Simulators Logistics
GFP & Supply Chain

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Disclaimer: The information provided herein represents the Government's best understanding of the procurement as of the presentation date. This information should be considered preliminary and subject to change.
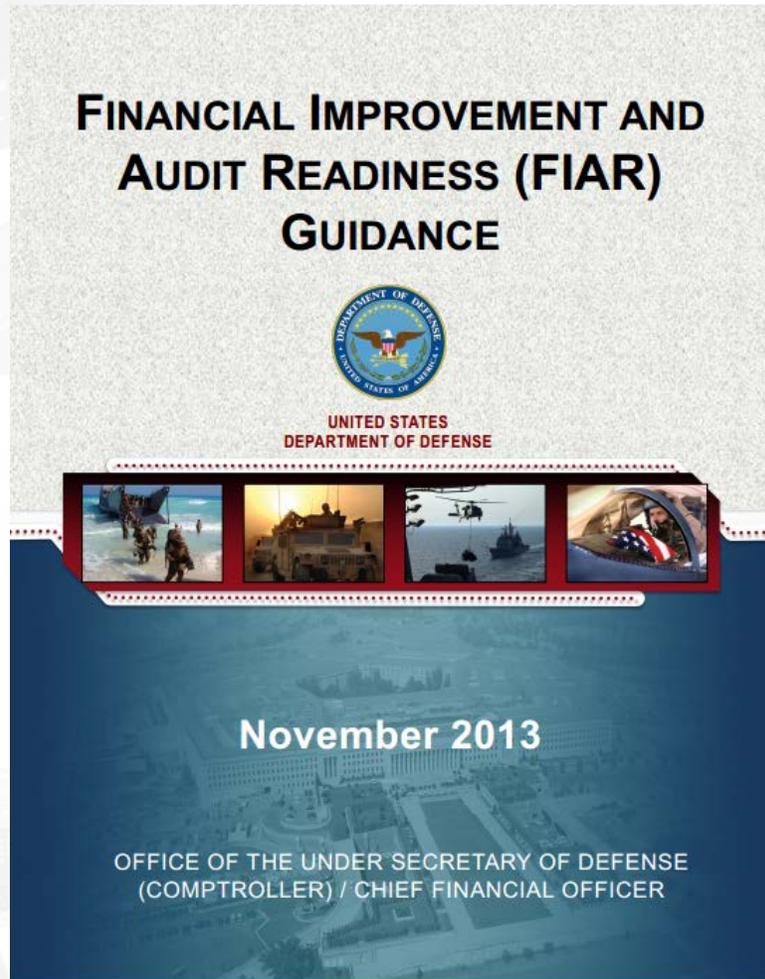
Agenda

- Overview
- GFP Management
- Maintenance & Supply Management
  - Study to Standardize Reporting

Overview

- Air Force HAF/A4 is aggressively pursuing efforts to better account for Government Furnished Property (GFP).
  - Validating GFP Contract Clauses
  - Reporting GFE in AFEMS
  - Reporting GFM in DPAS
  - Instituting Transactional Processing for Real-Time GFM accountability

Goal of FIAR

FINANCIAL IMPROVEMENT AND AUDIT READINESS (FIAR) GUIDANCE

UNITED STATES DEPARTMENT OF DEFENSE

November 2013

OFFICE OF THE UNDER SECRETARY OF DEFENSE (COMPTROLLER) / CHIEF FINANCIAL OFFICER

- Improve financial management operations
- How to achieve success:
  - Achievement and sustainment of audit readiness Oct 2017

Definition
Government Furnished Property **(GFP)**

- Government Furnished Property **(GFP)**
  - Property owned by the Government and provided or in the hands of a contractor
  - Same property used by the Government
  - **Government Furnished Equipment (GFE)**
    - Test benches/sets, mock-ups, jacks, etc..
  - **Government Furnished Materiel (GFM)**
    - Nuts, bolts, power supplies, amps, etc…

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Definition
Government Furnished Equipment **(GFE)**

- Government Furnished Equipment **(GFE)**
  - Managed by Government and Contractors
  - Used by Prime and sub contractors
    - Loaned to the contractor
  - Must be accountable in Accountable Property System of Record (Air Force Equipment Management System-**AFEMS**)
  - FIAR Assessable Unit

Definition
Government Furnished Materiel **(GFM)**

- Government Furnished Materiel
  - Managed by Government or Contractors
  - Used by Prime and sub contractors
    - Primarily consumed in an end item
  - Must be accountable in Accountable Property System of Record **(APSR)**
  - **DPAS** – Defense Property Accounting System

Definition
Contractor Supported Weapons Systems

- Process for contractors managing property
  - Spares and/or equipment
  - Providing support to a system
- Established as a Contractor Inventory Control Point **(C-ICP)**
- Property owned by the Air Force as GFP
- GFP must be in a Government system
- If Contractor Acquired –DD250 as GFP

Program Management Responsibilities

❖ Program Management Actions required to facilitate "Existence and Completeness" of Mission Critical Assets

  ❖ Identify all required Government Furnished Property

  ❖ Ensure contract specifies the requirement for property accountability in the Accountable Property System of Record (ASPR)

  ❖ Identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification)

  ❖ Ensure all mandatory clauses are included in contracts

Applicability of DFARS Clauses

If FAR 52.245-1, Government Property, then:

| DFARS 252.211-7007 Reporting of GFP *(Required)*	DFARS 252.245-7001 Tagging, Labeling & Marking of GFP *(Required)*	DFARS 252.245-7002 Reporting Loss of GFP *(Required)*	DFARS 252.245-7003 Contractor Property Management System *(Required)*	DFARS 252.245-7004 Reporting Reutilization and Disposal *(Required)*
Establishes IUID registry as "master data source for" GFP Requires reporting GFP receipt to registry: • At item level if serially managed • At unit of packaging if not serially manage Prime is responsible to ensure subs report Requires Registry updates for receipt, shipped, consumed, disposed or transferred to follow-on contract	Requires Contractor to mark serially managed items of GFP Includes GFP in for repair	Requires Contractor to report losses (theft, inadequate storage, lack of physical security, Acts of God) at acquisition cost Requires use of DCMA e-tool (Loss Tool) Does not relieve liability	Requires contractor to maintain a property system Authorizes Gov't to withhold payments if deficiencies not corrected	Provides guidance on how & when to sell or scrap surplus inventory Provides guidance on what to do with proceeds ($) from sale of surplus

"Required" means all 5, every time!

PMO Requirements

- Contract modifications
- Process and Procedures for:
  - Master data management
  - Physical inventory requests
  - Inventory adjustment requests
  - Asset disposal requests
  - Daily reconciliation
  - In-transit management
  - Asset valuation

Draft document provided with Requirements and Procedures

How DPAS Solution Will Operate
for CICPs with Interfacing Inventory Management Systems

CICP Transactions	⬅➡	DAAS	⬅➡	DPAS	➡	AF Financial System
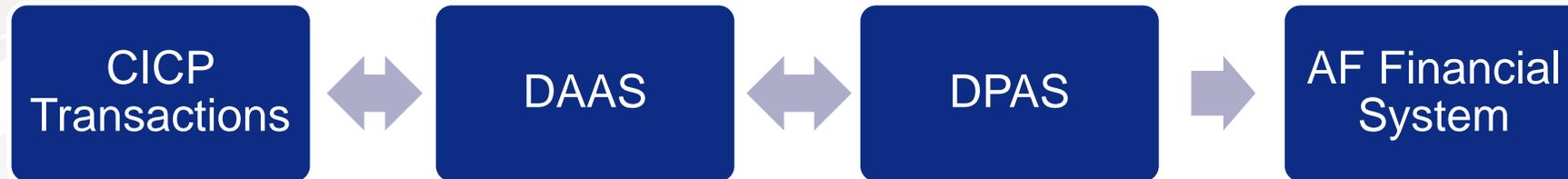
1. Contractors enter Receipt, Issue, Condition Code Changes, Physical Inventory, NSN Re-Identification, Logistics Reassignment transactions in their inventory management system

2. Transactions route through DAAS to DPAS

3. DPAS receives, stores and processes transactions for inventory position -- should be a mirror image of CICPs
   - Reconciliation
   - Inventory valuation
   - Aggregate all transactions for financial reporting

4. DPAS sends all transactions/financial data to AF Financial System

Standardize Supply and Maintenance Reporting

- ## Current Situation:
  - Supply and Maintenance Management unique per program contract
    - 46+ programs
    - Limited Govt visibility
    - Duplication across contracts

- ## Study Expectations
  - I.D. Opportunities to standardize
    - Industry or Govt Supply/Maint Systems
    - Assess impact to program Performance (Ao)

Standardize Supply and Maintenance Reporting

- ## Goal:
  - Standardize supply and maintenance reporting across multiple programs.
  - Identification of common items across programs

Summary

- ❖ **GFP Management and Reporting**
  - ❖ **GFE – AFEMS**
  - ❖ **GFM – DPAS**
  - ❖ **Transactional Reporting**
  - ❖ **Contract CDRLS**
- ❖ **Supply and Maintenance Management**
  - ❖ **Study – Opportunities to standardize**

Questions?