



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

AFI23-119_AFGM2020-01
29 APRIL 2020

MEMORANDUM FOR DISTRIBUTION C
MAJCOMs/FOAs/DRUs

FROM: HQ USAF/A4
1030 Air Force Pentagon
Washington, DC 20330-1030

SUBJECT: Air Force Guidance Memorandum, to Air Force Instruction (AFI) 23-119, *Exchange, Sale, or Temporary Custody of Non-excess Personal Property*

1. By Order of the Secretary of the Air Force, this Air Force Guidance Memorandum (AFGM) immediately implements changes to AFI 23-119, *Exchange, Sale, or Temporary Custody of Non-excess Personal Property*. To the extent its directions are inconsistent with other Air Force publications; the information herein prevails, in accordance with AFI 33-360, Publications and Forms Management. Compliance with this memorandum is mandatory.

2. This AFGM identifies procedures and responsibilities for all inventory items to include nuclear weapons related materiel, classified, communications security (COMSEC), weapons and other sensitive assets. This AFGM ensures assets are accurately received, secured, stored, issued, demilitarized and disposed, accounted for and reported to Air Force and Department of Defense agencies as required to be made available to programs authorized by Legislation Requirements. This instruction implements AFGM 23-1, Supply Chain Materiel Management and in part, Title 40, United States Code (U.S.C.) §101 Public Buildings, Property, and Works, as amended. It also complements, Federal Acquisition Regulation (FAR) Part 45.102, Government Property, FAR Part 45.107 Contract Clauses, Defense Federal Acquisition Regulation (DFARS) 245.102.70 Procedures, Department of Defense (DoDM) Manual 4140.01, *DoD Supply Chain Material Management Procedures*, DoD Instruction (DoDI) 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property*, DoDI 4161.02, *Accountability and Management of Government Contract Property*, AFI 20-110, *Nuclear Related-Material Management*, and AFI 24-302, *Vehicle Management*.

3. This AFGM incorporates guidance for managing and accounting for Government Furnished Property (GFP) of Acquisition and Sustainment Programs authorized by legislation. Also, this instruction includes agreements that provide Government Furnished Materiel (GFM) under a Federal Acquisition Regulation (FAR) government contract, grant, or cooperative agreement. Also the deletion of Government Furnished Property (GFP) Process Flow Contractor Acquired Property (CAP).

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4. This memorandum becomes void after one-year has elapsed from the date of this memorandum, or upon publication of an Interim Change or rewrite of the affected publication whichever is earlier. It applies to all Air Force activities and Air National Guard and US Air Force Reserve units.

WARREN D. BERRY
Lieutenant General, USAF
DCS/Logistics, Engineering & Force
Protection

Attachments:
Guidance Changes

Guidance Changes

(Added) Section F—Management of Government-Furnished Property (GFP)

(Added) 1. Program Objective. This attachment provides guidance for the management of Government Furnished Property (GFP) owned by the Air Force.

(Added) 2. Responsibilities

(Added) 2.1. MAJCOM/A4

will:

(Added) 2.1.1. Develop procedures to supplement this GM, as required.

(Added) 2.1.2. Ensure steps in the GFP Process Guide are followed.

(Added) 2.1.3. Ensure GFP requests for contractors' on base services contracts and contracts providing operations and maintenance support are supported by the Logistics Readiness Squadron (LRS). Contractors providing depot level support on a base installation will utilize the Loan Control Officer (LCO) process IAW **Attachment 4**.

(Added) 2.1.4. Ensure Allowance Identification (Allowance ID) 051E, unless another approved ASC applies, and associated contract number is assigned in Defense Property Accounting System (DPAS).

(Added) 2.1.4.1. Ensure the due back date is annotated in the Master Jacket File and monitored by the Equipment Accountability Element (EAE).

(Added) 2.1.4.2. Ensure the EAE monitors ASC 051E requests and coordinates with the Requesting Activities on overdue loans.

(Added) 2.1.4.3. Ensure the EAE reviews all loans that are due back within 30 calendar days.

(Added) 2.1.4.4. Ensure the EAE reviews overdue loans on a monthly basis and provide status to the Requesting Activity's Point of Contact (POC). Notify the LRS/CC of overdue loans greater than 30 calendar days. The LRS/CC will contact the organization's CC to determine the status of the equipment.

(Added) 2.1.5. Ensure all vehicle requests are submitted for approval IAW AFI 24-302.

(Added) 3. AFMC/A4 will:

(Added) 3.1. Develop procedures for GFP loan requests to include the return of equipment provided by a MAJCOM.

(Added) 3.1.1. Designate Loan Control Officers (LCO) to execute, manage, and maintain oversight of all GFP loans. The LCO will maintain GFP Loan folder. The folder should include, as a minimum, the front page of the contract, GFP attachment, the approved loan request, and documentation when the item has returned to the Government. The folders will be maintained for 10 years after the return of the loan IAW Air Force Records Disposition Schedule (AFRDS).

(Added) 3.1.2 Develop procedures to assist the LCO in the return or extension of overdue loans.

(Added) 3.1.3. Ensure the LCO provides notification to AFMC/A4 of overdue loans greater than 30 calendar days.

(Added) 4. Requesting Activities will:

(Added) 4.1. Ensure steps in the GFP Process Guide are followed when established.

(Added) 4.1.1. Submit requests for GFP IAW the GFP Process Guide for contractors not supported through LRS using the DOD Attachment IAW PGI 245.103-72.

(Added) 4.1.2. When the authorization/approval is granted, submit an AF Form 601, Authorization Request to request GFP under a base services contract with justification listing the contract numbers and expiration in order to gain proper authorization under Allowance ID 051E.

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Requisitions will be submitted in accordance with Defense Logistics Manual (DLM) 4000.25.

(Added) 4.1.3. Ensure GFP is returned by the due back date or provide a contract modification.

(Added) 4.1.4. Provide the appropriate Fund Code when requesting GFP.

(Added) 4.1.5. Disposition of GFP will be conducted with the appropriate Item Manager (IM) prior to executing FAR 52.245-1 clauses.

(Added) 5. Government Furnished Property (GFP) provided by a MAJCOM

(Added) 5.1. MAJCOMs may direct the temporary loan of in-use items to support requirements, outside of base facilities, per the request of AFMC/A4.

(Added) 5.2. The designated AFMC representative will coordinate loan request with the Centralized Equipment Management Flight (CEMF) for approval or disapproval. Information will include Contractor's Department of Defense Activity Address Code (DoDAAC), contract number, NSN, QTY, expiration date of loan and TAC code.

(Added) 5.3. CEMF will coordinate approval/disapproval with appropriate Weapons System Manager. The CEMF will respond to the requesting activity in regards to loan approval/disapproval with-in 3 business days.

(Added) 5.4. The CEMF will direct the EAE of the lending base to establish an authorized/in-use detail record.

(Added) 5.4.1. The losing organization supporting EAE will transfer the equipment from the original detail to the established GFP detail.

(Added) 5.4.1.1. The EAE will establish an off line requisition and a DUO (TEX 7) on the original equipment losing detail to retain visibility over the loaned equipment, throughout the duration of the loan.

(Added) 5.4.1.2. The EAE will turn-in the items to stock (utilize proper TEX 8 code to hold for one transaction) from the established GFP detail.

(Added) 5.4.1.3. The EAE will follow instructions provided by AFMC/A4.

(Added) 5.4.1.4. EAE will file all documentation and correspondence in the Tab C, Information File of the Master Jacket File IAW AFMAN 23-122.

(Added) 5.5. When the equipment is no longer needed, follow procedures provided by AFMC when returning loaned equipment.

(Added) 6. Loan Criteria.

(Added) 6.1. The following criteria must be met for a loan consideration:

(Added) 6.1.1. The equipment will be returned in the same condition as when the equipment was furnished by the government, unless specified in the GFP request.

(Added) 6.1.2. The equipment will be returned to the Government unless approved by the Item Manager.

(Added) 6.1.3. DPAS will account all GFE Loan records. Will be maintained in DPAS.

(Added) 6.1.4. Equipment must be available to the wholesale Item Manager for redistribution.

(Added) 6.1.5. The GFP must be on a contract or Agreement.

(Added) 6.1.6. Borrower must have a valid DoDAAC IAW AFMAN 23-230.

(Added) 7. Loan Extensions. Provide a copy of contract modification to the applicable LCO for GFP released by the IM.

(Replace) 7.3.1. AF/A8P Force Programmer's determines excess operational aircraft and is identified in the Force Structure Worksheet. AF/A4LM screens the aircraft once the aircraft is approved for divestment IAW AFI 16-402.

(Replace) 7.3.2. The reporting instruction for spares and support equipment in excess is IAW AFI 23-101 and AFMAN 23-122.

(Replace) 10.15.3. Equipment in the National Defense Stockpile or the Defense Production Act inventory IAW 50 U.S.C § 98.

(Replace) 10.15.4. Nuclear Regulatory Commission-controlled equipment unless the requirements IAW 41 U.S.C. § 101 and other applicable regulations.

(Replace) 10.15.8. Property that is dangerous to public health or safety.

(Added) 10.15.11. Weapons, Fire control equipment, and Nuclear ordnance.

(Added) Government Furnished Property (GFP) - Property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor (includes sub- contractors and alternate locations) for performance of a contract. It does not include consumable or material items or items held as inventory as defined by DoD 7000.14-R.

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(Added) Contractor Acquired Property (CAP) - Any property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the Government has title. CAP that is subsequently delivered and accepted by the Government for use on the same or another contract is considered GFP.

(Added) Government-Furnished Equipment (GFE) - Government Furnished Equipment (GFE) (FAR Part 45) is equipment that is owned by the government and delivered to, or made available to a contractor.

(Added) Contract (Accountability and Management of DoD Equipment and Other Accountable Property, DoDI 5000.64) - Any enforceable agreement, including rental and lease agreements and purchase orders, between an agency and a business concern for the acquisition of property or services.

(Replace) Lease (Replenishment Parts Purchase of Borrow Program, 10 U.S.C. § 2320(d)) -An agreement to provide replenishment parts on a temporary basis to business concerns for the purpose of design replication. Also, referred to in DoDM 4140.01, Vol 9 as “bailment”. The government retains legal title to such material even though the borrowing agency has possession during the stated period. Lessee provides payment as required by the legal authority cited in the lease.

(Added) Loan Control Officer (LCO) – The liaison for Government Furnished Property (GFP) to be provided from the Air Force on an awarded contract or approved agreements between the requesting activity, Item Manager (IM) and contractor.

References

(Delete) DoDD 4140.57, DoD Replenishment Parts Purchase or Borrow Program, April 13, 1987

*(Delete) DoD 5105.38-M, Security Assistance Management Manual, January 18, 2001
DoD 7000.14-R, DoD Financial Management Regulation(FMR), Various Volumes
DoDI 5000.64, Accountability And Management Of DoD Equipment And Other Accountable Property, April 27, 2017
DoDM 4140.01, DoD Supply Chain Materiel Management Procedures, Various Volumes*

DoDM 4160.21, Defense Materiel Disposition Manual, Various Volumes

AFI 10-801, Defense Support of Civil Authorities, December 23, 2015

AFI 16-402, Aerospace Vehicle Programming, Assignment, Distribution, Accounting, and Termination, May 30, 2013

AFPD 23-1, Supply Chain Materiel Management, September 7, 2018

(Delete) *AFPD 23-5, Reusing and Disposing of Materiel*

(Added) AAFP 63-3, *Competition and Commercial Advocacy*, December 1, 2005

(Added) AAFP 64-1, *The Contracting System*, November 6, 2018

(Added) AFI 23-101, *Air Force Materiel Management*, December 12, 2016

AFI 23-111, *Management of Government Property in Possession of the Air Force*, November 19, 2018

(Delete) AFI 23-501, *Retaining and Transferring Materiel*

(Delete) AFI 63-301, *Air Force Competition and Commercial Advocacy*

AFI 64-103, *Leasing Non-Excess USAF Aircraft, Aircraft-Related equipment and Other Personal Property to Non-Government Organizations*, March 14, 2017

(Delete) AFMAN 23-110, *Volume 1, Part 1, Basic Air Force Supply Procedures*

(Delete) AFMAN 23-110, *Volume 6, Excess and Surplus Personal Property*

(Added) AFMAN 23-122, *Materiel Management Procedures*, December 14, 2016

Attachment 4 (Added)

Process Guide for Accountability of Government Furnished Property (GFP)

A.4. Description, Purpose and Scope

A4.1. This process guide provides References and Guidance and identifies the steps for properly accounting for Government Furnished Property (GFP). The process guide defines the roles and responsibilities of each functional area and all stakeholders involved in the accountability process.

A4.1.1. Government Furnished Property (GFP) Property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor (includes sub- contractors and alternate locations) for performance of a contract. It does not include consumable or material items or items held as inventory as defined by DoD 7000.14-R. Government furnished property includes, but is not limited to, spares and property furnished for repairs, maintenance, overhaul, or modification. Government furnished property also includes contractor acquired property if the contractor acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract.” Reference: Federal Acquisition Regulation Part 45.101.

A4.1.2. Government Furnished Equipment (GFE) Government Furnished Equipment (GFE) (FAR Part 45) is equipment that is owned by the government and delivered to, or

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made available to a contractor. GFE consists of property, special tooling, or special test property provided to the contractor for activities such as research and development, acquisition, repair, maintenance, overhaul, or modification.

A4.1.3. Government Furnished Materiel (GFM) Government furnished material (GFM) is another form of Government-owned property that is sometimes provided to contractors. Examples include, Raw titanium for use in ship construction, nuts, bolts, washers, screws, and other consumable items are all examples of GFM. Material does not include equipment, special tooling, and special test equipment. Unlike GFE, GFM is consumed or expended by the contractor during the performance of a contract. The cost of GFM is included in the cost of the contract end-item to be delivered. Contractors establish and maintain records of GFM in accordance with FAR requirements (reference Federal Acquisition Regulations, Part 45

Note: Contractor Acquired Property (CAP) becomes government property upon delivery and acceptance by the government.

A4.1.4. AFMC/A4 is the “Central” Point for providing and managing all AF property and government furnished property in the AF inventory; therefore this guide is applicable to all MAJCOMs, to include United States Space Force (USSF), Program Executive Offices (PEOs), and AFMC complexes requiring property be furnished to a contractor for the performance of a contract.

A4.2. GFP Process Flow

A4.2.1. Entry Criteria. GFP required for contract. See reference Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Information (PGI) 245.103-70 *Furnishing Government Property to Contractors*.

A4.2.2. The requiring activity or program management office of primary responsibility (OPR) will identify the property. If the property is a centrally funded, centrally managed item or items, including those which might be identified as Sensitive Property as identified in this publication, then the requiring activity or program management will formally coordinate in writing with the product team/inventory management specialist regarding the availability of the item/s. This coordination will be provided along with the rest of the justification for providing it to the Contracting Office IAW the elements attached in FAR Part 45.102. If it is not included or if there is a non-concur from the product team/inventory management specialist, the Contracting Officer will reject the request for GFP.

A4.2.3. Existing contracts enter the GFP Process Flow when applicable GFP process activities occur, such as contract modifications affecting GFP or disposition of GFP at contract completion.

A4.2.4. Inputs. Complete identification and documented justification of GFP. GFP clauses included in the contract, pursuant to FAR 45.107, *Contract Clauses*, DFARS 211.274.6, *Contract Clauses*, and DFAR 245.107, *Contract Clauses*.

A4.2.5. Outputs. Accountability in the Accountable Property System of Record (APSR) and completed inventory reports.

A4.2.6. Exit Criteria. See [Table A2](#) for GFP Process Flow Return.

A4.2.6.1. GFP is removed from the contract when no longer required for the performance of that contract. In accordance with Federal Acquisition Regulation (FAR) Part 45 and FAR 52.245-1, the contractor will promptly perform and report to the property administrator contract property closeout, to include reporting, investigating, and securing

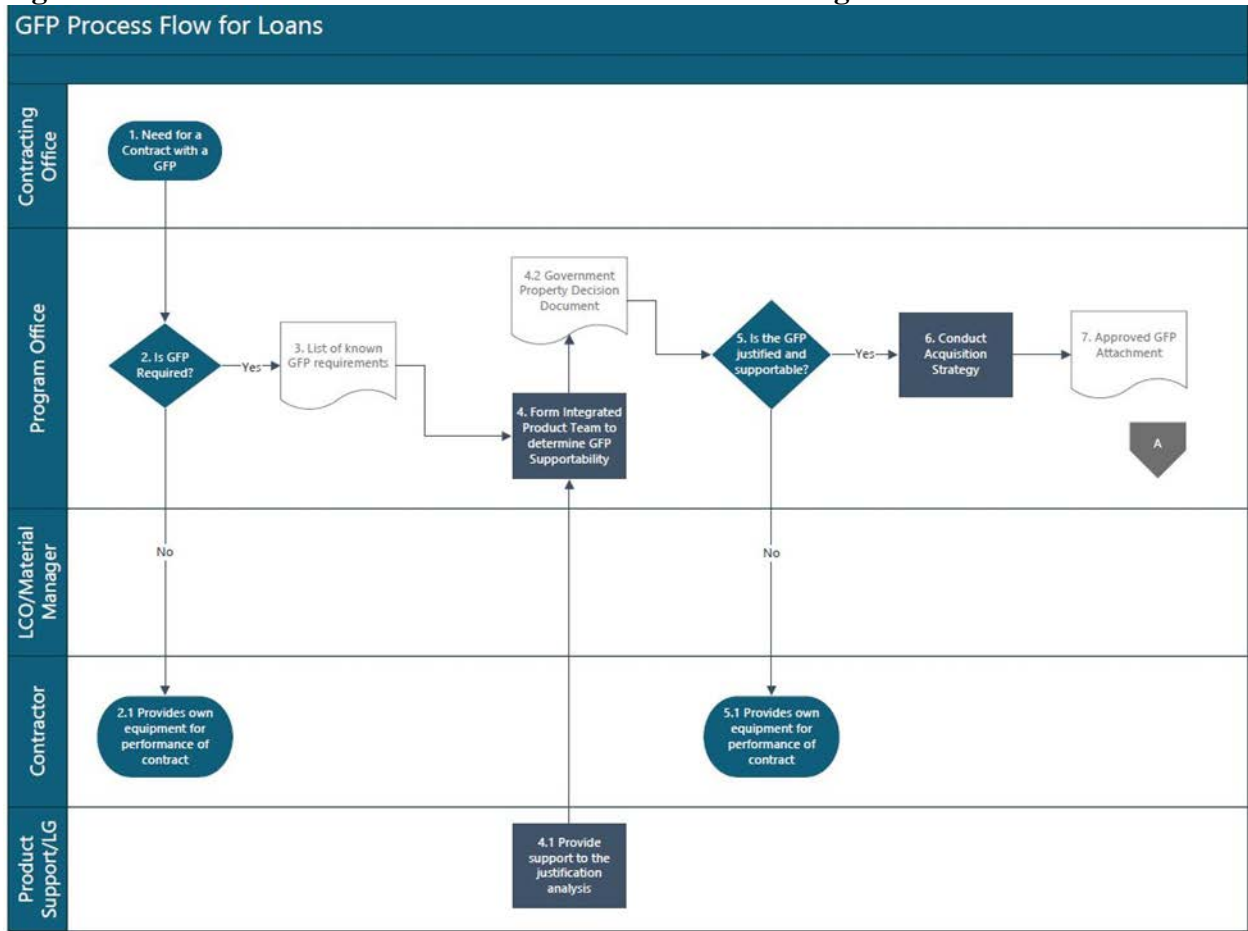
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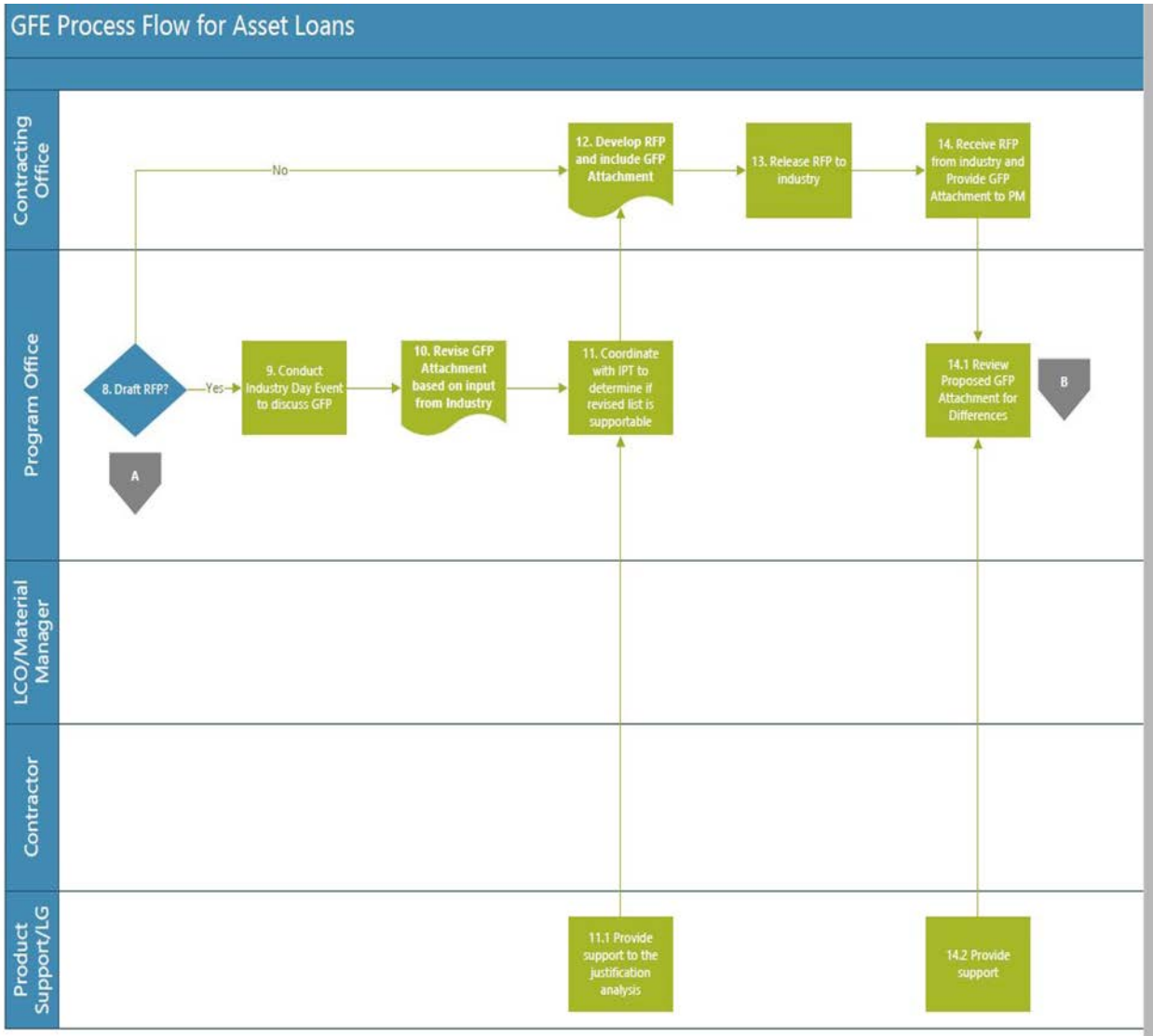
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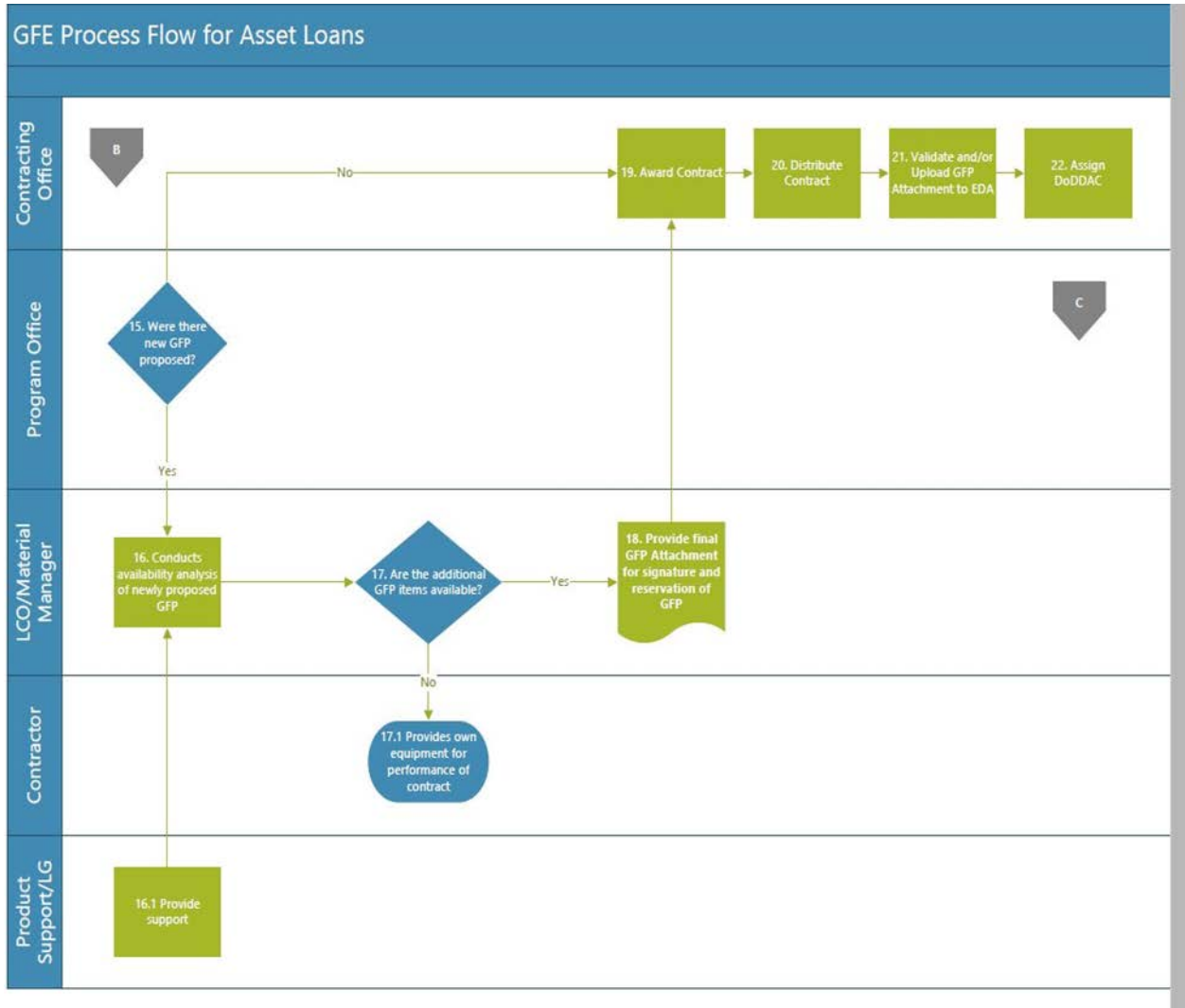
closure of all loss of government property cases; physically inventorying all property upon termination or completion of contract; and disposing of items at the time determined by the government to be excess to the contract.

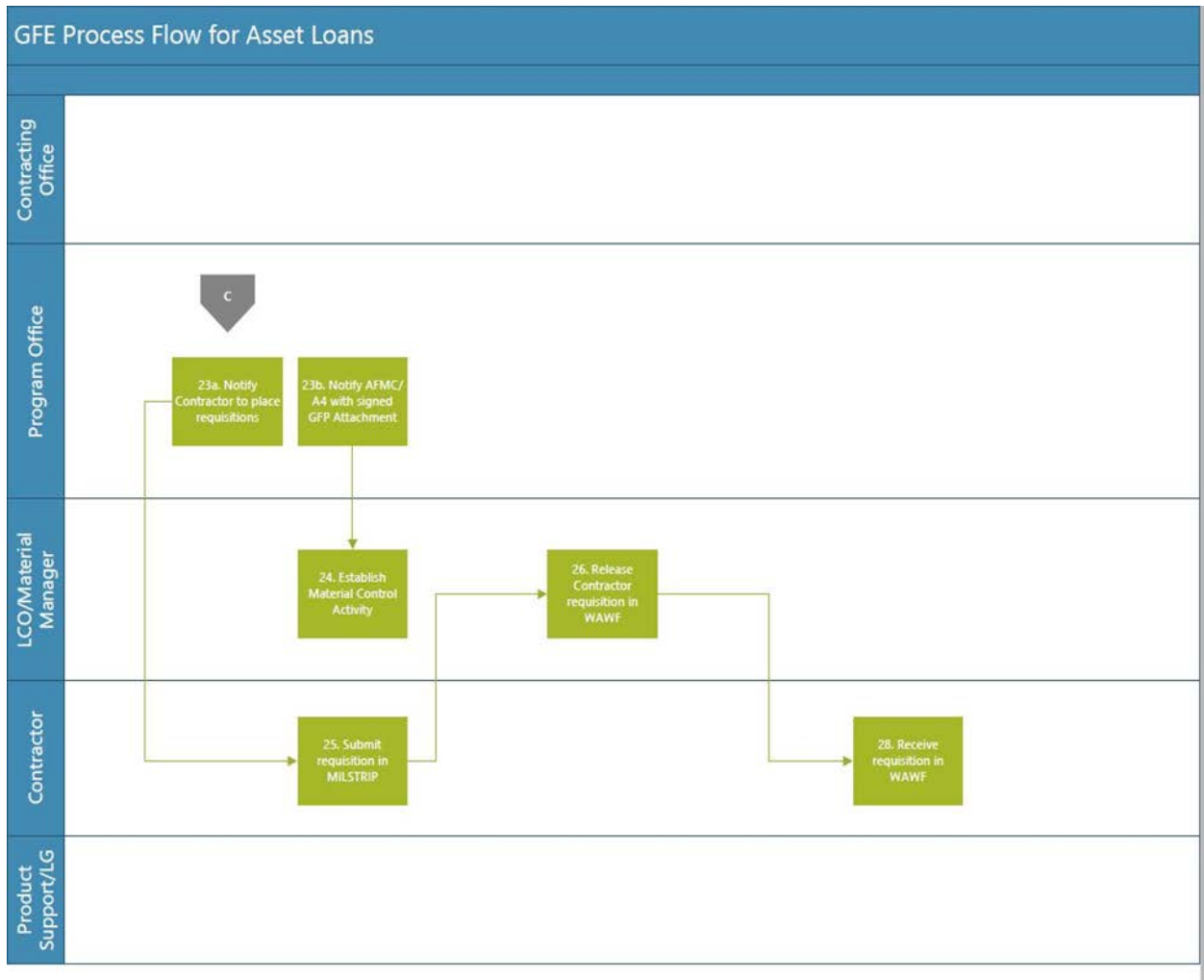
A4.2.6.2. FAR 45.6, *Reporting, Reutilization, and Disposal*, establishes policies and procedures for the reporting, reutilization, and disposal of contractor inventory excess to contracts and of property that forms the basis of a claim against the Government (e.g., termination inventory under fixed-price contracts).

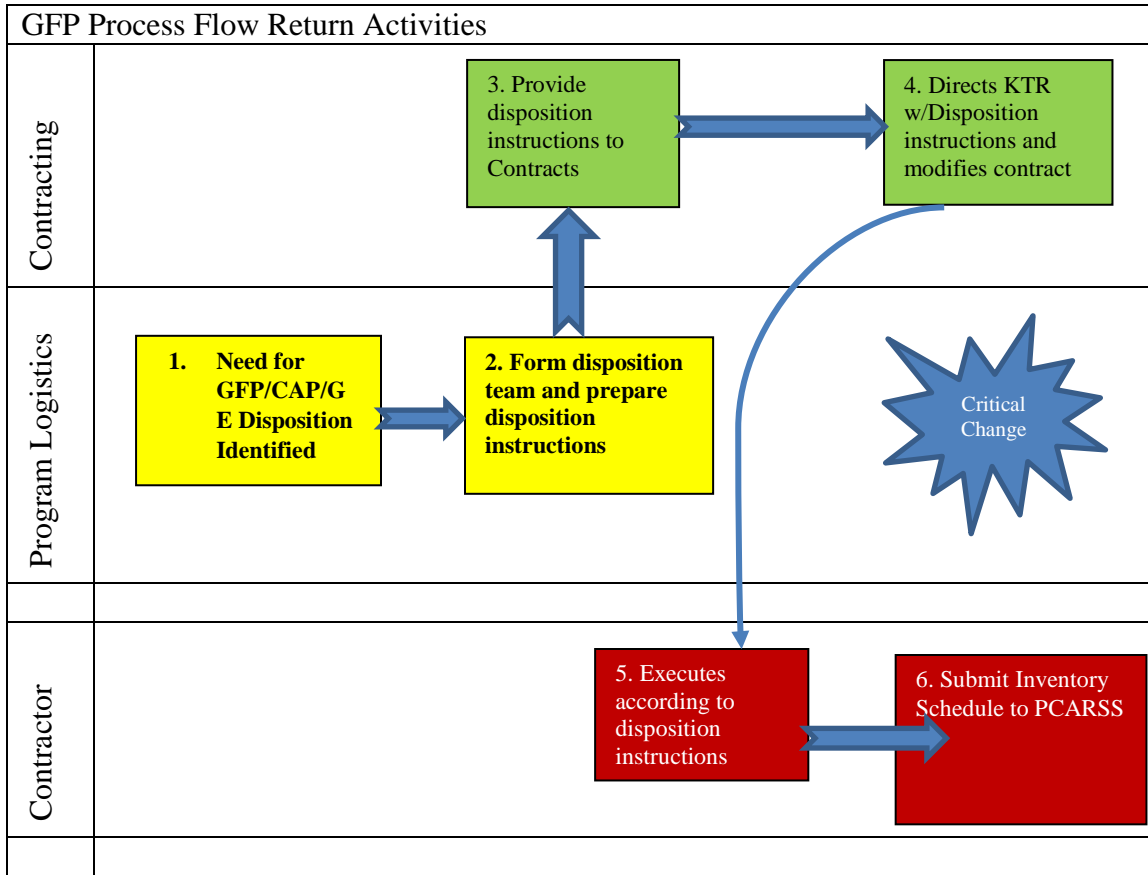
Figure A.1. GFP Process Flowchart – Standardize and Manage Processes











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Table A1. GFP Process Flow Activities

Step	Activity	Description	OPR
1	The Need for a contract	Requirements generator has established a new requirement that will require a contract.	Program Office (Contracting)
2	GFP Required; yes or no?	When yes, continue to step 3. When no, then the contractor is responsible for providing all property for the performance of the contract. Begin the Contractor Acquired Property (CAP) process IAW FAR Part 45 The contractor may also furnish the required property for the performance of the contract. When GFP is found to be applicable at a later date, proceed to step 3	
3	Identify known GFP requirements	Program Office prepares a list of all known GFP requirements IAW <i>AFI 63-101_20-101 – Integrated Life Cycle Management ; AFMAN 17-1203, Information Technology (IT) Asset Management (ITAM)</i>	Program Office (Program Management)
4	Form Integrated Product Team and Determine GFP Supportability and Conduct Justification Analysis and Include Disposition Instructions in Draft PWS/SOW	Program Manager (PM) / Logistics Management Specialist (LMS) forms an IPT of all stakeholders to include at a minimum: the contracting officer, resource manager, the engineer, the equipment specialist, and, if required, the requiring activity / major command. This IPT determines if the known list of GFP is supportable and provides documentation to the contracting officer. The Program Office develops the Government Property Decision Document and ensures it addresses each element required by DFARS PGI 245.103-70, <i>Furnishing Government Property to Contractors</i> . Program Office provides the Decision Document to the Contracting Officer as part of the Requirements Package.	Program Office (Program Management)
4.1	Product Support Manager/LG Involvement	Product Support Manager provides support to the justification analysis as required.	Product Support Manager/LG
5	GFP Justified and Supportable; yes or no?	When GFP is determined to be justified and supportable, move to step 6. When GFP is determined not to be supportable, begin the CAP process (reference Table 4). When GFP is determined not to be justified, the contractor provides the property at no cost to the government.	Program Office (Program Management)

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		When GFP is found to be applicable at a later date, return to step 3.	
5.1	Contractor must provide; enter the CAP process	The contractor must provide the property when GFP is determined not to be supportable for the performance of the contract.	Contractor
6	Conduct Acquisition Strategy Panel (ASP)	<p><i>FAR Part 7 - 7.105 -- Contents of Written Acquisition Plans - Government-furnished property.</i> Indicate any Government property to be Furnished to contractors, and discuss any acquisition objectives with any applicable considerations that will control the acquisition process. FAR Part 7 - 7.105 -- Contents of Written Acquisition Plans -Government-furnished property. Reference policy on requirements that must be met to furnish property to contractors. (See FAR 45.102)</p> <p><i>DFARS PGI 245.103-70 Furnishing Government Property to Contractors.</i> The requiring activity (project or program manager, or purchase request generator), as part of its responsibility for acquisition planning (FAR part 7, Acquisition Planning), is the decision point as to whether or not to furnish property to contractors. The basis for any decision to provide Government Property is documented per step 4.</p>	Program Office (Program Management)
7	Submit approved initial GFP Attachment to contracting	The GFP attachment is prepared using DOD's mandatory Government Furnished Property Attachment format, IAW DFARS PGI 245.103-72, for inclusion in the draft Request for Proposal (RFP).	Program Office (Program Management)
8	Draft RFP; yes or no?	When the program is releasing a draft RFP, then include the GFP attachment in the draft RFP for industry review and comment. Move on to step 9. When the program is not releasing a draft RFP, move to step 12.	Program Office (Program Management/ Contracting)
9	Conduct Industry Day Event	Program Office conducts an Industry Day, as required, and discusses GFP with all interested parties.	Program Office (Program Management/ Contracting)
Step	Activity	Description	OPR

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10	Produce a revised GFP Attachment	Program Office revises, as required, GFP attachment based on input from Industry.	Program Office (Program Management)
11	Conduct GFP Supportability Analysis	Program Office coordinates with IPT to determine if revised list of GFP is supportable.	Program Office (Program Management)
11.1	Product Support Manager/LG Supportability Analysis	The PM/LMS provides the revised GFP attachment to determine supportability.	Product Support Manager/LG
12	Write RFP	Contracting develops RFP and includes the GFP attachment that is formatted in accordance with <i>PGI 245.103-72</i> for release to industry. The RFP must include the clauses prescribed in <i>FAR 45.107</i> , <i>DFARS 211.274-6</i> , and <i>DFARS 245.107</i> .	Contracting
13	Release Solicitation	Contracting releases RFP to industry.	Contracting
14	Receive Proposal and Provide GFP Attachment to PM	Contracting receives the proposal(s) from industry and forwards the GFP attachment to the requirements generator.	Contracting
14.1	Proposed GFP Attachment Review	The program team reviews the proposed GFP attachment and identifies differences.	Program Office (Program Management)
14.2	Product Support Manager/LG Support	The Product Support Manager/LG supports as required.	Product Support Manager/LG
Step	Activity	Description	OPR
15	New GFP proposed; yes or no?	When the offerors proposed new GFP items on the attachment, submit to AFMC/A4. If the contractor did not propose new GFP items on the attachment, proceed to step 19.	Program Office
16	Proposed GFP Attachment Availability Analysis	AFMC/A4 conducts availability analysis and returns the proposed GFP attachment to the program office with availability or non-availability status of proposed differences within 10 working days	Program Office
16.1	Product Support Manager/ LG		

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	supports Availability Analysis	Product Support Manager/LG supports in determining the availability of proposed GFP as required.	Product Support Manager/LG
16.2	Non-availability mission impact	Notifies AFMC/A4 of the impact if the asset is not available. AFMC/A4 will take any required action if necessary.	Program Office/Program Management/AFMC/A4
17	Additional GFP Items Available; yes or no?	When the additional items to the GFP attachment are available, move on to step 18. When the additional items to the GFP attachment are not available, the contractor is responsible for providing the non-available equipment for the performance of the contract.	Program Office/Program Management
17.1	Contractor must provide; enter the Contractor Acquired Property process	The contractor must provide non available equipment for the performance of the contract through a cost reimbursement contract line item (i.e. CAP) unless the item is commercially available.	Contractor
18	Provide final GFP for final signature and reservation of GFP	No earlier than 90 days prior and no later than 30 days prior to anticipated contract award date, the program office provides the final GFP Attachment to AFMC/A4 for final review and approval. The Program Office provides the contracting office the final GFP Attachment using the GFP format, reference DFARS PGI 245.103-72 . AFMC/A4 along with the LG stakeholders makes a firm commitment to provide GFP and returns the final signed GFP attachment using the required format per DFARS PGI 245.103-72 to the program office. The Loan Control Officer reserves the approved GFP items on the attachment.	Program Office AFMC/A4 and LG GFP Community
19	Award Contract	Contract is awarded with an adequately justified list of GFP that is formatted per DFARS PGI 245.103-72 and certified as available by the required need date. The contract includes the applicable property clauses IAW the prescriptions in FAR 45.107, DFARS 211.574-6 and 245.107.	Contracting Office and Requiring Activity (i.e., PM, Base Organization)
20	Distribute Contract	Contracting distributes all contractual documents and attachments per FAR Subpart 4.2 and DFARS subpart 204.2 .	Contracting Office

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21	Validate and/or Upload GFP Attachment to Procurement Integrated Enterprise Environment (PIEE)	Contracting validates that all properly formatted GFP attachments are posted to EDA. When necessary, contracting manually uploads the GFP attachment into EDA in order to meet the requirements of DFARS 204.270-1(a). (See also Addendum A - Manual Upload of GFP Attachments to the Electronic Document Access (EDA)).	Contracting Office
Step	Activity	Description	OPR
22	Assign DoDAAC	The contracting office requests a DoDAAC for awarded contract IAW <i>AFFARS 5304.7003-90 - "Maintaining DoD Activity Address Codes (DoDAAC)."</i>	Contracting Office
23	Notification to AFMC/A4 with signed GFP Attachment and DODAAC; Notification to contractor to Place Requisitions	The Program Office provides AFMC/A4 with the awarded GFP Attachment and the assigned DODAAC.	Program Office (Program Management)
24	Establish Management Control Activity (MCA)	Upon receiving notification from AFMC/A4 that the contract has been awarded, the LCO establishes an MCA for the loan.	LCO
25	Contractor submits requisitions	The Contractor submits requisition through MILSTRIP / DLA Logistics Management Standards (DLMS) for authorized GFP IAW the contract no earlier than 10 days after the Program Office provides AFMC/A4 with the awarded GFP Attachment.	Contractor
26	LCO Releases Requisition	The LCO releases requested GFP for shipment to contractor. D035A electronically provides a notification to Wide Area Workflow (WAWF).	Material Manager/LCO
27	Accountability established in APSR	D035A electronically updates Air Force Equipment IT System. Equipment IT System establishes / updates the accountability record.	Material Manager/LCO

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28	Contractor receives requisition in PIEE (Procurement Integrated Enterprise Environment)	The Contractor acknowledges receipt of requested GFP in WAWF, <i>IAW DFARS 252.211-7007</i> . References update to IUID Registry. Note: If PIEE is not required by the contract, and the contractor is not using WAWF, follow the procedures at http://dodprocurementtoolbox.com/site/uiregistry/ .	Contractor
29	PIEE Updates D035A	PIEE provides receipt acknowledgment to D035A that contractor has received authorized GFP.	Material Manager/LCO
30	Request for contract change that affects GFP?	The Contracting Office receives a request to change contract affecting authorized GFP.	Contracting Office
31	New or additional GFP requested	When new GFP is required, conduct an availability analysis (Step 16) for requested GFP.	Program Office (Program Management)
32	Contract Modification	The Contracting Office prepares a contract modifications affecting authorized GFP.	Contracting Office

Table A2. GFP Process Flow Return Activities

Step	Activity	Description	OPR
1	Need for GFP Disposition Identified	Requiring activity establishes GFP is no longer required for contract performance. This can happen in a variety of ways: 1. Program office identifies GFP on the contract that is no longer required. 2. The end of the period of performance for the contract to which the GFP is accountable is imminent. 3. The end of the loan for an authorized piece of GFP is imminent. 4. The Contractor identifies GFP no longer required for the contract and sends a request for disposition into the program office	Program Office (Program Management)

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2	Form disposition team and prepare disposition instructions	<p>Program Office forms a team to develop disposition instructions for GFP no longer required for contract performance. Program Manager / Logistics Management Specialist (LMS) will form an IPT to include at a minimum: the contracting officer, resource manager, product support manager (PSM), LCO, AFMC/A4, and, if required, the requiring activity / major command, equipment specialist, and engineering.</p> <p>NOTE: AFMC/A4 notifies the program office via email when GFP is due within 60 calendar days and follow-up when not resolved within 30 calendar days and again when overdue.</p>	Program Office (Program Management)
3	Provide disposition instructions to Contracting	Contracting receives disposition instructions from Program Office.	Program Office (Contracting)
4	Directs Contractor w/Disposition instructions and modifies contract	Contracting provides contractor with disposition instructions and modifies contract, as required.	Program Office (Contracting)
5	Execute according to disposition instructions	Contractor executes disposition instructions.	Contractor
6	Verify physical return of GFP to Gov't accountability and close loan record	Loan Control and Accountability records in D035A and APSR must be cleared upon return of GFP.	LCO
7	Submit Inventory Schedule to Plant	Contractor submits inventory schedules into PCARSS.	Contractor

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	Clearance Automated Reutilization Screening System (PCARRS)		
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A4.2.7. Tools used:

A4.2.7.3. DoD IUID Registry

A4.2.7.4. DoD Procurement Tool Box

A4.2.7.5. Defense Pricing and Contracting (DPC)

A4.2.7.6. Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS) and Procedures, Guidance, and Information (PGI).

A4.2.7.7. Defense Priorities & Allocation System Program (DPAS)

A4.2.7.8. D035A

A4.2.8. Training: Defense Acquisition University (DAU)

A4.2.8.1. CLE 040 – Item Unique Identification (IUID) Marking

A4.2.8.2. CLM 037 - Physical Inventory

A4.2.8.3. CLM 039 - Foundations of Government Property

A4.2.8.4. CLM 047 - Fiscal & Physical Accountability and Management of DoD Property

A4.2.8.5. CLC 051 - Managing Government Property in Possession of Contractor

A4.2.8.6. CLM 200 – Item Unique Identification

A4.2.9. DoD Procurement Tool Box (<https://dodprocurementtoolbox.com/>)

A4.2.9.1. Government Furnished Property (GFP)

A4.2.9.2. Contract Closeout

A4.2.9.3. eBusiness

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A4.2.9.4. Government Purchase Card (GPC)

A4.2.9.5. Item Unique Identification (IUID)

A4.2.9.6. Cybersecurity in DoD Acquisition Regulations

A4.2.9.7. Procure to Pay (P2P)

Table A3. GFP Policy Document and Guidance

Item	Description
DoD Instruction https://www.dlmsso.dla.mil/elibrary/manuals/instructions.asp	<p data-bbox="537 596 1581 630"><u>DoDI 4140.01: DoD Supply Chain Materiel Management Policy</u></p> <p data-bbox="537 667 1581 772">Establishes policy, assigns responsibilities and prescribes procedures for management of materiel across the DoD supply chain including materiel in the possession of contractors.</p> <p data-bbox="537 846 1581 919"><u>DoDI 4161.02: Accountability and Management of Government Contract Property</u></p> <p data-bbox="537 957 1581 1062">Establishes policy, assigns responsibilities, and prescribes procedures for management and accountability of Government-Furnished Property (GFP) in the custody of defense contractors.</p> <p data-bbox="537 1119 1581 1192"><u>DoDI 5000.64 Accountability and Management of DoD Property and Other Accountable Property</u></p> <p data-bbox="537 1230 1581 1440">Establishes policy and procedures and outlines requirements reflecting the accountability perspective of property management; Establishes policy, assigns responsibilities, and provides procedures for DoD-owned property and other accountable property, assists DoD property managers, accounting and financial managers, and other officials; Complements the accounting and financial reporting requirements contained in DoD 7000.14-R (Reference (e)).</p> <p data-bbox="537 1493 1581 1566"><u>DoDI 8320.04: Item Unique Identification (IUID) Standards for Tangible Personal Property</u></p> <p data-bbox="537 1604 1581 1667">Establishes the IUID Registry as the master data source for Government Furnished Property (GFP).</p>
FAR	<p data-bbox="537 1709 1581 1782"><u>Part 45 - Government Property – Subpart 45.1 - 45.101: Definitions (see "Government Furnished Property")</u></p>

	<p><u>Part 52 - Solicitation Provisions and Contract Clauses –</u> <u>Subpart 52.245-1 : Government Property</u> <u>Subpart 52.245-2: Government Property Installation Operation Services</u> <u>Subpart 52.245-9 Use and Charges</u></p>
<p>DFARS</p>	<p><u>DFARS 211.274-6: Contract Clauses</u> Describes contract clauses to include in GFP requirements.</p> <hr/> <p><u>DFARS 252.211-7007: Reporting of Government Furnished Property</u> Provides definitions of GFP-related terms and requirements of reporting GFP to the IUID Registry; Includes data to report to the IUID Registry and reporting procedures.</p> <hr/> <p><u>DFARS 252.245-7000: Government Furnished Mapping, Charting, and Geodesy Property</u> Outlines the definition and reporting instructions.</p>

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DFARS	<p><u>DFARS 252.245-7001: Tagging, Labeling, and Marking of Government-Furnished Property</u></p> <p>Establishes definition of serially-managed items and requirement of tagging, labeling and marking of GFP.</p> <p><u>DFARS 252.245-7002: Reporting Loss of Government Property</u></p> <p>Defines loss of Government Property; Provides contractors with procedures on how to report the loss of Government property.</p> <p><u>DFARS 252.245-7003: Contractor Property Management System Administration</u></p> <p>Provides guidance for acceptable contractor system or systems for managing and controlling Government property</p> <p><u>DFARS 252.245-7004: Reporting, Reutilization, and Disposal</u></p> <p>Outlines procedures for inventory disposal schedules; sales of surplus property proceed; demilitarization, mutilation, and destruction; contractor inventory and disposal of scrap.</p>
Defense Federal Acquisition Regulation Supplement (DFARS) and Procedures, Guidance, and Information (PGI)	<p><u>PGI Subpart 245.1: Government Furnished Property-General</u></p> <p>Guidance on GFP policy; furnishing of GFP to contractors; transferring Government property accountability; GFP attachments to solicitations and awards; and contracting office responsibilities.</p> <p><u>PGI Subpart 245.103-70: Furnishing Government property to contractors</u></p> <p>Guidance to determine if government property should furnish property to contractors.</p> <p><u>PGI 245.103-72: GFP Attachments to solicitations and Awards</u></p> <p>Provides guidance for implementation of PGI 245.201-71; Introduces electronic formats for two GFP attachments (reporting GFP as data).</p> <p><u>PGI subpart 245.2: Solicitation and Evaluation Procedures</u></p> <p>Outlines the solicitation and evaluation procedures and detailed instructions for GFP attachments.</p>

<p>Defense Federal Acquisition Regulation Supplement (DFARS) and Procedures, Guidance, and Information (PGI)</p>	<p><u>PGI 245.402-70 Policy and PGI 245.402-71 Delivery of contractor-acquired property</u></p> <p>Policy and delivery of contractor acquired property guidance.</p> <p><i>*** Please note the change affecting contractor-performed logistics support and performance-based logistics support contracts at 245.402-71(4) ***</i></p>
<p>AFI/AFMAN</p>	<p><u>AFI 23-101 Materiel Management - Air Force Materiel Management</u></p> <p><u>AFMAN 23-230 Transportation - Maintaining Air Force DoD Activity Address Codes (DoDAAC)</u></p> <p><u>AFI 63-101/20-101 Acquisition/Logistics Integrated Life Cycle Management</u></p> <p><u>AFMAN 23-122 Material Management Procedures</u></p>
<p>Memorandums</p>	<p><u>Government Furnished Property Clause Compliance (September 2014)</u></p> <p>Explains the use and implementation of required GFP clauses and establishes quarterly clause compliance scorecards.</p>

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Table A4. IUID Polices, Documents and Guides

Item	Description
DoD Instructions	<p><u>DoDI 4140.01: DoD Supply Chain Materiel Management Policy</u></p> <p>Requires unique item level traceability for DoD serially managed items that are sensitive or pilferable, DoD serially managed controlled inventory items (CII), nuclear weapons-related material (NWRM), depot level reparable, and any item that the DoD materiel manager decides requires unique item level traceability using a unique item identifier (UII) assigned to each individual item.</p>
	<p><u>DoDI 4140.67: DoD Counterfeit Prevention Policy</u></p> <p>Assigns responsibility to apply IUID using UII in accordance with DoDI 8320.04 for critical materiel identified as susceptible to counterfeiting to enable authoritative life-cycle traceability and authentication.</p>
	<p><u>DoDI 4151.19: Serialized Item Management (SIM) for Life-Cycle Management of Materiel</u></p> <p>Establishes a serialized item management program where the (parts c Military Departments and Defense Agencies: 1. Identify populations of select items, components, and end items); 2. Mark all items in each population with a UII; 3. Generate, collect, and analyze maintenance, logistics, and usage data about each specific item.</p>
	<p><u>DoDI 4161.02: Accountability and Management of Government Contract Property</u></p> <p>Establishes policy, assigned responsibilities, for implementing Serialized Item Management (SIM) in support of the life-cycle management of materiel.</p>
	<p><u>DoDI 4165.56: Relocatable Buildings</u></p> <p>Requires relocatable buildings purchased as property to be inventoried and accounted for with an IUID in accordance with DoDI 8320.04 and maintained in accordance with DoDI 5000.64.</p>

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	<p><u>DoDI 5000.02: Operation of the Defense Acquisition System</u></p> <p>Requires IUID planning and implementation be documented in an IUID Implementation Plan and included in the program's Systems Engineering Plan (SEP) at Milestones A, B, and C.</p>
DoD Instructions	<p><u>DoDI 5000.64: Accountability and Management of DoD-Owned Property and Other Accountable Property</u></p> <p>Requires accountability of property be enabled by IUID for identification, tracking, and management in accordance with DoDD 8320.03; Requires accountable property records be established in an APSR; Requires a Unique item identifier (UII) or DoD recognized IUID equivalent, if available and necessary for unique identification, in addition to other data elements, at a minimum, of an APSR; Requires organizations to retain accountability for property in-transit status, at a minimum requiring records of: 1. part number, NSN, serial number, UII, or DoD recognized IUID equivalent, nomenclature, quantity, and value of items shipped from contractors or vendors for which title has passed to the Government, 2. part number, NSN, serial number, UII, or DoD recognized IUID equivalent, nomenclature, quantity, and value of items shipped from one organization to another organization, for which accountability is retained by the accountable organization until receipt and acceptance by the consignee, and 3. part number, NSN, serial number, UII, or DoD recognized IUID equivalent, nomenclature, quantity, and value of items being moved from one location to another location within an organization.</p> <p><u>DoDI 5200.44: Protection of Mission Critical Functions to Achieve Trusted Systems and Networks (TSN)</u></p> <p>Requires the application of risk management practices include TSN process, tools, and techniques to implement IUID for national level traceability of critical components in accordance with DoDI 8320.04.</p> <p><u>DoDI 6430.02: Defense Medical Materiel Program</u></p> <p>Requires acquisition strategies and programs consistent with DoDI 8320.04 for medical materiel management that promote standardization of medical supplies and property; Requires coordination and support for initially registering in the DoD IUID Registry and utilizing the DoD IUID Registry as an authoritative data source to support Defense Medical Logistics Standard Support (DMLSS) and component property systems for all defense medical materiel that have a unique item traceability requirement at any point in their lifecycle.</p>

	<p><u>DoDI 8320.04: Item Unique Identification (IUID) Standards for Tangible Personal Property</u></p> <p>Describes procedures and assigns responsibilities for identifying personal property and for establishing accountability and value over uniquely identified personal property; prescribes standards for constructing the UII; Assigns responsibilities and establishes procedures for the maintenance and operation of the DoD IUID Registry; Establishes the DoD IUID Registry as the authoritative source of Government unit acquisition cost for items with UII and UII pedigree data established at delivery, and the master data source for GFP; Establishes the functional framework for IUID as it relates to associated DoD policy and guidance.</p>
<p>DoD Publications</p>	<p><u>DoDD 3150.08: DoD Response to Nuclear and Radiological Incidents</u></p> <hr/> <p><u>DoDI 8320.03: Unique Identification (UID) Standards for Supporting the DoD Information Enterprise</u></p> <p>Establishes policy and prescribes the criteria for creation, maintenance, and dissemination of UID data standards for discrete entities; Establishes policy and assigns responsibilities for establishment of the DoD enterprise-wide UID strategy</p>
<p>DLMS Publications</p>	<p><u>DLM 4000.25: Defense Logistics Management System (DLMS)</u></p> <p>Integrates IUID requirements in to the DLMS processes and relevant transaction sets.</p>

	<p><u>DLM 4000.25-1: Military Standard Requisitioning and Issue Procedures (MILSTRIP)</u></p> <p>Integrates IUID requirements into MILSTRIP DD Form 1348-A, Issue Release/Receipt document.</p>
<p>DoD Publications</p>	<p><u>DoD Manual 3020.45-V1: Defense Critical Infrastructure Program (DCIP): DoD Mission-Based Critical Asset Identification Process (CAIP)</u></p> <p>Provides baseline elements of information (BEIs) for assets identified as task critical assets (TCAs) or defense critical asset (DCAs); Requires documentation of TCAs in accordance with DoDI 8320.04.</p> <hr/> <p><u>DoD Manual 5100.76: Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)</u></p> <p>Requires unit-level personnel to perform 100% monthly physical count and installation personnel to perform 100% semi-annual physical count of security risk category (SRC) I missiles and rockets and SRC II-IV arms by serial number or UUI; Requires unit-level personnel to perform 100% quarterly physical count and installation personnel to perform 100% semi-annual physical count of SRC II and III missiles and rockets by serial number or UUI.</p> <hr/> <p><u>DoD Manual 8260.03, Vol 1: Global Force Management Data Initiative (GFM DI) Implementation: Unique Identification (UID) for GFM</u></p> <p>Establishes responsibilities and procedures for UID of force structure data in software application programs known as GFM organization servers (OS); Requires personal property or real property chosen by GFM components for inclusion in OSs be uniquely identified as specified in DoDD 8320.03, DoDI 8320.04, and DoDI 4165.14</p> <hr/> <p><u>DoDI 3020.45, Mission Assurance (MA) Construct</u></p> <p>DoD establishes the MA construct as the DoD-wide process to ID, assess, manage and monitor the risks to strategic missions.</p>

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DFARS	<p><u>211.274: Item Identification and Valuation Requirements</u></p> <p>Provides policies for unique item identification, valuation, reporting of Government-furnished property, and assignment of Government-assigned serial numbers; Identifies the contract clauses to include in solicitations and contracts for each of these policies.</p> <p><u>252.211-7003: Item Unique Identification and Valuation</u></p> <p>Provides definitions of IUID-related terms and IUID requirements for identified items; Requires IUID requirements to be included in subcontracts if applicable.</p> <p><u>252.211-7007: Reporting of Government Furnished Property</u></p> <p>Provides definitions and requirements for IUID Registry; Includes data to report procedures.</p> <p><u>252.211-7008: Use of Government Assigned Serial Numbers</u></p> <p>Provides requirements for marking major end items with Government-assigned serial numbers and registration of Government-assigned serial numbers with UIL.</p>
AFPAM	<p><u>63-128 Acquisition Integrated Life Cycle Management</u></p>
Military Standards/ Handbooks	<p><u>MIL-STD 129: Department of Defense Standard Practice Military Marking for Shipment and Storage</u></p> <p>Provides minimum requirements for uniform military marking for shipment and storage; Provides identification linear (Code 39) and 2D (PDF417) bar code content and marking requirements, including UIIs, for non-ammunition containers, unit packs, intermediate containers, and exterior shipping containers;</p> <p>Provides special marking requirements for components of disassembled items with UIIs; Provides requirements for IUID data in DD1348-1A.</p>
	<p><u>MIL-STD 130: Department of Defense Standard Practice Identification Marking of U.S. Military Property</u></p> <p>Provides item marking criteria for development of specific marking requirements and methods for identification of items of military property produced, stocked, stored, and issued by or for DoD, including criteria and data content for free text and machine-readable information (MRI) applications, including IUID.</p>

Addendum A (Added)

Manual Upload of GFP Attachments to the Electronic Document Access (EDA)

This addendum describes the process to upload Government Furnished Property (GFP) attachments into EDA. This process provides a standardized, repeatable method to ensure GFP attachments post to EDA in the correct attachment type and as a separate and distinct document from the contract. The process assumes the Program Office provides a complete attachment in the format required by DFARS 245.103-72. Unless all steps of the process occur, the property information contained in the GFP attachments will not flow to the IUID Registry. MAJCOM or local procedures may centralize the upload process, but responsibility resides with the individual Contracting Officer.

Step 1. Role Authorization. Uploading contract attachments requires approval and authorization beyond the “View Only” access to EDA most users have. To obtain the “Contract Attachment” capability, request the “Upload Attachments/Admin Docs” role from your EDA Point of Contact. Request this role as soon as possible. Confirm assignment to the appropriate issuing office DODAAC, as EDA limits upload attachment rights by this code.

Step 2. Contract Assembly. Assemble contracts in accordance with existing contract writing system (CWS) processes and procedures. Use only properly completed attachments, in the format required by DFARS 245.103-72 and provided by the Program Office (Program Management OPR, requiring activity, etc.). Incorporate an image-based (human-readable, scanned) copy of the GFP attachment during contract assembly, if the CWS cannot utilize the text-based (machine extractable, “smart form”) version of the GFP attachment. Ensure the text-based attachment manually uploaded to EDA is an accurate representation of the image-based attachment incorporated in the underlying contract.

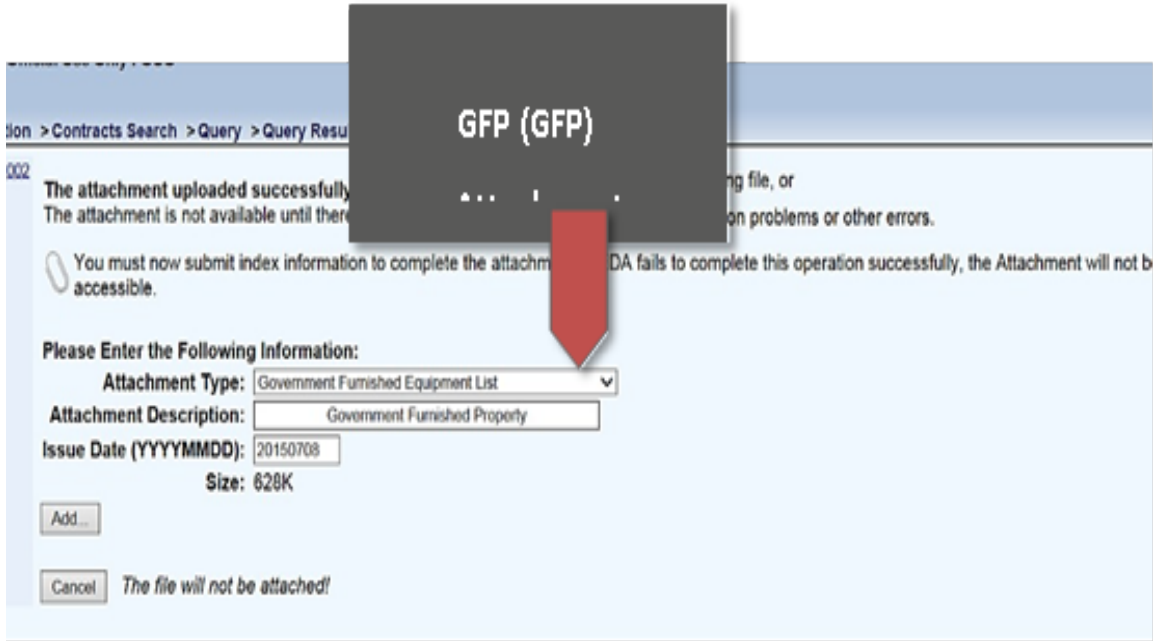
Step 3. Contract Distribution. Distribute the contract document IAW existing procedures. Centralized contract automation does not resolve the contracting officer’s contract distribution responsibility, which includes uploading attachments to EDA.

Step 4. Manual Upload. Upload a text-based (machine extractable) version of the GFP attachment within 5 business days of the contract posting to EDA. If a centralized distribution function completes Step 4, then proceed to Step 5. If not, start the upload step by finding the applicable contract in EDA and clicking the “Add” link in the “Attachments” column. If attachments already exist on the contract, the screen displays a “View (#)” link with a number which represents the quantity of attachments. When uploading a GFP attachment, label it correctly. In the “Attachment Type” drop down selection, select “Government Furnished Equipment List” for the GFP attachment. In the “Attachment Description,” name GFP attachments as “Government Furnished Property”. See Table 1 for visual guidance.

Table 1 - Enter Attachment Data: GFP Example

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Step 5. Verification. Verify completion of an upload to EDA using the simple three-step process. First, check EDA’s contract list “Attachments” column to make sure a "View (#)" link appears. This link indicates a proper attachment upload. However, these attachments may be GFP attachments or other contract attachments, such as the signed front page of the contract. Next, click the link to open the attachments folder to see if it includes a “Government Furnished Equipment List” for the GFP attachment. Click on the link(s) to open the attachment. If the text-based (machine extractable) GFP document opens, then the upload process was correctly followed. See Table 2.

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Table 2 - Steps to Verify Attachment Upload: GFP Example

Contract Number	PDS History	DO/TO	ACO Mod	PCO Mod	Doc Size	Signature Date	Load Date	Issue DoDAAC	Admin DoDAAC	Pay DoDAAC	CAGE Code	D-U-N-S Number	Obligated Amount	LOA Data	CLIN Data	Attachments			
N0002414C5114	H				662K	20131227	20131228							17	View(10)	View(47)	View (1)		
N0002414C5114	H			P00008	230K	20150331	20150401							53	View(22)	View(51)	View (1)		
N0002414C5114	H			P00009	117K	20150331	20150401										View (1)		
N0002414C5114	H			P00007	218K	20150127	20150128										View (1)		
N0002414C5114	H		A00005		185.3K	20141105	20141105	S33									View(19)	View(47)	View (1)
N0002414C5114	H			P00006	98K	20141016	20141017										View(19)	View(47)	View (1)
N0002414C5114	H		A00004		134.6K	20141003	20141003	S33									View(19)	View(47)	View (1)

1. Attachment column displays "View(#)"

2. Folder contains link to GFP

Contracts > Query > Query Results > Attachments

Displaying 1 of 1 @ 25 Records per page. 18 records found (1 to 18 shown)

Click on the Attachment Type to view the file

Attachment Type	Description	Issue Date
CDRL (1963K)	15 - DD Form 1423-1 Contract Data Requirements	20150624
Contract Security Classification Specification (DD 254) (279K)	08 - DD Form 254 Security Classification Specification	20150624
Government Furnished Equipment List (724K)	Scheduled Government Furnished Property	20150624

3. Link opens text-based (machine extractable)

Step 6. Maintenance. Contract modifications changing a GFP attachment follow the same process. Do not use EDA's "Modify" or "Delete" attachment functions for previously uploaded

Attachment 2

(APPLIES TO SECTION A)
SAMPLE AGREEMENT
DEPARTMENT OF THE AIR FORCE
REPLENISHMENT PARTS
AGREEMENT NUMBER

Whereas, the Air Force, hereinafter referred to as "Bailer" or "Government", under the authority of 10 U.S.C. § 2320 (d) and Department of Defense Manual (DoDM) 4140.01, Vol, 9 desires to grant to _____, Company, a domestic business organized and incorporated under the laws of the state of _____, hereinafter referred to as "Borrower," a lease for

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the use of certain parts, hereinafter referred to as “the Property”; and

Whereas, the Property is more particularly described in Exhibit A, attached hereto and incorporated herein; and

Whereas, the Property is to be used by the Borrower for the purpose of design replication or modification in the submission of subsequent offers to sell the same or like parts to the United States; and

Whereas, Bailer has determined that this lease is in the best interests of the Government, having considered national security requirements, inventory needs, and the probability of future purchases of the Property by the Bailer,

Now therefore, the Bailer hereby grants the Property to the Borrower, subject to all terms and conditions contained herein.

THIS LEASE is granted subject to the following conditions.

1. Parties. The Bailer and the Borrower, when referred to together, are hereinafter referred to as the “Parties.”

2. Term. This lease shall be effective when signed by all the Parties and the consideration has been tendered. It shall remain effective for a period of thirty (30) days, unless sooner revoked or terminated by the Bailer. At the end the thirty days, the lease may, at the request of the Borrower and at the discretion of the Bailer, be renewed for an additional thirty-day period. The Borrower shall submit a written request to the Bailer if an extension is requested.

3. Consideration. The Borrower shall pay the Bailer \$_____, which costs have been assessed in accordance with the *Department of Defense Financial Management Regulation*, DoD 7000.14-R. The Borrower shall also pay all charges associated with the delivery of the Property to the Borrower and all charges for the return of the Property to the Bailer at the end of the term.

4. Liability. The Borrower shall assume full liability for any damage to the Property itself, or any other property damage or loss, personal injury, death, or costs resulting from the Borrower’s use of the Property while on lease, including, but not limited to, movement, activation, conversion, and operations involving the Property.

5. Proprietary and Patent Rights. The Borrower shall protect all the Government’s proprietary, patent, and industrial rights in and to the Property, and all information furnished with or derived from the Property.

6. Receipt and Return of the Property

A. Receipt of the Property. The originating activity shall furnish the Contracting Officer (CO) with a copy of a signed receipt for the Property. If the Borrower receives the property in a condition unsuitable for the intended use, the Borrower shall notify the

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CO, detailing the facts, and, as directed by the CO, return the Property to the Bailer immediately.

B. Return of the Property. Upon completion of the project or at the end of the term, the Borrower shall request disposition instructions for return of the Property from the CO. The Property shall not be shipped from the Borrower's facility without prior instructions from the CO. An advance copy of the shipping document shall be furnished to the CO upon occurrence of the shipping action. The Property shall be returned to the Bailer in as good a condition (less fair wear and tear) as when provided. The Borrower shall bear all expenses necessary to place the Property in such condition. The Air Force reserves the right to inspect the Property upon its return to validate its condition.

7. Limitations on Use and Transfer of the Property

A. Destruction or Disassembly. Under no circumstances shall the Property, or any part thereof, be subjected by the Borrower to destruction or irreversible disassembly. In the event the Borrower, or others acting on its behalf, do destroy or irreversibly disassemble the Property or any part thereof, the Borrower agrees to promptly pay the Bailer, as compensation, the full value of the Property, or part thereof, as listed in Exhibit A.

B. Retransfer to Third Party. All Property and information provided under this agreement are intended solely for the purpose of meeting U.S. Government requirements. The Borrower shall not retransfer the Property, or technical data related to the Property, to any other parties or firms within the United States or to foreign firms or governments. Prior written approval of the Bailer is required before the sale of any item produced from the Property or data provided under this agreement to a non-U.S. Government entity.

C. All property provided under this agreement or any part thereof will be visible to the government for condition and location status

8. Title to the Property. Title to the Property shall remain with the Bailer.

9. Revocation. The Bailer reserves the right to revoke all or any part of this agreement when it is in the best interest of the Government.

10. Nondiscrimination. The Borrower agrees that no person(s) will be discriminated against in connection with the Borrower's use of the Property on the grounds of race, color, religion, sex, or national origin, nor will any person(s) be denied the benefits of or be subject to discrimination under any program or activity held, conducted, or sponsored by the Borrower and that any activity, program, or use made of the Property by the Borrower will be in compliance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d).

In Witness whereof, I have hereunto set my hand by authority of the Secretary of the Air Force, this _____ day of _____.

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(Contracting Officer

Name and address)

In Witness whereof, Borrower hereunto sets its hand, this _____ day of

_____.

(Borrower's Name and

Address)

This agreement has been reviewed and found legally sufficient.

Air Force Reviewing Attorney

Name (Print/Type)

Office Symbol & Ext

Date

**(ADD) Exhibit A
THE PROPERTY**

Lending Organization:

Parent Command: Air Force Materiel Command (AFMC)

A. Property Identification:

NSN:

Source of Supply (SOS):

Part Number:

Nomenclature:

Quantity (QTY):

B. Property Value:

Unit Cost:

Quantity Requested:

Unit Cost x Quantity Requested:

C. National Security Considerations or Limitations (if any).

(ADD) Exhibit B

Availability of the Property in Exhibit A for Parts Replenishment Program

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A. Item Manager’s Sample Parts Determination.

I have reviewed the request to obtain the sample parts in Exhibit A (the Property) on lease and I have determined that all the following criteria have been met, as required by DoDM 4140.01, Vol 9. (NOTE – approval for lease of engineering critical or unstable parts, as defined in DoDM 4140.01, Vol 9, must be obtained from Air Force Component with technical cognizance of the part).

1. The part has limited or reduced sources of supply due to the unavailability in the U.S. of the Technical Data Package (TDP), an incomplete TDP, or a TDP that contains limited rights data; and
2. The annual buy value of the part exceeds the dollar value as defined in FAR Part 13 and SAF/AQC, also:
3. Lease of the part will not adversely affect or deplete required supply quantities; and
4. Potential life cycle cost saving exceed the cost of making the part available; and
5. The property is a part when the technical data, once developed, would not disclose critical technology with military or space applications, as determined in accordance with DoDD 5230.25, *Withholding of Unclassified technical data from Public Disclosure*.

Item Manager’s Signature

Name (Type/Printed)

Office Symbol & Number

Date

B. System Program Manager’s/Logistic Officer’s Statement (Choose Proper Statement)

___ 1. This lease will have no effect on USAF programming requirements and system programs.

___ 2. This lease will have the following effect(s) on USAF programming requirements and systems programs (include national security if applicable) (attach comments on separate page).

System Program Manager’s/Logistic Officer’s Signature

Name (Type/Print)

Office Symbol & Number

Date

(ADD) ATTACHMENT 3

NONEXCESS PERSONAL PROPERTY LEASE IMPACT ASSESSMENT

A. Source of Supply:

Item Manager:

Air Logistics Center:

Parent Command: Air Force Materiel Command (AFMC)

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B. Property Identification

NSN:

Part Number:

Noun:

Quantity:

Unit Cost:

Unit Cost x Quantity Requested:

C. National Security Consideration or Limitations (i.e. Demil, FSCAP, Classification, etc.):

D. Availability of the Property for Lease:

Item Manager's Determination:

I have reviewed the proposed lease and I have determined that:

1. The requested part(s) are not excess.
2. Lease of the part(s) will not adversely affect or deplete required supply quantities, and
3. The requested part(s) are not projected to be needed during the period of the lease.

Item Manager's Signature

Name (Type/Print)	Office Symbol & Number	Date
-------------------	------------------------	------

System Program Manager's/Logistics Officer's Statement (Check proper statement):

___ 1. This lease will have no effect on US Air Force programming requirements and system programs.

___ 2. This lease will have the following effect(s) on USAF programming requirements and systems programs (include national security if applicable) (attach comments on separate page).

System Program Manager's/Logistics Officer's Signature

Name (Type/Print)	Office Symbol & Number	Date
-------------------	------------------------	------

5 JUNE 2001



Supply

**EXCHANGE, SALE, OR TEMPORARY
CUSTODY OF NONEXCESS PERSONAL
PROPERTY**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFD 23-1, *Requirements and Stockage of Materiel*, and AFD 23-5, *Reusing and Disposing of Materiel*, by providing guidance and procedures for making nonexcess personal property available to programs authorized by legislation. Requirements contained in this instruction are derived from the Federal Property and Administrative Services Act of 1949, as amended, Title 40, United States Code, Section 471, and Department of Defense (DoD) 4140.1-R, DoD Materiel Management Regulation. This instruction does not apply to agreements to provide government furnished materiel (GFM) under a Federal Acquisition Regulation (FAR) government contract, grant, or cooperative agreement. It applies to all Air Force activities and the Air National Guard and US Air Force Reserve units or members. Notify HQ USAF/ILSP should this instruction conflict with other Air Force instructions or directives. HQ USAF/ILSP will review and approve all supplements prior to distribution.

This is the initial publication of AFI 23-119. It contains five sections: Each addressing a distinct program for supplying nonexcess personal property to non-Federal activities. **Section A** contains policy and procedures for making replenishment spare parts available to domestic business concerns for design replication or modification. **Section B**, **Section C**, and **Section D** contain supply responsibilities and procedures for providing materiel to programs implemented by Scientific/Research and Development (61 series) and Contracting (64 series) publications. **Section E** identifies supply responsibilities for implementing leases to friendly foreign governments.

Title 40 U.S.C. establishes responsibility and accountability for government property. All USAF personnel will use, manage, and protect government property IAW AFI 23-111. Government personal property or equipment will not be sold, loaned, exchanged, donated, leased, or otherwise disposed of unless specifically authorized by law or regulation. The following sections address supply policy for making nonexcess personal property available to programs authorized by law.

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Section A—Replenishment Parts Purchase or Borrow Program (RPPOB)

1. Program Objective:

1.1. The objectives of the Air Force RPPOB are to:

- 1.1.1. Permit domestic businesses to examine, borrow, or buy Air Force-managed replenishment parts for design replication or modification,
- 1.1.2. Develop new producers for items having limited sources, and
- 1.1.3. Reduce replenishment parts costs through competition and product simplification.

2. Authority. Public Law 98-525, Defense Procurement Reform Act of 1984, Defense

Acquisition Regulation Supplement (DFARS) Appendix E, *DoD Spare Parts Breakout Program*, DoDD 5230.25, *Withholding of Unclassified Technical Data from Public Disclosure*, DOD 4140.57, *DOD Replenishment Parts Purchase or Borrow Program*, and AFI 63-301, *Air Force Competition and Commercial Advocacy*.

3. Policy.

3.1. Sample parts shall be made available to domestic contractors when it is in the best interests of the Government and all other requirements of DoDD 4140.57 and this instruction are met.

3.2. The Air Force item management (IM) activity is the final authority for determining materiel availability and releasing materiel to support requests from potential suppliers for sample items and shall approve materiel release only when all of the following criteria are met:

- 3.2.1. The item has limited sources of supply because it lacks the technical data package (TDP), has an incomplete TDP, or a TDP containing limited rights data.
- 3.2.2. The item has an annual buy requirement in excess of \$10,000.
- 3.2.3. Lease or sale of the item will not deplete or adversely impact the asset position.
- 3.2.4. DFARS Appendix E economic evaluation projects potential life cycle cost savings in excess of costs of making the item available.
- 3.2.5. The item is not classified and will not disclose military or space applications technology as a result of developing the TDP.
- 3.2.6. There is a high probability of subsequent acquisition.
- 3.2.7. There are no other restrictions imposed by law or regulations.

3.3. The IM shall limit sample parts quantities to the minimum required to meet program objectives and shall establish controls to prevent exploitative ordering.

3.4. In order to reduce Air Force administrative and management costs, to the extent possible, IM activities shall give preference to sales in lieu of lease or inspection.

3.4.1. A warranted contracting officer shall execute all sales.

3.4.2. Pricing shall comply with the provisions of DoD 7000.14-R.

3.5. If sale is not possible, a lease agreement ([Attachment 2](#)) shall be prepared.

3.5.1. A warranted contracting officer shall execute all lease agreements.

3.5.2. Leases shall be assessed costs in accordance with DoD 7000.14-R.

3.5.3. Leased parts shall not be subjected to destruction or irreversible disassembly.

3.5.4. Leased parts shall not be provided to potential suppliers unless such parts can be reinspected and validated by the Government.

3.6. If neither sale nor lease is possible, potential suppliers may inspect parts for the purpose of familiarization in Air Force designated display areas.

3.7. Requests for sample parts must:

3.7.1. Be in writing from only domestic business concerns.

3.7.2. State the intent of the purchase/lease (modification and/or replication) and subsequent sale of replenishment parts to the Air Force.

3.7.3. Identify the national stock number (NSN) of the item desired.

3.7.4. Specify the improvement to be offered by a proposed modification.

3.7.5. Specify the duration of time the item will be leased when requesting lease.

3.8. Sales, lease, and inspection agreements shall include all of the following statements:

3.8.1. Materiel or information received under the RPPOB is intended solely for the purpose of meeting US Government requirements.

3.8.2. Retransfer of the parts or technical data to other parties or firms within the United States or to foreign parties, firms, or governments is not authorized.

3.8.3. Approval of the contracting officer is required prior to the sale to a non-US government entity of any item produced from parts or data acquired under the RPPOB.

4. Responsibilities.

4.1. The purchaser/lessee:

4.1.1. Must not be currently debarred, suspended, or otherwise prohibited from engaging in government procurement.

4.1.2. Shall demonstrate to the Air Force their ability to replicate the part and to comply with established performance, quality reliability, testing, and inspection standards.

4.1.3. Must furnish information, at a minimum, to include company location, facility size, primary type of business, years in business, prior year's gross sales, in addition to the written request (See [3.7.](#)).

- 4.1.4. Submit reimbursement as required by the lease.
- 4.2. The Air Force Materiel Command activity responsible for source development in coordination with the Competition Advocate's office shall:
 - 4.2.1. Identify candidate items for the RPPOB.
 - 4.2.2. Encourage contractors to participate.
 - 4.2.3. Be the single point of contact with prospective purchaser/borrowers and receive all RPPOB requests.
 - 4.2.4. Verify the purchaser/lessee is not debarred, suspended or otherwise prohibited from engaging in government procurement.
 - 4.2.5. Submit RPPOB requests to the IM activity for review and approval
 - 4.2.6. Ensure program sales and lease agreements are executed only by warranted contracting officers and only after the IM activity furnishes approval and information required by Exhibits A and B ([Attachment 2](#)).
 - 4.2.7. Ensure the purchaser/borrower/inspector complies with the terms and conditions of the agreement.
 - 4.2.8. Shall accept reimbursement from the purchaser/borrower and provide a fund cite number to the appropriate ALC finance office.
 - 4.2.9. Designate a display area for viewing the asset when the IM activity determines asset position prevents sale or lease of the item.
- 4.3. Item managers shall:
 - 4.3.1. Review RPPOB program requests.
 - 4.3.2. Coordinate with materiel management engineering representatives to determine if all required item criteria (See [3.2.](#)) are met.
 - 4.3.3. Notify the Competition Advocate the request is approved or disapproved.
 - 4.3.4. Provide justification for all disapprovals identifying the criteria (See [3.2.](#)) that were not met.
 - 4.3.5. Complete Exhibits A and B ([Attachment 2](#)) for inclusion in contracting's sales file for all approved item sales.
 - 4.3.6. Complete Exhibits A and B for inclusion in the lease agreement ([Attachment 2](#)) for all items approved for lease and provide to the appropriate system program manager/logistics officer.
 - 4.3.7. Ensure the appropriate system program manager/logistics officer completes [Section B](#) of Exhibit B ([Attachment 2](#)) and forwards the exhibits to the contracting officer.
 - 4.3.8. Release sold/leased items to the buyer/lessee only after receiving a copy of the sales/lease agreement from Contracting.
 - 4.3.9. Establish a suspense file to ensure timely return of items released for lease or inspection.
 - 4.3.10. Notify the appropriate contracting officer when items are not returned in the condition or by the date required by the applicable agreement.

Section B—Lease of Nonexcess Personal Property to Domestic Business Concerns:

5. Objective. This section contains supply policy and procedures for giving temporary custody of non-excess personal property to authorized domestic nongovernment organizations and law enforcement activities. Nonexcess personal property lease policy is in AFI 64-103. Provisions for lease of resources to law enforcement agencies outside of the Federal government are in AFI 10-801.

6. Authority. Title 10 of the United States Code (U.S.C.) Section 2667, authorizes the military services to lease real and personal property to domestic corporations and other nongovernmental concerns when it is advantageous to the United States. 10 U.S.C. 2667 does not apply to government contracts managed under FAR procedures.

7. Policy.

7.1. SAF/AQ may authorize leases of nonexcess personal property to domestic nongovernmental organizations under terms and conditions as SAF/AQ determines will promote national defense and be in the public interest.

7.2. Nonexcess personal property considered for leasing must be on the property accounts of the leasing activity (i.e. operational command for aircraft, laboratory for nonstocklisted assets, and wholesale inventory manager for spares and support equipment).

7.3. In accordance with 10 U.S.C. 2667, excess property shall not be leased.

7.3.1. HQ USAF/XPPE will determine whether aircraft are excess based on screening procedures contained in AFI 16-402 and AFMAN 23-110, Volume 6.

7.3.2. The IM activity will determine whether spares and support equipment is excess based on policy in AFI 23-501 and AFMAN 23-110, Volume 1.

7.4. Personal property cited in the lease shall be released to domestic business or other authorized nongovernmental concerns only after the appropriate contracting officer has signed the lease, and controls are established to ensure return of the property at the end of the lease period.

7.5. Notwithstanding any other provisions of the lease, the government shall not be required to provide to the lessee any spare/repair parts or support services.

7.6. Lessees are not authorized to requisition materiel from the DoD supply system unless there is independent legal authority for such access to DoD supplies.

7.7. A suspense system will be established to ensure timely and complete return of leased personal property.

7.8. The title for leased personal property shall remain with the Air Force.

7.9. All lease agreements must be revocable by the government at any time that it is considered to be in the best interest of the Air Force.

7.10. The lease must promote National Defense, or be in the general public interest. 7.11. Leases involving only personal property, exceeding one year duration, and a fair market value of \$100,000, shall use competitive procedures and be reported to Congress at least 45 days prior to selection of the lessee.

8. Responsibilities.

8.1. SAF/AQCP:

- 8.1.1. Receives, reviews, and authorizes proposed leases in accordance with AFI 64-103 policy.
- 8.1.2. Implements reporting requirements and reports leases and leasing data as required by regulatory and legislative requirements

8.2. AFMC:

- 8.2.1. Evaluates proposed leases and determines whether assets are available by completing a lease impact assessment ([Attachment 3](#)).
- 8.2.2. Establishes the fair market value of personal property proposed for leasing and notifies SAF/AQCP when the value meets competition and congressional notification requirements established in 10 U.S.C. 2667.
- 8.2.3. Once SAF/AQCP authorizes a lease, assigns a unique lease control number to each lease.

8.3. A warranted contracting officer at the ALC, test center, or laboratory having accountability and custody of the leased property shall:

- 8.3.1. Negotiate and sign the lease after receiving SAF/AQ approval.
- 8.3.2. Maintain copies of all leases.
- 8.3.3. Accomplish any required lease reporting.
- 8.3.4. Review and control leased property to ensure compliance with the requirements of paragraph [7.4.](#) through [7.7.](#)

8.4. The ALC Item Manager shall:

- 8.4.1. Maintain accountability for leased support equipment and spares release from wholesale stocks.
- 8.4.2. Maintain a consolidated master file of all leased personal property, both centrally procured and base funded.
- 8.4.3. Periodically review the active file to resolve unsatisfactory conditions, such as, the need to recall short supply or critical items on lease; retrieval of items not returned by required date, etc.
- 8.4.4. Notify the contracting officer of the requirement to recall leased assets needed to relieve critical asset shortage conditions.
- 8.4.5. Ensure CFO reporting for all leased items above the reportable threshold.

8.5. The cognizant contracting office shall:

- 8.5.1. Ensure warranted contracting officers execute lease agreements required by AFI 64-103.
- 8.5.2. Notify the lessee when leases terminate.
- 8.5.3. Ensure billings for items provided by the government to the lessee are on an actual cost basis plus packing, crating, handling, and transportation (PCH&T) charges and for any other charges

8.6. The lessee shall:

- 8.6.1. Obtain commercial support for the leased property.
- 8.6.2. Reimburse the government for leased property in accordance with lease terms.
- 8.6.3. Reimburse the government for the cost incurred for PCH&T in connection with the delivery of the property and return of assets to the government.
- 8.6.4. Ensure leased property is returned in accordance with the lease provisions.

Section C—Exchange or Sale (Exchange/sale) of Nonexcess Personal Property Concurrent with an Acquisition

9. Program Objective. Exchange/sales authority: (See DoD 7000.14-R, Volume 2A, Chapter 1, Paragraph 010210.)

- 9.1. Permits the Air Force to reduce funding requirements when acquiring replacement personal property by applying the exchange allowance or sales proceeds from property being replaced to the acquisition of similar replacement property.
- 9.2. Enables agencies to avoid the costs associated with holding and processing property through the normal disposal cycle.
- 9.3. Enables the Air Force to retain exchange allowances or sales proceeds in lieu of having disposal sales proceeds sent to the miscellaneous receipts account at the U.S. Treasury.

10. General Guidance.

- 10.1. This section provides procedures for implementing DoD Materiel Management Regulation, DOD 4140.1-R, authority to apply the exchange or sales proceeds from eligible nonexcess items when acquiring replacement items.
- 10.2. All exchanges/sales will comply with these procedures, DOD 4140.1-R, Section 6.2. If the AF acquires personal property using both Government personal property and appropriated funds as consideration, the acquisition must also comply with DFARS 217.7000.
- 10.3. Nonexcess personal property may be sold/exchanged only after a determination that the personal property:
 - 10.3.1. Is still needed to perform missions/duties,
 - 10.3.2. Does not adequately perform all of the tasks for which it was procured and used,
 - 10.3.3. Was not originally acquired for the purpose of conducting an exchange, and
 - 10.3.4. Isn't in a prohibited federal supply class.
- 10.4. The System Program Director (SPD) for major end items and the managing DoD Integrated Manager/Inventory Control Point (ICP) for secondary items determine whether centrally managed eligible nonexcess items qualify for exchange/sale.
- 10.5. SPDs will coordinate proposed end item exchanges or sales with the ICPs managing installed components/parts.

10.6. Bases, Air Force Reserve, and Air National Guard units may use exchange/sales provisions when procuring like replacement items for eligible noncentrally managed items and for centrally managed items when prior approval is obtained from the managing ICP.

10.7. All centrally managed items must be reported to the appropriate ICP for disposition determination in accordance with existing supply policy in AFI 23-501.

10.8. Prior to contracting for replacement property, the holding activity will contact Federal Agencies known to use or distribute similar property to determine if an agency wants the property by means of a reimbursable transfer. The price negotiated must not be greater than the best estimate of what would have been received in a sale or exchange.

10.9. Prior to contracting for replacement property, a determination will be made of which method – exchange or sale – will provide the greater return to the Government. This determination will become part of the contract file. When estimating the return under each method, all administrative and overhead costs will be considered. If the exchange allowance or estimated sales proceeds for property would be unreasonably low, property will be turned in for disposal in accordance with existing supply policies.

10.10. Proceeds from exchange/sale of nonexcess materiel may only be used to acquire materiel that is similar to the materiel exchanged/sold. (See DoD 7000.14-R, Volume 2A, Chapter 1, Paragraph 010210.)

10.11. Property acquired must be authorized for an approved program.

10.12. The number of items exchanged/sold must be equal to the number of items acquired unless:

10.12.1. The item(s) acquired perform all or substantially all the tasks for which the item(s) being replaced would be used.

10.12.2. The item(s) acquired and the items exchanged/ sold are parts of or containers for identical or similar end items.

10.13. Materiel with demilitarization codes other than Code A, B, or Q must be demilitarized in accordance with DoD 4160.21-M-1, Defense Demilitarization and Trade Security Controls Manual, and other applicable regulations.

10.14. Prior to exchange or sale for items with demilitarization codes other than A, the contracting officer will obtain End Use Certificates from the successful bidder.

10.15. This authority does not permit sale or exchange of:

10.15.1. Centrally managed materiel between bases and ANG or AFR units, MAJCOMs, or Services except through an ICP unless authorized in writing by the ICP.

10.15.2. Any item in the following Federal Supply Classes (FSCs) and Federal Supply Groups (FSGs):

10 Weapons

11 Nuclear ordnance

12 Fire control equipment

14 Guided missiles

- 15 Aircraft and airframe structural components (except FSC 1560 Airframe Structural Components)
 - Firefighting, rescue, and safety equipment.
 - 44 Nuclear reactors (FSC class 4472 only).
 - 51 Hand tools
 - 54 Prefabricated structure and scaffolding
 - 68 Chemicals and chemical products, except medicinal chemicals
 - 71 Furniture
 - 84 Clothing, individual equipment, and insignia
- 10.15.3. Materials in the National Defense Stockpile (50 U.S.C. *et. seq.*) or the Defense Production Act inventory (50 U.S.C. App. 2093).
- 10.15.4. Nuclear Regulatory Commission-controlled materiel unless the requirements of 41 CFR 101-42.1102-4 and other applicable regulations are met.
- 10.15.5. Controlled substances and hazardous materials unless the requirements of 41 CFR 101-42 and other applicable regulations are met.
- 10.15.6. Scrap materials, except in the case of scrap gold for fine gold.
- 10.15.7. Property that was originally acquired as excess or forfeited property or from another source other than new procurement, unless such property has been in official use by the acquiring agency for at least 1 year.
- 10.15.8. Property that is dangerous to public health or safety without first rendering such property innocuous or providing for adequate safeguards as part of the exchange/sale.
- 10.15.9. Combat materiel without demilitarizing it in accordance with applicable regulations.
- 10.15.10. Aircraft parts, unless the AF complies with the additional requirements of 41 CFR 101-37, which impose additional requirements based upon whether the part is airworthy, flight safety critical, at its life limits and salvageable.
- 10.16. Bases, ANG, and AFR units may not sell or exchange:
- 10.16.1. Materiel that requires demilitarization
 - 10.16.2. Any item in the following FSCs/FSGs:
 - 13 Ammunition
 - 1560 Airframe Structural Components
 - 16 Aircraft Parts
 - 1720 Aircraft Launching Equipment
 - 2350 Combat, Assault, and Tactical Vehicles
 - 10.16.3. Flight Safety Critical Aircraft Parts, Nuclear Regulatory Commission-controlled materials, Controlled substances, or any item with a Controlled Inventory Item Code other than U, J, V,

W, X, Y, Z. (The appropriate ICPs or PMs may sell/exchange these items as permitted by and under the conditions outlined in the Federal Management Regulation (FMR) (41 CFR Subpart 101-46.3) and all other applicable DoD and Air Force policies and regulations.

10.17. This authority may not be used to acquire:

10.17.1. Unauthorized replacement property.

10.17.2. Replacement property which violates:

10.17.2.1. Any restriction on procurement of a commodity or commodities, or

10.17.2.2. Any replacement policy or standard prescribed by the President, Congress, or the Administrator of General Services, or

10.17.2.3. Any contractual obligation.

10.18. This authority is not applicable to Foreign Military Sales (FMS).

11. Responsibilities:

11.1. Each base and ANG or AFR unit will maintain data for all property exchanged or sold when acquiring replacement property. Units will record sales and exchanges by fiscal year and retain records for five years as prescribed in AFMAN 37-139. Each acquisition transaction will include: FSC, NSN, noun, number of items sold/exchanged, original acquisition cost, number of items acquired, exchange allowance or sales proceeds, and source from which the property was originally acquired, i.e., new procurement, excess, forfeiture, or other source. These data, aggregated at the MAJCOM level, may be requested by HQ USAF to evaluate use of the exchange/sale authority.

11.2. MAJCOMs and DRUs shall ensure bases/organizations establish management controls to ensure, as a minimum, that:

11.2.1. Provisions of DoD 4160.21-M-1, Defense Demilitarization Manual, are observed and that materiel is rendered safe or innocuous prior to sale/exchange,

11.2.2. All sales/exchanges are documented as required by this AFI,

11.2.3. Proceeds obtained from sale/exchanges are applied to the purchase of similar replacement items in accordance with DoD guidance and 41 CFR 101-46.3, Exchange/Sale Methods,,

11.2.4. Items sold are not excess,

11.2.5. Items acquired are needed for approved programs,

11.2.6. Items excluded by DoD policy or the FMR are not sold/exchanged, and

11.2.7. Any exchange/sales not clearly meeting all legal and regulatory requirements are referred through command legal channels for review and approval. GSA general counsel is the final approval authority for questionable exchanges/sales.

11.3. Contracting activities will:

11.3.1. Comply with DFARS 217.70 when acquiring personal property when both Government personal property and appropriated funds are provided as consideration.

11.3.2. Ensure acquisitions employing exchange/sales provisions are conducted by warranted contracting officers and reviewed by their legal office prior to award.

11.3.3. Ensure sales are conducted using the methods, terms, conditions of sale and forms prescribed in the FMR (41 CFR Subpart 101-45.3, Sale of Personal Property). (NOTE: Negotiated sales of surplus personal property prescribed in Sec. 101-45.304-2(a) of the FMR are not applicable to the sale of property being replaced.)

11.3.4. Maintain the contract file for each acquisition employing exchange/sale for five years. Each file will contain:

11.3.4.1. A "determination of economic advantage" paper describing the anticipated economic advantage to the Government.

11.3.4.2. Certification that the net proceeds were applied against the payment for the new, similar item and identification of the replacement item. This certification will be established at the time of the sale or exchange or when the replacement item is acquired, whichever is first.

11.3.4.3. A statement that the sold or exchanged item was made safe before it was released.

11.3.4.4. Demilitarization Certification or End Use Certification when required by DoD 4160.21-M-1.

11.4. Waivers:

11.4.1. Requests for deviation to these rules must be routed through the appropriate MAJCOM HQ, HQ AFMC/LGI, and forwarded to the Office of the Deputy Chief of Staff, Installations and Logistics, HQ USAF/ILSP, Washington, DC 20330-1030. Requests must include economic justification that demonstrates proposed deviation is for the benefit of the U.S. Government.

11.4.2. Requirements established by statute, such as, that exchanged/sold property may not be excess and that acquired property must be similar to the property exchanged/sold, cannot be waived.

11.4.3. Requests for exception to demilitarization or trade security requirements must be routed through the Air Force Demilitarization Program Manager, HQ AFMC/LGI, and DLSC/LC to DUSD(L) for approval.

Section D—Domestic Technology Transfer Programs

Cooperative Research and Development Agreements (CRADAs)

12. Program Objective. The Federal Technology Transfer Act of 1986 authorized CRADAs as a means to help improve the way Federal agencies transfer commercially useful technologies to the private sector. This section provides guidance for Air Force activities to provide temporary custody of Air Force property to CRADA applicants.

13. Authority. CRADAs between laboratories and applicants (collaborators) are authorized by 15 U.S.C. 3710a. DoD policy in DoDD 5535.3, May 21, 1999, DoD Domestic Technology Transfer (T2) Program, and procedures in DoDI 5535.8, May 14, 1999, DoD Technology Transfer (T2) Program, provide overarching guidance for CRADAs. AFI 61-302, July 26, 1994, establishes AF policy and procedures for executing CRADAs.

14. General Guidance.

14.1. A military-use CRADA is an agreement between a DoD laboratory and/or technical activity and an industrial partner to utilize existing unique capabilities and facilities at the DoD laboratory in a product or process intended primarily for DoD or other military use. A "laboratory" means any facility or group of facilities that is owned, leased, or otherwise used by DoD and funded by the Government, whether operated by the Government or by a contractor.

14.2. Under a CRADA the laboratory/technical activity may provide personnel, services, facilities, equipment, or other resources with or without reimbursement, but not funds to the non-Federal party.

14.3. The non-Federal party may provide funds, personnel, services, facilities, equipment, and other resources toward the conduct of specific R&D efforts that are consistent with the missions of the laboratory.

14.4. A CRADA, as provided in 15 U.S.C. § 3710(d), is not a procurement contract or a cooperative agreement as Section 6303 et seq. of Title 31 of the United States Code uses these terms. FAR procedures shall not be used in providing materiel to CRADA collaborators.

14.5. The Air Force shall not make monetary payments to the collaborating party under a CRADA.

14.6. Equipment, maintenance or other sustainment support shall not be provided for the laboratory equipment furnished by the CRADA.

15. Responsibilities:

15.1. The head of the laboratory shall:

15.1.1. Determine which laboratory property is suitable and available for temporary and exclusive use by a CRADA collaborator.

15.1.2. Ensure property is nonexcess, but not for the time needed by DoD, by screening within the DoD laboratory/scientific community to determine whether there are other immediate government requirements for the property.

15.1.3. Ensure proper controls are applied to prevent unauthorized release of property having environmental regulations, U.S. Department of State or Commerce export license restrictions, demilitarization requirements or trade and security control risks.

15.1.4. Ensure property provided by custodial transfer is managed in accordance with procedures in AFI 61-301.

15.1.5. Ensure leased property is managed in accordance with procedures in AFI 64-103.

15.1.6. Ensure the laboratory retains title/accountability for property provided to collaborators, accomplishes required CFO reporting, and ensures, after termination or expiration of the agreement/lease, that property is returned in the condition in which it was provided, normal wear and tear excepted.

15.1.7. Ensure all reporting is accomplished as required by DoDI 5535.8.

15.2. The laboratory supply activity shall:

15.2.1. Use the federal catalog (FED LOG) to obtain item characteristics for stock-listed property to identify items requiring controls.

15.2.2. Obtain item characteristics/controls data from the manufacturer for nonstock-listed property.

15.2.3. Contact the Defense Logistics Information System (DLIS) Demilitarization Coding Management Office (DCMO), Battle Creek, MI, to obtain assistance identifying security and trade control requirements for property being considered for lease or custodial transfer under a CRADA.

15.2.4. Ensure property is not released to the collaborator until the CRADA document is formalized and the laboratory director, or his representative, has authorized release of the property.

15.2.5. Maintain accountable records, accomplish CFO reporting, and inspect the property upon return by the collaborator.

15.3. Air Force inventory control points (ICP) will normally not be involved in educational partnership property transactions since the property is laboratory-owned and on the laboratory's accountable records. Requests for ICP involvement in CRADA property transactions will be referred to HQ AFMC/LGIA.

Educational Partnerships

16. Program Objective. The educational partnership is a vehicle whereby Air Force laboratories undertake joint tasks with educational institutions for the purpose of encouraging and enhancing study in scientific disciplines of interest to the Air Force. Such partnership agreements provide educational institutions access to laboratory resources (laboratory equipment, personnel, facilities, etc.) and provide a unique opportunity for students to work on projects and equipment not otherwise available within the educational institution. This section provides guidance for Air Force activities to authorize the use of Air Force property in conjunction with an educational partnership agreement.

17. Authority. 10 U.S.C. 2194 authorizes the Secretary of Defense to allow defense laboratories to enter into one or more educational partnership agreements and to transfer excess laboratory equipment to participating educational institutions at all levels of education. 15 U.S.C. 3710(i), commonly known as the Stevenson-Wydler Technology Innovation Act, also provides transfer authority for a laboratory, agency, or department to donate excess research equipment to educational institutions and non-profit organizations for technical, scientific education, and research activities. DoD policy in DoDD 5535.3, May 21, 1999, *DoD Domestic Technology Transfer (T2) Program*, and procedures in DoDI 5535.8, May 14, 1999, *DoD Technology Transfer (T2) Program*, provide overarching guidance for these partnerships. AFI 61-301 and AFI 61-302 provide implementing procedures. .

18. General Guidance.

18.1. Property shall be made available to public and private schools and nonprofit educational institutions located in the U.S. by means of a lease, custodial transfer agreement or donation agreement.

18.1.1. Property provided by custodial transfer agreement or lease shall be nonexcess.

18.1.2. If property is surplus, it may be provided by donation in accordance with DoD 4160.21-M.

19. Responsibilities .

19.1. The head of the laboratory shall:

- 19.1.1. Determine which laboratory property is suitable for custodial transfer, lease, or donation.
- 19.1.2. Ensure property is screened within the DoD laboratory/scientific community to determine whether there are other government requirements for the property.
- 19.1.3. Ensure proper controls are applied to prevent unauthorized release of property having environmental regulations, U.S. Department of State or Commerce export license restrictions, demilitarization requirements or trade and security control risks.
- 19.1.4. Ensure nonexcess property provided by custodial transfer is managed in accordance with procedures in AFI 61-301.
- 19.1.5. Ensure leased nonexcess property is managed in accordance with procedures in AFI 64-103.
- 19.1.6. Ensure the laboratory retains title/accountability for property provided through custodial transfer or lease, accomplish required CFO reporting, and, after termination or expiration of the agreement/lease, that property is returned in the condition in which it was provided, normal wear and tear excepted.
- 19.1.7. Ensure all reporting is accomplished as required by DoDI 5535.8.

19.2. The laboratory supply activity shall:

- 19.2.1. Use the federal catalog (FED LOG) to obtain item characteristics for stock-listed property to identify items requiring controls.
- 19.2.2. Obtain item characteristics/controls data from the manufacturer for nonstock-listed property.
- 19.2.3. Contact the Defense Logistics Information System (DLIS) Demilitarization Coding Management Office (DCMO), Battle Creek, MI, to obtain assistance identifying security and trade control requirements for property being considered for lease, donation, or custodial transfer under an educational partnership agreement.
- 19.2.4. Ensure donated property is properly documented and removed from the laboratory's accountable records.
- 19.2.5. Ensure property is not released to the educational activity until the educational partnership agreement is formalized and the laboratory director, or his representative, has authorized release of the property.

19.3. Air Force inventory control points will normally not be involved in educational partnership property transactions since the property is laboratory-owned and on the laboratory's accountable records. Requests for ICP involvement in CRADA property transactions will be referred to HQ AFMC/LGIA.

Section E—Lease of Nonexcess Personal Property to Friendly Foreign Governments

20. Objective. This section contains supply policy and procedures for giving temporary custody of non-excess personal property to authorized foreign governments. Policy and procedures for lease of nonexcess

personal property to friendly foreign governments are contained in the Security Assistance Management Manual (SAMM), Chapter 12 and AFI 16-101, Chapter 7.

21. Authority.

21.1. The Arms Export Control Act (AECA), Chapter 6, Section 61, prescribes authority for lease of defense articles to foreign countries or international organizations.

22. General Guidance.

22.1. Only nonexcess property, that is not for the time needed for public use, is eligible to be leased. Property must be on the property accounts of the leasing activity and needed for future mission requirements (i.e. operational command for aircraft, laboratory for nonstocklisted assets, and wholesale inventory manager for spares and support equipment). Retail activities shall not lease centrally-managed spares and support equipment.

22.2. Excess property shall not be leased.

22.2.1. HQ USAF/XPPE will determine whether aircraft are excess based on screening procedures contained in AFI 16-402 and AFMAN 23-110, Volume 6.

22.2.2. The IM will determine whether spares and support equipment is excess based on policy in AFI 23-501 and AFMAN 23-110, Volume 1.

22.3. Property already offered for sale through an FMS letter of offer and acceptance (LOA) is not eligible for leasing.

22.4. Air Force activities:

22.4.1. Shall not provide information about property to a potential lessee until the Director, Defense Security Cooperation Agency (DSCA) has approved leasing as an available option.

22.4.2. Shall release leased property to a lessee only after SAF/IA issues an international program directive.

22.5. Prior written approval of SAF/IA, HQ USAF/ILS, SAF/FMB, and SAF/GC is required for all leases to foreign governments or international organizations, regardless of dollar value or duration.

22.6. Leases of USAF equipment to foreign governments may be made only to particular governments eligible for Security Assistance.

22.7. Lease pricing and reimbursements shall be in accordance with DoD 7000.14-R.

22.8. Accessorial charges for costs associated with the lease (i.e. packing, crating, handling, and transportation (PCH&T)) shall be assessed against a FMS case.

23. Responsibilities.

23.1. SAF/IA:

23.1.1. Writes all leases of Air Force property to foreign governments and international organizations and manages them in the Defense Security Assistance Management System (DSAMS).

23.1.2. Obtains availability and cost data from the cognizant Air Force system program director, laboratory director, or inventory control point.

23.1.3. Coordinates lease and determination documents with HQ USAF/ILS, SAF/FMB, and SAF/GC prior to sending to DSCA for approval.

23.1.4. Reports data to DSCA for all USAF leases to foreign countries and international organizations IAW DoD 5105.38-M.

23.2. AFMC/AFSAC:

23.2.1. Receives international program directives from SAF/IA.

23.2.2. Writes and implements supporting cases to pay for PCH&T and other reimbursable costs associated with the lease.

23.3. The applicable System Program Director, item manager, or laboratory supply personnel:

23.3.1. Determine PCH&T charges and submit them to the appropriate financial office for billing action.

23.3.2. Establish a control system to ensure leased items are returned at the projected lease termination date.

23.3.3. Upon lease termination, inspect the leased property for condition and ensure reimbursement is obtained for damage or loss of property.

MICHAEL E. ZETTLER, Lt General, USAF
DCS/Installations & Logistics

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

Federal Property and Administrative Services Act of 1949, as amended, *Title 40, United States Code, Section 471*

Public Law 98-525, *Defense Procurement Reform Act of 1984, October 19, 1984*

Title 10 of the United States Code (U.S.C.) Section 2667, *Leases: Non-excess Property*

Defense Acquisition Regulation Supplement (DFARS) Number 6, *DoD Spare Parts Breakout Program*

DoD 4140.1-R, *DoD Materiel Management Regulation, May 20, 1998*

DoDD 4140.57, *DoD Replenishment Parts Purchase or Borrow Program, April 13, 1987*

DoD 4160.21-M, *Defense Materiel Disposition Manual, August 18, 1997*

DoD 5105.38-M, *Security Assistance Management Manual, January 18, 2001*

DoDD 5230.25, *Withholding of Unclassified Technical Data From Public Disclosure, November 6, 1984*

DoDD 5535.3, *DoD Domestic Technology Transfer (T2) Program, May 21, 1999*

DoDI 5535.8, *DoD Technology Transfer (T2) Program, May 14, 1999*

DoD 7000.14-R, *DoD Financial Management Regulation, Volume 4, January 4, 2001, and Volume 11A, October 25, 2000*

AFI 10-801, *Assistance to Civilian Law Enforcement Agencies*

AFI 16-402, *Aerospace Vehicle Programming, Assignment, Distribution, Accounting, and Termination*

AFPD 23-1, *Requirements and Stockage of Materiel*

AFPD 23-5, *Reusing and Disposing of Materiel*

AFI 23-111, *Management of Government Property in Possession of the Air Force*

AFI 23-501, *Retaining and Transferring Materiel*

AFMAN 23-110, Volume 1, Part 1, *Basic Air Force Supply Procedures*

AFMAN 23-110, Volume 6, *Excess and Surplus Personal Property*

AFI 63-301, *Air Force Competition and Commercial Advocacy.*

AFI 64-103, *Leasing USAF Aircraft and Related Equipment to Nongovernmental Organizations*

Terms

Accountability—The obligation imposed by law or regulation on an individual to keep accurate property records.

Acquire—To procure or otherwise obtain personal property, including by lease.

Annual Buy Quantity—The forecast quantity of an item required for the next 12 months.

Annual Buy Requirement—The annual buy quantity multiplied by its unit price.

Centrally Managed Item—Any item that is assigned an Acquisition Advice Code of other than G (GSA managed), L (local purchase), T (Condemned), V (Terminal) or Y (Terminal).

Competition—A contract action where the government solicits two or more responsible sources, acting independently, to satisfy the government's requirement. Leases involving only personal property, exceeding one year duration, and a fair market value of \$100,000, shall use competitive procedures and be reported to Congress at least 45 days prior to selection of the lessee.

Custodial Transfer—Temporary conveyance of the right to possess and use property to a lessee or other recipient under a lease or other legal agreement. Title to the property remains on the accountable records of the conveying activity.

Determination and Finding—A document prepared by a contracting activity to justify a proposed lease arrangement, which must be staffed and approved by SAF/AQ before the lease may be negotiated and signed.

Excess property—Property under the control of the Air Force that is no longer needed to support Air Force missions. Authority for making excess determinations is contained in AFI 23-501.

Exchange/Sale—To exchange or sell non-excess personal property and apply the exchange allowance or sale proceeds in whole or in part payment for the acquisition of similar property.

Lease (To Domestic Business Concerns/Law Enforcement Agencies, 10 U.S.C. 2667)—A contract granting use of personal property for a fixed period of time in exchange for monetary consideration. The government retains title to the property. Lessee provides payment as required by the legal authority cited in the lease.

Lease (To Foreign Governments or International Organizations, AECA, Chapter 6)—An agreement for temporary transfer, with or without a rental charge, of the right of possession and use of a defense article to a foreign military sales (FMS) eligible foreign government or international organization, with the transferee agreeing to maintain, protect, repair, or restore the article, under authority of Chapter 6, the Arms Export and Control Act (AECA).

Lease (Replenishment Parts Purchase of Borrow Program, 10 U.S.C. 2320(d))—An agreement to provide replenishment parts on a temporary basis to business concerns for the purpose of design replication. Also, referred to in DoDD 4140.57 as "bailment". The government retains legal title to such material even though the borrowing agency has possession during the stated period. Lessee provides payment as required by the legal authority cited in the lease.

Loan—Temporary conveyance for a fixed period of time of property to a lessee or other recipient under a lease or other legal agreement. Title to the property remains on the accountable records of the conveying activity. Lessee provides payment in cash or kind as required by the legal authority cited in the lease or other legal agreement.

Nonexcess property—Property under the control of the Air Force which continues to be required for its needs and the discharge of its responsibilities, but which is for the time not needed. Nonexcess property must be on the account of the Air Force sponsor prior to execution of the CRADA or educational partnership lease.

Personal Property—Property of any kind or of any interest except real property and records of the Federal Government.

Replenishment Part—A part, repairable or consumable, purchased after provisioning of that part for: replacement; replenishment of stock; or use in the maintenance, overhaul, and repair of equipment such as aircraft, engines, ships, tanks, vehicles, guns and missiles, ground communications and electronic systems, ground support, and test equipment. Except when distinction is necessary, the term "part" includes subassemblies, components, and subsystems as defined by the current version of MILSTD 280.

Reverse Engineering—A process by which parts are examined and analyzed to determine how they were manufactured, for the purpose of developing a complete technical data package.

Similar Items—

Items which:

- Are identical; or
- Are designed or constructed for the same function; or
- Both constitute parts or containers for identical or similar end items; or
- Both fall within the same Federal Supply Classification (FSC) Group.

Temporary Custody—Physical possession of materiel for a limited and defined period of time. Temporary custody must be documented in a written agreement that cites the legal or regulatory authority for giving temporary custody. Title does not transfer to the possessing activity, but remains with the accountable owner.

Attachment 2

**(APPLIES TO SECTION A)
SAMPLE LEASE AGREEMENT
DEPARTMENT OF THE AIR FORCE
REPLENISHMENT PARTS
LEASE NUMBER ____**

Whereas, the Air Force, hereinafter referred to as “Bailer” or “Government”, under the authority of 10 U.S.C. d 2320 (d) and Department of Defense Directive (DoDD) 4140.57, DoD Replenishment Parts Purchase or Borrow Program, desires to grant to _____, Company, a domestic business organized and incorporated under the laws of the state of _____, hereinafter referred to as “Borrower,” a lease for the use of certain parts, hereinafter referred to as “the Property”; and

Whereas, the Property is more particularly described in Exhibit A, attached hereto and incorporated herein; and

Whereas, the Property is to be used by the Borrower for the purpose of design replication or modification in the submission of subsequent offers to sell the same or like parts to the United States; and

Whereas, Bailer has determined that this lease is in the best interests of the Government, having considered national security requirements, inventory needs, and the probability of future purchases of the Property by the Bailer,

Now therefore, the Bailer hereby grants the Property to the Borrower, subject to all terms and conditions contained herein.

THIS LEASE is granted subject to the following conditions.

1. Parties. The Bailer and the Borrower, when referred to together, are hereinafter referred to as the “Parties.”

2. Term. This lease shall be effective when signed by all the Parties and the consideration has been tendered. It shall remain effective for a period of thirty (30) days, unless sooner revoked or terminated by the Bailer. At the end the thirty days, the lease may, at the request of the Borrower and at the discretion of the Bailer, be renewed for an additional thirty-day period. The Borrower shall submit a written request to the Bailer if an extension is requested.

3. Consideration. The Borrower shall pay the Bailer \$ _____, which costs have been assessed in accordance with the *Department of Defense Financial Management Regulation*, Volume 11A, DoD 7000.14-R. The Borrower shall also pay all charges associated with the delivery of the Property to the Borrower and all charges for the return of the Property to the Bailer at the end of the term.

4. Liability. The Borrower shall assume full liability for any damage to the Property itself, or any other property damage or loss, personal injury, death, or costs resulting from the Borrower's use of the Property while on lease, including, but not limited to, movement, activation, conversion, and operations involving the Property.

5. Proprietary and Patent Rights. The Borrower shall protect all the Government's proprietary, patent, and industrial rights in and to the Property, and all information furnished with or derived from the Property.

6. Receipt and Return of the Property.

A. Receipt of the Property. The Borrower shall furnish the Contracting Officer (CO), OC-ALC/PK, 3001 Staff Dr., Tinker AFB OK 73145-3055, with a copy of a signed receipt for the Property. If the Borrower receives the property in a condition unsuitable for the intended use, the Borrower shall notify the CO, detailing the facts, and, as directed by the CO, return the Property to the Bailer immediately.

B. Return of the Property. Upon completion of the project or at the end of the term, the Borrower shall request disposition instructions for return of the Property from the CO. The Property shall not be shipped from the Borrower's facility without prior instructions from the CO. An advance copy of the shipping document shall be furnished to the CO upon occurrence of the shipping action. The Property shall be returned to the Bailer in as good a condition (less fair wear and tear) as when provided. The Borrower shall bear all expenses necessary to place the Property in such condition. The Air Force reserves the right to inspect the Property upon its return to validate its condition.

7. Limitations on Use and Transfer of the Property.

A. Destruction or Disassembly. Under no circumstances shall the Property, or any part thereof, be subjected by the Borrower to destruction or irreversible disassembly. In the event the Borrower, or others acting on its behalf, do destroy or irreversibly disassemble the Property or any part thereof, the Borrower agrees to promptly pay the Bailer, as compensation, the full value of the Property, or part thereof, as listed in Exhibit A.

B. Retransfer to Third Party. All Property and information provided under this agreement are intended solely for the purpose of meeting U.S. Government requirements. The Borrower shall not retransfer the

Property, or technical data related to the Property, to any other parties or firms within the United States or to foreign firms or governments. Prior written approval of the Bailer is required before the sale of any item produced from the Property or data provided under this agreement to a non-U.S. Government entity.

8. Title to the Property. Title to the Property shall remain with the Bailer.

9. Revocation. The Bailer reserves the right to revoke all or any part of this agreement when it is in the best interests of the Government.

10. Nondiscrimination. The Borrower agrees that no person(s) will be discriminated against in connection with the Borrower's use of the Property on the grounds of race, color, religion, sex, or national origin, nor will any person(s) be denied the benefits of or be subject to discrimination under any program or activity held, conducted, or sponsored by the Borrower and that any activity, program, or use made of the Property by the Borrower will be in compliance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d).

In Witness whereof, I have hereunto set my hand by authority of the Secretary of the Air Force, this _____ day of _____, 1999.

(Contracting Officer -name)

(Title)

(Address)

In Witness whereof, Borrower hereunto sets its hand, this ____ day of _____, 1999.

(Borrower's Name and Address)

This lease agreement has been reviewed and found legally sufficient.

Air Force Reviewing Attorney

Name (Print/Type)

Office Symbol & Ext

Date

EXHIBIT A

THE PROPERTY

Lending Organization: Oklahoma City Air Logistics Center
Tinker Air Force Base, OK 73145

Parent Command: Air Force Materiel Command (AFMC)

Property Identification:

NSN:

Source of Supply:

Part Number:

Noun:

Quantity:

B. Property Value:

Unit Cost:

Quantity Requested:

Unit Cost x Quantity Requested:

C. National Security Considerations or Limitations (if any).

Exhibit B

Availability of the Property in Exhibit A for Parts Replenishment Program

A. Item Manager's Sample Parts Determination.

I have reviewed the request to obtain the sample parts in Exhibit A (the Property) on lease and I have determined that all the following criteria have been met, as required by DoDD 4140.57D1. **(NOTE – approval for lease of engineering critical or unstable parts, as defined in DoDD 4140.57, must be obtained from Air Force Component with technical cognizance of the part).**

1. The part has limited or reduced sources of supply due to the unavailability in the U.S. of the Technical Data Package (TDP), an incomplete TDP, or a TDP that contains limited rights data; and
2. The annual buy value of the part exceeds \$10,000 as defined in Defense Acquisition Regulation Supplement Number 6; and
3. Lease of the part will not adversely affect or deplete required supply quantities; and
4. Potential life cycle cost saving exceed the cost of making the part available; and

5. The part is a part whose TDP, once developed, would not disclose critical technology with military or space applications, as determined in accordance with DoD Directive 5230.25, "Withholding of Unclassified Technical Data from Public Disclosure."

Item Manager's Signature

Name (Type/Print) Office Symbol & Ext Date

B. System Program Manager's/Logistics Officer's Statement (Choose proper statement):

_____ 1. This lease will have no effect on USAF programming requirements and system programs.

_____ 2. This lease will have the following effect(s) on USAF programming requirements and systems programs (include national security if applicable)(attach comments on separate page).

System Program Manager's/Logistics Officer's Signature

Name (Type/Print) Office Symbol & Ext Date

Attachment 3

NONEXCESS PERSONAL PROPERTY LEASE IMPACT ASSESSMENT

A. Source of Supply:

Item Manager:

Air Logistics Center:

Parent Command: Air Force Materiel Command (AFMC)

B. Property Identification:

NSN:

Part Number:

Noun:

Quantity:

Unit Cost:

Unit Cost x Quantity Requested:

C. National Security Considerations or Limitations (i.e. Demil, FSCAP, Classification, etc.):

D. Availability of the Property for Lease

Item Manager's Determination:

I have reviewed the proposed lease and I have determined that:

- 1. The requested part(s) are not excess,
- 2. Lease of the part(s) will not adversely affect or deplete required supply quantities, and
- 3. The requested part(s) are not projected to be needed during the period of the lease.

Item Manager's Signature

_____	_____	_____
Name (Type/Print)	Office Symbol & Ext	Date

System Program Manager's/Logistics Officer's Statement (Check proper statement):

_____ 1. This lease will have no effect on USAF programming requirements and system programs.

_____ 2. This lease will have the following effect(s) on USAF programming requirements and systems programs (include national security if applicable)(attach comments on separate page).

System Program Manager's/Logistics Officer's Signature

_____	_____	_____
Name (Type/Print)	Office Symbol & Ext	Date