HEADQUARTERS
WARNER ROBINS AIR LOGISTICS CENTER
UNITED STATES AIR FORCE
ROBINS AIR FORCE BASE, GA 31098

APPENDIX B

CONTR NO:
PR NO: FD2060-02-50051
THE ABBREVIATED CONTRACT L00# WILL BE OBTAINED FOR EACH ORDER AND STATED ON THE FACE PAGE OF EACH ORDER.

WR-ALC/LGRC-1
PHONE NO: (478) 926 – 4139
FAX NO: (478) 926 - 4241
DATE: 13 September 2002

GOVERNMENT PROPERTY MANAGEMENT

Type Work: Repair/Overhaul **Type Equipment: TBD by Delivery Order**

TABLE OF CONTENTS

		Page
1.	Terms Explained	2
2.	Government-Furnished Property (GFP)	5
3.	Contractor-Acquired Property (CAP)	6
4.	Contractor Communications Network (CCN)	6
5.	Contractor Property Control Records	7
6.	Stock Levels of Government-Furnished Material (GFM)	8
7.	Reorder Points	10
8.	Uniform Material Movement and Issue Priority System (UMMIPS)	10
9.	Military Standard Requisitions and Issue Procedures (MILSTRIP)	11
10.	Actions Required on Supply Status Codes	11
11.	Production Problems	12
12.	Disposition of Government Property	12
13.	Discrepancies Incident to Shipment	14
14.	Disposition of Condemned Government Property	15
15.	Contractor Reporting	15
16.	Visits	15
17.	Other	15
18.	References	16

LIST OF ATTACHMENTS

1.	Instructions for Preparation of GFM Requisitions	17
2.	Instructions for Preparation of Shipping Documents for Turn-Ins	19
3.	GFM Authorized (or Master Requirements List (MRL))	23
4.	CCN/G009 Statement of Work	24

File Number: WR-ALC FD2060-02-01-61127-01
Prepared by Joan Davis, WR-ALC/LGRC-1, (478) 926 - 4139

PURPOSE STATEMENT

This Appendix B is part of the contract and provides detailed instructions pertaining to the management and control of government-owned property and instructions/guidance on how the property is obtained, maintained, protected, controlled, accounted for, and disposed of. These instructions expound the general guidance given in the Federal Acquisition Regulation (FAR), Part 45.5, which is incorporated by reference and made part of this contract. When the provisions of this appendix conflict with existing FAR, Part 45, or other government directives, the contractor will contact WR-ALC/LGPC for guidance.

1. **TERMS EXPLAINED**: Terms and definitions are referenced in paragraph 18 of this appendix and are supplemented as follows when applicable:

a. **Abbreviated Contract Number:** An eight position alphanumeric designator that represents the contract number and is used in requisitioning material and reporting transactions in the G009 Government-Furnished Material and End Item Transaction Reporting System. The first position for WR-ALC will be an "**L**," and the remaining seven positions are the control numbers. The procurement buyer must contact WR-ALC/LGPC, (478) 926 – 2504, to obtain this number.

b. **Administrative Contracting Officer (ACO):** A contracting officer assigned the responsibility for the post award functions related to the administration of a government contract in the field. The ACO is normally located in the Defense Contract Management Area Operations (DCMAO) office. The ACO is responsible for ensuring the contractor performs in accordance with the terms of the contract.

c. **Agency-Peculiar Property (APP):** Government-owned personal property for military operations. It includes end items and integral support equipment that are not readily available as a commercial item. It does not include normal government material, special test equipment, special tooling, or facilities. Also referred to as military property. (FAR 45.301)

d. **Bench Stock:** Low cost, high usage, and non-sensitive consumable material stored in work areas for contract performance. Quantities of such stock shall not exceed that amount normally consumed in a 30 day period, nor the amount established in the contractor's approved property control system (normally used for broken units of issue).

e. **Contractor-Acquired Property (CAP):** Property procured, locally manufactured, or otherwise provided by the contractor for the duration of the contract. Title to all CAP is vested in the government. **NOTE:** CAP must be reported through the G009 system, transaction "B," to WR-ALC and must contain the correct cost. (FAR, Part 45.101)

f. **Consumable Item:** Items not subject to repair which are consumed in use. However, used items may be reconditioned and used again if still serviceable and safety of flight is not jeopardized. Also referred to as expense items.

g. **Contractor-Furnished Property (CFP):** Property other than government-furnished property (GFP) and CAP which is furnished and funded by the contractor per the terms of the contract. Title to all CFP remains with the contractor until consumed.

h. **Contractor Communications Network (CCN):** A system which provides the contractor with a computerized electronic method of transmitting GFM and End Item Transactions Reporting System (G009) data transactions through the Internet. The CCN (VOLTS DAMES portion) will still be used to transmit MILSTRIP requisitions and Supply Discrepancy Reports (SF Form 364) and to receive data regarding their status.

i. **Defense Automatic Addressing System Center (DAASC):** The center for automatic data processing located at Wright-Patterson AFB, Ohio.

j. **DAASC Automated Message Exchange System (DAMES):** The automated system which provides the capability to communicate with DAASC through a modem using a standard dedicated telephone line.

k. **Direct Parts and Materials:** Those parts or materials purchased, supplied, manufactured, or fabricated by the contractor for the sole purpose of incorporating them into or making them a part of the end product or components covered by this contract.

l. **Expendability, Recoverability, Reparability Category (ERRC) Code:** The ERRC code assigned to an Air Force item determines the extent of repair for that item. When requisitioning ERRC code "T" items **AND** a reparable item (Exchangeable), will be turned into the Air Force, the requisitioner must use the one-digit alpha code "J" in card column 72 of the requisition. (The majority of requisitions will require a "J" in card column 72.) When requisitioning ERRC code "T" items **AND NO** reparable item will be turned into the Air Force, the requisitioner must use the one-digit alpha code "F" in card column 72 of the requisition. (Code "F" is also used when requisitioning ERRC code "N" (Expense) items.) Refer to Attachment One of this appendix for detailed instructions on how to requisition GFM.

m. **Facilities:** Industrial property (other than material, tooling, agency-peculiar property, and test equipment) for production, maintenance research, development, or test, including real property and rights therein, buildings, structures, improvements and plant equipment.

n. **Government-Furnished Equipment (GFE):** An all inclusive term to define all types of equipment defined in FAR, Part 45. It includes facilities, plant equipment, agency-peculiar property, and special tooling-special test equipment. For the purpose of annually reporting dollar values on Depart of Defense (DoD) property in the custody of contractors (DD Form 1662), items must be categorized according to the specific FAR property definitions.

o. **Government-Furnished Material (GFM):** Government property (GP), sent to the contractor, which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, small tools and supplies. GFM is also referred to as "materials" and "direct materials" under the terms of the contract. (FAR 45.301)

p. **Government-Furnished Property (GFP):** All property in the possession of or acquired by the government and subsequently delivered or otherwise made available to the contractor. GFP includes the end item to be repaired by the contractor. It also includes GFE, GFM, and CAP. (FAR 45.101)

q. **Government Property (GP):** All types of property owned or leased to the government or acquired by the government under the terms of the contract. GP includes GFM/GFP and CAP. (FAR 45.101)

r. **Hazardous Material:** Any used or unused property, including scrap and waste, that is ignitable, corrosive, reactive, or toxic because of its quality, concentration, physical, chemical, or infectious characteristics. The property can be in a solid, liquid, semi-liquid, or contained gas form and may cause or significantly contribute to an increase in serious illness or mortality or pose a substantial threat or potential hazard to the environment when improperly treated, stored, transported, disposed of, or otherwise managed.

s. **Hazardous Waste:** Any used or unused hazardous material that has no known use and, therefore, must be discarded. This includes hazardous material, not otherwise disposed of through plant clearance, that the contractor has been authorized, by the plant clearance officer, to dispose of as hazardous waste.

t. **Julian Date:** A method used by the government to track days according to a system usually covering one year and referring the days of each week to the days of the month. [Example: Julian Date 6133. Number 6 refers to the year 1996, and 133 refers to the one hundred thirty–third day of the year, the twelfth day of May, (May 12, 1996)].

u. **Local Manufacture (LM):** The manufacture of items for the government using GFM and contracted labor. CAP includes manufacture if the contractor is using GFM.

v. **Management Control Activity (MCA):** DoD component-designated activity that initially receives and controls requisitions for GFM supplied from the wholesale DoD supply system to support defense contracts or requirements.

w. **Material Return Program (MRP):** A means by which a contractor identifies excess GFM to the source of supply (SOS), and the SOS provides disposition information back to the contractor. (DoD 4140.1R and DLA Customer Assistance Handbook)

x. **Material Support Division (MSD):** Items that have an ERRC code of N, P, C, T, S, or U. The ERRC code is the only way to distinguish reparability. These items are referred to as expense/consumable items or line replacement units/shop replacement units.

y. **Nonconsumable Items:** An item that is not expended during the repair process but is used in support of the repair process. Also referred to as an investment item.

z. **Plant Clearance Officer:** An individual authorized to act on behalf of the ACO on all plant clearance matters concerning the screening, reutilization, redistribution, and marketing of excess GP.

aa. **Procuring Contracting Officer (PCO):** The person responsible for entering into a contract on behalf of the government. The PCO will ordinarily be located at the funding Air Logistics Center (ALC).

ab. **Production Management Specialist (PMS):** An individual assigned by the contracting activity to act as liaison for production, supply, and transportation issues.

ac. **Property Control Procedures:** A detailed written description of the contractor's operation for the control, use, and care of property while in the contractor's possession.

ad. **Property Administrator (PA):** An individual authorized to act on behalf of the ACO on all matters concerning the management of government-owned property.

ae. **Property Records:** Records that are construed to include all documents reflecting the status of GP.

af. **Sensitive Property:** Property for which the theft, loss, or misplacement could be potentially dangerous to the public safety or community security and which must be subject to exceptional physical security, control, and accountability. The following types of property should be designated as "sensitive" in the contractor's property management system: weapons, ammunitions, explosives, narcotics, and dangerous drugs.

ag. **Virtual On-Line Logistics Transaction System (VOLTS):** A Windows-based version of DAMES by which users have the capability to communicate with the Air Force via an asynchronous modem over a dial-up line or via the Internet.

2. GOVERNMENT-FURNISHED PROPERTY (GFP):

a. National Stock Number (NSN)/Part Numbers (PN): Contractor requisition/procurement of GFP is limited to the NSNs/PNs authorized in Attachment Three of this appendix. GFM identified in Attachment Three of this appendix includes direct parts and materials and has been authorized by an Equipment Specialist (ES). The contractor will not requisition, procure, nor be provided with, any other materials by the government. All GFM, as government property, will be retained in a secured storage area.

b. The contractor will requisition the applicable supply management publications through the Contract Administration Office (CAO) who, in turn, will establish an account with the local Publications Distribution Office (PDO) for the contractor. Essential publications/forms include the following:

(1) FEDLOG is a logistical information system. The contractor will provide a CD-ROM reader capable of reading a 4.72 inch compact disk. The CD-ROM reader must conform to High Sierra and ISO 9660 Standards.

(2) DoD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures

(3) DLA Customer Assistance Handbook

(4) DD Forms 1348-1A (Four Part)

(5) Other automated sources with information equivalent to that found in the FEDLOG.

NOTE: The contractor **shall not** order GFM or purchase CAP material for any other contract by using requisitioning procedures or CAP funds assigned to this contract. Likewise material requisitioned, or purchased with CAP funds, for a specific Delivery Order of a "D and/or G" type contract, must be issued against that specific Delivery Order. Refer to Attachment Three.

3. CONTRACTOR-ACQUIRED PROPERTY (CAP):

a. CAP items are prescribed as authorized GFM in Attachment Three of this appendix but are not readily available from normal government sources to meet production schedules. The contractor shall only procure CAP authorized by the ACO, through the PCO, using government funds set aside for that purpose, to prevent production slippage or work stoppage. Acquisition will not normally exceed quantities required for immediate consumption. CAP will be retained in a secured storage area and treated as GFM. The contractor shall ensure that quantities obtained with CAP funds are canceled from requisitioning backorders to prevent accumulation of GFM in excess of the stock levels authorized in paragraph 6.a. (All CAP transactions must be reported through the G009 system and must reflect the actual cost of the material. This cost must agree with the billing submitted to the ACO for remittance by the government.) See paragraph 9b for requisitioning instructions.

b. Each month, billings for actual CAP expenditures, supported by invoices, shall be submitted by the contractor to the Contract Administration Office (CAO). These expenditures shall be identified by NSN, CAGE code, part number, noun, ERRC, quantity purchased, and cost per item. Expenditures for CAP shall be limited to the amount of CAP funds authorized on this contract.

c. Under no circumstances shall the contractor use CAP funds for other than GFM identified in Attachment Three of this appendix without prior, written permission from the PMS.

d. The contractor shall acquire only CAP which has been developed and produced to meet federal/military standards and specifications or an industry standard adopted by the Department of Defense. The contractor shall contact the ACO if there is doubt as to whether or not proposed CAP meets appropriate standards and specifications.

4. CONTRACTOR COMMUNICATIONS NETWORK (CCN): Internet and VOLTS DAMES

a. The success of any contract depends upon how fast and efficient communications are passed to the sources of supply (SOS) for MILSTRIP documents transmitted and/or received, Supply Discrepancy Reports [SF Forms 364], and accurate G009 transactions reported via the Internet to the contract-managing ALC. A web server located at Hill AFB, Utah will serve as focal point for the processing of G009 on-line transaction, which, in turn, will be forwarded to the contract-managing ALC. DLA/DAASC at Wright- Patterson AFB, Ohio has established an Internet site that will serve as host for all GFM transactions.

b. The purpose of the CCN is to improve the flow of supplies to the contractor; to facilitate the reporting of GFM transactions, inventory status, and end item production; to report shipping discrepancies via a Supply Discrepancy Report, SF Form 364. This is accomplished by providing a direct on-line data and narrative message service interface (Internet) between the contractor and DoD logistics activities.

c. The G009 GFM interface to the DoD supply system will be provided by the contractor through the Internet. The DAMES has been updated to VOLTS DAMES; it is resident

on the Internet, and instructions on how to access this file, including general training, will be provided by DAASC. Contact DAASC at (937) 656-3825. Internet connectivity will be provided by the contractor.

d. Initial training on the use of the G009 Internet system for the reporting of end item and GFM transactions will be conducted by the contract-managing ALC. The cost will be borne by the government. Any retraining required by the contractor will be provided by the contract-managing ALC. This retraining may result in travel by the contractor to the contract-managing ALC. The cost will be borne by the contractor.

e. The contractor shall be required to provide CCN hardware/software requirements for minimum systems configuration as set forth in Attachment Four. The hardware upkeep, maintenance, and operational cost (including personnel) shall be borne by the contractor. This includes operational supplies such as printer ribbons, paper, and backup disks.

f. In order to facilitate accurate and timely repair status, the contractors will be required to submit transactions daily, e.g., receipt, input to work, production, and shipment of end items. **NOTE**: If these actions do not occur daily, the contractor is not required to report daily.

g. WR-ALC/LGPC, (478) 926 – 2504, will be advised of system failures that cannot be corrected within **24 hours**.

5. **CONTRACTOR PROPERTY CONTROL RECORDS:**

a. The official property records are described in FAR, subpart 45.505. The contractor shall establish a property control record for each line item. Property records shall be kept current at all times, and an audit trail shall be maintained from property acquisition to consumption in use or final disposition. Property accounting records, including debit and credit support documentation, are considered part of the official government contract records.

b. FAR 45.505-1 states that the basic information required on all material records, whether mechanized or manual, is as follows:

(1) Name, description and National Stock Number (NSN)

(2) Quantity received (or fabricated in house), issued, on hand, and on order

(3) Unit of Issue (each, feet, etc.)

(4) Unit price (from receipt document or stocklist data)

(5) Contract or project number relating to contract

(6) Location

(7) Posting references (to include support documentation (i.e., issues, receipts, inventory recording, etc., and dates of transactions))

(8) Disposition

c. In addition to FAR requirements, the following data is required to enable requirements planning and stock control:

(1) Quantity due in (on order or being fabricated)

(2) Expendability, recoverability, reparability category (ERRC) code

(3) Stock levels and reorder points

(4) Quantity per assembly (QPA) from Material Requirements List (MRL) or Technical Order (TO)

(5) Replacement percentage factor (from actual experience)

(6) Commercial and Government Entity (CAGE) code number

d. FAR, Subpart 45.505-14, describes the annual report which gives the acquisition cost of all GP in the contractor's custody. Details for completing this report are on the reverse side of DD Form 1662, DoD Property in the Custody of Contractors. This form is available from the Property Administrator.

e. Other reports may be required in accordance with FAR, Subpart 45.508, 45.6, and the Contract Data Requirements List (CDRL), DD Form 1423.

f. In addition to the above, a separate record of requisition numbers shall be maintained and shall include the NSN of the item requisitioned, the unit of issue, the quantity requisitioned, the document number, and the date the item was received by the contractor. The record shall be kept current at all times.

6. STOCK LEVELS OF GOVERNMENT-FURNISHED MATERIAL (GFM):

a. Initial stock levels of GFM (ERRC N and P) shall be initially computed by the contractor for the first 60 day requirements. A minimum monthly quantity estimate shall be provided if the actual quantity is unknown. The contractor's historical data should be used to establish stock levels, provided the data is not more than 18 months old. If no historical data is available, the contractor shall contact the PMS for assistance in establishing these levels. **NOTE**: Long lead-time items should use the pipeline time allowed plus historical data to determine appropriate stock levels. Maximum levels may be maintained in these cases.

b. This appendix specifies the maximum stock levels of GFM authorized to be on hand or on order at any given time. These levels shall be maintained ONLY in those instances when the contractor's usage and/or reorder time experience and/or long lead time items justify a need for the maximum levels to prevent production slippage or work stoppage. However, these maximum levels must also be approved by the ACO. Minimum stock levels will be maintained as a normal procedure.

c. Computation of stock levels begins when the number of end items to be repaired and in what time frame is determined. Apply the following when this determination is made:

(1) Stock levels are a combination of pipeline time (in months) and stockage objective (in months). Note, however, that pipeline time shall be excluded by the contractor in determining initial stock levels. A stock level is the maximum months of stock authorized to be on hand or on order at any time.

(2) The following elements of information apply, as a sample, to the computation of stock levels:

CONUS contractors, the following applies:

ERRC CODE	ERRC DESIGNATOR	PIPELINE TIME		STOCKAGE OBJECTIVE	STOCK LEVEL
T (2 ½ Mo)	XD2	31 Days	+	45 Days =	76 Days
N (2 ½ Mo)	XB3	31 Days	+	45 Days =	76 Days
P (2 ½ Mo)	XF3	31 Days	+	45 Days =	76 Days

OVERSEAS contractors, use the following **pipeline time:**

To Alaska, Hawaii, South America, Caribbean, North Atlantic – **69 Days**
To Northern Europe, Mediterranean, Africa – **74 Days**
To Western Pacific – **84 Days**

(3) Formula for computing stock levels:

(a) Computing the Monthly Demand Rate (MDR):

1. Divide the number of end items to be repaired/overhauled each year in accordance with the contract by 12 and multiply this number by the quantity per end item. Example: The yearly production schedule quantity is 60 each, and the quantity per end item is 10 each (60/12 mons = 05; 05 x 10 = 50).

2. Obtain the replacement percent from the percent column of the contractor's replacement history. Example: The replacement for a given item is 50%. Multiply this percent by the MDR computed above to obtain the applicable net MDR (.5 x 50 = 25 net MDR).

(b) The stock level equals the MDR multiplied by the number of months for stockage objective and pipeline time. Example: For an ERRC code "T" item, the stockage objective of 1.5 months, and pipeline time of one month is multiplied by the MDR of 25 (1.5 + 1 = 2.5; 2.5 x 25 = 62.5, rounded to 63 as the stock level quantity).

7. REORDER POINTS:

a. Reorder for additional GFM will be predicated on future delivery orders.

b. If projected production requirements of contract line items are not received during the first 60 days, no additional GFM will be ordered or procured, and in stock GFM will be maintained for the next 60 days.

c. If projected production requirements of contract line items are not received during the first 120 days, the contractor shall request disposition instructions from the PMS.

d. The reorder point (in months) represents the number of months of stock required to be on hand or on order to support issues/demands during the pipeline time required to requisition and receive replenishment requirements.

e. The reorder point (in months) shall be established as the pipeline time.

f. The reorder point quantity shall be established by multiplying the reorder point by the MDR. Example: For an ERRC code "T" (XD2) item, a one month reorder point times 25 MDR equals a reorder point quantity of 25.

g. A reduced pipeline time shall be used whenever the contractor's experience reflects pipeline time is less than authorized above. An increase to the authorized pipeline time must be approved by the PMS through the ACO.

8. UNIFORM MATERIAL MOVEMENT AND ISSUE PRIORITY SYSTEM (UMMIPS):

The Joint Chiefs of Staff (JCS) or their designated representative has assigned a Force Activity Designator (FAD) III to this contract for use in determining the proper requisition priority. FAD is determined by relating the Urgency of Need Designator (UND). Note: FAD codes change by contract; the FAD and UND should be verified.

a. On FAD III, only use priority 03, 06, and 13.

(1) UND "A" with FAD III equals **Priority 03. Use this priority when a work stoppage exists or will exist if material is not received within eight days.**

(2) UND "B" with FAD III equals **Priority 06. Use this priority when production capability will be impaired if material is not received within normal order and shipping times.**

(3) UND "C" with FAD III equals **Priority 13. Use this priority when requisitioning (a) initial operating stock and for (b) normal stock replenishment.**

b. The object of proper stock control is to have all requirements planned well in advance where only the lowest priority (13) is used. The use of high priority for stock replenishment is poor stock management and serves to defeat the priority system.

9. MILITARY STANDARD REQUISITION AND ISSUE PROCEDURES (MILSTRIP):

The DoD 4000.25-1-M gives detailed guidance on accomplishing MILSTRIP requisitions, modifiers, and follow-up actions. This can be accomplished electronically via VOLTS DAMES, WEBREQ or any other DAAS requisitioning vehicle. The contractor shall prepare and process requisitions in accordance with regulation, as supplemented by the following:

a. The contractor shall ensure that all items and quantities are authorized and that the requisitions are properly prepared in accordance with the MILSTRIP format, Attachment One, of this appendix. A requisition control record will be maintained and document numbers assigned to each day's requisitions. Entries will be maintained to indicate date, material requisitioned, material on order, and material received.

b. In the event that an item is urgently required to prevent a production slippage or work stoppage, the contractor shall take the following actions.

(1) Requisition the GFM required to relieve the production stoppage, with an advice code of 2C (fill or kill) in card columns 65-66 and priority 03 in card columns 60-61. The requisition quantity should not exceed the quantity required to relieve the production slippage or work stoppage. At the same time, take action to cancel any requisitions, currently on back order, for this item and input a new requisition with the adjusted quantity. **NOTE: A NORMAL REQUISITION USING ADVICE CODE 2L MUST BE SUBMITTED FIRST. IF UNACCEPTABLE STATUS IS RECEIVED, THEN USE THE 2C ADVICE CODE.**

NOTE: Until this contract has been transitioned to report via CAV II GFM, the 2C advice code will be used on all N and P ERRC coded items.

(2) Upon receipt of the denied 2C requisition (status code "CB" from the SOS), and upon approval by the ACO, the contractor will locally procure the items with funds specified in the contract. **NOTE: A DOCUMENT MODIFIER WILL BE USED TO ADJUST THE ON ORDER QUANTITY OF THE ORIGINAL REQUISITION.**

c. When material requisitioned is to be shipped to a supplemental station activity address other than the contractor's home location, the contractor will enter the supplemental address (EZ station number) in card columns 45-50 and signal code "L" in card column 51.

d. Requisition follow-ups, modifiers, cancellations, etc., will be routed to applicable **routing identifier codes** which are identified in the DLA Customer Assistance Handbook.

10. ACTIONS REQUIRED ON SUPPLY STATUS CODES:

a. An advice code may be entered by the contractor in card columns 65 and 66 of the requisition to provide instructions to the SOS when such data is considered essential to a supply action. A status code is inserted in the same field by the SOS to advise the contractor of the action taken after the requisition was processed.

b. Once requisitions are input, there is a continuing need to monitor the returned status codes. This is because each requisition must pass an edit check to ensure that the item and quantity is valid under the terms of the contract. Also, some supply status codes may ask the requisitioner to revalidate, provide additional information, or further justify the request for the item or quantity requisitioned. Failure to reply can cause the requisition to be canceled.

11. **PRODUCTION PROBLEMS:**

a. The contractor shall report all potential supply support deficiencies that could cause production slippage or work stoppage to the ACO, PCO, GFM manager, and the PMS at the managing ALC. This notification should be accomplished by telephone and followed up in writing. Additional information on report preparation is available in AFMCI 21-134, Volume I. This data will be forwarded to the managing ALC via the G009 system. These reports shall identify the GFM items that are critical or have long procurement lead times and the work stoppage date. If problems are not resolved, the contractor shall report them to the ACO. The ACO will forward all problems to the PCO and the PMS.

b. Contract line items received with missing components (Budget Code 8, ERRC Code "T," MSD: The contractor will immediately process a Supply Discrepancy Report, SF Form 364, and provide the missing item report, including the report number, to the ACO with a copy to the WR-ALC/LNRC PMS. The report will specify the missing items by NSN/PN. Additional information on report preparation is available in AFR 400-54, Reporting of Item and Packaging Discrepancies. Also refer to the Customer Assistance Handbook, Types of Discrepancy Reports.

12. **DISPOSITION OF GOVERNMENT PROPERTY:**

a. These instructions apply to all government-owned property, or property procured with government funds, which is determined to be excess by the contracting ALC for the fulfillment of this contract.

b. If a follow-on contract is being awarded to the incumbent contractor, or is in the negotiation or solicitation stage, the existing GFM/GFP may be retained to the extent required to support the current contract and the follow-on contract.

(1) Within 90 days prior to contract expiration, the contractor shall submit a letter to the managing ALC requesting retention and eventual transfer of GFM/GFP to the follow-on contract. The letter must contain the following information: noun, NSN, part number, ERRC code, dollar value, and quantity on hand to be retained.

(2) If the retention/transfer of GFM/GFP is approved, the contractor shall submit a "ship in place" document to the Property Administrator. Copies of transfer documents shall be furnished through the ACO and PCO to the PMS, WR-ALC/LNRC, and/or GFM management office, WR-ALC/LGRC-1.

(3) If the managing ALC disapproves retention of the GFM/GFP, disposition instructions will be provided to the contractor. All disposal procedures should be completed within 30 days from the receipt of instructions.

(4) If the follow-on contract is awarded to other than the incumbent, the following applies:

aa. A listing of all GFM by NSN/PN and quantity will be provided to the PMS and/ or GFM management office by the incumbent.

ab. GFM will be packaged and identified in accordance with existing FAR regulations and shipped per the instructions of the PMS.

c. In the event that this contract or any delivery order placed against this contract is terminated, disposition instructions for GFM/GFP determined to be excess will be provided by the PMS through the PCO.

d. The contractor shall review stock positions on all GFM every 90 days. The contractor will request disposition instructions from the PMS within 30 days following the determination that GFM is excess.

(1) If the contractor identifies excess GFM following the stock position review, he will prepare the excess (document identification code FTE) transaction in accordance with Attachment Two. The FTE action will result in an FTR response with three options: hold and come back in 90 days; ship to _____(credit will be given); destroy (plant clearance). For the first two options, do as instructed. For the third option, conduct plant clearance in accordance with the Appendix B of the contract. The contractor shall forward the results of the FTE action to the PMS.

(2) When the contract is within 60 days of completion, the contractor shall review all requisition control records. All back order requisitions for which a positive supply action has not been received will be canceled and a new requisition, with an advice code 2C (fill or kill) in card columns 65-66, will be submitted. The new requisition quantity will be limited to the amount required to complete the contract.

(3) The contractor shall obtain disposition instructions from the PMS for unserviceable investment items which are removed from the end item and are not to be repaired under the terms of this contract. Unserviceable expense items removed from the end item shall be condemned and disposed of in accordance with paragraph 14 of this appendix.

(4) The contractor shall prepare a listing of excess local purchase (LP), local manufacture (LM), AF-managed items coded on the stock list as JCD (deleted), and those items coded N (expense) on the stock list regardless of condition or line item dollar value. The list shall include GFP by NSN, part number, noun, quantity, and dollar value, and the list will be submitted through the ACO to the PMS for disposition instructions.

(5) Serviceable AF stock-listed items with a $50.00 or more total line item value (Refer to the G009 end-of-month report, Inventory Section, Value of Serviceable Column)

shall be returned to the ALC responsible for managing the Federal Stock Class (FSC)
of the items. Defense Logistics Agency (DLA) and Other Services Stock Fund
(OSSF) items with the same value shall be shipped to the funding ALC.

(6) Items valued at less than $50.00 total per line item (Refer to G009 end-of-month report, Inventory Section, Value of Serviceable Column) shall be disposed of by the contractor using plant clearance procedures.

(7) The contractor shall use a DD Form 1348-1A, DoD Single Line Item Release/Receipt, for the turn-in of GFP. Instructions for the completion of this form are attached. (Attachment 2)

e. Directed Disposal:

(1) Contracting ALC representatives, during a visit, may direct on-the-spot disposition of excess material discovered. Representatives of the ALC, the contract administration activity, and the contractor must be in agreement that such items are excess to total contract requirements prior to disposal action.

(2) The contractor will be given disposition instructions in writing by the PMS as to the items and quantities to be eliminated from stock.

f. The contractor shall assure that all excess reparable contracted end items being returned to the AF have the note "**Contract Excess**" entered on the DD Form 1348-1A (shipping document) to preclude ALC recording of such excess as additional reparable generations. The contractor shall insure that excess contracted end items are returned to the contracting ALC unless another address is specified by the ACO.

g. Package and Shipment of Expense Items:

(1) Expense items still in their original package shall be shipped as is.

(2) All remaining expense items shall be **packaged "Level A"** and **shipped "Level C"** in accordance with MIL-STD 2073-1C, "DoD Material, Procedures for Development and Application of Packaging Requirements." (Part 1 of 2 Parts)

(3) The contractor may use commercial packaging if equal to or better than MIL-STD 2073-1C.

(4) The contractor should refer to the basic contract for the cost of packaging and shipping.

13. **DISCREPANCIES INCIDENT TO SHIPMENT:**

a. There are transportation and item discrepancies, each having different report requirements.

b. The following are the most common discrepancies: Item transactions which are misidentified or have variations in quantity, items in dubious condition, non-requisitioned items, lost/damaged parcel post, or items with excessive packaging. These discrepancies will be reported on SF Form 364, Supply Discrepancy Report (Reference AFJMAN 23-215). A Supply Discrepancy Report can also be submitted through the VOLTS DAMES via the Internet. The completed form will be forwarded through the CAO-QA activity for corrective action. The items received and reported on an SF Form 364 as overages will be processed according to the disposition of excess GFM criteria specified in this appendix. Transportation discrepancies are reported on SF Form 361 (Transportation Discrepancy Report), in accordance with AFR 75-18. When the shipping activity is an ALC, the focal point for the receipt/control of SF Form 361 is the WR-ALC/DDWG-D (Defense Distribution Depot). **NOTE:** Refer to the Customer Assistance Handbook, Types of Discrepancy Reports, for additional information.

c. Misdirected shipments of GFM shall be immediately reported to the Property Administrator (PA) by telephone, with a follow-up in writing, within three work days. The PA will issue appropriate disposition instructions for the misdirected items. **NOTE:** Excess items received by the contractor will not be receipted into the G009 system until the appropriate discrepancy report has been completed and instructions provided.

14. **DISPOSITION OF CONDEMNED GOVERNMENT PROPERTY:**

a. Unserviceable GFM (ERRC code N & P items) shall be condemned and disposed of at the contractor's facility in accordance with the terms of this contract and/or government approved scrap procedures.

b. Disposition instructions for ERRC code C, T, S and U items, such as critical items, MSD, and save list items that are condemned during the performance of this contract, shall be requested through the ACO from the funding ALC.

c. The contractor shall submit a listing of "condemned ST/STE" (ERRC code S & U) to the contracting ALC (Attn: WR-ALC/LNRC). The listing shall identify the condemned items by NSN, part number, noun, and quantity and shall be submitted together with a letter of transmittal Titled, "Request for Disposition of ST/STE condemned on Contract Number_____." Disposition instructions will be provided by the contract-managing ALC.

15. **CONTRACTOR REPORTING:** The contractor shall comply with DD Form 1423-1, Contract Data Requirements List, regarding the G009 Transaction Report (DI-ALSS-81533C). Submit all G009 reporting via the G009 Internet or DAMES CCN. Contractor requisitions by NSN are submitted via VOLTS DAMES, WEBREQ or any other DAASC requisitioning system.

16. **VISITS:** Surveillance visits will be made by the ACO and/or the contracting ALC representatives when such visits are considered necessary, particularly in relation to contract material control and production schedules.

17. **OTHER:**

a. The contractor shall not obtain GFP or purchase CAP material through the utilization of requisition codes or CAP funds assigned exclusively for this contract for any other contracts.

b. The contractor shall not transfer GFP charged to this contract to any other contract, contractor, or activity without the advance approval of the WR-ALC/LNRC PMS, through the PCO and the ACO.

c. The government reserves the right to withdraw any GFP in possession of the contractor to supply other urgent USAF requirements. WR-ALC/LNRC will be the approval office for directed shipments of expense material prior to the movement of the material. If any item so removed by the government is still required to complete the contract, the contractor shall take appropriate action to replace the removed item.

d. When, during the last six months of the contract, it becomes evident that an option shall most probably be exercised, the PCO will notify the contractor through the ACO to maintain stock levels necessary to meet the option workload.

18. **REFERENCES:**

a. Federal Acquisition Regulation (FAR), Subpart 45, Management of Government Property in the Possession of Contractors.

b. Defense Federal Acquisition Regulation Supplement (DFARS), Subpart 245.5, Management of Government Property in the Possession of Contractors.

c. Military Standard Requisition and Issue Procedures (MILSTRIP), DoD 4000.25-1M.

d. Federal Acquisition Regulation (FAR), Subpart 52, Solicitation Provisions and Contract Clauses.

e. AFMCI 21-134, Volume I, Government-Furnished Material and End Item Transaction Reporting System (G009).

f. Other DoD and military service directives; if specifically referenced in the contract, special clauses or appendices.

ATTACHMENT ONE
INSTRUCTIONS FOR PREPARATION OF GFM REQUISITIONS

AUTOMATED: VOLTS DAMES VIA CCN or any other DAAS requisitioning vehicle.

Card Columns 1 - 3 Enter the appropriate three position code: **(Document Identifier)**
NOTE: Card Column 2 is a numeric zero. Refer to DLA Customer Assistance Handbook for a list of document identifiers.

A0A - Requisitioning by NSN/NATO stock number (CONUS)
A01 - Requisitioning by NSN/NATO stock number (Overseas)

Card Columns 4 - 6 Enter "F2M" **(Routing Identifier)**

Card Column 7 Enter **"S"** (If automated) **(Media and Status Code)**

Card Columns 8 - 22 Enter the NSN or NSN/Material Management Aggregation Code (MMAC).

Card Columns 23 - 24 Enter the two position code: i.e., ea = each, ft = foot. **(Unit of Issue)**

Card Columns 25 - 29 Enter the quantity required and prefix with zeros to fill the field. If quantity exceeds 99,999, prepare additional requisitions. **(Quantity)**

Card Columns 30 - 35 Enter **EZ**_____. * ***(Document Number)**

Card Columns 36 - 39 Enter the Julian Date of the requisition's input. *

Card Column 40 Enter **"M."** *

Card Columns 41 - 43 Enter a three digit serial number. Number the requisitions consecutively. Do not use the same number twice on the same day. *

Card Column 44 Enter **"R"** if a recurring demand or **"N"** if nonrecurring. **(Demand Code)**

Card Columns 45 - 50 Enter **"Y"** in card column 45, the last digit of the contract year in card column 46, and enter the last four characters of the contract number in card columns 47 – 50. **(Supplementary Address)**

Card Column 51 Enter **"C."** **(Signal Code)**

Card Columns 52 - 53 Enter **"LR."** **(Fund Code)**

Card Columns 54 - 56 Enter **"L86."** **(Distribution Code)**

Card Columns 57 - 59 Enter **"879."** **(Agile/Lean Logistics)**

Card Columns 60 - 61 Enter the appropriate priority (see this appendix, paragraph 8). **(Priority Code)**

Card Columns 62 - 64 Enter the Julian Date by which the material is required. **(Must Be Filled) (Required Delivery)**

Card Columns 65 - 66 Enter appropriate code, located in DLA Customer Assistance Handbook (i.e., 2L, 2C). **(Advice Code)**

Card Columns 67 - 71 Leave blank.

Card Column 72 For the issue of Expense items, enter a material management code of "**F**." This indicates that the item is a consumable asset and will be charged a standard price to the contract. For ERRC "T" exchangeable or replenishment items, use material management code "**J**." (**IMPORTANT NOTE:** *To receive the exchange price, a reparable ERRC "T" asset must be turned in within 60 days of establishing a serviceable ERRC "T" GFM requisition.* ***Conversely*** *when there is no reparable asset to turn in, use code "F" in card column 72.*) Refer to page 3, **TERMS EXPLAINED** section, item L, **ERRC** definition, to determine the correct Material Management Code.

Card Columns 73 - 80 Enter the Abbreviated Contract Number (i.e., L000_____). **(Contract Identification)**

ATTACHMENT TWO
INSTRUCTIONS FOR PREPARATION OF SHIPPING DOCUMENTS FOR GFP TURN-INS

Use DD Form 1348-1A (Four Part) **DO NOT USE DD FORM 1149.**

Card Columns 1 - 4 Enter the appropriate four position code which applies (See page 21 of this attachment for a listing of document identifiers).

Card Column 5 Enter the ALC code for items supplied by the ALC or the code of the funding ALC for DLA/OSSF items: **L** - Warner Robins ALC

Card Column 6 Enter **"Z"** for ALC-supplied items. Enter **"B"** for DLA/OSSF-supplied items.

Card Column 7 Enter **"F"** for GFM or **"G"** for GFE.

Card Columns 8 - 22 Enter the NSN of the item being returned.

Card Columns 23 - 24 Enter the two position code for the unit of issue: i.e., ea = each, ft = foot.

Card Columns 25 - 29 Enter the quantity returned and prefix with zeros to fill the field.

Card Columns 30 - 35 Enter contractor's activity address code **(EZ_____)**.

Card Columns 36 - 39 Enter the Julian Date in which the turn-in originated.

Card Columns 40 - 43 Enter a four digit serial number. Number the turn-ins consecutively. **DO NOT USE THE SAME NUMBER TWICE ON THE SAME DAY.**

Card Column 44 Leave blank.

Card Column 45 Enter **"Y."**

Card Column 46 Enter the last digit of the contract year identified in the contract number.

Card Columns 47 - 50 Enter the last four digits of the contract number.

Card Columns 51 - 54 Enter **"CLRL."**

Card Column 55 Leave blank.

Card Column 56 Enter a **"Y"** if one of the following conditions applies:

a. The turn-in occurred because more material was received than requisitioned.

b. The turn-in occurred because the item had a latent defect when received.

c. The turn-in occurred because the item is not what was ordered.

d. The turn-in is serviceable GFM issued for testing purposes under an Unsatisfactory Report (UR).

e. The turn-in is directed by an IM to satisfy another requirement.

Enter a **"K"** in card column 56 if the item being returned was originally requisitioned for loan/bailment.

If one of the above conditions does not exist, leave column 56 **blank**.

Card Columns 57 - 65 Leave blank.

Card Column 66 Enter **"R."**

Card Columns 67 - 69 Leave blank.

Card Columns 70 - 71 Enter **"AA"** for **serviceable;** Enter **"AF"** for **unserviceable.**

Card Column 72 Enter the appropriate Management Code indicated on pages 21 - 22. **(Must Be Filled)**

a. Enter **"F"** when returning serviceable GFM requisitioned as Initial Issue.

b. Enter **"L"** when returning GFE.

c. Enter **"J"** when returning GFM that is unserviceable Material Support Division (MSD) material (ERRC Code "T," Budget Code 8, unserviceable item).

d. Enter **"P"** when returning "D" coded material.

Card Columns 73 - 80 Leave blank.

DOCUMENT IDENTIFIERS AND MANAGEMENT CODES FOR TURN-INS ON DD FORM 1348-1A

DOC ID COL 1-4	MGMT CODE COL 72	EXPLANATION
D6LB	A	Assembly, End Item. Treated as a purchase; the AF will receive a bill from the contractor.
D6LC	C	End Item from conversion/modification. No credit is provided.
D6LK	D	Disassembly. Treated as a purchase. The AF will receive a bill from the contractor.
D6LE	E	Reclamation. No credit is provided.
D6HF	F	GFM. Credit is based on credit indicator and condition code of the item.
D6HG	G	Government-furnished aircraft equipment. Credit based on credit indicator and condition of the item.
D4MC	H	End item from repair/test. Treated as a purchase. The AF will receive a bill from the contractor.
D6RJ	**J**	**Exchange item**. Customer will/has turned in an unserviceable item for a serviceable item. Credit is based on the credit indicator and condition code of the
D6NL	L	Loan, bailment, or lease. No credit is provided. Return of loan item.
D6HP	P or blank	Material received without documentation. No credit is provided.
D7LB	A	Assembly, bits, and pieces. Customer billed at standard price.
D7LC	C	End item for conversion/modification. No bill is created. Does not hit the Free Issue General Ledger Account.
D7LK	D	Disassembly. Customer is billed at standard price.

DOC ID COL 1-4	MGMT CODE COL 72	EXPLANATION
D7LE	E	Reclamation. No bill is created. Treated as a condemnation.
D7HF	F	GFM. Customer billed at standard price.
D7HG	G	Government-furnished aircraft equipment. Customer is billed at standard price.
D7MC	H	End item from repair/test. No bill created.
D7RJ	J	Exchange item. Customer is billed at standard price.
D7NL	L	Loan, bailment, or lease. No bill is created.

ATTACHMENT THREE
GOVERNMENT-FURNISHED MATERIAL (GFM) AUTHORIZED

GFM will be determined with each delivery order. The basic Appendix B will be revised and will contain list of NSNs for that delivery order only. The abbreviated contract number for that order will be listed on the title page of the revision.

ATTACHMENT FOUR
CONTRACTOR COMMUNICATIONS NETWORK (CCN) FORG009 GOVERNMENT-FURNISHED MATERIAL (GFM) AND END ITEM PRODUCTION REPORTING SYSTEM

1. **GENERAL:**

The purpose of this attachment is to provide the specific conditions, hardware specifications, and communications interface to support contractor GFM and/or end item reporting requirements and supply requisitions.

2. **HOST LOCATIONS:**

a. A web server located at Hill AFB, Utah will act as host for G009 on-line transaction processing. The contractor shall be required to complete a Defense Information System Agency (DISA) Form 41 for security access prior to log-on to the system. The DISA Form 41 must be returned to WR-ALC/LGPC for user ID and Internet address. A fax number must also be provided for the timely return of access ID. Contractors may request file transfer capability and will utilize the File Transfer Protocol (FTP) procedures provided by the managing ALC at the time of the request.
b. Defense Logistics Agency (DLA)/Defense Automatic Addressing System Center (DAASC), through a front-end computer at Wright–Patterson AFB, Ohio, will act as host for all GFM requisitions received from the Internet (CCN).

3. **TECHNICAL CONSIDERATIONS:**

The contractor shall provide the following Personal Computer (PC) hardware/software to meet the specifications indicated: **Minimum** requirements are listed below. (NOTE: The greater the capabilities, the better the system will perform.)

1. Contractor will provide a 486 PC 66 DX with Internet access. (A Pentium processor is recommended.) The PC will require a WEB browser tool for Internet/system access and must be IBM compatible.

2. Microsoft Windows 3.1 or later version (Windows 2000 is recommended.)

3. Microsoft mouse or compatible pointing device

4. 16 Megabyte (MB) Random Access Memory (RAM) minimum if running Windows 95; 30 MB if running Windows NT (Recommended)

5. 100 MB Hard Disk Drive

6. 1 MB Video Card Accelerator

7. 15 inch Super Video Graphics Application (SVGA) monitor

8. Video Graphics Application (VGA) or SVGA graphics card compatible with Windows 95 and Windows NT and capable of a minimum 800 x 600 graphics in 256 colors

9. Printer

10. Read/Write/Delete access to hard drive

11. Specific Network Connectivity Requirements for DAASC system contractor (GFM) requisitions

12. Communications on the PC uses Terminal Control Protocol (TCP)/Internet Protocol (IP) running custom FTP developed by DAASC especially for Virtual On-Line Logistics Transactions System (VOLTS DAMES). A WINSOCK DLL (software) is required for TCP/IP to function; it is provided by the network provider.

13. For modem connectivity, a 14.4 BPS asynchronous modem which supports Microcom Network Protocol (MNP) is required. Recommend 28.8 BPS or faster.

4. RESPONSIBILITY OF CONTRACTOR:

a. The contractor must maintain the capability for Internet connectivity for the transmission of material requisitions (VOLTS DAMES INTERNET CONNECTIVITY) and end item transaction reporting, at the contractor's expense, for the life of the contract.

b. The contractor will download the DAMES software from the Internet and immediately make electronic connectivity with DAASC. The address for VOLTS DAMES will be provided by DAASC.

c. Initial training will be provided by WR- ALC. Follow-up training shall be the responsibility of the contractor.

d. The contractor is responsible for the maintenance of the hardware and supplies such as paper, ink, ribbons, extra disks, etc.

e. It is the contractor's responsibility to keep the system operational and compatible with the specifications identified above.

f. The contractor will use the G009 Internet system for reporting all end item/GFM transactions on a **daily basis.** Weekends are exceptions. (**NOTE**: Transactions are required when certain actions occur, e.g. receipts, inductions to work, production, shipments, etc.. When there is no action, it is not necessary to access the Internet system.)

g. System failures that cannot be corrected within 24 hours will be reported to the contracting ALC, WR-ALC/LGPC (Point of Contact (POC) for G009 assistance), by the fastest means possible. The telephone number is (478) 926 – 2504. The fax number is (478) 926 – 4241.

5. SYSTEM AUTHORIZATION ACCESS REQUEST (SAAR):

The requester must complete a SAAR (DISA Form 41) to gain access to the G009 transaction reporting system. The following procedures explain how to complete the DISA Form 41.

a. The first block to be completed is "**TYPE OF REQUEST**." The requester is instructed to check the "**INITIAL**" block and then skip to and complete the "**DATE**" block.

b. Blocks one through eight in PART I should be completed. (The requester's DoDAAC (EZ....) should be annotated in the block number that is titled "**ACCOUNT CODE**"). Then the requester is instructed to complete the blocks "**USER SIGNATURE**" and "**DATE**."

c. Skip blocks 9 through 14 in PART II and blocks 15 through 18 in PART III. A supervisor must complete blocks 19, 20, 21, and 22. Skip PART IV. On PART V of this form, insert the company mailing address, contract number, abbreviated contract number (L000_____), and EZ number in block 34.

d. The requester will FAX the DISA Form 41 to the following WR-ALC POC. However, the requester must still mail the original DISA Form 41 to the WR-ALC POC. After approximately two weeks, especially if no information has been forthcoming, the requester is advised to contact the WR-ALC POC to obtain the User ID.

WR-ALC/LGPC
ATTN: **GERALD W. MAXWELL**
480 2nd STREET, SUITE 200
ROBINS AFB, GA 31098-1640
COMM PHONE: (478) 926 – 4139
DSN: 468 – 2504
FAX: (478) 926 – 4241
Alternates: **JOAN DAVIS** (478) 926-4139)

e. The User ID on the Internet will be standard for all users, when possible. After receiving the User ID from WR-ALC/LGPC, the password can be obtained from the following POC. The requester will be required to change this password following initial entry into the G009 system.

OL-AD MSG/SOC
ATTN: **MELANIE WIRRICK**
PHONE: (801) 605 – 7184
FAX: (801) 605 – 7125

f. The current G009 Internet address follows: http://g009.ogden.disa.mil:8003/

NOTE: The G009 Internet system is case sensitive; therefore, requesters are advised to use lower case letters when using the system.

g. A blank DISA Form 41 is attached to this appendix.