

October 12, 2004

SUBJ: Control of Government Furnished Property in the Custody of FAA William J. Hughes Technical Center Contractors

1. **PURPOSE.** This order establishes procedures and guidelines for the review, accountability, financial accounting, disposition, and contractor's use of Government Furnished Property (GFP) provided by the Federal Aviation Administration (FAA) or acquired by the contractor under performance of a FAA William J. Hughes Technical Center (Technical Center) executed contract. It also includes procedures controlling the Technical Center GFP provided by the FAA to contractors whose contracts are executed by the Washington procurement office.
2. **DISTRBUTION.** This order is distributed to Technical Center Staffs, Divisions, Straightlined Organizations, and Tenants and is available in electronic format on the Center Library web site: <http://actlibrary.tc.faa.gov>.
3. **CANCELLATION.** Order CT 4650.1C dated July 25, 1997, is cancelled.
4. **SCOPE.**
 - a. This order applies to and governs all Technical Center personnel involved in providing, managing, and accounting for GFP furnished to contractors for use in the performance of contracts administered by the Technical Center and Washington procurement offices.
 - b. The use of GFP by contractors can only be authorized by the appropriate provision contained in an executed contract. The contracting officer is the only official who can authorize the contractor to use GFP. Changes in the need for GFP during the term of a contract must be approved by the contracting officer. He/she is responsible for incorporating these changes into the contract.
5. **DEFINITIONS.**
 - a. Government Furnished Property is personal property in the possession of or acquired directly by the Government and subsequently delivered to or otherwise made available to the contractor. This term includes equipment, supplies, or materials furnished to a contractor for incorporation into or attached to an end product. It also includes equipment items used by the contractor to be returned to the Government upon completion of the contract.
 - b. Contractor Acquired Property (CAP) is personal property procured or otherwise provided by the contractor for the performance of the contract, pursuant to the terms of which title is vested in the Government.
6. **RESPONSIBILITIES.**
 - a. The Acquisition, Materiel, and Grants Division Manager shall be responsible for overall program direction.

b. Contracting officers are delegated authority to execute Technical Center contracts, some of which involve GFP required during the performance of the contract. Their authority includes execution of contract changes and modifications as required. They are responsible for the administration of contracts to ensure that contractors comply with provisions contained therein.

c. The COTR is delegated as the representative of the contracting officer. He/she insures that the contractor complies with the provisions of the contract that concern GFP. He/she is responsible for the proper disposition of GFP when the contract is terminated or completed, insuring that the associated accountability and financial documentation is accomplished, and a final report filed with the contracting officer.

7. **PROPERTY CONTROL SYSTEMS.** By terms of the contract, the contractor will maintain property control records for all GFP. The type and extent of the record system required depends on the scope of the contract.

8. **CRITERIA FOR PROVIDING GFP.**

a. GFP may be furnished for use by a contractor under any one or more of the following criteria:

- (1) property requested is excess to FAA program requirements;
- (2) economic benefits will accrue to the FAA which must be evidenced by comparative documentation and made a part of the file;
- (3) timely contractor performance requires GFP to assure meeting FAA program requirements or project schedules.

b. Washington or other FAA office contracts. All requests for GFP located at the Technical Center for use by contractors under a contract executed and administered by Washington or other FAA offices will be made on FAA Form 4650-12 (Appendix 1), Materiel Requisition/Issue/Receipt, signed by the contracting officer. These forms shall be sent to the Technical Center COTR who will:

(1) Forward the request to the property custodian to obtain release approval and to ascertain if the property should be returned to the custodian upon completion of the contract.

(2) After receipt of release of property, prepare shipping instructions and documentation.

(3) Transfer accountability for GFP to the appropriate custodian when Washington or other FAA office contracts are affected. Transfer of financial accountability between agency elements served by different accounting offices will be accomplished in accordance with Order 2700.32. Appropriate documentation will be furnished to the Accounting Services Group for transfer of such accountability.

c. Technical Center Contracts. All requests to have GFP turned over to contractors under Technical Center executed and administered contracts must be submitted on Form CT 4770-7 (Appendix 2), Request for Shipment (see Order CT 4770.3E) signed by the custodian.

(1) FAA Form 4650-12, Materiel Requisition/Issue/Receipt, will be prepared by the Asset Management Group, from the information on the Request for Shipment. The FAA Form 4650-12 must be signed by the contracting officer, in the Tenant and Special Projects Acquisition Group, prior to shipping any materiel to the contractor. In the event that the property has not been recorded in the Asset Supply Chain Management System, and Accounting System, the source from which the materiel or property was obtained must be included on the FAA Form 4650-12.

(2) Under no circumstances will materiel be shipped or handed to the contractor without the proper paperwork being signed by the contracting officer and processed through the Asset Management Group.

(3) Return of GFP from a contractor will be accomplished on an FAA Form 4650-12, signed by the contracting officer. The Asset Management Group will be the consignee and the Form 4650-12 will be annotated "Mark for Return of GFP" including the contract number indicated on the form.

(4) The contracting officer will advise the Asset Management Group, and the Accounting Services Group, by memorandum when a contract is completed.

9. ACCOUNTABILITY.

a. The Technical Center Custodian retains accountability for all GFP used or generated by the Technical Center on executed and administered contracts regardless of the locations of the performance of the contracts. However, at remote locations where accountability and control is difficult to maintain, the accountability for GFP may be reassigned to another custodian, by special agreement with the receiving custodian. When necessary, this action shall be coordinated with the contracting officer by the COTR.

b. Contractor Acquired Property applicable to a Technical Center contract becomes accountable by the Technical Center when vouchers have been received and paid by the Accounting Branch are forwarded to the COTR. The COTR records the vouchers in the GFP file by dollar value only. At the conclusion or termination of the contract, the dollar value balance of CAP, as recorded in the GFP file, will be reconciled with the dollar value balance in the Accounting Branch's general ledger. Residual CAP, retained by the Government, is picked up on the property records by the custodian for use or disposal as necessary.

10. ADMINISTRATIVE DOCUMENTATION.

a. General. The contract is the basic document which defines the type and quantity of GFP to be placed in custody of the contractor. It also prescribes conditions for use and disposal. A copy of the contract furnished by the contracting officer is used by the COTR or his/her representative to establish the GFP file.

b. Assurance of Proper Utilization. When GFP is contemplated, provisions will be incorporated in the Screening Information Request (SIR) requiring that the low bidder or offeror be required to submit, prior to award, either the written assurance of proper use of GFP or the formalized control process referred to in paragraph 8 or evidence of another federal agency approved system.

c. The Government Furnished Property File. The GFP file is under the control of the COTR or his representative. A separate file shall be established for each contract. The file shall contain a copy of the basic contract, copies of the contractor's receipts for GFP, copy of approved contractor property control system, current status information, and all other documents pertinent to the GFP.

11. IDENTIFICATION. The COTR shall assure that all GFP shipped to or issued for use by contractors is properly identified as U. S. Government Property in accordance with existing Technical Center procedures. Materials will only be identified by the quantities and items listed on the contractor's receipt

12. INVENTORY.

a. At Start of Contract. The COTR will establish the beginning inventory record of GFP at the start of a contract by accumulation of all contractor receipt documents indicating his/her receipt of GFP. As additional items are furnished, the record is updated. A copy of each receipt with the cost of each item is furnished to the Asset Management Group. The contractor establishes his/her GFP inventory in accordance with the approved property control system. All source documents shall contain quantity, unit price, and contract number.

b. During Term of Contract. When the value of GFP is over \$50,000, the COTR must assure that a physical inventory is made at least once each year during the term of the contract. When the value of the GFP is less than \$50,000, an inventory certified by the contractor will suffice. The physical inventory or contractor certified list must be reconciled with the COTR's inventory record and all variances reported to the contracting officer for correction. When a contract is to be terminated within 60 days subsequent to the due date of the first annual inventory, the annual inventory will be postponed until the termination inventory date.

c. Upon Contract Termination or Completion. The COTR will ensure that the contractor makes a positive physical inventory, at the termination or completion of each contract, of all GFP applicable to the contract and in the custody, control, or possession of the contractor or his subcontractor.

13. RELIEF OF CONTRACTOR RESPONSIBILITY. Subject to specific contract provisions, the contracting officer may relieve the contractor of responsibility for GFP when any one of the following conditions exist:

a. The COTR finds and reports that materials have been consumed or expended for proper purposes and in reasonable amounts in the performance of the contract.

b. Agreement has been reached between the contracting officer and contractor for retention of GFP by contractor for use on another FAA contract, in which case the contracting officer will notify the accountable officer to transfer accountability to the other contract.

c. The GFP has been sold under the terms of the contract to the contractor and proceeds have been received by FAA.

d. The GFP is no longer needed by the contractor under the contract and the COTR has removed the GFP for disposal at the request of the contracting officer.

e. GFP has been lost, damaged, destroyed, or consumed in excess of anticipation and the accountable officer has made a written recommendation, approved by the contracting officer, to relieve the contractor of responsibility.

f. All relief of contractor responsibility is supported by documentation to provide adjustment to the accountable records in the accountable officer's GFP file and financial control records in the Accounting Branch.

14. DISPOSITION PROCEDURES.

a. Contracting Officer. At any time during the term of the contract or at completion of a contract and when GFP becomes excess to the performance of the contract, the contracting officer shall call for an inventory of excess property from the contractor. The contracting officer will:

(1) Negotiate with the contractor to either return the GFP to the supplier or buy back in accordance with the contract provisions and indicate the actions on the inventory;

(2) Earmark on the inventory any GFP which the contractor will retain for another contract indicating the contract number and/or project number;

(3) Forward the inventory to the COTR with any other disposal recommendations;

(4) Reconcile with the contractor any inventory variance reported by the COTR.

b. Accountable Officer. The COTR will, upon receipt of the contractor's inventory, take action to relieve the contractor of accountability and dispose of the excess in accordance with established procedures. Copies of documents relieving the contractor of accountability will be furnished the Accounting Group.

c. Project or Program Manager. The Technical Center project or program manager will be afforded the opportunity by the accountable officer to screen the inventory listing and make any recommendation for disposal, such as:

- (1) Return of GFP for internal use, if this were a condition of original use by the contractor;
- (2) Use of property under another active project, indicating name and number; or
- (3) Return materiel to storage for future use. In such cases, the proposed project name and/or number must be included.

d. Disposal Officer. Upon receipt of the net inventory listing from the accountable officer, the Technical Center disposal officer assumes custody of the property. He/she will dispose of the property in accordance with Handbook, Utilization and Disposal of Excess and Surplus Personal Property 4800.2C and Federal Property Management Regulations.

e. Accounting Officer. Reconciliation between records will be accomplished by the COTR as prescribed in FAA Order 2700.32, Accounting Procedures, Personal Property In-Use Management System.

15. GFP IDENTIFICATION. The inclusion of GFP in a contract will be indicated on the face page of Form SF-33, Solicitation, Offer and Award, for all Technical Center contracts. This notation will also identify the clause in the schedule, which describes the property.

/s/

Anne Harlan
Director, William J. Hughes Technical Center

[Sample Materiel Requisition/Issue/Receipt Form]

MATERIEL REQUISITION/ISSUE/RECEIPT													
Type of Transaction (*X* one)		☐ Project Materiel		☒ Other (specify) In Use G.F.P. to D.I.		Contract# DTFA03-96-C-00009							
		☐ Operating Materiel											
		☐ In Use Personal Property											
PART A — REQUISITION TRANSFER													
Trans		Voucher Number				Supply Support Code				Cost Center			
Requisition Number		Job Order Number		Date Required		PRI		Facility Type					
Approved by/Title Mario Maccarone Contracting Officer						Outgoing No. To be filled out by ACX-53		Incoming No.		Date To be filled out by ACX-53			
Leroy Walker C.O.T.R.						Method of Shipment (Include final carrier, if known) Prepaid — previously shipped		Batch No.					
Mark For Dave Lakins		Date Prepared 10/18/2001		GBL Number N/A				No. Of Packages 1					
SHIP TO (Consignee) Dimensions International DTFA03-96-C-00009 FAA WJ Hughes Technical Center Atlantic City Int'l. Airport, NJ 08405						FROM (Consignor) William R. Smith (TE66), AOS-320 (Custodian Name, # & Org.) FAA WJH Technical Center Atlantic City Int'l. Airport, NJ 08405							
PART B — PROJECT MATERIEL KEY PUNCH SOURCE DATA													
RG	AR	Cost Center	MC	Cost Code	Job Order	GSA Address	WH	FS	Trans	TR	Contract/Document No.	PC	
PART C — UNIT IDENTIFICATION													
Item No.	National Stock No.	Equipment Type	Item Description				Asset	Quantity	UI	Unit Price	Total Cost		
1.	7025-00-NA3-0650	Touch Screen Monitor	BSI Mdl. KIOSK: B/C C25636, S/N KAN4B9L014				17	1	Ea	\$ 2,450.00	\$ 2,450.00		
SAMPLE FAA FORM 4650-12 (7/87) Word 6/95													
PART D — IN USE PERSONAL PROPERTY KEY PUNCH SOURCE DATA													
ATS Loc		Std. Fac. Ident.		OW	R	A	Cost Center	Acq'n. Date		Document No.		Trans.	
Accounting Classification							Reimbursement Required ☐ Yes ☐ No			Total \$ 2,450.00			
All Items Received, Except As Noted (Signature) Dave Lakins							Title Program Manager			Date			

Appendix 2

[Sample Request for Shipment Form]

REQUEST FOR SHIPMENT						
From:			Section		Date Prepared	
To: Transportation and Mail Services Group						
Item No.	Qty	U / I	Description	National Stock Number	Serial Number	FAA T.C. ID #
CT FORM 4770-7 (11-03)						

FUND CERTIFIER'S APPROVAL: _____

Contact At Pick-up Point (Name)	Ext. No.	Materiel Location		No. of Pcs.	Est. Weight
		Bldg. No.	Col. No.		
Delphi Code					Project No.
Ship To: Consignee					
Street Address					
City or Town					
State/Country					Zip Code
Mark For:		Phone:		Ship Via	
				Req. Delivery Date:	
Shipment Requested By:		Routing Symbol		Ext.	
				Estimated \$ Value	
Property Custodian's Approval (If Required) Date:				Property Management's Approval (If Required) Date:	