Introductions

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Ground Rules

- Submit questions using the question pod – we will discuss them throughout the session
- Turn your volume up and let the presentation team know if you have audio problems (through the question pod)
- You can maximize the presentation pod (toggle Full Screen)
- Complete PDF of this presentation available on the website: http://www.acq.osd.mil/pepolicy/index.html
- For Technical Assistance, use the question pod
Agenda

- Background and Basic Terminology
- Government Property Life-Cycle Events and business processes
- Associated roles / responsibilities during the Life-Cycle Events
Why are we here today?

- Audit reports have been critical of the Department’s control of and accountability for property.
- Through strong accountability, the Department can achieve a clean audit opinion, and provide quality information to support acquisition decisions.
- Today’s Webinar is part of the broad effort to improve property accountability practices and audit readiness across the Department.
Government Property Definition

- Includes all property that is owned by or leased to the government. It includes personal property and real property.
  - **Personal property**: Equipment/systems, spares, and supplies
  - **Real property**: Land, facilities, and structures
- Government Furnished Property (GFP): Government property that is provided to contractors.
  - Includes Government Furnished Equipment (GFE) and Government Furnished Material (GFM)
Equipment & Govt Furnished Equipment

- Property that is functionally complete for its intended purpose, durable, and non-expendable

- GFE is simply equipment furnished by the Government to a Contractor for the performance of a contract.

- Equipment should be recorded in the Government’s Accountable Property System of Record (APSR) by a Government employee prior to being furnished as Government Furnished Equipment (GFE).
Material & Govt Furnished Material

- Owned by the Government and furnished to a Contractor as Government Furnished Material (GFM) to use for specific contract purposes. Title to material furnished by the Government remains with the Government.

- Examples of Material and GFM are titanium, nuts, bolts, washers, screws, and other consumable items.

- Unlike GFE, GFM is consumed, attached, or expended by the contractor during the performance of a contract.

- DODM 4140.01-M provides the most guidance for material.
Contractor Acquired Property (CAP)

- Any property acquired, fabricated, or otherwise provided by the contractor for use in contract performance.
- The only contract type that allows CAP is cost reimbursable.
- The government has title to each item acquired by the contractor.
- When the contractor delivers CAP to the government, that CAP is then considered GFP.
- CAP property records must be created in a Government APSR when CAP is delivered, usually via Contract Line Items (CLINs).
Accountability/Accounting/Accountable

➤ **Accountability**
➤ Processes, systems, records, and methodologies necessary for effective management of personal property throughout its entire life cycle

➤ **Accounting**
➤ Focuses on recording financial transactions involving property

➤ **Accountable**
➤ Obligation to protect the public interest by ensuring appropriate property management
Question and Answer Break
Life-Cycle Events of GP

➢ There are four phases in the life-cycle of Government Property:

(1) Determination of Need
(2) Acquisition
(3) Accountability & Maintenance
(4) Reutilization & Disposition
(1) Determination of Need

- Determining whether or not an item is needed: can the mission be accomplished without the item?

- A determination of need should include the rationale for acquisition, and consider alternatives to new procurement and life cycle costs.

- The Program Manager (PM) develops the Acquisition Strategy

- For more information: [DoDD 5000.01](https://www.dod.mil/Portals/68/Documents/5000.01.pdf); [DoDI 5000.02](https://www.dod.mil/Portals/68/Documents/5000.02.pdf); [FAR Part 7](https://www.acq.osd.mil/FAR/farapp.html); [Defense Acquisition Guidebook](https://dau.edu/education/defence-acquisition-guidebook)
(2) Acquisition

- Contractors are typically required to furnish property to perform Government contracts, but there are times that the Government provides property to a contractor.

- Contracting Officer can provide property to contractors only when it is clearly in the government’s best interest (see FAR 45.102)

- CAP allows the contractor to make reasonable purchases without waiting for government approval for each individual transaction.
(2) Acquisition (Cont.)

- CO oversees the terms and conditions of the contract, and has the authority to enter into, administer and/or terminate contracts.

- A Contracting Officer’s Technical Representative (COTR) assists with technical and administrative contract functions.

- The PM is responsible for accomplishing program objectives.
Question and Answer Break
Life-Cycle Systems

The government uses various systems and tools throughout the life-cycle of assets:

- Item Unique Identification (IUID) Registry
- Accountable Property System of Record (APSR)
- Wide Area Workflow (WAWF)
Item Unique Identification (IUID)

- A property identification registry (replaced DD 1662)
- Items are distinguished from one another by a Unique Item Identifier (UII). The UII is housed in the IUID Registry.
- The UII is permanent, and is only assigned to a single item.
- The UII captures and maintains data for valuation and tracking

- IUID is applicable to items:
  - Valued at more than $5000
  - Serially managed
  - Mission essential
  - Controlled inventory
  - Permanent ID needed

- For more information, see DFARS 252.211-7003, 7007 and DoDI 8320.4
Accountable Property System of Record (APSR)

- System used to control and manage accountable property records
- Government personnel must create and maintain records for GE and GFE in an APSR.
- An APSR must maintain an audit trail

An APSR must meet the requirements listed in DoDI 5000.64
Wide Area Work Flow (WAWF)

- Secure, Web-based system for electronic invoicing, receipt and acceptance.

- Enables electronic form submission of invoices, government inspections, and acceptance documents.

- If DFARS 252.232-7003 appears in the contract, WAWF should be used for electronic submissions.

- Electronic Business Point of Contact (EBPOC) serves as the POC for the government to contact with Electronic Commerce concerns.

- Group Administrator (GAM) handles the security responsibilities associated with managing and activating users of WAWF data.
Life Cycle Systems Working Together

- Together, these systems enable electronic exchange of information and accuracy in record-keeping

- Contractors are required to use IUID in reporting GFP and transmit information through WAWF

- WAWF can be used to add UIIs to the IUID Registry for new acquisitions (UIIs for legacy property should be added via the Direct Submission Method)
Question and Answer Break
(3) Accountability & Maintenance

- The Government must maintain accountable records of the equipment furnished to a contractor, and contractors are required to maintain property systems and records and to maintain the equipment in their possession.

- Contractors are required by FAR 52.245-1 to maintain equipment in their possession, and keep accurate property systems and records.

- The government can audit the Contractor’s property management system as frequently as conditions warrant.
(3) Accountability & Maintenance (Cont.)

- The Property Administrator (PA) can audit the contractor’s property records.
- The PA acts as a liaison between the contractor and the CO.
- The Accountable Property Officer (APO) establishes and maintains government property records, systems, and/or financial records.
(4) Reutilization & Disposition

When property is no longer required by the Contractor, the property must be reported as excess to the Government under FAR 52.245-1.

The legal requirements of 40 USC 546, Contractor inventories, and regulatory requirements of FAR 45.401 prohibit a Contractor from disposing of Contractor Inventory without prior Government approval.

The Government’s responsibilities are contained in FAR 45.602.
(4) Reutilization & Disposition (Cont.)

- FAR 52.245-1 and DFARS Subpart 245.6, Reporting, Redistribution, and Disposal of Contractor Inventory, prescribe the forms to the right for use during this phase:
  - SF 120, Report of Excess Personal Property
  - SF 1423, Inventory Verification Survey
  - SF 1424, Inventory Disposal Report
  - SF 1428, Inventory Schedule
  - DD Form 1639, Scrap Warranty
  - DD Form 1149, Requisition and Invoice/Shipping Document
  - DD Form 1637, Notice of Acceptance of Inventory Schedules

- PLCO duties and responsibilities are found in DFARS 245.7002:
  - Instructs contractor on preparation of inventory schedules, preparing and maintaining plant clearance cases and disposal documents
  - Approves contractor’s scrap process; ensures final plant clearance
  - Evaluates the contractor’s property disposal procedures
Question and Answer Break
Course Review

Review

(1) Determination of Need
Develop rationale for purchase
Key players: PM and CO

(2) Acquisition
Determine contract type and facilitate property acquisition
Key players: PM, CO and COTR

(3) Accountability and Maintenance
Ensure proper record keeping and appropriate contract execution
Key players: APO and PA

(4) Reutilization and Disposition
Provide guidance to contractors and monitor the property disposal process
Key players: PLCO
Conclusion

➢ Questions / Comments

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