



DCMA



One team, one voice delivering global acquisition insight that matters.



Property Management System

Presented By:

Eunice Ford

Industrial Property Management Specialist
DCMA Government Contract Property Group

Required and Relevant Property Clauses

- **FAR 52.245-1**, Government Property
- **FAR 52.245-9**, Use and Charges
- **DFARS 252.245–7001**, Tagging, Labeling, and Marking of Government-Furnished Property
- **DFARS 252.245–7002**, Reporting Loss of Government Property
- **DFARS 252.245-7003**, Contractor Property Management System Administration
- **DFARS 252.245-7004**, Reporting, Reutilization, and Disposal
- **DFARS 252.211-7007**, Reporting of Government Furnished Property in the DoD IUID Registry

- A PMSA is a systematic, objective review and evaluation of a contractor's property management system (PMS) using the written procedures as a guide for testing the implementation of applicable property management processes to determine whether the contractor is complying with contractual terms and conditions relating to property management

Property Administrators provide insight and recommendations to the contracting officers regarding system compliance

- Standard vs Limited
- Frequency
- Risk Rating
- Final Determination of System Status

- **Low Risk** means that the system is well-managed, effective, and efficient; processes produce consistent positive results; cost, schedule, performance or other contractual requirements are not in danger of being compromised, and there are adequate internal controls in place and no known significant deficiencies.
- **Moderate Risk** means that, although the contractor's property management system is in an approved status, new or changing conditions pose a degree of uncertainty or potential threat to future performance.
- **High risk** means that the contractor's system has significant deficiencies as determined by the Contracting Officer. High Risk also means that the contractor has undocumented, inconsistent or chaotic contractor processes and practices; findings of fraud, waste and abuse; safety or national security concerns; or cost, schedule or performance issues.

- The DCMA Administrative Contracting Officer or Divisional Administrative Contracting Officer will determine the significance of any deficiencies identified and ultimately make the determination on the status of the contractor's PMS.

Possible Status:

- **Approved:** No findings during the Property Management System Analysis (PMSA).
- **Approved with Non-Significant deficiencies:** Deficiencies that do not materially affect the ability of DoD officials to rely upon information produced by the system.
- **Disapproved:** Deficiencies that materially affect the ability of DoD officials to rely upon information produced by the system.

Property Management Systems found to be non-compliant will require a Corrective Action Plan (CAP) and a re-analysis will be performed.

- Random Statistical Sampling
- Observation and Judgmental Sampling
- Federal Acquisition Regulation (FAR) Clause 52.245-1
- Double Sampling Plan (90% confidence level, 97% for sensitive property)
- Special Contract Requirements
- Questionnaire for Limited PMSA

- DCMA tests 22 elements of property control that include the 10 outcomes identified at FAR 52.245-1(f)(1)(i through x), their sub-processes, and other FAR 52.245-1 requirements:

Written procedures	Reports
Contractor self-assessment	Relief of stewardship
Acquisition	Utilization
Receiving	Declaration of excess
Discrepancies incident to shipment	Consumption
Identification	Movement
Records	Storage
Receipt and issue system	Storage – commingling
Physical inventory	Maintenance
Subcontractor awards and flowdown	Disposal
Subcontractor reviews	Closeout

Adequacy of Written Procedures

- *FAR 52.245-1 (b) (1) The Contractor shall have a system of internal controls to manage (control, use, preserve, protect, repair and maintain) Government property in its possession]... [During the period of performance, the Contractor shall disclose any significant changes to its property management system to the Property Administrator prior to implementation of the changes.*
- *FAR 52.245-1 (f) (1) Contractor Plans and Systems: Contractors shall establish and implement property management plans, systems, and procedures at the contract, program, site or entity level to enable the following outcomes:...[boxed text in the remainder of the document contain FAR clause quotes of the 10 outcomes i-x.]*

- *FAR 52.245-1(b) (4) The Contractor shall establish and maintain procedures necessary to assess its property management system effectiveness and shall perform periodic internal reviews, surveillances, self-assessments, or audits. Significant findings or results of such reviews and audits pertaining to Government property shall be made available to the Property Administrator.*

- *FAR 52.245-1(f) (1) (i) Acquisition of Property. The Contractor shall document that all property was acquired consistent with its engineering, production planning, and property control operations.*

- *FAR 52.245-1(f) (1) (ii) Receipt of Government Property: The Contractor shall receive Government property (document the receipt), record the information necessary to meet the record requirements of paragraph (f) (1) (iii) (A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification),...*
- *FAR 52.245-1(f) (1) (ii) Receipt of Government Property: The Contractor shall ...manage any discrepancies incident to shipment.*

- *FAR 52.245-1(f)(1) (ii) Receipt of Government Property: The Contractor shall receive Government property (document the receipt), record the information necessary to meet the record requirements of paragraph (f)(1)(iii)(A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any discrepancies incident to shipment.*

- FAR 52.245-1(f) (1) (iii) *Records of Government property. The Contractor shall create and maintain records of all Government property accountable to the contract, including Government-furnished and Contractor-acquired property.*

- *FAR 52.245-1(f) (1) (iii) (B) Use of a Receipt and Issue System for Government Material. When approved by the Property Administrator, the Contractor may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.*

Audit Process - Physical Inventory

- *FAR 52.245-1(f) (1) (iv) The Contractor shall periodically perform, record, and disclose physical inventory results. A final physical inventory shall be performed upon contract completion or termination. The Property Administrator may waive this final inventory requirement, depending on the circumstances (e.g., overall reliability of the Contractor's system or the property is to be transferred to a follow-on contract).*

Audit Process - Subcontractor Control

- *FAR 52.245-1(f) (1) (v) (A) The Contractor shall award subcontracts that clearly identify items to be provided and the extent of any restrictions or limitations on their use. The Contractor shall ensure appropriate flow down of contract terms and conditions (e.g., extent of liability for loss of Government property).*
- *FAR 52.245-1(f) (1) (v) (B) The Contractor shall assure its subcontracts are properly administered and reviews are periodically performed to determine the adequacy of the subcontractor's property management system.*

- *FAR 52.245-1(f)(1)(vi) The Contractor shall have a process to create and provide reports of discrepancies, loss of Government property, physical inventory results, audits and self-assessments, corrective actions, and other property related reports as directed by the Contracting Officer.*
- **Includes use of GFP Module / IUID Registry / CAV**

- *FAR 52.245-1(f)(1)(vii)(B) Unless otherwise directed by the Property Administrator, the Contractor shall investigate and report to the Government all incidents of property loss as soon as the facts become know.*

- FAR 52.245-1(f) (1) (viii) (A) *The Contractor shall **utilize**,...Government Property only as authorized under this contract.*
- FAR 52.245-1(f) (1) (viii) (A) *The Contractor shall...**consume**,...Government Property only as authorized under this contract.*
- FAR 52.245-1(f) (1) (viii) (A) *The Contractor shall...**move**,...Government Property only as authorized under this contract.*
- FAR 52.245-1(f) (1) (viii) (A) *The Contractor shall... **store**,...Government Property only as authorized under this contract.*
- FAR 52.245-1(f) (1) (viii) (A) *The Contractor shall promptly **disclose** and report Government property in its possession that is **excess** to contract performance.*
- FAR 52.245-1(f) (1) (viii) (B) *Unless otherwise authorized in this contract or by the Property Administrator the Contractor shall **not commingle Government material** with material not owned by the Government.*

- FAR 52.245-1(f) (1) (ix) *The Contractor shall properly maintain Government property. The Contractor's maintenance program shall enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Contractor shall disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.*

- FAR 52.245-1(f)(1)(x) *The Contractor shall promptly perform and report to the Property Administrator contract property closeout, to include reporting, investigating and securing closure of all loss of Government property cases; physically inventorying all property upon termination or completion of this contract; and disposing of items at the time they are determined to be excess to contractual needs.*

- FAR 52.245-1(f)(1)(x) *The Contractor shall promptly perform and report to the Property Administrator contract property closeout, to include reporting, investigating and securing closure of all loss of Government property cases; physically inventorying all property upon termination or completion of this contract; and disposing of items at the time they are determined to be excess to contractual needs.*
- Disposal is also covered in FAR 52.245-1, paragraphs (j) and (k)

A new PIEE application to consolidate all GFP capabilities into a single tool

- **Phase 1 - GFP Attachment**
 - Launched **2 April 2018**
 - Provides authorization for contractor to have custody of Government Property
 - Replaces functionality formerly performed in the Toolbox and IUID Registry
 - Provides workflow for initiator, reviewer, approver
 - Automatically uploads to EDA
- **Phase 2 - GFP Property Transfer**
 - Launched **16 July 2018**
 - Shipments and Receipts (formerly performed in iRAPT); transfers between contracts
 - Reuses data in the Module to prepopulate transactions reducing data entry burden and increasing data accuracy
 - Compares shipment or receipt to GFP Attachment and alerts discrepancies
 - Reports real time GFP position
- **Phase 3 - Plant clearance and property loss**
 - **Summer 2019**
 - Currently performed in DCMA eTools
- **Phase 4 - Update items while in contractor custody**
 - No scheduled implementation date
 - Currently performed in CAV, IUID Registry
- **Phase 5 - Integration**
 - No scheduled implementation date
 - Automated data sharing with APSRs and DLA

Questions

