

## **Questions and Answers:**

### **GFP: PA Role in Property Accountability WEBINAR – Q&A Transcript from 7/17/14**

#### **Who can be a Property Administrator?**

See [DFARS 201.670](#), Appointment of Property Administrators and Plant Clearance Officers. Pursuant to the Defense Federal Acquisition Regulation Supplement 245.105(b), individuals who have completed the appropriate educational and training requirements as set forth in the Defense Acquisition Workforce Improvement Act (DAWIA) and who have the appropriate work experience. Also, for all Property Administrators, they must be appointed to the Property Administrator position and this appointment must be in writing.

#### **What if any are the responsibilities of the PA to communicate Put/Take transactions for GFE to the APSR manager?**

There is no responsibility for the Property Administrator to communicate the additions/deletions of Government Furnished Equipment to the APSR manager (Accountable Property Officer (APO)). Contractors, however, do have a requirement to report certain GFP transaction to the DoD IUID registry (reference DFARS 252.211-7007). The Property Administrator is an agent of the Contracting Officer. In this capacity, the Property Administrator has a responsibility to ensure the FAR/DFARS government property requirements and contractual requirements (like the aforementioned DFARS clause) are adhered to and that the contractor is fulfilling their stewardship responsibilities for the government property in their possession. The Property Administrator communicates primarily with the Contracting Officer and the appropriate contractor personnel.

#### **Do Government Property Administrators (GPAs) have the responsibility to review Government contracts that do not call out DCMA Oversight?**

It depends. Contracts which involve GFP and contain the appropriate contracting clauses for government property must be administered by a contracting officer or delegated property administrator. The procuring contracting officer can delegate the contract administration to DCMA. If they choose not to delegate to DCMA, or to any other organization capable of performing contract administration, then the procuring contracting officer would be responsible for performing the contract administration requirements as specified by the FAR/DFARS. Regardless of the organization responsible for administering the contract, the cognizant PA (as delegated by the Contracting Officer) will perform the duties required of the position. If no PA has been delegated, all responsibilities remain with the Contracting Officer.

#### **Please expand on PA qualifications other than DAWIA training. From my perspective, qualification includes experience in conducting PMSAs. Please advise.**

I would refer you to slide #5 in the presentation. Slide #5 provides some detail regarding the qualifications for a Property Administrator. Also, DFARS 201.670 is a good reference to review as it details the appointment process for property administrators and plant clearance officers.

#### **Can a Contracting Officer or Termination Contracting Officer relieve the Contractor of stewardship/responsible of lost Government property?**

Yes, but much depends on contract terms and conditions. For example, the TCO normally cannot relieve the contractor of liability and responsibility when contract terms and conditions require the contractor to assume risk of loss. The Contracting Officer is responsible for enforcing or not enforcing the contractual terms. With the loss of government property, these instances must be reported and investigated prior to determination of liability and relief of stewardship responsibilities. Ultimately, it is the Contracting Officer who grants relief or not.

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**Since there is not a dollar value assignment to GFP, can you please provide examples of what is considered property?**

Generally speaking, most any personal property can be furnished to a contractor. FAR 45.101 defines Government-furnished property as property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property (CAP) if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract. GFP consists of government furnished equipment (GFE) and government furnished material (GFM). Types of GFE include special test equipment, special tooling, and reparables. GFM is typically property requisitioned (or "pushed" by the Government) from the supply system. The bottom line: property is tangible and encompasses the physical things the Government could provide.

**Should billets for PAs who are being used for "Command Site GP", also be DAWIA 1103 certified, even if they are not often utilized for Contract GP in the hands of a Contractor?**

This is strictly the DoD Component's decision. However, those individuals in the 1103 occupational series are subject to DAWIA requirements under DoD policy. If someone is hired as an 1103, then they should have the 1103 training because that is what is required of the position. The 1103 job series falls under DAWIA and by law the person occupying this job series must have the required training.

**If a Contracting Officer doesn't delegate in writing a PA in the contract, does this duty remain with the Contracting officer.**

Yes.

**Can more than 1 office track GFE, or will there be a problem in joint/dual accountability?**

This is strictly the DoD Component's decision. However, it is advisable that the organization that owns the GFE provided to the contractor be the only organization with accountability over the government property. GFE should only be entered for accountability purposes into one accountable property system of record (APSR). If there are multiple organizations involved with oversight and accountability of the GFE, the organizations which are not primarily responsible for the GFE should take a step back from accountability of item and rely upon the one primary organization to maintain asset accountability.

**Shouldn't the PA reviewing the contract have administration of it?**

Yes. Generally, these are the responsibilities of an assigned PA. The Property Administrator assigned administration oversight to the contract is the PA responsible for reviewing the contract and performing the property management system analysis and ensuring adequate controls are in place for the contractor to meet its stewardship responsibilities.

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#### **What type of relationship should the PPM and PA have?**

First, the Personal Property Manager (PPM) could be referring to either the contractor or the Government. A Government PPM would be an APO. The Property Administrator is responsible for ensuring the contractor meets its stewardship obligations as required by the contract. The APO is responsible for maintaining accurate property records for the government to ensure asset accountability. There isn't a direct relationship between the APO and the PA. The PA is an agent of the Contracting Officer. In order for GFE to be adequately accounted for, there must be strong communications between the Contracting Officer, the Program Management Office and the APO. The key relationship is between the Program Management Office and the APO. Again, the PA is an extension of the Contracting Officer and interacts primarily with the contractor and the Contracting Officer. Now, in terms of a contractor's PPM, a contractor PPM should have a working relationship with the PA. The PA will contact the PPM for audit information (Property Management System Analysis), work with the PPM with property loss cases, and generally be the point of contact the PPM can go to if there is a property issue with the contract.

#### **Beyond standard core ACQ 101/201, are there specific DAU courses that apply to PAs?**

Yes, there are. Listed are a few links that will help to illustrate and allow for a better understanding of the information discussed.

<http://icatalog.dau.mil/onlinecatalog/CareerLvl.aspx>

DAWIA level 1 - <http://icatalog.dau.mil/onlinecatalog/CareerLvl.aspx?lvl=1&cflid=5>

DAWIA level 2 - <http://icatalog.dau.mil/onlinecatalog/CareerLvl.aspx?lvl=2&cflid=5>

DAWIA level 3 - <http://icatalog.dau.mil/onlinecatalog/CareerLvl.aspx?lvl=3&cflid=5>

#### **Is all property (GFM/GFE/GFP) required to be maintained in a Government APSR? Is so, what is PA role regarding the Government APSR?**

GFE primarily must be maintained in a Government APSR as the Government expectations are that the GFE will be returned to the Government intact at the end of the contract. However, the expectations for GFM are they will be used/consumed during the manufacturing process. The Government supply system is relieved of the quantity when the items are issued. For non-serially managed items, such as GFM, there are reporting requirements for the contractor to acknowledge receipt of the GFM assets provided. The PA does not manage an APSR. Please refer back to the presentation for information on what a PA does and does not do.

#### **What involvement does a PA have with FAR Part 12 (commercial terms & condition) contracts?**

Contract property under FAR part 12 contracts is managed like any other contract property. When GFP is provided on a FAR Part 12 contract, then a PA will be assigned to manage the administration accordingly. In commercial items, GFP should be an exception rather than the norm, but if and when it happens, the PA should treat the contract administration no differently than any other contract.

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#### **If the APSR is for Accountable property why wouldn't the dollar threshold still be applicable to GFP?**

When we make the decision to provide property to a contractor on a contract, we cause ourselves to be accountable for that property regardless of the dollar value assigned to the property. This is another reason why the decision to provide property should be justified and documented within the acquisition plan. The Government has the fiduciary responsibility to account for all government property whether it is in the Government's possession or furnished to a contractor. APSR dollar threshold mentioned at DoDI 5000.64 is not exclusive. For example, the DoD Component can record in its APSR GP valued at less than \$5,000. In cases of GFP less than \$5,000, one assumes that the property was already recorded in the APSR (the DoD Component would not otherwise be in any position to furnish it).

#### **Are the following functions delegable? 1. Accomplishment of a PMSA? 2. Relief of stewardship? 3. Disposition of GFP?- The FAR DOES NOT state that anyone other than the Contracting Officer, PA/PLCO can accomplish these functions?**

These functions are the responsibility of the Contracting Officer. The Contracting Officer may designate a Property Administrator and/or Plant Clearance Officer to fulfil this function. However, these functions cannot be delegated any further. Partnering between multiple PAs may occur for efficiency reasons to accomplish a PMSA (e.g. PA #1 is in a physically closer location and asked to assist by PA #2), but the PA assigned to the contract has the ultimate responsibility to ensure a PMSA is completed.

#### **The Program Office has to justify including GFE. Does this also apply to CAP?**

Generally no, provided the contractor has an approved purchasing system (reference FAR part 44); also, the requirements to justify providing GFP (including GFE and GFM) contained in FAR 45.102 and DFARS/PGI 245.103-70 does not apply to CAP.

#### **Which regulation(s) are you referring to when defining Government property?**

The primary regulation referred to regarding Government Property in this presentation is the Federal Acquisition Regulation (FAR), specifically FAR Part 2 (Definitions) and Part 45 (Government Property), and in the Defense Acquisition Regulations (DFARS) in Part 245.

#### **Who has responsibility for inventory of GFP?**

Physical inventory for Government Furnished Property is a part of the control environment used by the Contractor to fulfil their stewardship responsibilities for government property in their possession. As discussed, the Property Administrator conducts an assessment of the Contractor's property management systems to ensure that government property is being adequately controlled by the Contractor. Physical inventory policies and procedures and execution of the physical inventory are all things the Property Administrator will consider when assessing the Contractor's property management system. The DoD Component Property Book Officer is responsible for ensuring the existence and completeness of the APSR records and the accuracy of those records. The Contracting Officer may from time to time request property reports from the Contractor to verify they continue to have the government property in their possession and are fulfilling their stewardship responsibilities. The information in the contractor's reports can then be used by an APO to ensure the APSR records are still up to date.

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#### **When losses are reported and liability determinations have been made, does a contract modification need to be accomplished to document the removal of the item from the GFP attachment and the APSR?**

A contract modification is not necessary. In fact, doing so compromises the process as it makes it appear the GFP was never there to begin with. The GFP attachment (initially completed during the solicitation and contract award phase) shows the property which is required in order for the contract to be completed. It is not the intention of the GFP attachment to be a current, up to date listing of the specific assets provided to the Contractor. The attachment is to document government property which is required for contract performance. Additionally, it is the Contractor's responsibility to report the loss/damage of government property using the Property Loss eTool. There is no requirement to update the GFP attachment to reflect any loss/damaged GFP. However, in order to maintain current APSR records, it is a good idea for the Contracting Officer to maintain communications with the Program Office and/or the Component's Property Book Officer so that adjustments to the APSR can be made for property that is lost and/or damaged and the asset can be removed from the APSR.

#### **If Loss, Damage, Destruction, or Theft of Government Property in the Possession of Contractors occurs, who completes the memo to the Contracting Officer and recommends what actions should be taken against the Contractor?**

In cases of Loss, Theft, Damage and/or Destroyed property in the possession of a Contractor, it is the responsibility of the Property Administrator to obtain the report of the loss and/or damaged property and research the circumstances surrounding the loss/damage. Upon the completion of their research, the Property Administrator will recommend to the Contracting Officer whether to hold the Contractor liable. The ultimate decision however resides with the Contracting Officer.

#### **At what point does GFM/CAM get expensed from financial records?**

For Government Furnished Material (GFM), these items are expensed when they are "issued" to the Contractor. The expectations for GFM are they will be used/consumed during the manufacturing process. GFM is not maintained in a Government ASPR once the items are issued to a contractor. The Government supply system is relieved of the quantity when the items are issued and they are no longer tracked by the Government. For non-serially managed items, such as GFM, there are reporting requirements for the Contractor to acknowledge receipt of the GFM assets provided. Contractor acquired material is the same as contractor acquired property. It is typically consumed in the making of the end item, disposed, or delivered to the government for use on future contracts/program requirements.

#### **How does evaluating the Contractor's Property System relate to the requirements for all GFP being in a Government APSR?**

There is no direct relationship between the assessment of the Contractor's Property Management System and the requirement that all government property furnished to captured and reported in a Government APSR. The Contractor must have a property management system capable of fulfilling its stewardship responsibilities. The objective of the Property Management Systems Analysis is for the Property Administrator to evaluate the Contractor's system and determine whether the Contractor's system is reliable for controlling government property furnished to the Contractor. The results of the PMSA demonstrate whether the information and reporting from the Contractor can be relied upon by the Contracting Officer and other parties privy to the contract (for example the Program Management Office). The Government must have property accountability records for all property provided to a contractor.

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**The definition of "provide" in FAR 45 implies that a deliberate decision and documentation is required for CAP, as well as GFP. Please advise.**

How can the Government "provide" what it does not have? CAP is property that will happen in the future; we can plan to purchase CAP or make allowances for CAP (hence a deliberate decision), but the act of "providing" property by definition means it is something that already exists. While some could try to interpret the FAR that way, DFARS PGI 245.103-70, which specifies the documentation required in the contracting file prior to "furnishing" Government property is specific to GFP, not CAP.

**During the PMSA, should the PA be reconciling the APSR with the contract and the Contractor's records?**

PAs have no responsibility for reconciling GFP with a Component's APSR. The Property Administrator is responsible for determining whether the Contractor who has possession of government property furnished for the completion of a contract is fulfilling its stewardship responsibilities. The Property Management Systems Analysis is a means for the Property Administrator to assess whether the Contractor's control environment is capable of meeting their stewardship obligations. The Property Administrator is only concerned with the property known to the contract not the Government's Accountable Property Systems of Record. The contract is the document authorizing the Contractor to have government property. The Property Administrator has no knowledge of the details in the APSR as that is the DoD Component's Accountable Property Officer (APO) responsibility. The FAR is very specific regarding the Property Administrator's evaluation of the Contractor's property management system and its ability to control the government property in its possession.

**What is the difference between the PA discussed today and the APO identified in the 5000.64?**

APOs are those individuals who, based on their training, knowledge, and experience, are appointed by proper authority to establish and maintain an organization's accountable Government property records, systems and/or financial records. There is no one single occupational series for APOs; they can be assigned or attached to a variety of departments, e.g., fleet management, finance, logistics, depending on the nature of the property and the structure of the organization.

The Property Administrator is appointed by the Contracting Officer and has the responsibility to ensure the Contractor is satisfying the stewardship duties for the government property furnished for the contract. The Property Administrator is an agent of the Contracting Officer. In this capacity, the Property Administrator has a responsibility to ensure the FAR/DFARS government property requirements and contractual requirements are adhered to and that the contractor is fulfilling their stewardship responsibilities for the government property in their possession. The Property Administrator communicates primarily with the Contracting Officer and the appropriate contractor personnel.

The APO as identified in DoD Instruction 5000.64 is primarily responsible for ensuring the Government's accountable property records are accurate, complete and up to date with all government property life-cycle events. The APO functions as key stakeholder for ensuring the Government's APSR records are accurate and reflect the current state for all accountable government property. It is not the Property Administrator's role to ensure the Government's APSR is accurate. It is the Property Administrator's duty to ensure the Contractor's Property Management System is sufficient to satisfy their stewardship responsibilities and reliance can be placed on reports and information provided by the Contractor regarding government property in their possession.

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#### **So who/whom does the reconciliation between the contract and APSR to ensure we meet FIAR requirements?**

Again, the role of the Property Administrator is to ensure the Contractor is satisfying the FAR, DFARS and contract requirements for government property furnished to a contractor. The Property Administrator is concerned that the appropriate clauses have been incorporated into contracts where the Government will furnish government property to a contractor. The PA will evaluate the Contractor's property management system by conducting a Property Management System Analysis to ensure the Contractor is fulfilling their stewardship responsibilities. Property Administrators are not responsible for the accuracy and completeness of the DoD Component's Accountable Property System of Record. The Accountable Property Officer is responsible for ensuring the Component's APSR is accurate and complete. The APO would be the one to reconcile GFP provided to a contractor with the APSR and for ensuring the APSR is "audit ready". This is not a function of the Property Administrator. This extends to new procurements as well. The APO will need a posting reference for newly acquired assets, which would be the contract and the acceptance documentation.

#### **For Auditing Purposes which records are considered the official Government property records, that is, the Government's APSR or the Contractor's Inventory Records?**

Only the Government can establish, keep and maintain its records. For government owned property, the official records of that property are the records maintained by the Government. Whether it is for auditing purposes or for property accountability, the Government has the duty and responsibility to account for all property it acquires and owns. This record keeping cannot be transferred to the Contractor. The Contractor's records may be used as a reference point to assist with verifying the accuracy and completeness of the Government's records but this does not alleviate the Government of its responsibility to establish and maintain accountable property records for government property whether it be in the possession of contractor or not.

#### **Is the IUID registry the same as the APSR?**

No. The IUID Registry is not an APSR. The IUID Registry is a data repository for uniquely identified assets for DoD which ensures unique identification of items. The IUID Registry attempts to maintain key lifecycle events regarding assets again to ensure uniqueness throughout DoD. The APSR has the duty of maintaining core fiduciary information for the Components, housing fiscal and management information about DoD assets, and can be tailored to the needs of the Component. Please reference DoDI 5000.64 for APSR specifics.

#### **How does GFP get entered in the APSR if it is being shipped directly to the Contractor?**

This really depends upon the DoD Component and their defined business processes. Ideally, copies of the acceptance/delivery documentation should be made available to the Accountable Property Officer that is involved with the program so that APO may then update the APSR.

#### **We have the Government keeping the APSR and the Contractor has to keep the stewardship records in their PMS and also enter the property into the IUID Registry. Isn't there a bit of redundancy here?**

No, there is no redundancy. Each of these systems provides checks and balances to ensure the government property is accounted for and that the requirements as specified by the FAR and DFARS are being met. The IUID Registry is the DoD system designed to ensure unique Item Identification is possible.

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**Clarify please... CAP is NOT a deliverable so that the Program Management Office picks those items up and accounts for them?**

Reference PGI 245.402-70, -71. Contractor Acquired Property (CAP) represents property procured by the Contractor at the direction of the government on a cost-reimbursement contract. Even though title to the property resides with the Government, the Government will not create accountable property records for their APSR unless the property is formally received and accepted by the Government. There are several ways CAP is accepted and received by the Government such as, identified as a CLIN to the contract or in the case where CAP from one contract rolls over to be used on a subsequent contract. In the latter case, receipt and acceptance by the Government is assumed for the CAP that is rolled on to a subsequent contract. In these cases where the Government specifically receives and accepts the CAP, accountable property records should be created for these items.

**Will information in the IUID Registry interface with the Government APSR?**

Yes, that is the ideal state. There are systems today which interface with the IUID Registry, for example DPAS. As Components migrate their systems toward more modern platforms, APSR interfaces with the IUID Registry are required. The objective is to leverage data entered and share it among other applications and systems.