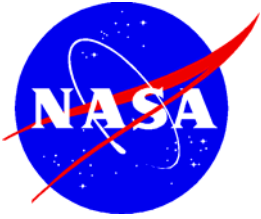


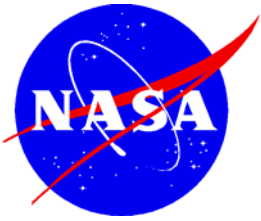
It Takes a Team to Manage Contracts

The Importance of Property
Managers on the Contracting Team



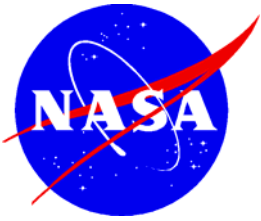
What's significant?

- Significant changes to
 - Federal Acquisition Regulation (FAR) in June 2007
 - NASA FAR Supplement in September 2007
 - Proposal evaluation
 - Information from Offerors
 - Property Administration Performance



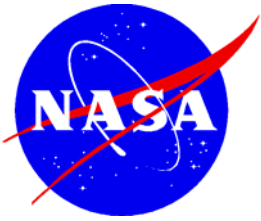
Changes to FAR

- Combines the requirements of FAR Sub part 45.5 and the clauses at: 52.245-2 & 52.245-5 into a single clause
- FAR Sub part 45
- 19 property clauses replaced with 3 clauses
 - 52.245-1 Government Property
 - 52.245-2 Government Property Installation Operation Services
 - 52.245-9 Use and Charges



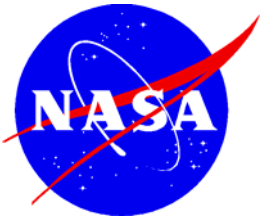
Goals of FAR and NFAR Changes

- Best value for the Government
- Shift the management of Government Property (GP) from a prescriptive, regulation based system to process oriented using sound business judgment
- Update and clarify terminology
- **Limit the amount of GP furnished to contractors**
- Create a modern performance based policy
- Maximize continuous improvement



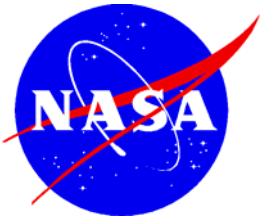
Part 45: Government Property

- 45.102-Policy:
 - (a) Contractors are ordinarily required to furnish all property necessary to perform Government contracts
 - (b) COs shall provide property to contractors only when it is **clearly demonstrated** -
 - (1) to be in the Government's best interest...
 - (2) overall benefit significantly outweighs administration, including ultimate property disposal
 - (3) that providing the property does not substantially increase the Government's assumption of risk
 - (4) when Government requirements cannot otherwise be met



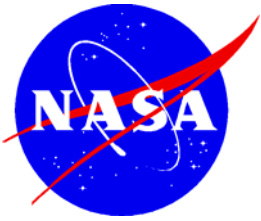
Part 45: Government Property (continued)

- 45.103 General,
 - Agencies shall -
 - (1) Allow and encourage contractors to use voluntary consensus standards [see FAR [11.101\(b\)](#)] and industry-leading practices and standards to manage GP
 - (2) Eliminate, to the maximum practical extent, any competitive advantage a prospective contractor may have by using Government property



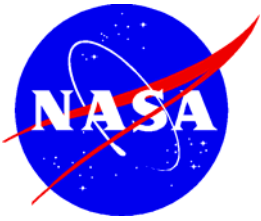
Part 45: Government Property (continued)

- 45.104 Responsibility and liability for Government property
 - (a) Generally, contractors are not held liable for loss, damage, destruction, or theft of Government property.....
 - (b) The contracting officer may revoke the Government's assumption of risk when the property administrator determines that the contractor's property management practices are inadequate and/or present an undue risk to the Government



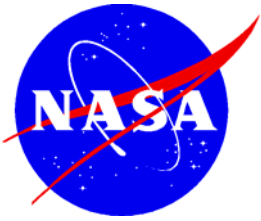
Part 45: Government Property (continued)

- 45.202 (Solicitation) Evaluation procedures
 - (a) The contracting officer shall consider any potentially unfair competitive advantage that may result from the contractor possessing Government property. This shall be done by adjusting the offers by applying, for evaluation purposes only, a rental equivalent evaluation factor.
 - (b) The contracting officer shall ensure the offeror's property management plans, methods, practices, or procedures for accounting for property are consistent with the requirements of the solicitation.



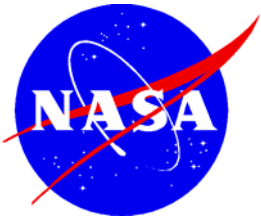
Part 52: Contract Clauses

- 52.245-1 Government Property
 - All contractor direction is now located in the clause
 - (a) *Definitions* - Most property definitions are now located in the clause
 - (b) The contractor shall manage (control, use, preserve, protect, repair & maintain) GP in its possession consistent with **voluntary consensus standards** for property management (except where inconsistent with law), or in the absence of such standards, **industry-leading practices & standards** for property management-adequate for the performance of this contract, as determined by the PA



Part 52: Contract Clauses (continued)

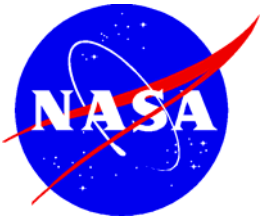
- (d) Government-furnished property
 - (2)(iii) The Government may furnish property in an "as-is" condition. The contractor is given the opportunity to inspect such property prior to the property being provided. In such cases, **the Government makes no warranty with respect to the serviceability and/or suitability of the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the contractor's expense.**
 - (3) (i) The Contracting Officer may, by written notice, at any time
 - (A) Increase or decrease Government-furnished property
 - (B) Substitute other Government-furnished property for property previously furnished
 - (C) Withdraw authority to use property
 - (ii) Upon completion of any action(s) under paragraph (d)(3)(i) of this clause, and the contractor's timely written request, the Contracting Officer shall consider an equitable adjustment to the contract



1845.102-70: NASA Policy

Revised to add additional considerations to FAR policy

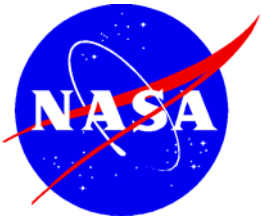
- Providing property
 - Increases the Government's administrative burden
 - Dilutes the contractor's overall responsibility and weakens guarantees
 - May make NASA responsible for delays in that the Agency assumes responsibility for scheduling delivery of the property
 - Has its own inherent risk, e.g., the property may be lost, damaged, destroyed or misused
 - Commercially available equipment may confer a competitive advantage to contractors who have not taken on the same investment risk as their competitors



1845.103-70: General

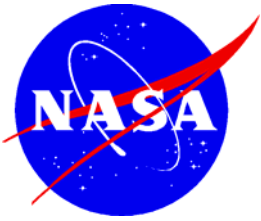
Contracting Officers

- Remind contractors of their property management responsibilities
- Remind contractors that while technical need may be true, it is still a business decision whether to provide property or not
- Provide routing requirements for approved requests for property
- Require Industrial Property Officers (IPO) coordinate screening activities on contractor requests



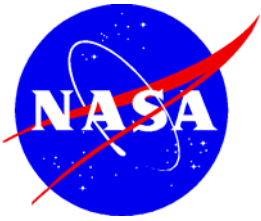
1845.106: Transferring Accountability

- Requires insertion or modification of 1852.245-76 clause when additional GFP is provided
- Provides guidance on preparation of shipping documents



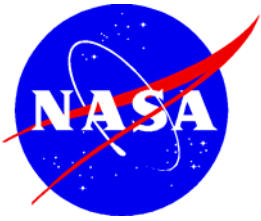
1845.107-70: NASA Solicitation Provisions and Contract Clauses

- Provides instruction on the use of the solicitation provisions and contract clauses
- Establishes special approvals for the use of some clauses
 - IAGP must be approved by center Supply and Equipment Management Officer (SEMO)
 - Historic artifacts clause must be coordinated with center's Public Affairs Office
- Provides instruction on IPO involvement in the solicitation preparation process. IPOs review:
 - All cost type contracts
 - Fixed price contracts with GFP
 - Fixed price contracts with progress payments
- IPOs check for
 - Proper clauses
 - Impact on center operations
 - All transactions are processed correctly



1845.201-71: Plant Re-conversion and Plant Clearance

- Requires NASA Headquarters Assistant Administrator approval to waive consideration of disposition costs during negotiations



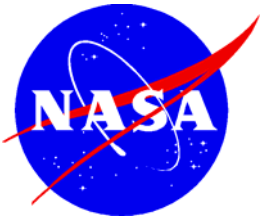
1845.202-70: NASA Evaluation Procedures

- Requires that Contracting Officers involve the center's IPO in the evaluation of offers
- IPOs may provide suggestions for improvement
 - Review proposed property management systems, practices, standards
 - Consult with Property Administrator regarding changes from existing practice and prior performance
 - Provide written evaluation to the Contracting Officer with recommendations
- Contracting Officers require contractor to correct problems or change according to recommendations prior to award
 - **Risk won't be accepted unless corrected**
- Contracting Officer must adjust bids or charge rent, when contractors request Government property, to preserve competition



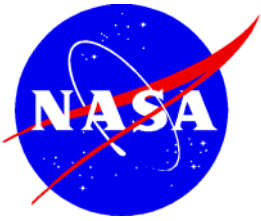
1845.3: Use of Property

- 1845.302 Use of property on other Government contracts
 - Requires approval of both Contracting Officers for rent free, non-interference, use
- 1845.303 Use of Government property for commercial work
 - Center Procurement Officer is the approval authority for non-Government use of equipment exceeding 25 percent use
 - Provides instructions on how to compute the use time
 - Contracting Officers may not approve non-Government use for property commercially used less than 25 percent over one year
 - Approval for non-Government use in excess of 25 percent cannot exceed 3 months



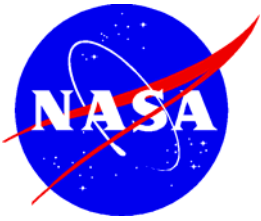
1845.5: Property Administration and Plant Clearance

- 1845.502-70 Delegations of property administration and plant clearance
 - Requires submission of delegation forms
- 1845.503-70 Retention of property administration and plant clearance
 - COs must plan, perform and report on their activities when they retain administration
- 1845.504-70 Responsibilities of the IPO
 - Central coordination of all contract property activities at a center
- 1845.505-70 Responsibilities of the Property Administrator
- 1845.506-70 Plant clearance officers



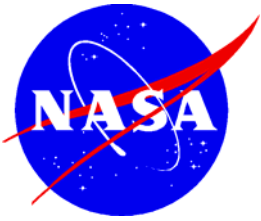
NFS Clauses Removed

- NFS1852.245-74, Contractor Accountable On-Site Government Property
- 1852.245-75, Title to Equipment
- 1852.245-79, Use of Government-Owned Property



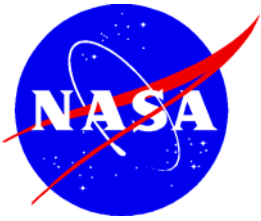
NFS Clauses With Minimal Changes

- NFS 1852.245-72, Liability for Government Property Furnished for Repair or Other Services
 - Changed to reference new FAR clause
- NFS1852.245-73, Financial Reporting of NASA Property in the Custody of Contractors
 - Changed to reference new FAR clause



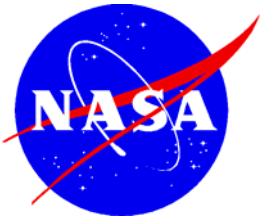
NFS 1852.245-70: Contractor Requests for Government Furnished Property

- Significant Changes
 - Allows requests for multiple quantities of property if valued under \$100K
 - Establishes an alternate for contractors who can and are authorized to “self screen”



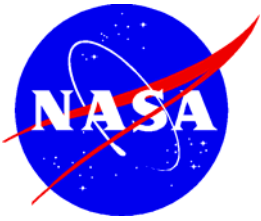
NFS 1852.245-71: Installation Accountable Government Property

- Significant Changes
 - Incorporated old NFS Clause 1852.245-77, “Installation Provided Property and Services”
 - Added applicable NASA procedures to text
 - Contracting Officers may include or exclude services and property by checking a box
 - Allows insertion of NASA Center procedures as needed
 - Retains alternate clause to allow and provide procedures for contractor receiving activities



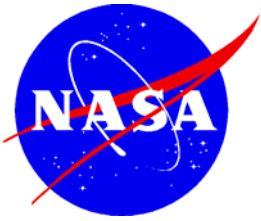
1852.245-74: Identification and Marking of Government Equipment

- New Clause
- Establishes requirements for marking deliverable Government property similar to IUID
- Uses two existing NASA Standards
 - NASA Technical Handbook ([NASA-HDBK](#)) 6003, “Application of Data Matrix Identification Symbols to Aerospace Parts Using Direct Part Marking Methods/Techniques”
 - NASA Standard (NASA-STD) 6002, “Applying Data Matrix Identification Symbols on Aerospace Parts Handbook.”
- Markings must be placed in an area of the item that is readable without disassembly or movement in typical use situations
- Markings must also be both human and machine readable
- Lists of delivered property, with relevant information, must be provided to NASA Center receiving activity



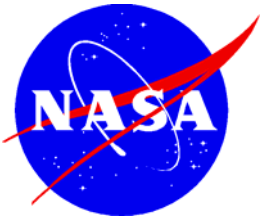
1852.245-75: Property Management Changes

- Implements requirements of FAR 52.245-1(b)(1) in contract
- Requires contractor notification of Property Administrator and IPO when contractor changes
 - Employ a standard that allows increase in thresholds or changes the timing for reporting loss, damage, or destruction of property
 - Alter physical inventory timing or procedures
 - Alter recordkeeping practices
 - Alter practices for recording the transport or delivery of Government property
 - Alter practices for disposition of Government property



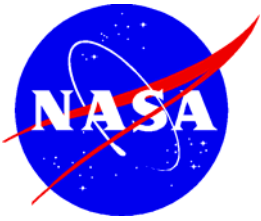
1852.245-76: List of Government Property Furnished Pursuant to FAR 52.245-1

- Clause significantly revised
 - Property under this clause is provided under FAR clause 52.245-1
 - Government retains title
 - Provides some additional data on property to comply with new requirements of FAR 45



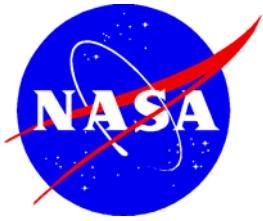
1852.245-77: List of Government Property Furnished Pursuant to FAR 52.245-2

- New Clause
- Provides list of property furnished under FAR 52.245-2
- Contractor shall disposition
- Contractor shall replace with contractor owned



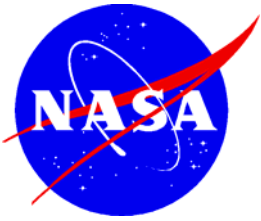
1852.245-78: Physical Inventory of Capital Personal Property

- New Clause
- Provides increased management control for NASA's most important and expensive assets
 - Intended to address some NASA CFO audit criticisms
- Requires annual physical inventory of property valued over \$100K
- Requires submission of reports to the NASA IPO on physical inventory results



1852.245-79: Records and Disposition Reports for Government Property with Potential Historic or Significant Real Value

- NASA program property more often than not has higher re-use potential and sale value than typical disposition property
- Clause requires that additional data elements be retained by contractors to identify significant use or connections with individuals
- Requires reporting at disposition



1852.245-80: Government Property Management Information (Solicitation Provision)

Satisfies requirements of FAR 45.202 and requires offeror shall disclose/provide:

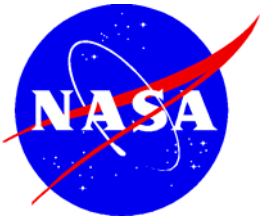
- The industry leading or voluntary consensus standards, and/or the industry leading practices
- Date of last Government property control system analysis along with overall status
- Identify any property intended to be used in performance from list in 1852.245-81
- Identify all Government property in its possession, provided under other Government contracts, that it intends to use in the performance



1852.245-80: Government Property Management Information (Solicitation Provision) (continued)

Offeror shall disclose/provide

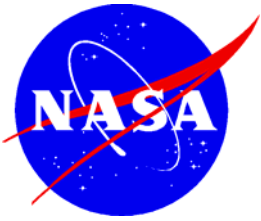
- Cost accounting practices that allow for direct charging of commercially available equipment
- Shall identify, in list form, any equipment that it intends to acquire and directly charge
- Disclose the intention to acquire any parts, supplies, materials or equipment to fabricate an item of equipment for use under any contract resulting from this solicitation when that item of equipment is not a deliverable



1852.245-80: Government Property Management Information (Solicitation Provision) (continued)

Offeror shall disclose/provide

- Existing available Government property listed in the provision at 1852.245-81 is provided "as is." NASA makes no warranty regarding its performance or condition. The offeror uses this property at its own risk and should make its own assessment of the property's suitability for use; equitable adjustment provisions of the clause at 52.245-1 are not applicable to this property
- Provision will provide a date time and location to view the property



18.52.245-81: List of Available Government Property (Solicitation Provision)

- “AS IS”!!!!
- The offeror shall notify the Government, as part of the proposal, of the intention to use or not use the government property
- The offeror shall provide two lists of property available for use on contract
 - (a) Pursuant to FAR 52.245-1
 - (b) Pursuant to FAR 52.245-2
- The selected contractor will be responsible for costs associated with transportation and installation of the property listed in this provision