

RECORDS OF CONTRACT PROPERTY or Government Property in the Possession Of Contractors

Presented by:

Dr. Douglas N. Goetz, CPPM, CF

President and CEO

GP Consultants, LLC

Intermittent Professor of Contract and Property Management
Defense Acquisition University



(c) 2011 GP Consultants

RECORDS OF GP

It should be self-evident to everyone
here that RECORDS are the

“LIFE’S BLOOD” 

Of a Property Management System!



(c) 2011 GP Consultants

LIMITATIONS

- This presentation will NOT discuss the Records that are required to be maintained by the Federal Government – nor its agencies, e.g., Department of Defense and ITS fiduciary records required by the CFP Act of 1990 and DODI 500.64.
- That would require a whole ‘nother presentation!!!



CONSULTANTS LLC

(c) 2011 GP Consultants

DEFINITIONS OF THE WORD “RECORD”

re·cord

- **verb** (used with object)
 - to set down in writing or the like, as for the purpose of preserving evidence.
- **verb** (used without object)
 - to record something; make a record.
- **noun**
 - an act of recording.
 - the state of being recorded, as in writing.
 - information or knowledge preserved in writing or the like.
 - an official writing intended to be preserved.
 - Computers . a group of related fields, or a single field, treated as a unit and comprising part of a file or data set, for purposes of input, processing, output, or storage by a computer.



CONSULTANTS LLC

(c) 2011 GP Consultants

DEFINITIONS OF THE WORD “RECORD”

- **ASTM E2135 - 10a Standard Terminology for Property and Asset Management**
 - **custodial records**, *n*—*memoranda in any form written or electronic that documents the life cycle of property.*
 - **property records**—*information retained for use in managing property.*
 - **record utility**, *n*—*overall measure of structured property records based on the usefulness of stored, standardized, and appropriately available information of sufficient accuracy and reliability to respond reasonably to entity requirements in a timely manner. E 2675*



CONSULTANTS LLC

(c) 2011 GP Consultants

**MY FOCUS IN THIS SESSION...
RECORDS REQUIRED BY THE FAR
FOR GOVERNMENT PROPERTY IN THE
POSSESSION OF CONTRACTORS!**



CONSULTANTS LLC



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS

FIRST PLACE TO START... THE CONTRACTUAL REQUIREMENTS OF THE GOVERNMENT PROPERTY CLAUSE OF 52.245-1



(c) 2011 GP Consultants

FAR 52.245-1

- The FAR GP Clause requires the Contractor to have a Property Management System
 - We see this requirement in Paragraph (b)
- The FAR GP Clause requires the Contractor to have a system that enables the following outcomes...
 - We see this requirement in Paragraph (f)



(c) 2011 GP Consultants

TEN PROCESSES/OUTCOMES

- Acquisition
- Receiving
 - Identification (Embedded)
- Records
- Physical inventories
- Subcontractor Control
- Reports
- Relief of Stewardship
- Utilizing
 - Consumption, Storage and Movement (Embedded)
- Maintenance
- Contract Closeout

And I respectfully disagree this reductive listing lacks a few “embedded” Processes. But that also is another lecture in another session! ☺



CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS

RECORDS, AND THE MAINTAINING OF RECORDS, ARE APPLICABLE TO EVERY PROCESS, THE LIFE CYCLE PROCESSES, SET FORTH IN THE GP CLAUSE!



CONSULTANTS LLC

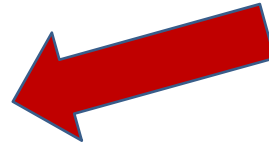


GOVERNMENT PROPERTY RECORDS

So we have under Paragraph (f)...

- (i) Acquisition of Property
- (ii) Receipt of Government Property

(iii) Records



**THAT'S THE ONE WE'RE LOOKING FOR
TO START WITH!!!!**

CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

(f)(1)(iii) Records of GP

The Contractor SHALL create and maintain records of all Government property accountable to the contract, including GFP & CAP.

That seems to be logical... But wait... Do I have to have a record for EVERY ITEM of GP – REGARDLESS of \$ VALUE?



THE ANSWER... YES!



CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A) Property records shall enable a

**COMPLETE,
CURRENT,
AUDITABLE**



**THREE
PERFORMANCE
CONDITIONS or
PARAMETERS!!!**

record of ALL transactions



and shall, unless otherwise approved by the PA,
contain the following:

CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A)(1) Name,
Part Number,
Description,
Manufacturer,
Model Number, and
NSN

(Note – NSN an option, if needed for
additional item identification tracking and/or
disposition).



CONSULTANTS LLC

**I GOTTA' DIGRESS HERE!!!
What if the stuff is GFP?**

(c) 2011 GP Consultants

SWITCH TO THE GOVERNMENT SIDE OF THE HOUSE IN PROVIDING GP

- Does the Government have to provide you any “DATER” regarding the GP it plans to or will FURNISH???
- In the words of Jeff Foxworthy... “Yump!”



(c) 2011 GP Consultants

FOR THE GOVERNMENT A SPECIFIC REQUIREMENT

FAR 45.201

- (a) The contracting officer **SHALL** insert a listing of the Government property to be offered in all solicitations where Government-furnished property is anticipated (see 45.102). The listing shall include at a minimum—
 - (1) The **name, part number and description, manufacturer, model number, and National Stock Number** (if needed for additional item identification tracking and/or disposition);
 - (2) Quantity/unit of measure;
 - (3) Unit acquisition cost;
 - (4) Unique-item identifier or equivalent (if available and necessary for individual item tracking); and
 - (5) A statement as to whether the property is to be furnished in an “as-is” condition and instructions for physical inspection.



(c) 2011 GP Consultants

CONTINUING THE DIGRESSION

Check out the DFARS REQUIREMENT to the COs!!!



(c) 2011 GP Consultants

DFARS PGI GUIDANCE

- **PGI 245.201-71 GFP attachments to solicitations and awards.**
 - When GFP is anticipated, include two separate attachments in solicitations and awards to specify the required GFP item identification data elements. Complete the following attachment formats for all items of GFP anticipated to be provided to a contractor.



http://www.acq.osd.mil/dpap/dars/pgi/pgi.htm/245_2.htm

(c) 2011 GP Consultants

DFARS PGI GUIDANCE

- (1) *First Attachment*. A listing of the Government property to be offered in all solicitations where GFP is anticipated, including when major end items are being provided under a modification or upgrade contract; or when reparable are being provided under a repair, modification, or overhaul contract.
- Pursuant to the Government property clause herein, the Government shall furnish to the contractor the item(s) of property listed below as GFP, for use in performance of this contract.

GFP Part A - Individual Serialized Items List										
(A) Item Number	(B) Type Designation	(C) PIN	(D) MFR CAGE	(E) Quantity and Unit of Measure	(F) Nomenclature and Description	(G) Part/ Model and NSN Number	(H) Serial Number (UII)	(I) AS IS: Yes/No	(J) Unit Acq Cost*	(K) Tag, Label or Permanent Marking Inst**

*Not Required if the item has a UII and has been registered in the DoD IUID Registry.

** The requiring activity should determine if GFP will be marked with a UII. Marking and registration of those items shall be accomplished in accordance with DFARS clause 252.211-7003.



Contractors need this data for multiple reasons – costing, pricing, etc., but from a GP Perspective they need it to create STEWARDSHIP RECORDS!

DFARS PGI GUIDANCE

- Pursuant to the Government property clause herein, the Government shall furnish to the contractor the item(s) of property listed below as GFP, for use in performance of this contract.

GFP Part B - Non-Serialized Items Listed by NSN and Quantity										
(A) Item Number	(B) Type Designation	(C) PIN	(D) MFR CAGE	(E) Quantity and Unit of Measure	(F) Nomenclature and Description	(G) NSN Number	(H) Part/ Model Number	(I) AS IS: Yes/No	(J) Unit Acq Cost*	(K) Tag, Label or Permanent Marking Inst**

*Not Required if the item has a UII and has been registered in the DoD IUID Registry.

** The requiring activity should determine if GFP will be marked with a UII. Marking and registration of those items shall be accomplished in accordance with DFARS clause 252.211-7003.



GP CONSULTANTS LLC

(c) 2011 GP Consultants

DFARS PGI GUIDANCE

- (2) **Second Attachment.** A listing of Government property to be **authorized for contractor requisition** from DoD supply sources in accordance with the clause at FAR 52.251-1.
 - Government-Furnished Property Attachment Number (*)
 - Government Property Authorized for Contractor Requisition with or without Reimbursement from DoD Supply Sources
 - Pursuant to the Government property clause herein, the Government shall furnish to the contractor the item(s) of property listed below as Government property for use in performance of this contract. Requisitioning documentation for the property will be prepared by the contractor pursuant to the clause at 252.251-7000, Ordering from Government Supply Sources, as specified herein. Items on the Part A list are subject to reporting as GFP. Items on the Part B list become contractor-acquired property and are not subject to reporting as GFP.

Part A - Contractor-Requisitioned Non-Serialized Items List									
(A) Item Number	(B) Type Designation	(C) PIN	(D) MFR CAGE	(E) Quantity and Unit of Measure	(F) Nomenclature and Description	(G) NSN Number	(H) Unit Acq Cost	(I) AS IS: Yes/No	(J) Tag, Label or Permanent Marking Inst*
* The requiring activity should determine if GFP will be marked with a UII. Marking and registration of those items shall be accomplished in accordance with DFARS 252.211-7003.									



(c) 2011 GP Consultants

SO, IF IT IS GFP

- **ALL OF THAT DATA IS SUPPOSED TO BE PROVIDED BY THE GOVERNMENT!!!**
 - Except if you had it as CAP and then Transferred it where it becomes GFP (Then you, the Contractor, should have already had that Data!)
- **CONTRACTORS – WHAT ARE YOU DOING WHEN YOU RECEIVE GFP WITHOUT ANY DATA?**



- Personal Opinion – and don't let anyone hear me say this
- YOU SHOULD BE REPORTING IT AS A DISCREPANCY IN RECEIVING TO THE GOVERNMENT PA!!! **(f)(1)(ii)(a)**

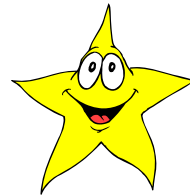


– WHY???

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS:
52.245-1 (f)(1)(iii)

**O.k., back to where we
were in the FAR GP CLAUSE
under
Records!!!**



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS:
52.245-1 (f)(1)(iii)

- Quantity received (or fabricated),
issued, and
balance-on-hand.

**Bottom line –
everything coming in,
everything going out
and what is in stock!**



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A)(3) Unit Acquisition Cost



- DEFINED at DFARS 252.245-7002!!!
- FOR **GFP** – Government is to Provide!
- For **CAP** -- Check your DISCLOSURE (CASB DS-1 Form) STATEMENT as to how this is computed – applying Generally Accepted Accounting Principles/Practices (GAAP)



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A)(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

Some Personal Questions:

Do you have any type of a “Unique Number” assigned to **YOU**?

Does any Property **YOU OWN** have a unique number assigned to it?



Would have been nice to have seen this requirement under Identification?



WARNING – this is a FAR requirement
It is **NOT** in reference to the IUID Requirements which are DFARS requirements!

(c) 2011 GP Consultants

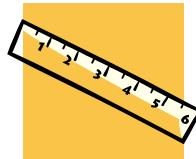
GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A)(5) Unit of measure:
**WHATEVER IT IS MEASURED
IN!!!**

Lots of examples:

Each
Pound
Gallon
Kilogram
Foot

Whaddeva'



CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A)(6) Accountable
contract number or
equivalent code
designation.

If you use an Equivalent
code it must be related
back to the contract #.



CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A)(7) Location (Remember... Complete, current, auditable???)

Note: OPINION FROM EXPERIENCE...
This is the weakest Part of a contractor's
Property Management System.
WHY?

ENGINEERS,
SCIENTISTS,
PRINCIPAL INVESTIGATORS
CARE **NOT** ABOUT FOLLOWING
THE RULES WHEN MOVING
"STUFF!"



CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1 (f)(1)(iii)

(A)(8) Disposition

You must record whether
the Property is happy or
sad...

Uhhhh, o.k., what happened
to the property?

Transferred?

Sold?

Scrap?

Delivered?



CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

(A)(9) Posting reference and date of transaction.

Analogous to your Bank Accounts and your ATM card.

For **EVERY** TRANSACTION you must have a **SUPPORTING DOCUMENT**

(Do electronic transactions count? You tell me? See 4.703)



CONSULTANTS LLC



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

(A)(10) Date placed in service.

[Applicable to ST, STE and Equipment]

Why is this needed?

For the Government to be able to apply ITS **FINANCIAL ACCOUNTING RULES** to the item.



CONSULTANTS LLC



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

(f)(1)(iii) Records of GP

A MANAGEMENT **OPTION** –

(B) Use of Receipt and Issue System for Government **Material**.

When **approved by the PA**, the Contractor may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, & use of material that is issued for **immediate consumption**.



GP CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

VIRTUALLY EVERY PROCESS AND OUTCOME REQUIRES **RECORDS!**

- Acquisition
- Receiving
- Identification
- Storage
- Movement
- Reports
- Physical Inventories
- Consumption
- Utilization
- Maintenance
- Relief of Stewardship
[Really Liability]
- Subcontractor Control
- Disposition
- Contract Closeout



GP CONSULTANTS LLC

(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

- VOLUNTARY CONSENSUS STANDARDS MAY DISCUSS OTHER RECORD KEEPING REQUIREMENTS
- Is there a VOLUNTARY CONSENSUS STANDARD useful for this process???
 - ASTM VCS from the E-53 Committee:
 - E2604-09
 - Standard Practice for Data Characteristics of Equipment Records
 - <http://www.astm.org/index.shtml>

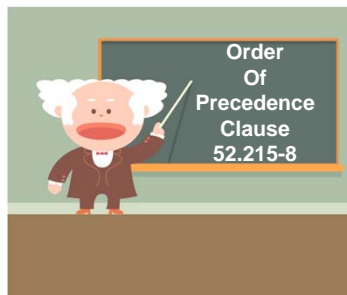


VCS!

(c) 2011 GP Consultants

ONE WARNING!!!

**THE FAR GP CLAUSE
REQUIREMENTS TAKE
PRECEDENCE OVER THE VCS!!!**



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

(g) System Analysis

(1) The Government shall have access to the Contractor's premises and all GP, at reasonable times, for the purposes of reviewing, inspecting & evaluating the Contractor's Property Management System.



That INCLUDES the **RECORDS!!!**



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS: 52.245-1

(g) System Analysis

(2) Records of GP shall be readily available to authorized Gov't personnel and shall be safeguarded from tampering or destruction.



(c) 2011 GP Consultants

CONTRACTOR RECORD RETENTION 4.703

- (a) Except as stated in 4.703 (b), Contractors shall make available records, which includes books, documents, accounting procedures & practices, and other data, regardless of type & whether such items are in written form, “computer dater,” or any other form...

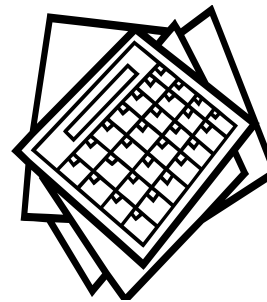
Some of you have seen my office at work, or my basement at home... I keep a lot of OLD BOOKS!



(c) 2011 GP Consultants

CONTRACTOR RECORD RETENTION 4.703

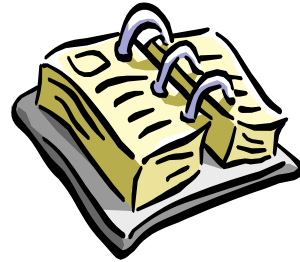
- (a) ...to satisfy contract negotiation, administration, and **AUDIT REQUIREMENTS** of the Contracting Agencies & Comptroller General for-
- (1) 3 years after final payment for certain records
- (2) Period specified in 4.705 through 4.705-3, whichever of these periods expires first.



(c) 2011 GP Consultants

FINANCIAL & COST ACCOUNTING RECORDS 4.705-1

- Accounts receivable invoices...retain 4 years
- Material, work order, or service order files, including **P.O.'s for material** or services...retain 4 years
- Accounts payable records to support disbursement of **funds for materials**... retain 4 years



GP CONSULTANTS LLC

(c) 2011 GP Consultants

ACQUISITION & SUPPLY RECORDS 4.705-3

- Store requisitions for materials...retain 2 years
- **Work orders for maintenance**... retain 4 years
- Equipment records...retain 4 years
- Expendable property records...retain 4 years
- **Receiving & inspection report records**... retain 4 years
- P.O. files for supplies, equipment, material...retain 4 years



GP CONSULTANTS LLC

(c) 2011 GP Consultants

WRAP-UP!



(c) 2011 GP Consultants

RECORDS

- So, a simple thought...
- If you do **NOT** have records (**EXISTENCE**), the **PROPER** records, **COMPLETE** records, **TIMELY** records, **ACCURATE** records...
- You will probably have problems, no... **MOST ASSUREDLY YOU WILL HAVE PROBLEMS** with your **PROPERTY MANAGEMENT SYSTEM** and its **AUDIT!!!**



(c) 2011 GP Consultants

GOVERNMENT PROPERTY RECORDS REVIEW

- I have “walked” you through:
 - The RECORDS Requirements of FAR 52.245-1(f)
 - And, embedded within this:
 - The FAR POLICY at 45.201 on Providing GFP and the INFORMATION/DATA to be furnished by the Government
 - The DFARS PGI which AMPLIFIES this requirement.
 - The Awareness that EVERY PROCESS and OUTCOME REQUIRES SOME FORM OF RECORD or RECORDKEEPING and
 - ACCESS to Records under SYSTEM ANALYSIS
 - FAR PART 4 Records Retention



(c) 2011 GP Consultants

THANK YOU!!!

Dr. Douglas N. Goetz, CPPM, CF

OLD AFIT/DAU PROFESSOR

Recently Retired – now Rehired.

President of the newly incorporated GP Consultants, LLC.

Hopefully a Good Instructor.

Chief cook and bottle washer at Home, responsible for all the “honey do” requirements – though my wife HAS told me to stay out of HER house!

233 N. Maple Ave

Fairborn, OH 45324

GPCONSULTANTS@ATT.NET
WWW.GOVERNMENT-PROPERTY.COM

1- 937-754-1811



(c) 2011 GP Consultants