for reporting.

13. Does IUID only apply to GFP or non-GFP accountable property as well?

Answer: There should be a unique item identifier on all Government accountable property, regardless of its status (i.e. furnished, in use, in storage, etc.). The UII can and should be reported to the IUID registry. Look at DODI 8320.10 for more information on IUID and marking government property.

14. Did OSD direct Air Force to use AFEMS equipment to include ST/STE?

Answer: The decision to use the Air Force Equipment Management System (AFEMS) for Special Tooling and Special Test Equipment (ST/STE) was an Air Force directive.

15. Is the contractor required to stick IUID 2D metric bar code on GFE assets?

Answer: At this time, the GFE clause requires reporting, but does not require marking. Please see specific terms and conditions of contract for further guidance.

16. Is it true that CAP will not be recorded in DPAS until the government is in possession of the item and it becomes GFP?

Answer: Contractor Acquired Property (CAP) should not be recorded in DPAS or another APSR until delivery, receipt and acceptance occurs.

17. Why are GFPs important for cost analysis?

Answer: It is important so you can get the total cost of the asset.

18. I am a GFE manager for equipment to be installed on new 130 aircraft. Is this required to be reported?

Answer: If it meets the requirement DFAR 252.211-7007 and the contract clauses, it should be reported.

19. What is the difference between CAP and Contractor Furnished Material (CFM)?

Answer: CAP is government-owned, and CFM is owned by the contractor.

20. What about times when assets are sent to a contractor for maintenance – for example – to be upgraded or rebuilt. Would these assets be considered GFP? What if the contractor acquires material or equipment to complete the upgrades or rebuilds?

Answer: There are two parts to this question. The answer to the first part is yes, assets sent to a contractor for maintenance are considered GFP. The second part is situational. I would need to know the contract type to tell you if the acquired material or equipment is CAP.

21. What is the difference between Special Tooling and Special Test Equipment?

Answer: Special Tooling is specialized and must have limited use. This means that, without substantial modifications, its use is limited to producing particular supplies or carrying out a specific function. In contrast, Special Test Equipment is a test unit created to accomplish special purpose testing during contract performance. If it can be modified for general purposes with relatively minor expense, it is not STE.

22. Is there another method to identify GFP besides a contract?

Answer: The answer is no; assets are GFP if they are spelled out as GFP in the contract. If the contract does not specify the assets the contractor will use for contract performance, equipment should not be given to the contractor.

23. How should the contractor track property under the accountability threshold of \$5,000?

Answer: The accountability threshold is \$5,000. This means that we should have an accountable record for property valued at \$5,000 and above. For equipment valued below this threshold, we, the government, must have a property record when that equipment is furnished on a contract; dollar value is not a limiting factor. DoDI 5000.64 provides additional information on these requirements for Government actions. The Government Property clauses in the contract have the contractor requirements. In a nutshell, if the Government provides equipment, the contractor will manage a matching record for the equipment regardless of dollar value.

24. Are contractors required to maintain an inventory of GFP?

Answer: If you mean inventory as "records" then the answer is yes; both government personnel and contractors are required to keep GFP records. The contractor should follow the clauses in the contract, which generally includes FAR 52.245-1, and any other specific terms and conditions.

25. Can the Government use the contractor's system as their APSR?

Answer: The answer is no; the government is required to maintain accountable property records in a government APSR. A contractor's system may not replace the government system. Keep in mind, though, that the information in the records can be used to update an APSR. Although there is separation of the systems, the data can be shared.

26. When you say an adequate property system for the contractor, is that the same thing as an APSR?

Answer: No, these are two different systems. The APSR is the Government's property system that holds the official property records. An adequate property system is the system a contractor uses to manage property. These two systems perform the same functions, but the big difference is who owns and operates each system.

27. Who would initiate an audit of the contractor's property management system?

Answer: The answer is the Property Administrator; auditing the contractor's property management system is one of the PA's responsibilities.

28. I am a Contracts POC, and am providing the situation before asking the following: The contractor manages the property. We have one contract that is almost complete. All the property we wanted to keep was transferred to a second contract. The remaining property in contract one is not classified, but may require DEMIL. The second contract is ongoing and has various property, some is classified and some would require DEMIL. I am looking for guidance on the following:

- (a) Recommended or sample contract language that holds the contractor responsible for disposition of property, to include declassification and DEMIL requirements.

Answer: The FAR property clause, 52.245-1 requires the contractor to provide general property stewardship requirements. Specific property declassification and DEMIL requirements must be developed by the requiring activity. Unfortunately, we do not have samples to provide.

- (b) A recommended or sample process for property disposition that conforms with the FAR, DFARS, and other standard property disposition requirements; that includes the PLCO, the DCMA Property Administrator, and for DEMIL purposes,

the local DRMO. The process would include recommendations or samples dealing with declassification of property.

Answer: Again, we do not have samples to provide; the FAR clause covers contractor requirements. DRMOs are not typically used to dispose of contract property.

- (c) Clarification on what is required for a person to be qualified to sign a Ammunition, Explosives, Dangerous Articles (AEDA) Inert certification.

Answer: I don't know exactly. Historically, the Weapon System PMO ensured items were certified inert before being shipped. If you know someone on the engineering side of a weapon system PMO (contractor or government), they might be able to tell you how AEDA is certified as inert, who is qualified to certify them as such, and what qualifies the individual to certify an inert round.

- (d) Clarification as to what contractors are NOT to be responsible for, during the disposition of property.

Answer: Contractors are not responsible for requirements that go beyond the terms of FAR/DFARS and contract terms and conditions