

Property Management Instructions

These instructions describe the requirements Suppliers must meet in establishing and maintaining control over GDATP, GDATP Customer supplied, or government property. They apply to all GDATP, GDATP Customer supplied, or government property provided in connection with a subcontract or purchase order from the time that a Supplier receives that property until GDATP, in writing, releases the Supplier from accountability for the property and will survive the termination of the purchase contract in which these terms have been incorporated. Additionally, Suppliers must comply with the requirements of FAR Clause 52.245-1 Government Property and 52.245-9 Use and Charges.

1. DEFINITIONS

- A. *Material* means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling, and special test equipment.
- B. Special tooling means jigs, dies, fixtures, molds, patterns, taps, gauges, and all components of these items including foundations and similar improvements necessary for installing special test equipment, and which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. Special tooling does not include material, special test equipment, real property, equipment, machine tools, or similar capital items.
- C. Special test equipment means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including foundations and similar improvements necessary for installing special test equipment, and standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. Special test equipment does not include material, special tooling, real property, and equipment items used for general purposes or property that with relatively minor expense can be made suitable for general purpose use.
- D. Equipment means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.
- E. Plant equipment, as used in this part, means personal property of a capital nature (including equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items) for use in manufacturing supplies, in performing services, or for any administrative or general plant purpose. It does not include special tooling or special test equipment.

2. FURNISHED PROPERTY

- A. GDATP may furnish a Supplier property owned by GDATP, the government or a GDATP customer for the performance of a subcontract. This may include, without limitations, tools, equipment or material of every description, any replacement thereof, and/or any material affixed or attached thereto.

3. TITLE

- A. Title to Furnished Property shall not vest in the Supplier. Title thereto shall not be altered by the incorporation or attachment thereto of any property owned by a party other than the owner of such Furnished Property, nor shall any Furnished Property or any part thereof, be or become a fixture or lose its identify because it is affixed to any realty. Title to all materials, facilities, special test equipment and special tooling acquired by the Supplier on behalf of GDATP or the government not vesting in GDATP or the government upon Supplier's receipt of the property will pass to and vest in GDATP or the government when Supplier first uses the property in performing a subcontract or when GDATP or the government has paid for the property, whichever is earlier.

4. NOTICE OF INTENT TO ACQUIRE SPECIAL TOOLING (ST) OR SPECIAL TEST EQUIPMENT (STE)

- A. If the Supplier intends to acquire or fabricate ST or STE, the Supplier must notify GDATP Purchasing in writing of their intent to acquire as least 60 days in advance of the acquisition or fabrication. The Supplier is not to proceed with any acquisition of fabrication until GDATP approves the acquisition or fabrication in writing.
- B. If an engineering change requires modification to existing tooling, the Supplier must comply with 4.A. above and refer to the engineering change required.

5. SUPPLIER PROPERTY CONTROL SYSTEM APPROVAL

- A. If the Supplier does not have a "Government Approved" Property Control System, the Supplier must establish written procedures and implement a property control system that is fully compliant. The property control system must include the development of property records and retention of those records for as long as required by the contract. The Supplier must obtain GDATP's approval of its property control system. GDATP will evaluate the proposed property control system, identify any necessary changes, and once accepted, approve the Supplier's procedures and the implementation of the system. The Supplier must maintain its approved property control system in strict accordance with the procedures approved by GDATP. GDATP reserves the right to review the Supplier's approved property control system on a regular basis to assure compliance.
- B. GDATP will accept a "Government Approved" Property Control System. The Supplier must supply a copy of the approval letter signed by the government.
- C. GDATP's approval of or acceptance of the Government's approval of the Supplier's property control system applies only to the specific Supplier name and address identified in GDATP's written approval acceptance notification to the Supplier.

6. PROPERTY CONTROL SYSEM DISAPPROVAL AND REINSTATEMENT (GDATP and GOVERNMENT)

- A. GDATP reserves the right to withdraw approval of a Supplier's property control system at any time. GDATP will notify the Supplier in writing of a proposed withdrawal, reasons for the withdrawal and corrective action required. The Supplier must promptly address problems identified and report resolution to GDATP in writing within thirty (30) days. Failure to resolve problems may result in withdrawal of approval of the Supplier's Property Control System and may require immediate return of GDATP, Customer supplied, or government furnished property. As required, GDATP may permit utilization of property for completion of work in process pending resolution of problem areas.
- B. The Supplier must notify GDATP in writing of any unsatisfactory rating or disapproval of the Supplier's government approved property control system. The Supplier must also provide GDATP Purchasing a copy of any corrective action plan submitted to the government, including a schedule of completion. If the property control system is subsequently re-evaluated and rated satisfactory or approved, a copy of that rating or approval must be provided to GDATP.
- C. The Supplier must notify GDATP in writing of the Supplier's relocation, name change or discontinuance of business as soon as such conditions are known. If the Supplier intends to relocate, no GDATP, Customer supplied, or government furnished property may be moved to the new location without GDATP's prior written consent.
- D. If the Supplier sends GDATP, Customer supplied, or government furnished property to one of their subcontractors, the purchase order must clearly identify the assets to be provided and shall ensure appropriate flow down of contract terms and conditions (*e.g.*, extent of liability for loss, damage, destruction or theft of Government property). The Supplier shall assure its subcontractors are properly administered and reviews are periodically performed to determine the adequacy of their subcontractor's property management system.

7. USAGE LIMITATION

- A. Except as may be authorized by GDATP in writing, GDATP, Customer supplied, or government property may be used only for its intended purpose. The Supplier must immediately notify GDATP in writing if any additional property is required or if any property (excess, obsolete, etc...) is no longer required.

8. IDENTIFICATION

- A. Supplier will mark (with a tag, label, direct mark...) ST/STE in a manner that identifies the tool number that has been assigned per the GDATP purchase order sent to the Supplier.
- B. All identifying markings are subject to examination, as GDATP deems necessary.

- C. GDATP tool number identification and part numbers will be shown on all inventories, shipping documents, receiving reports, and other records relating to the tool.
- D. If the Supplier has an established system for tool identification, they may use that system in addition to the GDATP System. Supplier markings must be identified as such. If the Supplier uses its own system in addition to the GDATP system, the Supplier must cross reference each item of special tooling with the Supplier's and GDATP's tool identification numbers.

9. TOOL COMPLETION FORM

- A. The Supplier shall identify all tooling produced, procured or reworked with a picture of the tool. The Supplier must submit this form to GDATP Asset Management Organization.
- B. GDATP will pay for tooling only after receiving and accepting the Special Tooling Form from the Supplier

10. SUPPLIER'S LIABILITY

- A. The Supplier is liable for all loss, damage, destruction, and theft of GDATP, Customer supplied, or government property except for reasonable wear and tear resulting from performance of purchase orders provided by GDATP.
- B. The Supplier's liability will survive until GDATP, in writing, releases the Supplier from such liability without regard to the termination or expiration of the purchase contract.
- C. The Supplier shall promptly investigate all cases of loss, damage, destruction or theft of GDATP, Customer supplied, or government property in their possession, control or in their subcontractor's control and submit a written report to GDATP within 15 working days after the incident becomes known. Report of any incident must include the following information :
 - i. Production purchase contract number under which the item was last used;
 - ii. Description and item identification number;
 - iii. Estimated replacement or repair cost;
 - iv. Date and time of the loss, damage, destruction or theft;
 - v. Actions taken to prevent further loss, damage, destruction or theft;
 - vi. Statement that no insurance costs or other means of the subcontract covering loss, damage, destruction or theft of property were charged to the subcontract, if applicable;
 - vii. Security classification of the item, if any; and
 - viii. All know facts or circumstances that led to the loss, damage, destruction or theft and a certification that the item was being used for its intended purpose.
- D. GDATP will investigate the reported claim and will indicate if the Supplier will be required to pay first cost of the tool or a negotiated cost.
 - i. If it is deemed that the Supplier must pay for the loss, damage, destruction or theft item, GDATP will deduct the value from the Supplier's latest invoice.

11. MAINTENANCE

- A. The Supplier shall, in accordance with good business practice and without additional charge to GDATP, maintain in operating condition, calibrate, repair, protect and preserve GDATP, Customer supplied, or government property until disposed of by the Supplier at GDATP, Customer, or government written direction.

12. INVENTORY REQUIREMENTS

- A. Physical inventories of GDATP, Customer supplied, or government property in the possession of a Supplier or for which the Supplier has responsibility for at their subcontractors, shall be performed by the Supplier annually.
- B. Request for physical inventory will be requested by the GDATP Asset Management Organization.
- C. The Supplier will submit the results of the physical inventory and survey questionnaire to the GDATP Asset Management Organization.
- D. Physical inventories are also required upon termination or completion of a purchase order and must be submitted to GDATP in a format acceptable to GDATP as directed by GDATP Purchasing.
- E. The Supplier shall hold the same at no charge for up to sixty (60) days. At GDATP’s direction, the Supplier shall dismantle, prepare for shipment and deliver said property (at GDATP’s expense), or store said property (at GDATP’s expense, provided expenses are reasonable and verifiable), or make such other disposal of Furnished Property as directed by GDATP. The net proceeds of disposal shall be credited to the price of the purchase order or shall be paid over as GDATP may direct.

13. ACCESS

- A. The Supplier will permit GDATP, the government and their designees reasonable access to any GDATP, Customer supplied, or government property located on the Suppliers’ premises. The Supplier will also require that its subcontractors permit such access.

14. SHIPPING OR TRANSFERRING PROPERTY

- A. If the Supplier ships or transfers GDATP, Customer supplied, or government property to its subcontractor or agent, the Supplier shall maintain files sufficiency documented to reflect the Supplier’s review and approval of the subcontractor’s or agent’s property control system. GDATP, Customer supplied, or government property to be shipped to GDATP must be identified on the Supplier’s shipping documents and on GDATP Shipping instructions. Shipment must be authorized by GDATP.

15. Supplier Property Control Checklist

- A. The following checklist should be used by suppliers anticipating the utilization of GDATP, Customer supplied, or government property to ensure they can maintain the required control over the property.

1. Management

	Yes	No	N/A
1. Do you have a formal Property Control System? (Provide backup documents (e.g. copy of forms, printout, reports...) for 5 random tools)			

Comments:			
2. Is your Property Control System approved/audited by the government? (Provide a copy of the latest approval letter or audit results)			
Comments:			
3. Do you have written policies and procedures for controlling property? (Provide a copy of one procedure or Table of Contents)			
Comments:			
4. Do you have a dedicated Property Specialist? (Indicate which organization they report to, e.g. Finance-Operations-Materials...)			
Comments:			
5. Is the Specialist certified or credentialed? (Though National Property Management Association (NPMA) or other. Indicate which organization)			
Comments:			
6. Has your Property Specialist had training with and access to FAR Parts 45 & 52.245?			
Comments:			
7. Has your Property Specialist had training with and access to FAR 52.245?			
Comments:			

2. Receiving and Shipping

	Yes	No	N/A
1. Do you maintain records of receipt, manufacture, storage, and shipping of property? (Provide a sample record)			
Comments:			
2. Does your Property Specialist participate in -- or receive communications regarding these events?			
Comments:			
3. Do you have processes for communicating these events to your customer?			
Comments:			
4. Is property marked in accordance with customer directives upon receipt?			

Comments:			
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3. Records

	Yes	No	N/A
1. Are property records maintained in a formal system in accordance with customer and FAR requirements? (Describe method used; property software, Excel, Access, paper, etc...)			
Comments:			
2. Are records complete and accurate from acquisition to disposition?			
Comments:			
3. Are records current? (e.g. location, status, accountable contract or P.O., ownership...)			
Comments:			
4. Is the system capable of producing a property list sorted by ownership, accountable contract or P.O.?			
Comments:			

4. Storage, Movement, and Identification

	Yes	No	N/A
1. Is property physically segregated by ownership? (customer and Government from other property)			
Comments:			
2. Is property stored in a clean, safe, and secure area in accordance with FAR 52.245-1 b (1)?			
Comments:			
3. Does physical marking of property comply with contractual and FAR requirements?			
Comments:			
4. Is property marked in a timely manner at acquisition or receiving?			
Comments:			
5. Do you entrust customer furnished property to any of your suppliers?			

Comments:			
6. If yes to 5, do you obtain the customer's written authorization prior to doing so – and do you flow down the appropriate property requirements to your suppliers?			
Comments:			
7. Are stored items clean and maintained in a manner to prevent deterioration and corrosion?			
Comments:			

5. Maintenance and Calibration

	Yes	No	N/A
1. Do you have formal maintenance and calibration processes?			
Comments:			
2. Are records complete and accurate to provide a running history of the property? (Provide copy of record for one tool)			
Comments:			
3. Is property maintained according with 52.245-1 b (1)?			
Comments:			

6. Utilization and Disposition

	Yes	No	N/A
1. Is property used only for the performance of the work on the contract or P.O. to which it is accountable?			
Comments:			
2. How do you obtain written authorization to use customer or Government property on another contract or P.O. that differs from the one the property is accountable to?			
Comments:			
3. Do you identify and disposition property no longer needed? (Describe your process)			

Comments:			
4. How do you ensure property is transferred/dispositioned at contract or P.O. close-out?			
Comments:			

7. Physical Inventories

	Yes	No	N/A
1. Are periodic (at least annually) physical inventories conducted and recorded? (Provide the date (MM/DD/YY))			
Comments:			
2. What was the date of the last full (100%) inventory of customer furnished property?			
Comments:			
3. Are inventory results communicated to customers? (If yes, provide sample report of GDATP results)			
Comments:			
4. Do you have a process for resolving conflicts and discrepancies?			
Comments:			
5. Is customer notified in a timely manner of all Lost, Damaged, Destruction, or Theft (LDDT)?			
Comments:			