**DFARS Case 2020-D029**

**Consolidation of DoD Government Property Clauses**

**Final Rule**

**PGI Text**

**PGI 201—Federal Acquisition Regulations System**

**PGI 201.1—PURPOSE, AUTHORITY, ISSUANCE**

**PGI 201.106 OMB approval under the Paperwork Reduction Act.**

The information collection and record keeping requirements contained in the Defense Federal Acquisition Regulation Supplement (DFARS) and Procedures, Guidance, and Information (PGI) have been approved by the Office of Management and Budget. The following OMB control numbers apply:

DFARS Segment OMB Control No.

~~245.1 0704-0557~~

~~245.302(1)(i) 0704-0246~~

~~245.604-3(b) and 3(d) 0704-0246~~

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~~252.211-7007 0704-0398~~

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**[252.245-7005 0704-0246]**

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~~DD Form 1348-1A 0704-0246~~

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**PGI 245—Government Property**

**PGI 245.1—GENERAL**

**\* \* \* \* \***

**PGI 245.103-73 Government property under sustainment contracts.**

(1) Sustainment contracts, including those for performance-based logistics, sustainment support, contractor logistics support, life-cycle product support, and weapon systems product support (see 10 U.S.C. 4324(d)), may require the contractor to hold or manage Government inventory. In such cases, regularly scheduled (typically, semiannually) inventory reporting from the contractor is required to ensure that inventory levels meet program requirements and Government inventory in excess of authorized amounts is identified. The requiring activity is responsible for providing the contracting officer with reporting requirements for Government inventory. See the Data Item Description DI-PSSS-80727A, Government Furnished Material (GFM) by National Stock Number, and the instructions for completing the DD Form 1423 Contract Data Requirements List (CDRL) for inventory reporting requirements on sustainment contracts available at [*https://dodprocurementtoolbox.com/site-pages/gfp-resources*](https://dodprocurementtoolbox.com/site-pages/gfp-resources).

(2) During acquisition planning, pricing contracts, exercising options, and assessing past performance, contracting officers should review the requiring activity’s assessment of the information generated by the inventory reporting requirements.

**[(3) In some circumstances, under fixed-price sustainment contracts, contract deliverables consist of non-hardware items, such as operational readiness rate goals or mean time between failures of a system. In order to meet these deliverables, contractors are required to provide certain property items to the Government. In such cases, the contract does not include specific delivery line items requiring formal delivery of the property. By extension, the Government will not have title to the property at the time the contractor provides the property. In such cases, title to the property passes to the Government upon Government acceptance (as defined in FAR 46.101) of the items at the destination stated in the contract. Contracting officers shall ensure that the contract—**

**(i) Clearly defines how and when acceptance will be performed; and**

**(ii) Includes applicable requirements for quality assurance, part marking, anti-counterfeiting, or other requirement for the delivery of the property.]**

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**PGI 245.2—SOLICITATION AND EVALUATION PROCEDURES**

**PGI 245.201 Solicitation.**

**~~PGI 245.201-70 Definitions.~~**

~~As used in this section—~~

~~(1) “As is” means that the Government may, at its option, furnish Government property in an “as-is” condition. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the Government property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the contractor's expense.~~

~~(2) “Commercial and Government entity (CAGE) code” means: (i) A code assigned by the Defense Logistics Information Service (DLIS) to identify a commercial or Government entity; or (ii) A code assigned by a member of the North Atlantic Treaty Organization that DLIS records and maintains in the CAGE master file. This type of code is known as an “NCAGE code”. As defined in the DoD 4100.39-M, Federal Logistics Information System Glossary, the CAGE Code is a five-character data element assigned to establishments that are manufacturers or have design control of items of supply procured by the Federal Government. In the United States, the first and last positions of a CAGE code will be numeric.~~

~~(3) “Contractor-acquired property.” See FAR 45.101.~~

~~(4) “Description” means a collection and compilation of data to describe an item. The descriptive noun of the item nomenclature, as defined in DoD 4100.39-M, Glossary.~~

~~(5) “Government property.” See FAR 45.101.~~

~~(6) “Government-furnished property.” See FAR 45.101.~~

~~(7) “Major end item” means a final combination of end products that is ready for its intended use; e.g., launchers, tanks, mobile machine shops, aircraft, and vehicles.~~

~~(8) “National stock number (NSN)” means a 13-digit stock number used to identify items of supply. It consists of a four-digit Federal Supply Classification code and a nine- digit national item identification number (NIIN), as defined in DoD Manual 4140.01, Volume 9, DoD Supply Chain Materiel Management Procedures: Material Programs.~~

~~(9) “NIIN” means the last nine digits of the NSN that differentiates each individual supply item from all other supply items. The first two digits signify the National Codification Bureau that assigned the NIIN, wherein the last seven digits are non-significant and are sequentially assigned by the Federal Logistics Information System. All United States-manufactured items have a National Codification Bureau code of "00" (cataloged before 1975) or "01" (cataloged in 1975, or later).~~

~~(10) “Nomenclature” means: (i) The combination of a Government-assigned type designation and an approved item name; (ii) Names assigned to kinds and groups of products; or (iii) Formal designations assigned to products by customer or supplier (such as model number, or model type, design differentiation, specific design series, or configuration).~~

~~(11) “Part or identifying number (PIN)” means the identifier assigned by the original design activity, or by the controlling nationally recognized standard, that uniquely identifies (relative to that design activity) a specific item, as defined by Military Standard 130, Standard Practice for Identification Marking of U. S. Military Property, latest version.~~

~~(12) “Quantity” means a numeric value for such characteristics as dimensions, measure, magnitude, electrical rating, etc. Also, the numerical designator for a unit of issue described in table 53, unit of issue codes, DoD 4100.39-M, Federal Logistics Information System (FLIS) Procedures, volume 10. See~~ [~~http://www.dla.mil/HQ/InformationOperations/Offers/Services/TrainingandReference/FLISPr ocedures.aspx~~](http://www.dla.mil/HQ/InformationOperations/Offers/Services/TrainingandReference/FLISPr%20ocedures.aspx)~~.~~

~~(13) “Reparable.” See DFARS clause 252.211-7007.~~

~~(14) “Requiring activity” means the DoD organization, or part of an organization, that identifies and defines a requirement for supplies or services, and requests the initiation of, and provides funding for, an acquisition to fulfill the requirement.~~

~~(15) “Serial number” means an assigned designation that provides a means of identifying a specific individual item, as defined by Military Standard 130, Standard Practice for Identification Marking of U. S. Military Property, latest version.~~

~~(16) “Type Designation” means a combination of letters and numbers arranged in a specific sequence to provide a short, significant method of identification for an item. The various type designators are as follows:~~

~~(i) . Electronics: MIL-STD-196, Joint Electronics Type Designation System, February 17, 1998.~~

~~(ii) Aerospace Vehicles: DoD 4120.15-L, Model Designation of Military Aerospace Vehicles, May 12, 2004.~~

~~(iii) Aerospace Engines and Equipment: MIL-HDBK-1812, Type Designation, Assignment and Method of Obtaining, February 14, 1997.~~

~~(iv) Ships: SECNAVINST 5030.8, Classification of Naval Ships and Craft, November 21, 2006.~~

~~(v) Army Watercraft: AR 56-9, Watercraft, February 7, 2002~~

~~(vi) Army Nomenclature: MIL-STD-1464A (AR), Army Nomenclature System, May 15, 1987.~~

~~(vii) Navy Nomenclature: MIL-STD-1661(OS), Mark and Mod Nomenclature System, August 1, 1978.~~

~~(17) “Unique item identifier (UII).” See DFARS clause 252.211-7003.~~

~~(18) “Unit of measure” means a measurement term, as listed in Table 81, Unit of Measure Designations, Volume 10, DoD 4100.39-M, Federal Logistics Information System, used in conjunction with a unit of issue of related national stock numbers.~~

**PGI 245.201-~~71~~[70] Security classification.**

Classified contracts are not exempt from including GFP attachments solely because the contracts are classified.

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**PGI 245.4—TITLE TO GOVERNMENT PROPERTY**

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**PGI 245.402-71 Delivery of contractor-acquired property.**

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(3) *Contractor-acquired property not anticipated at time of contract award.*

(i) For CAP not anticipated at the time of contract award, or not otherwise specified for delivery on an existing line item, the contracting officer shall direct delivery of the CAP items to the Government on a not separately priced (NSP) line item (e.g. contract line item, exhibit line item, etc.). Such items are typically identified through—

(A) Plant clearance in accordance with the clause at DFARS ~~252.245-7004, Reporting, reutilization, and Disposal~~**[****252.245-7005, Management and Reporting of Government Property]**;

(B) Inventory reports provided by the contractor in accordance with FAR clause 52.245-1; or

(C) Other reporting requirements specified in the contract.

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~~(4)~~ *~~Special circumstances.~~* ~~In some circumstances, such as contractor-performed logistics support, interim contractor support, or performance-based logistics support under fixed-price contracts, contract deliverables consist of non-hardware items, such as operational readiness rate goals or mean-time-between failures of a system. In order to meet these deliverables, contractors are required to provide certain property items to the Government. In such cases, the contract does not include specific delivery line items requiring formal delivery of the property. By extension, the Government will not have title to the property at the time contractor provides the property. In such cases, title to the property passes to the Government upon Government acceptance (as defined in FAR 46.101) of the items at the destination stated in the contract. Contracting officers shall ensure that the contract—~~

~~(i) Clearly defines how and when acceptance will be performed; and~~

~~(ii) Includes applicable requirements for quality assurance, part marking, anti-counterfeiting, or other requirement for the delivery of the property.~~

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**PGI 245.6—REPORTING, REUTILIZATION, AND DISPOSAL**

**PGI 245.602-70 Plant clearance procedures.**

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**[(14) The PLCO shall use the DD Form 1641, Disposal Determination Approval, or electronic equivalent to record the rationale for the following disposal determinations:**

**(i) Downgrade useable property to scrap.**

**(ii) Abandonment or destruction.**

**(iii) Noncompetitive sale of surplus property.**

**(iv) Other disposal actions.**

**(15) The PCLO shall use the SF 97, Certificate of Release of a Motor Vehicle (Agency Record Copy) for transfers, donations, and sales of motor vehicles and furnish a copy to the purchaser.]**

(~~14~~**[16]**) Security assistance transfers or foreign military sales shall be conducted in accordance with the terms and conditions of the contract and consistent with DoD 5105.38-M Security Assistance Management Manual.

(~~15~~**[17]**) The plant clearance officer may send a notice of proposed surplus sale to ~~FedBizOpps (~~~~http://www.fbo.gov)~~ **[the Governmentwide point of entry at *https://www.sam.gov*]** if the items have potentially high public interest.

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