



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3000

JAN 11 2010

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT), DASA(P)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND LOGISTICS MANAGEMENT),
ASN (RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
ASSISTANT SECRETARY OF DEFENSE (LOGISTICS AND
MATERIEL READINESS)
DIRECTOR, ACQUISITION RESOURCE AND ANALYSIS
DIRECTORS, DEFENSE AGENCIES
DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: Government Furnished Property (GFP)

This memorandum describes the requirements for strengthening the accountability and management of personal property owned by the Department of Defense (DoD) when this property is used on contracts, and requests assistance in the development of a DoD Government Furnished Property (GFP) Business Environment Concept of Operations (CONOPS) to define a framework for ensuring that DoD is focused on the basic fundamentals of GFP management.

The overarching requirements for GFP management are contained in Federal Acquisition Regulations (FAR) Part 45 and DoD Instruction 8320.04, Item Unique Identification (IUID) Standards for Tangible Personal Property, dated June 16, 2008, which: (a) establishes the DoD IUID Registry as the master data source for GFP, (b) requires the Director, Defense Procurement and Acquisition Policy (DPAP) to coordinate an integrated approach across the DoD, Federal and State Agencies, non-governmental organizations, and domestic and foreign persons and organizations to provide national level traceability, and (c) requires the DoD Components to identify and track GFP through the use of Unique Item Identifiers (UII) in transaction-derived data from electronic business transactions.

Although contract property policy and oversight has been the target of significant reform over the past ten years, there is still room for improvement. To reinforce internal controls over the accountability for DoD personal property provided to a contractor by a DoD Component, or requisitioned from DoD Component supply sources by a contractor, the following goals are established.

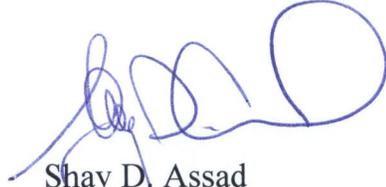
- Electronic transactions will be used to transfer government property to a contractor and/or return property to DoD. Contractors and the DoD components shall confirm receipt by contract number for property received electronically.
- All transactions used to transfer property to contractor custody or return property to DoD custody shall cite a contract number under which the property is or was accountable for stewardship.
- For contractor requisitions of GFP, the DoD Components shall capture or link to the contract number under which requisition authority to contractors is granted, and shall reject any contractor requisitions that are not authorized.
- Consistent with FAR 45.201, GFP requirements shall be fully described and listed in an Attachment in any solicitation and contract to notify the contractor of those items of GFP that are due-in from the DoD or that are authorized for requisition from a DoD Component supply source.
- GFP transfer transactions and receipts for non-UII'd property shall be routed to a GFP Hub co-located with the DoD IUID Registry as a prototype effort until Defense FAR Supplement guidance is final.

My office, in collaboration with the Principal Deputy, Assistant Secretary of Defense (Logistics and Material Readiness) and the Director, Acquisition Resource and Analysis (ARA) is developing an overall CONOPS for a DoD GFP Business Environment. In the target environment—2011 and beyond—the DoD GFP Business Environment must have strong internal controls and oversight practices, which are governed by an interoperable, open architecture that enables a single-face to industry, and with the DoD IUID Registry and GFP Hub forming the cornerstone of GFP reporting. The first meeting of the CONOPS working group will be February 3-4, 2010.

Therefore, I ask each addressee to identify financial, logistics and contract experts that can work with OSD and the Business Transformation Agency on a working group to complete the CONOPS, within 180 days of the date of this memorandum with a detailed set of milestones for the transition phase, as well as Investment Review Board criteria to govern changes to Enterprise Resource Planning development.

Please provide the names of your working group representatives to Kimberly Simmons at OUSD(AT&L) DPAP, 3060 Defense Pentagon, Washington, DC 20301-3060, kimberly.simmons.ctr@osd.mil or 703-602-7823, within 30 days from the date of this memorandum.

My point of contact for this policy development is LeAntha Sumpter, LeAntha.Sumpter@osd.mil or 703-602-7955.



Shay D. Assad
Director, Defense Procurement
and Acquisition Policy