

APTAC Body of Knowledge Competency Guide

C. Basics of Contracting with Government Entities

C.15 Property Management

Description

Part A: Background and Definitions

In general, contractors are required to furnish all equipment and property necessary for the performance of the contract. However, there are times when the government—local, state or federal will supply equipment or property under a government contract. A contractor should always refer to the contract document to fully understand the obligations for the proper use, storage/inventory, record keeping, maintenance, disposal and disposition of all government furnished property.

FAR part 45 specifically deals with federal supplied property in contracting. The principal FAR clauses inserted in solicitations for federal government property are 52.245-1 and 52.245-2 and sometimes 52.245-9. A few definitions with regard to property are:

Government property means all property owned or leased by the Government. Government property includes both Government-furnished property and contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. *Government property does not include intellectual property and software.*
Government-furnished property means property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract.
Contractor-acquired property means property acquired, fabricated, or otherwise provided by the contractor for performing a contract and to which the Government has title.

Large federal government contractors often use government furnished property and have departments and systems in place for government property management. Small businesses on the other hand may not have a system in place and if the contract involves government furnished property, they will have to establish a written property control plan as well as processes and procedures for property management. Elements of this plan should address:

- Acquisition of Property (documentation of intake)
- Receipt of Government Property (identification and tagging procedures)
- Records of Government Property (including equipment name, manufacturer, model and serial number, National Stock Number, quantity, cost, date of receipt)
- Physical Inventories
- Sub-contractor control (flow down of contract terms)
- Reports (regarding theft, loss, damage)
- Utilization of Government Property (consumption, movement and storage aspects)
- Maintenance (routine schedule)
- Property Closeout and disposition

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Part B: References

FAR Part 45 “Government Property”

<https://www.acquisition.gov/Comp/Far/05-50-3/html/FARTOCP45.html>

References in support of property policies

http://www.acq.osd.mil/pepolicy/general/reference_library.html

DOD Guidebook on Property

www.acq.osd.mil/.../DFARS%20252_211_7007_Guide_ver2b.doc

DAU Courses:

IND 100 or 105 “Contract Property Administration and Disposition Fundamentals”

IND 200 “Intermediate Contract Property Administration and Disposition”