



To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

REVISION: This revised directive supersedes TSA MD 200.55, *Accountability, Management and Control of TSA Property in the Hands of the Contractor*, dated September 13, 2005.

SUMMARY OF CHANGES: Title was changed. In Section 3, Authorities, the following authorities were added: TSA MD 200.57, *Personal Property Management*; the *Federal Acquisition Regulation (FAR)*; Office of Financial Management Guidance, dated January 8, 2009; *Requirement for the Capitalization Threshold*; and the following outdated authorities were removed: PMB 04-7, PMO 4000-1, Table 1 Change 2, Accountable Property Categories; PMO 4000-1, *TSA Personal Property Accountability, Management and Control*; PMO 4000-1, Change 1, revised *TSA Capitalization of Accountable Property Thresholds for TSA Personal Property*. Section 4, Definitions, removed Accountable Personal Property. Section 5, Responsibilities, removed contractor responsibilities.

1. **PURPOSE:** This directive establishes TSA policy and procedures for the accountability, management and control of TSA property in the hands of a contractor and is applicable to contracts under both the TSA Acquisition Management System (TSAAMS) and the FAR. This directive ensures that effective accountability and control will be maintained for all Government Furnished Property provided to a contractor.
2. **SCOPE:** This directive applies to all TSA organizational elements.
3. **AUTHORITIES:**
 - A. Aviation and Transportation Security Act (ATSA), PL 107-71
 - B. 41 C.F.R. § 102-36 Disposition of Excess Personal Property
 - C. Office of Financial Management Guidance, *Requirement for the Capitalization Threshold*, dated January 8, 2009
 - D. TSAAMS, Section 3.10.3, Government Property, applicable to contracts awarded under the TSAAMS
 - E. FAR, Parts 45 and 52 Government Property, applicable to new contracts awarded pursuant to the FAR
 - F. Homeland Security Acquisition Manual (HSAM) Chapter 3045
 - G. [DHS MD 0565, Personal Property Management Directive](#)
 - H. [TSA MD 200.57, Personal Property Management](#)
 - I. [TSA Property Management Manual](#)

4. DEFINITIONS:

- A. Contracting Officer (CO): Individual with the authority to enter into, administer, or terminate contracts and make related determinations and findings. The extent of their authority to bind the Government is per the appointing authority's delegations.
- B. Contracting Officers Technical Representative (COTR): An individual designated by a Contracting Officer to provide technical assistance in the administration of a contract within the limits of the authority delegated by the CO.
- C. Contractor Acquired Property (CAP): Property acquired, fabricated, or otherwise provided by the Contractor for performing a contract, and to which the Government retains title.
- D. Government Furnished Property (GFP): Property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract.
- E. Government Property (GP): All property owned by or leased to the Government. GP includes both Government-furnished property and Contractor-acquired property.
- F. Property Administrator (PA): Authorized representative of the Contracting Officer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of the contractor.

5. RESPONSIBILITIES:

- A. The Director of TSA's Office of Property Management (OPM), under the Office of the Chief Administrative Officer, is the Property Management Officer (PMO) and is responsible for:
 - (1) Attaining efficient, economic and uniform management of all Government property required for the performance of contracts.
 - (2) Conducting system analyses and audits to determine the efficacy of contractor records and contractor control systems, as required. This analysis may be accomplished as frequently as conditions warrant.
- B. COs are responsible for:
 - (1) Providing copies of awarded contracts involving GP, GFP or CAP to the PA.
 - (2) Including a representative from OPM on all Integrated Product Teams (IPTs) for contracts which have GP, GFP or CAP.
 - (3) Verifying appropriate property clauses are included in all contracts which have GP, GFP and/or CAP.
 - (4) Routing all contracts which have GP, GFP, or CAP to the PMO for review and sign off prior to contract award.

- (5) Ensuring a qualified PA is appointed to each contract requiring the administration of Government property. The PA provides support to the CO and COTR in the administration of the contract.
- (6) Ensuring TSAAMS-awarded contracts have their Contractor Property Management Systems reviewed and approved by the PA. Ensures PAs administering FAR-awarded contracts conduct an analysis of the Contractor's Property Management System.
- (7) Complying with annual reporting requirements to the DHS Chief Administrative Officer identifying GFP provided to the contractor by line item valuation.

C. COTRs are responsible for:

- (1) Working with the CO to evaluate the effect on the contract price of furnishing property to the contractor.
- (2) Ensuring all GFP is listed in the contract.
- (3) Reviewing contractor's property inventory for accuracy.
- (4) Informing OPM of contracts authorized to have GFP or CAP
- (5) Ensuring GFP is sent to the contractor when needed, and is in serviceable condition.
- (6) Working with PA to provide disposition instructions to the CO.

D. PAs are responsible for:

- (1) Administering contract provisions, requirements, and obligations relating to GP.
- (2) Participating in pre-award surveys and post award reviews.
- (3) Reviewing contracts assigned for property administration to assure property is identified in the contract and is compliant with regulations and contract requirements.
- (4) Evaluating contractor's property management system to ensure the requirements of the applicable procurement system (TSAAMS or FAR) have been met.
- (5) Assisting the contractor with periodic inventories.
- (6) Advising the CO of significant or sensitive property issues and any inventory discrepancies.
- (7) Subject to legal review by the Office of Chief Counsel, rendering liability determinations for loss, damage and destruction of property on the basis of contract terms and conditions.
- (8) Providing the CO with disposition instructions for contractor's excess property.

6. POLICY:

A. Providing Government-Furnished Property

- (1) It is generally preferred that all property required for the performance of the contract is furnished by the contractor. However, if it becomes necessary or desirable for the Government to provide personal property, or should the contractor be authorized to acquire personal property at the Government's expense, adequate contract provisions are to be established to protect, account for, and maintain such property.
- (2) When contractors are provided with Government-Furnished Property, the Government retains title to the property, and the property shall be maintained and controlled as any other accountable property held by TSA.

B. Receipt of Government Property

- (1) At the point Government property is placed in the control or custody of the contractor, the contractor becomes accountable and responsible for that property. Therefore, a qualified TSA PA is to be designated by the relevant CO to provide Government oversight.
- (2) The PA will monitor and review contract activities as they relate to GFP, and must ensure:
 - (a) Contractor procedures provide proper documentation of damage, movement, receipt and storage of property.
 - (b) Actions are taken to resolve inventory discrepancies.
 - (c) Periodic inspections of property occur.
 - (d) Equipment is calibrated in accordance with manufacturer's specifications.

C. Property Accountability

- (1) The CO, when providing GFP to a contractor, is to ensure the property is properly documented in the contract and a copy of the contract is furnished to the PA.
- (2) The PA and contractor are responsible for completing and fully reconciling the physical inventories of the Government property.
- (3) OPM has the authority to make periodic visits to the locations of all Government Property at reasonable times for inspection, reviews, and evaluation.

7. PROCEDURES:

A. Maintaining Inventory

- (1) The PMO provides guidance regarding property inventory procedures as needed.

- (2) The PA is to monitor and review the results of the physical inventories conducted by the contractor for all TSA contractor-held property. The PA is to ensure a copy of each inventory is furnished to the appropriate CO and that the contractor identifies excess property requiring disposition processing.
- (3) The CO modifies contracts as needed; identifying all property furnished by the Government. The CO also provides for the disposition of all property with assistance from the PA.

B. Transferring Property through Contract Modification

- (1) GFP and CAP may be transferred to a contractor when authorized and in accordance with contract specifications.
- (2) All transfer documentation shall be forwarded to the CO for equitable adjustment of the contract and verification that property is no longer required on the closing contract.
- (3) Government Property shall be transferred to a contract only when firm requirements exist under the contract. Such transfers shall be documented by modifications to the contract.
- (4) Serviceable or usable property included in contractor's inventory schedule, no longer needed by the contractor or returned, must be disposed of in accordance with Section 7F of this directive.
- (5) Any transfer costs incurred due to contract modification are the responsibility of the transferee (which may include storage, packing, preparation for shipment, loading and transportation).

C. Loss, Damage or Destruction of Government Property

- (1) Adequate contract provisions are to be established to ensure safeguards are in place to prevent the loss (including theft), damage or destruction of Government property assigned to contractors. Any loss, damage or destruction of property shall be investigated and fully documented by the contractor who shall promptly notify the PA and CO.
- (2) A contractor's liability for loss, damage or destruction of Government property (except reasonable wear and tear), is subject to the terms of the contract and a finding by TSA that the contractor is at fault for loss, damage or destruction.

D. Unauthorized Use of Government Property

- (1) The PA is to advise the CO of any suspected unauthorized use of Government property.
- (2) The CO must immediately take action to prevent all unauthorized use of Government property.

E. Acquiring Excess Property for Use by the Contractor

- (1) Excess property can be used if all of the following conditions are met:
 - (a) Use is authorized and in compliance with guidelines.
 - (b) Use will reduce costs to the Government.
 - (c) It is in the Government's best interest to furnish.
 - (d) Contractor is aware of property management obligations under the Federal Management Regulations regarding the management of excess personal property.
 - (e) Contractor does not stockpile property and places it in-use within a reasonable amount of time.
 - (f) Contractor employs a system to prevent nonuse, improper use or unauthorized disposal and destruction of excess personal property furnished.
 - (g) Establishment of provisions and procedures for property accountability and disposition in situations where the Government retains title to the property.
- (2) PMO ensures annual reporting to the General Services Administration (GSA) for excess personal property furnished to non-Federal recipients (i.e., contractors).

F. Disposal of Government Property held by the Contractor

- (1) Disposal can occur at the completion of the work under the contract, upon termination of the contract, or at any time during the course of the contract when the property is no longer serviceable or needed for its original intended purpose.
- (2) When property is reported excess by the contractor, the CO and PA must ensure that the excess property is managed in accordance with the contract terms. The PA ensures that the GFP/CAP is no longer used for other work by the contractor.
- (3) Property reported as excess shall be considered for reutilization according to GSA regulations (listed in order of priority):
 - (a) Reuse within the agency.
 - (b) Educationally useful equipment should be considered for transfer under Computers for Learning Executive Order 12999.
 - (c) Reuse within the Federal Government by reporting to GSA.
 - (d) Consideration for GSA public sales.
 - (e) Donation to eligible Public Body in lieu of abandonment.

- (f) Abandonment if property has no commercial value or estimated cost of its continued care and handling exceeds the estimated proceeds from its sale.

G. Reporting

- (1) In accordance with DHS MD 0565, TSA is responsible for annually reporting the acquisition value of the GFP provided to contractors.
- (2) The Office of Acquisition is to report the acquisition value of the property (by line item) furnished to contractors to OPM no later than 15 March annually.

8. EFFECTIVE DATE AND IMPLEMENTATION: This policy is effective immediately upon signature.

APPROVAL

Signed

4/17/2009

David R. Nicholson
Assistant Administrator for Finance and
Administration/Chief Financial Officer

Date

Distribution: TSA Employees

Point of Contact: Office of Property Management, TSA-Property@dhs.gov, (571) 227-5486