*BY ORDER OF THE COMMANDER*
*AIR FORCE MATERIEL COMMAND*

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*Maintenance*

# *CONTRACT MAINTENANCE PROGRAMS FOR DEPOT MAINTENANCE BUSINESS AREA (DMBA)*

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This instruction implements AFPD 21-1, *Managing Aerospace Equipment Maintenance.* It describes policies and operating procedures, and assigns responsibilities for the DMBA of the Defense Business Operations Fund (DBOF) at all AFMC field units (except 88 ABW, AGMC, AMARC, 74 Medical Group, Labs, and Product Centers). This instruction does not apply to US Air Force Reserve or Air National Guard units and members.

## *SUMMARY OF REVISIONS*

This revision incorporates the new instruction format implemented since last publication. This instruction changes all references from Depot Maintenance Industrial Fund (DMIF) to DMBA. This revision includes changes in Government Furnished Material (GFM) Management and Contract Management Review Board (CMRB) criteria as well as revised attachments.

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# Chapter 1

## INTRODUCTION

**1.1. Purpose.** This instruction presents the policies and procedures used in planning and administering depot level contract maintenance programs for the following organizations:

1.1.1. Product Directorates (PD)

1.1.2. Defense Information Systems Office (DISO)

1.1.3. Air Base Wing/LG

1.1.4. Small Business

1.1.5. Staff Judge Advocate

1.1.6. Contracting Directorate/Competition Advocate

1.1.7. Financial Management and Comptroller

1.1.8. Defense Logistics Agency (DLA)

1.1.9. Defense Financial Accounting Services (DFAS)

1.1.10. Safety Office

These procedures give guidance to obtain and manage contract/Depot Maintenance Interservice Support Agreement (DMISA) coverage for depot level maintenance requirements, within budgetary allocations, and in preparing the documentation necessary for contracting and adequate material support. This guidance also helps in selecting responsible contractors and providing adequate AFMC preaward/postaward support to the contractor selected. When only an overview of functional element responsibilities is given, indicated references will provide detailed responsibilities.

**1.2. Responsibility for Contract Performance.** Maintenance placed on contract imposes responsibilities on the Air Logistics Center (ALC) and Contract Administration Office (CAO) as well as the contractor. Failure of the ALC or CAO to fulfill their obligations according to the contract could cause the contractor to fail in meeting maintenance production commitments, resulting in claims for price and delivery adjustments. Failure of the contractor to produce according to contract terms, for whatever reason, places increased demands on the CAO, the ALC, and AFMC. These demands may take the form of increased support assistance to the contractors in resolving maintenance production problems, or arranging alternate sources of maintenance production to fulfill repair requirements to meet commitments to the funding customer. The ALC cannot contract away its inherently government functions as defined in OMB Circular A-76.

**1.3. Complexity of the Contract Maintenance Program.** It is necessary to recognize the complexity of a contract maintenance program. Requirements, production, and technical functions within the ALC PDs are all involved as are other ALC directorates and staff offices. The contracting office within each ALC directorate is the buying activity for contract maintenance programs. Federal Acquisition Regulation (FAR) Part 42 guidance is followed as pertains to specific Procuring Contracting Officer (PCO) and Administrative Contract Officer (ACO) functions. All organizations and individuals concerned must rec-

ognize this complexity and be aware of the necessity to establish and maintain a closely integrated, highly coordinated effort to ensure a successful contract maintenance program.

**1.4. Planning for the Contract Maintenance Program.** Careful planning for a contract workload is important. Attention to detail and timely preparation are essential. Each organization must fulfill its individual planning and preparation functions realizing that its effort is part of the overall effort and that any omissions, failure, or inadequate support will weaken the entire program. When the planning actions are sufficiently advanced for detailed review and coordination, a meeting of the organizations involved in the acquisition and contract administration process is scheduled (**Chapter 5**). This is referred to as the CMRB meeting. This meeting is held to examine in detail the planning purchase request (PR) package, to ensure adequacy and to establish a coordinated position of all concerned activities before the PR package is completed for submission to the contracting office of the ALC PDs. All personnel involved in the planning, development and acquisition of applicable programs must be aware of the requirements in FAR and other directives concerning disclosure of acquisition information. The disclosure of any information which could prejudice competition among prospective contractors or the negotiation position of the government is prohibited. The release of information to any contractor with known foreign involvement without review and approval by the Foreign Disclosure Policy Office (FDPO) is prohibited (see **para 1.9.**).

**1.5. DMBA.** The DMBA operates as a revolving fund and is used to finance the costs of depot level maintenance.

1.5.1. Depot level maintenance includes:

1.5.1.1. Overhaul, conversion, maintenance, modernization, modernization-conversions, interim rework, modification installation, and repair of aircraft (i.e., PDM, ISO, ACI, etc.) missiles, drones, engines, engines accessories, communications-electronics (C-E) equipment, support equipment and other major end items (OMEI) and components. Also, embedded software modification, update, revision, and rehost of software required by the system management activity. The manufacture of parts and assemblies required to support the foregoing (ref DoD 7220.29-H):

1.5.1.2. As directed or authorized by HQ AFMC or higher authority, the contract DMBA furnishes the above mentioned products or services to other government and foreign agencies.

1.5.2. The contract DMBA will not be used when the customer's fund is for other than support of depot repair activities:

1.5.2.1. Acquisition of sustained engineering tasks executed by the single manager's operation & maintenance (O&M) functions.

1.5.2.2. Acquisition or preparation of technical data, i.e., acceptance test procedures (ATP), engineering reports, etc., directly executed by the single manager's (SM) O&M function rather than through the DMBA. (Software upgrade technical data and AFTO Form 349, **Maintenance Data Collection Record,** are accepted as a product of the repair process.)

1.5.2.3. Services rendered by Air Force Communications Command (AFCC).

1.5.2.4. Technical assistance.

1.5.2.5. Local (intermediate) maintenance assistance provided to a requesting base or the Air Force activity.

1.5.2.6. Area support, base support and local manufacture (must be organic DMBA).

1.5.2.7. Acquisition of facilities.

1.5.3. Financing:

1.5.3.1. An industrial fund is a method of financing the operations of an activity by:

1.5.3.1.1. Providing working capital.

1.5.3.1.2. Allowing the recovery of operating costs through the sale of products or services.

1.5.3.1.3. Establishing a buyer-seller relationship to facilitate the above sales.

1.5.3.2. The DMBA is a no-year fund. Funding for actual requirements managed and controlled under the DMBA can only be undertaken when customer resources are obligated to cover the DMBA cost. An exception to this would be program budget decision (PBD) adjustments for directed losses.

1.5.3.2.1. Before obligating industrial funds on any document, the DMBA must have a funded Customer Order Acceptance List (COAL) (which includes both the G072D L06/L07) from the buyer production management specialist (PMS). The buyer will be citing funds from customers identified in AFMCM 66-260, *Depot Level Maintenance Requirements and Program Management System (G072E)*. All Air Force DMBA customers use contract DMBA as their purchasing agent when they need a contractor to do depot level maintenance. Those contracts based on inputs in future years must be contingent upon receipt of funds in the applicable years.

1.5.3.2.2. When considering the best method for contracting workload, it should be recognized that multiyear contracting reduces the effort and cost to acquire and manage contracts for repetitive requirements. Multiyear, as well as multiple year contracts, are explained in FAR Part 17. Logical candidates are workloads which present stable demands and possess stable configuration. Examples are aircraft program depot maintenance (PDM), jet engines, vehicles, landing gear, and some exchangeable commodities. Statutory authority for multiyear acquisition of services of this nature with funds limited for obligation during the fiscal year in which the contract is executed is contained in 10 U.S.C. 2306(g).

1.5.3.2.3. Second and subsequent year requirements on the multiyear contract represent planned requirements to be ordered subject to funds availability through congressional budget approval. Congressional direction requires that the industrial fund manager have a signed COAL, obligating the ordering agencies funds before issuing this annual notice to the contracting officer. Failure to provide notification to the PCO of the availability of funds to cover second and subsequent year requirements may result in contract cancellation action.

1.5.3.2.4. Carcasses may be shipped directly to the contractor having a multiple-year or multiyear contract before funding the subsequent year's increment. The contractor cannot begin work on the contract for second and subsequent years, respectively, until receiving official notification that industrial funds are available. It must also be recognized that the contractor may incur costs associated with the care of this government property (reparables, GFM, etc.) and that when the subsequent year's contract option is issued, the contractor will recover the cost under the provisions of the contract. If the contract option is not exercised, such costs will be part of the cancellation costs.

1.5.3.3. Undefinitized contracts are to be used only as a last resort, when it is not feasible to use other types of contracts. Every effort must be made to definitize contracts before the customer's funds expire. Prior to the expiration of the customer's funds, the best estimate for the unit sales price (USP) will be made and that estimate will become the price. After this price has been established, DMBA will absorb any losses or will retain any profits for work completed. If work is canceled, or quantities are reduced, the associated funds less cancellation/termination charges must be returned to the customer, even if the customers appropriation has expired. This policy places a significant risk on both the customer and DMBA when contracts are not definitized by the time the customer's funds expire. Excess funds on the contract will result in profits to DMBA and a loss of customer purchasing power. If the price is too low, the result will be a financial loss to the DMBA. For these reasons, care must be taken to limit the use of undefinitized contracts and avoid having contracts in an undefinitized status when the customer's funds expire.

1.5.3.4. The DoD Appropriations Act contains approval of Section 708 which permits contracts to be awarded for a 12-month period anytime during the year. All inputs for the 12-month period will be funded from the appropriation of the initial fiscal year. One item must be input to work during the initial fiscal year. (See AFR 170-8, *Accounting for Obligations*.)

1.5.4. The ALC/FM organization has the following basic functions in contract depot maintenance:

1.5.4.1. Buyer functions. Implements policy and procedures for managing and operating the ALC DPEM program. This organization receives, controls, and distributes DPEM funding sent by the MAJCOMs on operating budget account numbers (OBAN). SM/PDs are notified of their level of funding for each command by budget activity, program element and element of expense investment code (EEIC). Direct cite programs are processed according to local policy at each ALC. Acts as liaison between the MAJCOM and the SM/PD.

1.5.4.2. Seller functions. Implements policy and procedures for the overall management of the ALC's con-tract portion of the DMBA; prepares ALC industrial fund operating budgets and budget estimates; performs an analysis of financial statements (G072D products); acts as OPR for RCS: MTC-FM (M) 7118 report *Analysis of DMBA Financial Status*; develops and implements contract depot maintenance procedures and participates in the CMRB as needed. Management also includes review of the financial condition of the industrial fund with regard to GFM, contractor payments, review of USPs, and other pertinent areas of concern.

1.5.4.3. All records must be maintained and disposed of in accordance with AFR 4-20 Vol 2, *Disposition of Air Force Records - Records Disposition Schedule.*

1.5.4.4. Cost accounting provides all the necessary cost accounting functions to support the DMBA. These include, but are not limited to, preparation of the Trial Balance, RCS: MTC-FM(M)7118 (mechanical only) and ACCT RPT(AR)1307, OPR of the G072D system, H075C OPR, accounting adjustments, and provides budget inputs. These are services provided in support of the DMBA.

1.5.5. Industrial fund contract line item management is vested in the PMS sellers of the applicable PDs, hereafter referred to as the "seller PMS." The seller PMSs are responsible for the preparation of the complete PR package and the surveillance of contracts, including the management of GFM. Each seller PMS is the focal point for management of assigned contracts and contract line items.

1.5.6. The "buyer/seller" concept, as defined in AFMCR 66-40, *Policies and Procedures for Customers of the Depot Maintenance Service, Air Force Industrial Fun,* can best be explained as follows:

1.5.6.1. The buyer, representing the customer to the DMBA, obtains the DPEM or other customer programs for depot level maintenance requirements and receives financial authority for the work that may be ordered from the DMBA.

1.5.6.2. The DMBA seller prepares a PD operating budget showing the projected operating expenses and offsetting revenues.

1.5.6.3. The customer, through the buyer PMS, negotiates with and orders repair from the seller PMS through the use of a G072D COAL. The COAL references customer funds, items, and quantities to be ordered by the buyer PMS. The certified COAL is used by the seller PMS to fund for the applicable workload.

1.5.6.4. The seller PMS ensures that the work negotiated on the COAL is placed on contract/order or returned to the customer. As work is completed, the DMBA pays from the working capital for resources consumed and costs incurred. Working capital is provided to cover operations until payments are received from customers. The DMBA recovers the cost by billing the customer using the G072D USP.

1.5.7. The Contract Depot Maintenance Production and Cost System (G072D) provides a means of combining financial and production data for the management of end items being contractually maintained. The G072D process begins with the establishment of a USP. The USP is used by the buyer PMS for developing operating budgets and budget estimates and for negotiating the customer workload.

1.5.7.1. The seller PMS provides the buyer PMS all information necessary for the buyer PMS to file maintain the USP on G072D to establish the COAL (DAA line). USPs must include the contract costs (labor), the necessary rate to recover administrative costs funded by the industrial fund (sellers, cost accounting support, TDY, etc.) (other), and the cost of industrially funded GFM. The seller PMS is required to maintain documentation to support the accuracy of the USP when it is established. Estimate the contract cost as close as possible and set the USP to achieve a zero profit/loss (or other directed operating result objective required to implement PBDs). Monitor actual contract costs including GFM and administrative costs. Increase or decrease the USP to reflect changes in the contract cost estimate while the customer's funds are still available for obligation. Prior to the expiration date of the customer's funds, finalize the USP estimate as closely as possible to achieve a zero profit/loss (or other directed operating result objective required to implement PBDs). This final USP estimate becomes the contract price with the customer. All unit repair cost (URC)/USP adjustments must be documented to provide an acceptable audit trail. The documentation must contain correspondence which explains the reason for the cost increase/decrease and be maintained in the contract folder by the seller PMS for the life of the contract. DMBA will absorb all losses and retain all profits after the price has been finalized for work completed for O&M customer funds. If work is cancelled, or quantities are reduced, the associated funds less cancellation/termination charges must be returned to the customer, even if the customer's appropriation has expired. RSD and FMS customers will be charged for all work accomplished regardless of year. RSD prior year increases may be accomplished through recoupment of prior year RSD deobligations. Customers must concur with increases or decreases. Funds must be obtained prior to item being input to work.

1.5.7.2. Before end items can be input into work at the contractor's plant, the USP is input to G072D to generate a COAL. The USP is usually equal to the URC which will be identified in

G072D by labor, material, and other costs. The actual order in the form of a COAL is signed/accepted by the appropriate seller PMS after validation by the buyer PMS and certification of funds IAW AFMCR 66-40. A copy of the COAL is retained by the buyer PMS for each customer. As production data become known through current production reports, the information is input (manually or mechanically (G009)) to the G072D system to record the sale and is reviewed by the seller PMS to ensure the accuracy of the input. The system provides data for billing the customer.

1.5.7.3. A new COAL is produced as a result of a change to either USP, customer order quantity (COQ), or PMS code. USP, COQ, or PMS code can be changed by manual file maintenance from the buyer PMS to the adjusted customer order quantity line (DAA). After coordination with the buyer PMS, the seller PMS will prepare a funding document (PR, MIPR, etc.) identifying the workload to be placed on order/contract. Funding documents will not be processed through FM seller until customer orders funds are certified.

1.5.7.3.1. Before award of any DMBA funded contract/order for depot maintenance, the contracting function (PCO) must have the following certifications by FM:

1.5.7.3.1.1. "I certify that the services reflected on this PR/ACD/Military Interdepartment Purchase Request (MIPR) are within or a part of the approved DMBA financial program objective."

1.5.7.3.1.2. "I certify that a funded customer order has been accepted for the services covered by this funding document."

1.5.7.3.2. If the certification is not annotated on the PR, the contracting office will send an AFMC Form 376, **Administrative Commitment Document (ACD)**, to the PR originator (seller PMS) requesting certification. The seller PMS must forward the ACD to the certifying official who after verifying that funds are available, must endorse the ACD with the appropriate statements.

1.5.7.3.3. Funding PRs prepared before funds are available may be processed as an "initiate only" document with the following statement in the remarks block: "No obligation may be incurred until funds availability has been certified." A COAL must be certified and an ACD processed through FM for certification of funds prior to issuance of contract/order.

1.5.7.4. The actual DMBA costs of repairing the items (unit repair cost (URC)), are tracked by labor (payment to the contractor), material, and other miscellaneous costs. This system relates a contract line item number or a contract/exhibit line item number (hereafter referred to as C/ELIN), to a mission design series (MDS), type, model, series (TMS), or national stock number (NSN).

1.5.7.5. The G072D is a system that demands the utmost precision in control over production, cost of material, and other financial functions. Accurate and timely system file maintenance is critical to the validity of data in the system.

1.5.7.5.1. At a minimum, review of asset generation and action should be done on a quarterly basis by the seller PMS. If assets fail to generate, and will not generate within a reasonable period of time (60 days), the scheduled input quantities (SIQ) and obligated dollars must be reduced accordingly and the contract amended, if necessary. Final reconciliation by the seller PMS should take place a minimum of 60 days before contract expiration. Changes to input schedules or customer requirements must be file maintained in the G072D system.

1.5.7.5.2. Material (GFM and/or CAP) furnished the contractor must be controlled to make sure the contractor has only the material required to meet production. Excessive inventories in the hands of contractors result in increased costs for contractual depot maintenance and potential losses to the DMBA.

1.5.7.5.3. Production tracking and material control will be considered when preparing DD Form 1423, **Contract Data Requirement List (CDRL).** This ensures information reported by the contractor will meet all the needs of the ALC. Current policy requires DMBA contracts be mechanized on G009, *Government Furnished Material and End Item Transaction Reporting System*, unless a waiver is authorized by the FM seller.

1.5.7.5.4. Preparing Depot Maintenance Production (DMP) Report. This requirement does not apply to those Air Force contracts which require the submission of the GFM/end item transaction reports (mechanized). The mechanized reporting requirement is contained in AFMCM 66-266, Vol I, *Government-Furnished Material and End Item Transaction Reporting System (G009) Reporting System.*

1.5.7.5.4.1. The DMP report (AFMC Form 413, **Depot Maintenance Product Report**[1] and AFMC Form 34, **AFMC Source List** (engines)), is essential to the proper operation of the contract production and cost (G072D) system. This report has Office of Management and Budget (OMB) approval number 0704-0188 assigned. Data must be accurate and submitted promptly according to the due dates specified in this instruction. The monthly data obtained from the G072D system is the basis for many logistics decisions. The DMP reports contain maintenance production data, asset status data and production problems encountered and unresolved at the end of the report period. The report applies to Air Force industrial funded contracts only, when such contracts prescribe the repair, overhaul, maintenance, modification, retrofit, or any combination of end items other than aircraft, missiles, engines or vehicles.

1.5.7.5.4.2.

1.5.7.5.5. GFE is loaned to the contractor under provisions of AFMCR 800-31, *Government-Furnished Equipment/Contractor-Furnished Equipment (GFE/ CFE) Selection Process, GFE Acquisition and GFE Management.* Specific procedures are outlined in AFMCR 800-31, attachment 10. If the GFE is a stock fund asset, then refer to AFM 67-1, Vol I, Part One, Chap 10, and Vol I, Part 3, Chap 7. Loan of GFE is accomplished through the Loan Control Officer (LCO).

1.5.7.6. As actual URCs become known (at completion of contract) they can be used for the following:

1.5.7.6.1. An aid to future contract award.

1.5.7.6.2. Management tool for determining feasibility of buying new, rather than repairing.

1.5.7.6.3. To establish or refine the USP/URC in the G072D capability list.

1.5.7.7. A review of the G072D Contract Maintenance Ledger (CML) must be performed quarterly. Questionable CMLs must be annotated and scheduled for an in-depth review with the appropriate buyer and seller PMSs. Attention should also be directed on these CMLs to input and output

1. Instructions for preparing AFMC Form 413 are in **Attachment 7**.

file maintenance accuracy and timeliness. Corrections should be accomplished prior to the next monthly G072D processing cycle.

1.5.8. DMBA support costs:

1.5.8.1. Support costs provided to contract depot maintenance will be paid/reimbursed by the DMBA for the salaries and/or TDY expenses of the following:

1.5.8.1.1. Seller PMS personnel.

1.5.8.1.2. FM/PD seller policy and procedures personnel.

1.5.8.1.3. FM accounting and finance personnel.

1.5.8.2. Fee for service. Under the DBOF, funds will not be allocated to support functions. Funds for support will be allocated directly to the operational forces. The support functions will sell their services to the operational forces in exchange for a fee. The fee will cover the operation of the support functions, capital improvements and the replenishment of inventories, as well as the cost of weapon systems repair services. In addition to being given the responsibility to pay the fee for services rendered, the operational forces will also be given the authority for some degree of choice in the source of support.

1.5.8.3. These costs and other contract support costs such as product distribution personnel will be included in the DMBA budget and will be recouped by adjusting the "other" portion of USP. A quarterly report of the support costs will be prepared by the FM seller, with feeder information furnished by PDs, DISO and FM accounting and finance as of the end of December, March, June and September.

1.5.8.3.1. Send two copies of the report to the local accounting office (DAO-DE) with a cover letter signed by the FM branch office. These will be used for reimbursement to the appropriate fund. They must be received by the tenth calendar day of the month following the end of the quarter.

1.5.8.3.2. Include the following in the report: The cost of seller PMS personnel supporting contract DMBA. Report by grade level and step. The number of personnel equivalents (PE) (including partial PEs), and the actual cost (including an allowance for benefits) for each entry. The cost of FM policy and procedures personnel supporting contract DMBA. Report in the same manner as reporting for seller PMS personnel. The cost of other support functions directly related to the contract depot maintenance program. Report in the same manner as reporting for the seller PMS personnel. Base these costs on the ratio of the service provided to the contract DMBA compared to the total population of the service provided. Do not include any expenses above first level supervision.

1.5.8.3.2.1. Travel orders. The travel orders will contain the fund cite for DMBA. During the travel order approval and authentication process, each DMBA travel order will be reviewed by the FM seller office. Following this review, the responsible individual will certify/coordinate the travel orders to indicate that the travel is a proper charge to the industrial fund.

**1.6. Preparation of Solicitation.** The solicitation is the basis for any resultant contract. Information developed and understandings reached at the CMRB meeting and the resulting PR package are used in preparing the solicitation. No changes are allowed without written notification to the CMRB chairperson.

All functional elements must ensure that the solicitation is complete, clear, and accurately reflects all known program requirements. A copy of each solicitation resulting from DMBA PR will be provided by the PCO to the CMRB chairperson and the seller PMS at time of release.

**1.7. Preaward Surveys (PAS).** Basic guidance on performance of PAS is provided in FAR, part 9. This reference should be reviewed before any SF 1403, **Preaward Survey of Prospective Contractor (General),** is released requesting a PAS. The contracting officer decides if a PAS is needed. Although the request for PASs is the ultimate responsibility of the PCO, the seller PMS, when aware of the need, will request in writing that the PAS be accomplished. When disagreements exist, they will be elevated to the appropriate level.

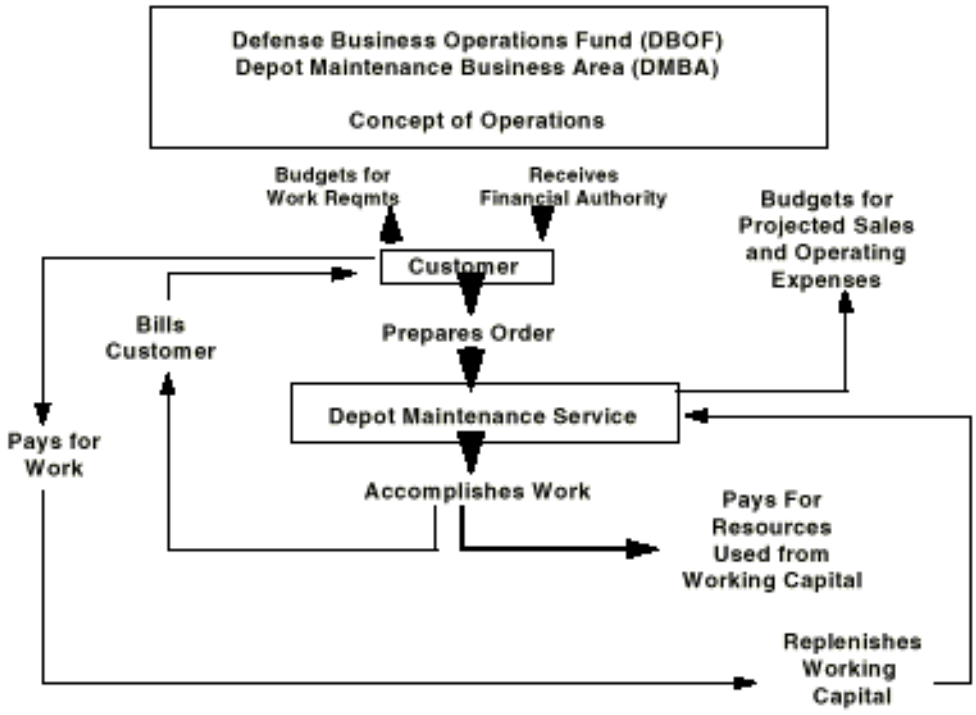
**1.8. Postaward Support.** ALC responsibilities do not cease with contract award. All commitments by the government to the contractor must be fulfilled. This includes furnishing of government equipment, GFM, agency peculiar property, unserviceable end items, serviceable spares, and initial technical data on a timely basis. It also includes providing specialized training for contractor personnel (if stipulated by the contract) and CAO personnel, if applicable. It is the policy of AFMC to concentrate on selecting capable sources and providing adequate startup times. Postaward Orientation Conferences (PAOC) with the contractor will be convened by the PCO or ACO, to ensure contractor understanding of contract obligations. A postaward orientation team (PAOT) may also be necessary to provide technical assistance or advice in the initial startup phase. Thereafter, the CAO will maintain regular surveillance of contractor's performance to ensure satisfactory progress is made in meeting schedules and compliance with contract specifications. When appropriate and as problems occur, meeting should be held with contractor's top-level management in attempts to resolve problems. "Cure Notices" and/or "Show Cause" letters may be issued by the PCO or the CAO after coordination with the PCO. In those cases where procedures do not result in improved contractor actions, default termination may be recommended. In those cases, where procedures do not result in adequate contract performance and default action would not be in the best interest of the government, it may be necessary to dispatch a contractor assistance team (CAT) to the contractor's site. In such cases, the duty of the CAT is to review the operations and provide advice. It must be made clear that the advice is not binding and does not in any way modify the contractor's obligation. The team may not take charge of the contractor operation or obligate the government in any way.

**1.9. Foreign Disclosure Review.** ALCs contemplating award of a contract or subcontract to a foreign contractor must first ascertain whether the complete spectrum of US government military information required for contract performance can be disclosed under the disclosure policies. All proposed disclosures to include Invitation for Bid (IFB), Request for Proposal (RFP), or award of a contract will not be made to foreign governments, their representatives, foreign contractors, or foreign nationals, including those holding foreign reciprocal clearances, until approved by the FDPO. Failure to meet this requirement could result in awarding contracts which cannot be completely or adequately performed because of potential danger to the security of the US government, or could require costly termination.

**1.10. Contract Closure.** To ensure timely contract closure, the seller PMS, upon receipt of the final data reports or notification by the contractor that the contract is complete, will notify the contracting personnel to begin closing actions on that specific contract. As part of the closing actions, the CML reconciliation process must be completed.

**1.11. Responsibility for DMISA Performance.** A DMISA is an agreement constituting a contractual obligation whereby one service (the agent) accomplishes depot level maintenance work for another service (the principal). DMISA agents are non-capitalized customers performing depot level maintenance on Air Force assets. Seller PMS responsibilities connected with preparation and execution of a DMISA are similar to those of a contract. However, instead of appendices, DMISAs use 17 exhibits to describe requirements and taskings. Guidance for policy, procedures, preparation, and termination of DMISAs is contained in AFMCR 800-30, *Logistics Depot Maintenance Interservice.*

**Figure 1.1. Depot Maintenance Concept of Operations**



## Chapter 2

## PREPARATION FOR CONTRACT DEPOT LEVEL MAINTENANCE

**2.1. Purpose.** This chapter covers those actions required primarily within the ALC PDs leading up to the CMRB meeting. Careful preparation during this planning phase can prevent or minimize problems in later stages of the contract process. System program managers (SPM) conduct annual system reviews of Air Force maintenance requirements and programs. Exchangeable requirements are governed by AFMCR 57-4, *Recoverable Consumption Item Requirements System*. System reviews are normally required for aircraft and engine programs. Application of this chapter to other programs is determined based on the dollar value of the program and complexity of the maintenance required.

**2.2. Depot Maintenance Business Plan (DMBP) (Workloading).** Establishes a formal plan with specific strategies to ensure depot maintenance infrastructure is balanced. DMBP decisions balance the command's peacetime and wartime workloads to provide the Air Force with worldwide peacetime readiness and wartime sustainability to support the combat forces. Any program that will generate depot maintenance workload must be processed through DMBP for review, recommendation, and Source of Repair (SOR) approval. The five basic elements of the DMBP process are:

- Depot maintenance requirements determination
- Capability determination
- Analysis of balance between workload and capability
- Development of the business plan
- Decision process

The SM should be involved in all depot maintenance business planning processes and have proper representation at all planning functions.

2.2.1. Workload Conferences. Held for aircraft MOD/PDM, aircraft engine, and C-E programs. Workload conferences for other programs may be held as necessary. The purpose of this conference is to plan, coordinate, and negotiate the depot-level maintenance to be contracted. Organizational and intermediate level maintenance may be included through negotiation to the extent allowed by TO 00-25-4. Total agreement must be achieved by all agencies to ensure proper and complete statement of work requirements. This workload conference should produce a workload agreement which is complete, properly documented, and coordinated with each agency involved. The formal workload agreement provides the basis for inputs to those logistics reports which provide basic data for the G072D Contract Depot Maintenance Production and Cost System; G079 Systems and Equipment Modification/Maintenance Programs; and for the complete Appendix A (Work Specification), Appendix B (Supply Information), and Appendix C (Safety).

2.2.2. A workload conference will be held when depot-level workloads require planning, coordination, or negotiations between the SPMS or PMSs, Item Management Specialist (IMS), D/PK, Technology Repair Centers (TRC), and using commands. The Production Management Office has primary responsibility for workload conference initiation and negotiations with using commands. This responsibility includes establishing the conference, preparing an agenda, and extending invitations to all activities involved. The conference will include the using commands, contracting activity, CAO, supporting service engineering organizations, the program manager, inventory manager and the ABW/

LG. The type and extent of negotiations required for different workloads vary. The nature of the workload will determine which activities should be requested to send representatives to the conference. Representatives from base activities and various offices at the prime ALCs, such as quality control or safety, may be required to attend. Invitations should be extended 14 days before the scheduled conference (30 days prior for overseas). An agenda will accompany the invitation. The agenda will be developed following the standard format for workload agreements.

2.2.3. Negotiated requirements are input to the G072E, Depot Level Maintenance Requirements and Program Management System by program, subprogram, repair group category (RGC), repair facility, etc., using the proper codes as listed in AFMCR 66-40. Requirement data for aircraft MOD/PDM are manually input to the G079, System and Equipment Modification/ Maintenance Program which mechanically computes the dollar value and quantitative basis for all customer financial and budgeting reports.

**2.3. Logistics Support Review (LSR).** An annual review where DMBA customers have the opportunity to meet with ALCs to discuss DPEM requirements. The LSR is conducted during February and continues for several weeks. The LSR is actually a series of ALC hosted reviews held one after another. On-site reviews are not generally held at AGMC or AMARC. Depending on its requirements, a DMBA customer may attend any or all of the reviews. During the LSR, the ALC and its DMBA customers discuss the requirement, how it was computed, if it is current, changes in the requirement from the previous year, whether it is mission essential or not, and any other pertinent issues. The LSR provides the DMBA customer with most of the information needed to prepare and defend financial plan and budget estimate submissions. The LSR provides the ALC with a better understanding of funding customer needs and how those needs can be accommodated. After the LSR, the ALC prepares and distributes complete brochures that contain the validated requirements. This information summarizes the customers' total program.

**2.4. Maintenance Requirements Review Board (MRRB).** A panel that ensures all valid depot level maintenance aircraft/missile requirements are evaluated and scheduled for appropriate fiscal year accomplishment. The process for this assurance involves an annual on-site review of the proposed aircraft and missile maintenance program for each weapon system to assess the depot interval, the time in depot (flow days), and the validity of each detailed task in the work package. The panel is comprised of using command representatives and AFMC engineering, funding and aircraft maintenance experts. Changes to an approved maintenance program must be submitted with complete justification to the MRRB prior to incorporation in the work package and submissions for funding. MRRBs are convened at the ALCs.

**2.5. Defense Business Operations Fund (DBOF), Air Force, Supply Management Business Area (SMBA), Reparable Support Division (RSD).** An RSD budget data call letter is issued by HQ AFMC/FMR in April or May with ALC input due by July. The ALC budget is the first point in the Defense Budget Review (DBR) process where requirements are balanced with available funding. RSD sales projections are prepared by HQ AFMC/FMR after receipt of customer budget data. RSD sales projections, which drive the DBR requirements, are based on historical data, anticipated program changes (e.g., flying hours), and customer input. Particular attention is paid to the largest RSD customers which are O&M and DMBA. It is essential that RSD sales are balanced with customer accounts since RSD can only sell to the same level the RSD customers are funded. The RSD DBR is prepared between July and September. The customer budgets, projected RSD sales, and financial management reports are used in formulating the DBR. The DBR is forwarded to SAF for review and revision before submittal to OASD(C). OASD(C) official approval usually occurs in November. The DBR is then updated to include approved funding lev-

els and becomes the President's Budget. Funding is allocated to the ALCs based on the budgets submitted the previous July.

2.5.1. The RSD repricing exercise is conducted concurrently with, but separate from, the ALC budget submission. The repricing exercise call is issued by SAF/FM in early May with HQ AFMC input due to SAF and OASD(C) in June. OASD(C) revises and approves the proposed repricing by July. HQ AFMC then uses the approved pricing to perform the annual DBOF price update on 1 October. The repricing exercise sets the surcharge that will become part of the standard price that RSD customers will pay in the next fiscal year. In addition, the preliminary surcharge for the budget year is determined. The surcharge is used to recoup RSD expenses, balance prices with customer accounts, and to manage SMBA cash accounts so that neither a profit or loss is sustained.

**2.6. Annual DPEM Program Limitation (ADPL):**

2.6.1. The DPEM program involves customer management to determine requirements, obtain financial obligation authority, and provide programming authority for ordering work from the DMBA. DPEM includes all customers of the DMBA.

2.6.1.1. ADPLs (AFMC Forms 194, **Evaluation of U.S. Based DM Contract Workload for Overseas Accomplishment**) are used by the buyer to distribute program authority (P/A) by program control number (PCN) to the PDs for contract depot maintenance. The ADPL constitutes a program limitation and is not a funding document. (See AFMCR 66-40, attachment 5, for AFMC Form 194 preparation instructions.)

2.6.1.2. Direct cite changes are submitted to the originating customer. Management of items subject to repair (MISTR) exchangeable contract repair programs are exempt from the rule and adjustments can be made by LGIA within the D073 driven requirements and the total AFMC program authority. The buyer PMS file maintains any adjustment to the D073 driven requirements for negotiation with the seller PMS.

2.6.1.3. If an increase in the requirement of a direct cite customer exceeds that provided on the direct cite funding document, the ALC/FM organization will reopen negotiations with the funding user to ensure coverage.

2.6.2. The funded requirements entered on the ADPL are consolidated by the buyer PMS and provided for negotiations with the seller PMS through the contract Depot Maintenance Production and Cost System (G072D). The buyer updates the G072D capability list and the resulting product is COAL. The buyer PMS may subsequently adjust the COAL value equal to or below, but never above the ADPL value for negotiation with the seller.

2.6.3. As requirements change due to changes in work specifications, unscheduled maintenance, etc., it may be necessary to add, change, or reprogram workloads. The buyer will make quantity changes and USP adjustments in the G072D via the COAL.

**2.7. COAL:**

2.7.1. Customer funds must be obligated as a signed COAL before a funding document which obligates DMBA funds is processed.

2.7.2. The COAL represents the order from the buyer PMS for contract depot maintenance. It is an output document of the G072D Contract Depot Maintenance Production and Cost System.

2.7.3. Based on the type of work, COALs may represent either an annual order (RGC A through F and S) or a quarterly order (all other RGCs). COALs, when signed by the buyer PMS and funds availability certification IAW AFMCR 66-40 form a commitment of the customer's funds. When the COAL is signed by the seller, a contractual agreement exists between the buyer and seller PMS which obligates the customer's funds. The COAL then becomes the obligating document for customer funds for contract depot maintenance. The seller PMS will process accepted COALs IAW AFMCR 66-40.

2.7.4. Any change in USP during the current year must be covered by a comparable change in obligating document.

2.7.4.1. When a customer's order is canceled or quantities are reduced, funds should not be returned until the contract modification has been accepted by the contractor and termination/cancellation charges can be reasonably determined. Charges for costs due to cancellation of previously negotiated workload or reductions in quantities of previously negotiated workload are reasonable and businesslike expenses which must be borne by the customer who negotiated, but then canceled the workload or part of the workload. Additionally, funds should not be returned until costs of any GFM returned without credit due to the cancellation or quantity reduction are known. Return the customer's funds as soon as cost can reasonably be determined rather than waiting until 100 percent accuracy is achieved. However, if it's necessary to deobligate the customer order, prior to contract deobligation to prevent fallout or return customer funds for other requirements, the following procedure may be used:

2.7.4.1.1. The seller PMS reduces the SIQ and the buyer reduces the COAL when the contract termination or amendment document is forwarded to contracting. Controls must be established within the seller organization to provide to accounting a copy of each contract termination or amendment document which involves a customer order reduction prior to contract deobligation. Receipt by accounting must be ensured to allow time to make a journal voucher (JV) adjustment in the same month as the reduction to the COAL.

2.7.4.1.2. Accounting must furnish a list of the contracts to be flagged to provide a copy of the contract amendment to ____. (The contract amendments must allow accounting to determine which contracts have been deobligated.) Accounting should verify or reconcile any discrepancies between the termination and amendment documents and actual contract amendment with the PMS seller.

2.7.4.1.3. Accounting must receive the termination and amendment documents from ____. Accounting must process a JV adjustment each month to undelivered orders outstanding (GLAC 94150 or 94160) for all customer order reductions (based on the termination and amendment documents) for which actual contract deobligations have not yet been processed by accounting in the H103, Central Procurement Accounting System. Accounting is responsible for validating the termination and amendment documents to accounting records and must follow-up with the PMS seller to validate reductions over 120 days old for which the deobligation has not yet occurred.

2.7.4.2. If the customer requests work to be performed that is in addition to the work originally negotiated, additional funding must be obtained from the customer before the work is added to the contract.

2.7.4.3. If work that may be needed but was not negotiated is discovered during the repair process, obtain approval and any additional funding needed from the customer before authorizing the contractor to do the additional work.

2.7.4.4. If the scope of work is decreased at the request of the customer, customer funding on the COAL should be reduced for the amount of the reduced work less any costs that the DMBA will incur as a result of the workload scope reduction. The funds should be returned to the customer even if the customer's appropriation has expired. Funds should not be returned until the contract modification has been accepted by the contractor and contractor charges can reasonably be determined. Exception to the above requires FM seller approval.

2.7.4.5. Changes in major work content or major work specifications that are made after the initial contract has been negotiated are valid reasons to renegotiate the price with the customer. For example, if the repair process is altered due to engineering changes or customer driven requirements to improve the quality of a product, changes in the cost of material required due to the amount or different kinds of material and changes in cost required by the contractor to implement the work specification changes are valid reasons to renegotiate the price between the DMBA and the customer. Existing contract modification procedures should be used. The revised prices to the customer may only be used for workload accomplished after the price has been renegotiated with the contractor. Changes in major work content or work specifications which increase the cost to the DMBA must be funded by the customer. Changes in major work content or work specifications which decrease the cost to the DMBA should result in price decreases to the customer. Funds availability due to price decreases must be returned to the customer, even if the customer's appropriation has expired.

**2.8. Fund Classification Reference Number (FCRN):** A unique four-digit number which represents the full customer fund citation. It is established by and input to G072D by accounting. Hard copies of the funding document to establish FCRNs for other stations should be provided to accounting prior to establishment of FCRN. The mechanical assignment of an FCRN to a COQ (in the G072D system) is accomplished by matching the fiscal year, reimbursement source code (RSC) and RGC in the COQ input to corresponding elements to the FCRN table. Where there is not a one-for-one match, the COQ is input to the buyer for manual assignment of the FCRN and reinput with correct FCRN to the system. The customer fund citation is required on customer orders and DMBA billings generated from the system. Questions concerning FCRN assignment and request for new FCRNs are directed to accounting.

**2.9. Advising Contracting Activity of Requirements.** The seller PMS function initiating the repair acquisition will, at the earliest possible date, notify the contracting activity and the competition advocate of the intention to place a new or large workload on contract. This notification will permit both activities to begin advance preparations for the contract. The contracting function and the PD production management function will jointly prepare for, award and support the contract.

**2.10. PR and MIPR.** The seller PMS will prepare PRs for contract repair services or prepare a MIPR for maintenance accomplished by another DoD agency according to AFMCI 23-102, *Purchase Request (PR) Operations.* Additional guidance necessary to support DMBA operations is:

2.10.1. The PR and MIPR will be complete in detail as to services ordered on the attachments and will reflect DMBA funds and fund code (97X4930.FA20 6E) for all maintenance or services requested.

2.10.2. The short accounting line (AFMC Form 36, **Purchase Request,** block 8b), will identify contractor charges as 011000 (1100) and CAP as 022000 (2200). On MIPRs, the short accounting line will identify labor as 055000 (5500) and expense material as 044000 (4400) (DD Form 448, **Military Interdepartmental Purchase Request**). The dollar value of GFM must not be included in the total of block 9 on the PR. Adjustments of CAP dollars will be made by PR amendment or ACD.

2.10.3. Where more than one contract is awarded from a single PR, the seller PMS will amend the PR and all appendices before adjusting the dollar value of labor and CAP allocated to each contract. If GFM is furnished, each contract or Basic Order Agreement (BOA) will have its own abbreviated contract number.

2.10.4. Repair contracts cannot cite RSD buy authority to acquire CAP, however, an RSD repair fund cite may be used to fund the CAP line on the contract. The intent is to capture these costs as part of the overall cost of repairing an item. (See **paragraph 3.7.**.)

2.10.5. Each end item will be separately identified on the PR/MIPR so that the contract can provide for a line item identification, i.e., MOD and PDM will require separate C/LINs. Also, ensure that each line item is only applicable to no more than one program control number (PCN). This is necessary for the G072D system to relate to a CLIN. Each PR/MIPR and amendment thereto should include a desired input or delivery schedule. When visibility of different levels of repair is needed by the PMS they will file maintain appropriate mixes of scheduled in quantities and USPs to ensure contract DMBA systems are not impacted during interface. Identification of TMS/MDS is found in HO36A Weapon System Code Table.

2.10.6. When a PR is prepared by a seller PMS to procure a service type maintenance contract, such as contract field teams (CFT), each individual service will be separately identified by line item on the PR. The PR must also make provisions for a report of accomplishment by the same unit of production for which the PMS plans to establish a USP. Support of CFT is the responsibility of the support base with reimbursement to the base by the contract funding ALC. Reimbursement to the base for the CFT will be accomplished with an AF Form 616, **Fund Cite Authorization.**

2.10.7. A contractor acquired services (CAS) line item will be included on CFT PRs, when applicable. The CAS line item exists in order that the contractor may lease various types of equipment or contract for various services. When a new CFT site is started as a primary worksite and it is necessary to provide a rental vehicle in order that the CFT can pick up parts or transport equipment, this is considered to be a service and, as such, must be charged to the CAS CLIN. The CAS line item on the PR should identify what the funds will be used for and Appendix A will further define the requirement.

2.10.8. When a PR is prepared for an order against a BOA, the seller PMS must ensure that each order of a BOA is treated as a separate contract.

2.10.9. For embedded software, the submitted PR must have all required documentation, including the engineering assignment (EA). The PR must cite software "upgrade" or "modification." Prohibit the use of mixing contract DMBA funds with other funding types on the same CLIN or EA task.

**2.11. Accumulation and Review of Data for PR Package.** The responsibility for accumulating documentation for inclusion in the PR package is the ultimate responsibility of the seller PMS although some of the responsibility for the actual preparation and review of data is that of several collateral/support activities. The data to be accumulated is as follows:

2.11.1. The buyer PMS will develop a work specification or Appendix "A" according to AFMCR 65-22, *Depot Maintenance Work Specifications.* It will include a complete list of all current technical orders (TO), Time Compliance Technical Orders (TCTO), military specifications and standards, drawings, engineering data, and any other necessary technical data. The proposed work specification or Appendix "A" is forwarded to responsible activities for collateral support and review. Comments on the proposed Appendix "A" are made in advance of a CMRB meeting.

2.11.1.1. The applicable equipment specialist (ES) and engineer reviews Appendix "A" to make sure technical data requirements are included and current, as well as accurate. They also obtain current copies of all data to be included in the technical data package that may accompany the solicitation.

2.11.1.2. FAR 10.008 states when specifications will be furnished with the solicitation. The specifications are available from the purchasing office. The solicitation should identify as precisely as possible the responsible individual's name and title, location, office symbol and telephone number, for purposes of facilitating and expending requirements for documents or for examination according to applicable security directions. Normally, 60 days is allowed to obtain data for the tech data package but it may be necessary to expedite delivery to meet contract requirements. The government's rights in data must be determined early in the development of a contracting program. Failure to assemble an accurate and complete data bid set can hinder the development of a competitive acquisition program. Since competitive acquisition is preferable, timely evaluation and collection of acquisition data is essential.

2.11.1.3. The applicable quality representative will review the requirements for quality assurance and make sure they are identified in the work specification according to AFMCR 65-22.

2.11.1.4. The Corrosion Control Office will determine the requirements for corrosion control and ensure they are identified in work specifications.

2.11.2. The seller PMS as the manager for DMBA contracts, must ensure Appendix B, Supply Information is prepared IAW **Chapter 3** and **Attachment 4** of this instruction. The responsible ES will provide a list of authorized stock numbers required as GFM (i.e., Material Requirements List (MRL)/ Purchase Request Support List (PRSL)). It should be of sufficient quality to obtain required material and services in a manner most advantageous to the government.

2.11.3. The Safety Office will provide safety requirements tailored to the specific PR being reviewed and a listing of applicable publications. Safety requirements will be included in Appendix C. The seller PMS will furnish a copy of Appendix A and request Appendix C have the same file number.

2.11.4. The seller PMS in coordination with the Data Management Office (DMO), will prepare a complete and accurate DD Form 1423, **Contract Data Requirements List (CDRL)**, according to DoDM 5010.12, *Procedures for Acquisition and Management of Tech Data.* The contract data call letter should include enough information to permit the support activities affected to determine their data requirements and provide the DD Form 1423. The DMO will consolidate the data requirements into the completed copy of the DD Form 1423 and return to the seller PMS within 10 workdays of request.

2.11.5. The ES or engineer will definitize analytical condition inspection (ACI) requirements and those exhibits necessary to cover peculiar engineering contractor support requirements and contractor accomplishment of certain engineering tasks in support of the PDM. Peculiar engineering services (i.e., EIIC 583) must be listed as a separate CLIN and be funded with engineering service funds.

2.11.6. If work requirements are classified, the equipment specialist will prepare a DD Form 254, **Contract Security Classification Specification**.

2.11.7. If required, the ES, engineer or the PMS, will complete AF Form 1027, **Foreign Disclosure Worksheet,** and coordinate with FDPO. The ES or engineer will provide ODC/ODS certification or waiver.

2.11.8. Include the following in the PR package if applicable to the requested contract (ref AFMCI 23-102 and checklist):

2.11.8.1. Length of contract period required.

2.11.8.2. Production schedule required to meet Air Force requirements to be placed on contract. Requirements are established to reflect a 12-month schedule of aircraft, engine and other maintenance requirements for which the ALC is responsible and will provide 12-month schedule of equipment requirements (firm or estimated). Schedule is based on only one criterion such as number of flow days, specific calendar dates, or total aircraft per month. In no case will the delivery schedule be stated as "based on receipt of GFM/GFE" or "based on parts supportability." The production unit schedule will allow a reasonable time for delivery of the first unit in consideration of the amount of production effort required. A reasonable learning curve is applied for the buildup to peak production. In the absence of compelling military necessity, sharp peaks and valleys in monthly output requirements will not be scheduled.

2.11.8.3. Delivery schedules for competitive contracts will consider the following:

2.11.8.3.1. Production from incumbent contractor (including what is required as production overlap).

2.11.8.3.2. Estimated date of award to a new source allowing adequate time between contract award date and first production.

2.11.8.3.3. Need for phased aircraft/engine input after contract award or phased startup of new work (MODs/TCTOs) added to an in-progress contract when the work requires kits, tooling, test equipment, new skills or an increase in contractor manning. As a general rule, initial input for production to a new contractor, or new workload to an existing contractor, will not be scheduled for 90 days after contract award or from date of contract amendment, nor scheduled for output sooner than 120 days after input. Thereafter, delivery schedules will be in line with Air Force requirements.

2.11.8.4. Appendix B property provisions will be reviewed by the seller PMS to make sure property is properly categorized, that proper contract provisions are considered, and that facilities items are excluded, except those for which project approval has been obtained. The contractor shall furnish all facilities except as provided in FAR 45.302-1. Specify that special consideration has been given to identification of industrial plant equipment (IPE) or ST/STE to be furnished to the successful contractor. In general, it is the policy of the DoD that only those items which are high cost, have only military application, and are not readily available from commercial sources, will be furnished by the government. No item of IPE or ST/STE will be furnished to any contractor unless properly identified in Appendix B (or Appendix H when GFM is not authorized). When ST/STE or other GFE is to be provided according to the above policy, include a statement to this effect in the PR and provide a schedule of items, by NSN and quantity, as part of the package. Delivery dates of GFE and production schedules established for the contractor must be consistent.

GFE must be available for delivery to the contractor as scheduled and must be serviceable by scheduled delivery date.

2.11.8.5. Justification and approval for other than full and open competition is addressed in FAR Part 6.

2.11.8.6. Defense priorities and allocations are addressed in FAR Part 12, Section 303, and in AFI 63-602, *Defense Production Act Title 1--Defense Priorities and Allocations System.*

2.11.8.7. Requirement for security if the PR or any attachments are classified or work to be performed is classified. Attach DD Form 254 to the PR.

2.11.8.8. Requirement for value engineering clauses. State value engineering requirements. (Note: The seller PMS will verify with the ES if there are active VE royalties.)

2.11.8.9. Requirement for Demonstration of Responsibility Clause. Developed for the purpose of deterring marginal producers or sources having limited capability from expending their time and money by submitting bids or proposals, and generally to facilitate determination of responsibility. Information furnished in response to this clause will also assist the contracting officer by providing additional factors to be evaluated during PASs. When source selection procedures are not used, it is recommended that the clause be used in areas where poorly qualified contractors have been a problem.

2.11.8.10. Initial production evaluation (IPE) is addressed in AFMCI 23-102, PASs in FAR 9.106 and Postaward Conferences in FAR 42.500.

2.11.8.11. In the remarks column of the PR, make the following statement: "required appendices are attached and DD Form 1423, and all data (TOs, manuals and regulations, etc.,) referred to therein and required for contractor accomplishment of work requirements are available for review by prospective bidders."

2.11.8.12. Identify and include special instructions, if required for precious metals handling and recovery (AFM 67-1, Vol VI, Chap 4). Specific instructions should be included in Appendix A.

2.11.8.13. Justification if urgent, as necessary, according to AFMCI 23-102.

2.11.8.14. Identify and include physical security of sensitive conventional arms, ammunition and explosives.

2.11.8.15. The PMS will annotate the PR as required by AFMCI 23-102, i.e., Potential "Government-Furnished Equipment," "Precious Metals Included" or "Classified Items."

2.11.8.16. In the remarks block, the PMS will annotate the acquisition plan number (FAR 7).

2.11.8.17. If applicable the remarks block should contain an appropriate statement for the contractor communication network (CCN).

2.11.9. Any other appendices required will be prepared by the applicable functional activity.

2.11.10. Include requirement for Government-Industry Data Exchange Program (IDEP) reporting in accordance with MIL-STD-1556.

**2.12. Consolidate Data into Complete PR Package.** The seller PMS will assemble the PR and its associated documents (called the PR package). The PR package will contain, as a minimum, the following:

2.12.1. A complete and accurate PR (AFMC Form 36).

2.12.2. Current appendices ("A," "B," "C," etc.).

2.12.3. A CDRL (DD Form 1423), which lists all data the contractor will be required to prepare and deliver (with the exception of those cases described in DoDI 5002, *Defense Acquisition Management Policies and Procedures*).

2.12.3.1. Air Force policy on the acquisition of contractor prepared data is contained in DoDI 5002.

2.12.3.2. Only that data will be procured from a contractor which are essential to the effective support of the Air Force mission, or to the management of an Air Force program.

2.12.3.3. DoDI 5002 indicates that the CDRL is an exhibit to a contract and is incorporated as a line item in the schedule. As such, it lists all data requirements of the contract and is the only contractual authority for delivery of data. The work specification should require the development of data. Submission of data is a requirement of the CDRL.

2.12.3.4. Data descriptions are mandatory under certain conditions. Personnel engaged in contract maintenance programs must be familiar with DoDI 5002 so that the essential data requirements are included in maintenance contracts.

2.12.4. Justification and Approval (J&A). Technical and requirements specialists and engineers are responsible for providing and certifying as accurate and complete necessary data called for in Public Law 98-369, to support their recommendation for other than full and open competition (ref FAR Part 6).

**2.13. Citing Transportation Funds.** The appropriate transportation funds must be on the PR/MIPR or on the attached DD Form 1653, **Transportation Data for Solicitations**, when processed by contracting for inclusion in section G of the contract or modification. Transportation funds for each customer are:

2.13.1. Other components (Navy, Army, National Guard, etc.). The correct TAC/ATA are identified on the original DMISA or the funding MIPR.

2.13.2. FMS repair. The transportation funding is provided on the FMS case.

2.13.3. All Air Force DMBA (including divisions of the SMBA). The TAC/ATAC are supplied by the Transportation office on the DD Form 1653.

In no case will assets, repaired using contract DMBA 6E funds, be shipped on a repair fund cite.

**2.14. PR Package Coordination Cycle:**

2.14.1. The PR is signed at appropriate organizational levels.

2.14.1.1. CMRB chairperson reviews for compliance with CMRB minutes and coordinates, prior to organizational signature level.

2.14.1.2. If PR package is funded, process through certifying official for funds certification.

2.14.2. The coordination cycle is as follows: The PR/MIPR is forwarded through PR/MIPR control to contracting with one copy to ALC/FM and accounting.

2.14.3. Upon receipt of the PR package, contracting will negotiate a contract to provide the requested services. A funded customer order may be required on some types of contracts before contract award. Contracting will distribute contracts IAW local policy.

2.14.4. Upon receipt of a signed copy of the contract or acceptance of the MIPR by another DoD agency, accounting records an obligation of industrial fund money in the H103 (CPAS) system.

2.14.5. Upon receipt of a signed copy of the contract or acceptance of the MIPR by another DoD or government agency, the seller PMS computes a revised USP, if necessary, and provides it to the buyer PMS. The buyer uses this USP to update records in the G072D system.

**2.15. Minimum Acceptable Qualifications of Contractor:**

2.15.1. Whether the contract will be awarded through straight price competition or formal source selection procedures, the minimum acceptance qualification that a contractor must possess in order to be eligible for award must be determined. This determination will be made by the seller PMS in coordination with contracting. ESs, inventory managers, SMs, safety, and other activities will provide assistance as required. This includes: adequate buildings, shop areas, manufacturing floor space, transportation facilities, runways, ramp parking area, engine test cells, storage (covered outside) facilities for GFM, volatile material, special tooling, fixtures, test equipment, training and experience of key management personnel, source and quantity of required labor, and any other areas essential to successful contractor performance. Specialized training, if any, required for contractor personnel will be identified under formal source selection procedures. The evaluation criteria will include the minimum acceptable contractor qualifications. All PASs to be accomplished will verify that the prospective contractor meets these minimum qualifications. The minimum acceptance qualifications may also be used by the contracting activity with the Demonstration of Responsibility Clause, and by the PAS team in the event a PAS is required.

2.15.2. When engine overhaul contractors need to perform repair of engine parts designated critical, it will be done according to AFMCR 66-31, *Repair of Aircraft Engine Critical Parts*. The RFP will list those critical engine parts which will require repair as part of the overhaul work. The RFP will notify potential sources that, upon award of contract, they will be required to qualify themselves to perform such repair, or they will be required to subcontract all necessary qualification information as well as an ALC estimate of time, facilities, and funds required to perform the necessary qualification. When considered necessary by the ALC, an engine qualification test run (MIL-E-5009) may be required to be performed by the winning contractor before production to verify their technical competence to perform satisfactorily. In view of the additional time which may be required by the contractor to secure qualification, enough time should be allowed in the contractor selection cycle to perform this task, and to adjust all affected schedules. The Demonstration of Responsibility Clause will require evidence that the contractor can repair the critical engine parts identified by the contracting activity or that upon being awarded the engine overhaul contract, the contractor is qualified to repair the critical engine parts per AFMCR 66-31, including being qualified at no cost to the government.

## Chapter 3

## GOVERNMENT PROPERTY SUPPORT

**3.1. Purpose.** This chapter gives policy and procedures on property support for AFMC depot level maintenance contracts performed at contractor facilities. The provisions of this chapter apply to all AFMC DMBA funded contracts. It also addressees support for contract maintenance field teams performing on base and on-site maintenance. It identifies responsibilities within the applicable operating PD for ensuring contract supply support under the terms of the contract for the contracted items of repair. Guidance is provided here for preparing an Appendix B on AFMC maintenance contracts in the prescribed format (**Attachment 4**).

**3.2. Explanation of Terms:**

3.2.1. The FAR definitions apply to the following categories of property and will be incorporated in each Appendix B, Explanation of Terms as determined applicable to the repair requirements on the contract:

3.2.1.1. Government Property - FAR 45.101. All property owned by or leased to the government or acquired by the government under the terms of the contract. It includes both government furnished property (GFP) and CAP as defined in this section.

3.2.1.2. GFP - FAR 45.101. Property in the possession of or directly acquired by the government and subsequently made available to the contractor.

3.2.1.3. CAP - FAR 45.101. Property acquired or otherwise provided by the contractor for using CAP funds provided on the contract and to which the government has title.

3.2.1.4. ST - FAR 45.101. Jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include material, STE, facilities (except foundations and similar improvements necessary for installing ST), general or special machine tools or similar capital items.

3.2.1.5. Facilities - FAR 45.301. Property used for production, maintenance, research, development, or testing. It includes plant equipment and real property. It does not include material, STE, ST, or agency peculiar property.

3.2.1.5.1. Plant Equipment - FAR 45.101. Personal property of a capital nature (including equipment machine tools, test equipment furniture, vehicles, and accessory and auxiliary items) for use in manufacturing supplies, in performing services, or for any administrative or general plant purpose. It does not include ST or STE.

3.2.1.5.2. IPE - DFARS 45.301. Plant equipment in federal stock group 34 with an acquisition cost of $15,000 or more used for cutting, abrading, grinding, shaping, forming, joining, heating, treating, or otherwise altering the physical properties of materials, components or end items entailed in manufacturing, maintenance, supply, processing, assembly, or research and development operations.

3.2.1.5.3. Other Plant Equipment (OPE) - DFARS 45.301. Plant equipment regardless of dollar value, used in or in conjunction with the manufacture of components or end items relative to maintenance, supply, processing, assembly or research and development operations. OPE excludes equipment categorized as IPE.

3.2.1.6. STE - FAR 45.101. Either single or multipurpose integrated test units engineered, designated, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment, including standard or general purpose items or components, that are interconnected and interdependent so as to become a new functional entity for ST purposes. It does not include material, ST, facilities (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.

3.2.1.7. GFM - FAR 45.301. Property that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. It includes assemblies, components, parts raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract.

3.2.1.8. Agency-Peculiar Property - DFAR 45.301. Government owned personal property that is peculiar to the mission of one agency (e.g. military or space property). It excludes government material, SPT, ST, and facilities.

3.2.2. In addition to these definitions, the following guidance is provided:

3.2.2.1. GFP. For the purpose of AFMC maintenance contracts, GFP consists of the following property categories:

3.2.2.1.1. GFM (FAR 45.301). Direct material provided to a contractor which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed or expended in the performance of a contract.

3.2.2.1.2. Government Furnished Equipment (GFE). Includes ST, STE and agency-peculiar property, which, in turn, includes support equipment. Since different policies and requirements apply to each type, the ALC SPD will categorize the equipment to be furnished (or offered for loan) into proper classifications. DoD or AFMC policies will be followed when GFE is provided to a contractor. A list of GFE to be furnished to the contractor will be made an attachment to Appendix "B" of the PR package submitted to contracting. An RSD asset may only be loaned or leased to activities for the stated purposes, specified in AFM 67-1, Vol I, Part One, Chap 10. To this end, loans must be for reverse engineering, sample parts, and/or if it is in the best interest of the stock fund. Each loan or lease shall be approved by the accountable officer, prime item manager and the loan officer of the activity responsible for the accountability of the asset. If the request is made under the category of "in the best interest of the stock fund," the approval level is at HQ AFMC/FMRB after coordination at the local level (ref AFM 67-1, Vol l, Part Three).

3.2.2.1.3. Facilities should be provided under a facilities contract unless the cumulative total cost of facilities provided at any one contractor plant or location does not exceed $100,000. The contracting buyer can provide assistance in determining the proper classification of property and in determining if a facilities contract is in existence or is required.

3.2.2.1.4. CAP. Property procured, local manufactured, or otherwise provided by the contractor for the duration of the contract, title to which is vested in the government.

3.2.2.2. Contractor Furnished Property (CFP). This consists of the following property categories:

3.2.2.2.1. Contractor Furnished Material (CFM). Material provided by the contractor, as a part of the maintenance service provided. This material is incorporated into or attached to an end item to be delivered under the contract or may be consumed in the performance of a contract. The material cost is included in the cost of repair. CFM is not to be confused with CAP. CAP is purchased by the contractor for the government, using government funds.

3.2.2.2.2. Contractor Furnished Equipment (CFE). Equipment furnished by the contractor, title to which remains with the contractor.

3.2.2.3. Work Specification. An Appendix A, Statement of Work (SOW), or Performance Work Statement is a part of a contract which provides instructions for accomplishing the work requirements of the weapon system or end item under contract. Included are technical publications concerning cleaning, corrosion treatment, overhaul and maintenance, and other special work requirements.

3.2.2.4. Appendix B (**Attachment 3**). The property support portion of the contract which provides procedures for obtaining GFP support, management control of assets, and disposition of government property not consumed during contract accomplishment. It identifies GFM authorized, critical item and save list, and special support equipment. It provides instructions for requisitioning and disposition of GFE.

3.2.2.5. CFTs. Contractor personnel who perform maintenance work requirements on Air Force installations or on-site, normally consisting of modification installation of the system with full logistics support arranged by the applicable system program manager.

3.2.2.6. Contract Administration Office (CAO). (See FAR 42 for detailed information regarding contract administration functions.)

3.2.2.7. Administrative Contracting Office (ACO). A contracting officer assigned the responsibility for the postaward functions related to the administration of a government contract in the field. The ACO may be located in the Defense Contract Area Operations (DCMAO) Office. The ACO is responsible for ensuring the contractor performs in accordance with the terms of the contract.

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

3.2.2.9. Plant Clearance Officer. An individual authorized to act on behalf of the ACO on all plant clearance matters concerning the screening, reutilization, redistribution and marketing of excess government property,

3.2.2.10. Bench Stock. Low cost, high usage, nonsensitive consumable material in work areas for contract performance.

3.2.2.11. Consumable Item. An item that may or may not be subject to repair that is consumed during the repair process.

3.2.2.12. GFM and End Item Transaction Reporting System (G009). A mechanized system of reporting contractor transactions pertaining to GFM inventory, end item repair processes and costs associated with contract activity.

3.2.2.13. CCN. Provides the contractor with a computerized electronic method of transmitting GFM and End Item Transaction Reporting System (G009) data transactions. The CCN can also be used to transmit MILSTRIP/MILSTRAP transactions and receive data regarding their status.

3.2.2.14. Defense Automatic Addressing Systems Center (DAASC). Organization that provides DAMES software and acts as host for the CCN.

3.2.2.15. DAASO Automated Message Exchange System (DAMES) Software. A personal computer based software package which provides the capability to communicate with the DAASC for sending and receiving logistics transactions and narrative text through a modem using standard telephone lines.

3.2.2.16. Communications Routing Identifier (COMMRI). An access number assigned by DAASC. It provides DMBA contractors using G009 the capability to electronically process end item transactions and if applicable, supply requisitions and GFM reporting.

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

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

3.2.2.19. Management Control Activity (MCA). DoD activity designated to receive, validate authorization and control contractor requisitions for government property from the DoD supply system to support defense contracts or requirements (DoDI 4140.48, *Control of Access to DoD Materiel Required by Defense Contractors)*.

**3.3. Instructions for Preparation of Appendix B:** The seller PMS, as the manager for DMBA contracts, must ensure Appendix B is complete and tailored to the contracts for which they are responsible.

3.3.1. The preparing office will use **Attachment 4** as the format for preparing Appendix B. Peculiar aspects of a contract may require specific modification of the basic format. However, the basic format will be followed to maintain standardization. Contracts which require furnishing government vehicles to contractors will include the requirements as listed in AFM 67-1, Vol IV, Part One, Chap 19.

3.3.2. Any deviation to policies contained herein, especially when the government is not used as the first source of supply for items designated as GFM, will be fully justified and approved by FM seller before becoming part of the PR package.

3.3.3. The file number assigned to Appendix B will be the same as assigned to Appendices A and C. The file number consists of the two-letter symbol of the ALC preparing the specification, the designation of the equipment, the date by calendar year, and the sequence number of the specification; e.g.,

for San Antonio ALC the file number is indicated by SA, equipment by J57-59, year by 92, number of the specification issued by 25, and revision 3 (SA/J57-59/92-0025/3).

3.3.4. The engineering and reliability office provides information used in designating the detailed components which will be required and used in fulfilling the contract.

3.3.4.1. At the time of Appendix B preparation, the seller PMS will request an MRL/PRSL from the ES. If an MRL/PRSL is not available or is in less than adequate condition to provide the data required, the PMS, IM and ES will jointly develop a list, by NSN and quantity, of authorized GFM to substitute for the MRL/PRSL. If the items were previously repaired on a contract reporting on G009, the G009 system can be used for this effort. This list will be valid until such time as the API (D200F-RDB) is updated. The following paragraphs provide a brief description of the MRL, PRSL, full range listing (FRL), and tools and equipment list.

3.3.4.1.1. FRLs. The FRL (AD200.F70FA8A7) is a consolidation listing of all components applicable to an end item and includes all support items, material, tools, test equipment, bulk material, and technical data references which are required for the maintenance (overhaul or repair) of the end item to which the control number applies. It is important to understand that this listing contains a complete printout of the data in the control record; the FRL provides an excellent basis for reviewing, correcting, updating, and file maintaining the API data in an accurate and effective manner based upon the data portrayed. All other output products derive from the basic API file. When the FRL is corrected or updated, the other API products subsequently produced will also be corrected. Output products available from the API system may become a part of the data package and be provided to the successful contractor. It can be readily seen that effective actions by the contractor are directly related to the accuracy of the API records. THE FRL WILL NOT BE MADE AVAILABLE TO THE REPAIR CONTRACTOR FOR ANY PURPOSE.

3.3.4.1.2. MRL. The MRL (AD200.FC0FA8B2) is used by the contractor to establish initial stock levels, on items authorized by Appendix B, in the performance of contract repair of an end item. The contractor is required to provide consumption data which is used to adjust replacement factors based upon experience during the contract.

3.3.4.1.3. PRSL. The PRSL (AD200.FC0FA8B2) as designed to aid in the determination of GFM in support of a specific contract. The PRSL will be ordered for the identification of GFM to be furnished in support of a specific contract. It is a three-part listing. Part I contains a listing of the end items and quantities of each item to be repaired during the life of the contract; Part II contains a listing in NSN sequence, all components both NSN and P/N listed in the MRL which are required for completion of the contract; Part III contains the dollar values applicable to Part II.

3.3.4.1.4. ST/STE. The ST/STE (AD200.FA0FA8B0) list itemizes the ST/STE required to repair an end item. The data are used for preparation of the work specifications and reviewed for workload capability in a repair facility. It is also used to determine the need to furnish ST/STE and to identify which items will be furnished by the government.

3.3.4.2. The office responsible for engineering reliability will:

3.3.4.2.1. Upon receipt of the initial list of contract items request MRL from the API.

3.3.4.2.2. Create a new master record if the requested MRL reveals the end item has not been created in the API system.

3.3.4.2.3. Review and update the API with appropriate input using prior repair activity reports, revised technical data, impact of possible modifications, cataloging actions, vendor engineering change proposals, and equipment specialist knowledge. The highest degree of accuracy, experience, and logic must be used in completing this update because of the impact on repair, both logistically and economically. The timing of this update must provide the most practical notice for the API system to interface with other related systems and provide output products timed to phased contract actions.

3.3.4.2.4. During each of the above phases, as well as during performance under the contract, continuous changes may occur and impact end item supportability. It is imperative that data resulting from these changes be input to the API and action is taken to ensure continuing supportability of the end item. These actions may include but are not limited to:

3.3.4.2.4.1. Identification and reactivation of stocklist deletions.

3.3.4.2.4.2. Revision of kit component lists.

3.3.4.2.4.3. Corrections required by stocklist consolidation, unit of issue changes, and source changes.

3.3.4.2.4.4. Corrections required by maintenance decisions such as modifications, source code changes, repair limit adjustments, failure rate increases or decreases, and other maintenance actions.

**3.4. Appendix B Revisions:**

3.4.1. Any revisions to Appendix B must be forwarded to contracting by a PR amendment after coordination with the seller PMS.

3.4.2. Revisions will consist of only those pages being changed.

3.4.3. A new title page will be prepared for each revision containing the same elements as the original title page. The new title page will contain the revision number and date of revision under the date of the basic Appendix B. The reverse side of the new title page of each revision will contain a list of effective pages. The listing will include each page in Appendix B with the applicable revision number to the left of the page number. An example would be:

| Rev No. | Page No. | Date |
|---|---|---|
| 1 | 1 | 21 Apr 92 |
| 2 | 2-7 | 22 Apr 92 |
| 3 | 8 | 23 Apr 92 |

3.4.4. The date, revision number, and the file number will be included on each revised page.

3.4.5. All superseded pages will be filed at the back of the document for record and reference until completion of the contract.

3.4.6. When it is necessary to insert additional pages, they will be identified by adding the appropriate alpha suffix to the preceding page number; for example: 3a, 3b, 3c, etc.

3.4.7. The portion of instructions affected by the revision will be indicated by a black underscore for figures, words or phrases within a given paragraph, and by vertical black line in the outer margin.

**3.5. Assignment of Abbreviated Contract Number.** The FM seller or designated office will assign a separate eight-digit abbreviated contract number to each contract Appendix B if the contractor is reporting on G009. The first digit will be the ALC code followed by a numerical sequence beginning with 0000001. These contracts will be file maintained in the H075C with the appropriate GFM code in card column 69. The same abbreviated contract number will not be used for follow-on contracts. Abbreviated contract numbers will not be assigned to a basic BOA. A separate abbreviated contract number will be assigned for each BOA order when it is determined that the contractor will be reporting on G009. Data will be collected at order level. The FM seller or designated office will conduct a periodic review to ensure the validity of the abbreviated contract numbers, i.e., that the authorizations have been accomplished as required.

**3.6. GFP:**

3.6.1. It is DoD policy that contractors should furnish all material required for the performance of government contracts. However, the government can furnish material to a contractor when it is determined to be in the best interest of the government by reason of economy, standardization, the expediting of production, or other appropriate circumstances.

3.6.1.1. The following considerations should be made prior to authorizing GFM:

3.6.1.1.1. Is the workload moving to the depot at some point so usage history will be developed?

3.6.1.1.2. Are there adequate quantities in the supply system to support GFM?

3.6.1.2. The office responsible for engineering reliability will, upon notification from the seller PMS of impending contract data package accumulation, request FRL/MRL/PRSL and ST/STE list (if appropriate to current contract) and deliver products as appropriate to the seller PMS.

3.6.1.2.1. Are long lead time items only available through supply? Will GFM vs CFM expedite production?

3.6.1.2.2. Is it more cost effective to provide GFM vs CFM?

3.6.1.2.3. Will GFM provide standardization?

3.6.1.3. GFM may include Air Force, DLA, General Services Administration (GSA), and Other Services' Stock Fund (OSSF) items selected by the responsible ES according to the needs of the individual contract. If the GFP is stock fund material, the release of the material must be approved by the prime item manager. Likewise, the stock fund will not procure to fill a GFP requirement unless it is on an existing Appendix B GFP list. By the very nature of GFP it will be either RSD or Systems Support Division (SSD), or GSD assets of the stock fund. The Air Force organization authorizing (DMBA or program office) the use of GFP must reimburse the stock fund at standard price.

3.6.1.4. Items authorized as GFM will be identified by NSN, P/N/cage code, nomenclature (noun), and where possible, quantity, in an attachment to Appendix B.

3.6.1.5. The contractor will provide and finance as CFM all material not specifically authorized in Appendix B. Material that is not readily accessible in the marketplace or because of leadtime considerations, should be provided by the government.

3.6.1.6. PRs submitted with GFM/CAP will have a written statement and evaluation that it is in the best interest of the government. This written evaluation, in the form of a Memorandum for Record, should state how and when the decision was made and be authorized by the ES. Edits of GFM requisitions by NSN/FSC/MMAC will facilitate application of this policy. CAP funds will not be placed on the contract to reimburse the contractor for nonstocklisted items unless specifically approved by the PMS seller.

3.6.2. The seller PMS will take action to establish the NSN and authorized quantities in the D034A or the FSC/MMAC information in the H075C. Incoming requisitions from depot maintenance contractors are edited by the D034A system on several entries including "kind of material" and NSN/FSC/MMAC. Requisitions are compared against contract data FSC/MMAC filed in the H075C and NSN and quantity file on the D034A. The strength of NSN/FSC/MMAC edits to prevent contractors from requisitioning unauthorized material depends upon proper identification, in Appendix B, of specific items authorized for MILSTRIP requisitioning. It also depends on accurate and timely input of NSN and quantity edits in the D034A or FSC/MMAC edits into H075C. Review contractor reports and requisitions regularly to verify compliance. The material needs of each contractor are based on the scope of work to be done on each contract. The materials authorized for contractors to requisition will be in the best interest of the government. Materials readily available from commercial source should be furnished by the contractors as CFM.

3.6.3. Procedures for establishment of H075C/D034A edits are as follows:

3.6.3.1. NSN and quantity edits are established in D034A. The seller PMS will formally request from engineering and reliability branch a D200 PRSL.

3.6.3.2. The ES will review the PRSL Part II using **Attachment 7** to this instruction. This attachment lists all FSGs/FSCs for material used by DoD. FSGs/FSCs which are not normally furnished as GFM have an asterisk. These items must be reviewed and should be lined out on the PRSL. If the contract is to be sole source, any GFM manufactured by the source of repair will normally be furnished as CFM. The remaining items and quantities on the PRSL should be incorporated into the contract as an attachment to Appendix B. This attachment informs the contractor of the NSNs/PN and CAGE code and quantities of items that will be provided as GFM. A statement on this attachment will indicate that "Only the NSN/PN and CAGE code items, and quantities listed as an attachment to this Appendix B are authorized for requisitioning or purchasing through CAP by contractors." This attachment will be signed by the ES certifying the need for these items as GFM.

3.6.3.3. If information sufficient to load D034A is not available and H075C is the only edit system to be loaded, then only input FSC and MMAC, in accordance with AFMCR 177-22, *Accounting System for Industrial Fund Acquisitions for Government-Furnished Material (GFM) (H075C) Users Manual.* The information required to load H075C edits will come from the required attachment to Appendix B.

3.6.4. An incoming requisition that does not pass the D034A edits will create an "X2B1" controlled exception. The D034A will output a stuffer containing the phrase "NSN/FSC/MMAC not authorized" to the applicable seller PMS who will forward to the responsible ES for approval/disapproval.

3.6.4.1. If the requisition is determined to be unauthorized, enter status code "CR" in card columns (CC) 79-80 of the exception transaction to cancel the requisition.

3.6.4.2. If the requisition is authorized, input "BM" in CC 79-80, source of supply in CC 74-76 and reinput to D034A.

3.6.4.3. If the requisitioned material is authorized on a one-time basis, do not change the system edits or Appendix B. If the material requirement is recurring, Appendix B and the system edits should be changed and a contract modification is required.

3.6.5. Requisitions for quantities that exceed those authorized in the D034A will be filled only after a joint review by the seller PMS/ES. If the additional quantities are justified, these requisitions will be filled. When NSN and quantity edits are established, file maintenance input to the D034A system will be required per AFM 67-1, Vol III, Part 8.

3.6.6. ST/STE are normally not identified on the API or MRL, but are determined necessary as GFP at the time of PR preparation. During the preparation of the PR package, the engineering and reliability office will develop the equipment requirement for attachment to Appendix B. When government furnished ST/STE is lost or condemned, the contractor will notify the PCO who will notify seller PMS and will report it to the loan control officer (LCO) at the ALC which issued the ST/STE.

3.6.7. Agency-peculiar property with expendability, recoverability, reparability category (ERRC) designators XD1(C), NF2(U) or ND2(S) loaned to a contractor and which is not to be incorporated into the end item or consumed during contract performance is subject to loan control procedures, as contained in AFMCR 800-31, attachment 10.

3.6.7.1. For agency-peculiar property, the seller PMS will notify the FSC IM. Facilities and precious metals will be reported according to FAR part 45.

3.6.7.1.1. Agency-peculiar property which includes stocklisted equipment/tooling (ERRC "S" or "U") and recoverable material (ERRC "C" & "T") not intended to be incorporated in the aircraft/product and of which the program office is not required to reimburse the stock fund division is subject to loan procedures, as specified in AFMCR 800-31, attachment 10.

3.6.7.1.2. All PRs which contain requirements for agency-peculiar property to be furnished to contractors must be coordinated with the LCO at the funding ALC. Action will be taken by the LCO to reserve the property necessary to support the projected contract according to AFM 67-1, Vol III, Part One, Chap 10. The PR must contain the NSN (or locally assigned noncataloged "NC" or nonlisted "ND" number) nomenclature, quantity, anticipated date property will be requested and projected property return dates. The funding ALC seller PMS will ensure a listing of such items is furnished as an attachment to Appendix B. Upon contract award, a copy of the contract furnishing agency-peculiar property will be provided to the prime ALC/FM___(LCO). The funding ALC/PK will ensure that all applicable ALC/LCOs are furnished a copy of the amended contract or GFE attachments.

3.6.7.1.3. If loaned agency-peculiar property is authorized in the contract, a tailored Appendix B is necessary to allow the contractor to requisition the equipment. Appendix B must have an abbreviated contract number. The GFE attachment will list the NSNs and quantities of the equipment. These NSNs are all that will be loaded in D034A. Use the procedures in AFMCR 177-22 for loading H075C. The LCO will maintain control of loaned items in the J041 computer system.

3.6.7.1.4. The expiration date of the contract will be used as the return delivery schedule in the Acquisition and Due-In Asset (DIA) system (J041). Agency peculiar-property subject to loan control procedures will not be transferred to another contract without prior request or approval from the ALC IM. When items are returned through MILSTRIP format to the prime ALC, the DD Form 1348-1, **DOD Single Line Item Release/Receipt Document,** will be filled out to indicate RETURNED FROM LOAN, ensuring the correct contract number is used.

3.6.7.2. Modification kits, as applicable.

3.6.7.3. Supply publications, catalogs, forms, etc.

3.6.7.4. Propellant fuel, oil, and lubricants.

3.6.7.5. Aerospace first-aid kits.

3.6.7.6. Precious metals:

3.6.7.6.1. It is Air Force policy that precious metals available from DISC will be provided as GFM.

3.6.7.6.2. The procedures for requisitioning precious metals are covered in AFM 67-1, Vol II, Part One, Chap 4.

**3.7. CAP:**

3.7.1. When the contract is written to provide a CAP authorization, the contractor will be reimbursed from DMBA CAP funds for consumable or RSD material that is authorized in Appendix B. This applies only if the government cannot furnish the material. CAP will not be used to replenish wholesale IM stock levels or purchase of mod kits. CAP becomes government property as soon as it is receipted into inventory under a particular contract.

3.7.2. Acquisition will not normally exceed quantities required for immediate consumption. If the contractor is unable to obtain the part as CAP, the requirement is to be reported as a production problem in accordance with AFMCM 66-266, Vol I.

3.7.3. When an overseas repair contractor is unable to obtain material locally, the responsibility for obtaining that material falls to the managing ALC. The contract Appendix B will indicate requisitions will be submitted for these items with advice code 2A.

3.7.4. Appendix B will instruct the contractor to submit monthly billings for CAP expenditures.

**3.8. GFP Support:**

3.8.1. Initial GFM Support. The initial stock levels of GFM support will be computed in accordance with the stock level computation procedures contained in Appendix B and **Attachment 3** with the exception that the pipeline time portion of the stock level will be excluded. The contractor will requisition initial GFM; reorder points will be adjusted accordingly. Appendix B should be tailored to reflect each contract requirement.

3.8.2. To achieve and maintain a well-balanced stock position, the timely submission of stock replenishment requisitions is essential. Appendix B will instruct contractors of the need for initiating timely replenishment whenever reorder points are reached. Continued emphasis on timely stock replenishment based on established reorder points will minimize the necessity for priority requisitioning.

**3.9. Requisitions and Priorities:**

3.9.1. Standard Air Force and DoD instructions for preparation and submission of requisitions for GFP support, as prescribed in DoDM 4000.25-1, *Military Standard Requisition and Issue Procedures,* will be used by all AFMC depot level maintenance contractors.

3.9.1.1. The contractor will requisition only those items and quantities of GFP authorized within Appendix B of respective contracts. Contractors' requisition follow-ups, cancellation, modifiers, and backorder validations will be prepared according to instructions prescribed in AFM 67-1, Vol 1, Part One, Chap 23.

3.9.1.2. Requisitions for precious metals will be prepared according to AFM 67-1, Vol VI, Chap 4, para 10, with the exception that the requisitions will be forwarded to the applicable PMS (as noted on Appendix B, title page) instead of DISC. The PMS will review the requisition to see that it includes:

3.9.1.2.1. Valid contract number.

3.9.1.2.2. NSN.

3.9.1.2.3. Data that identify the item or component in which the precious metal will be used per item or component, if known.

3.9.1.2.4. Quantity of precious metals which will be used per item or component, if known.

3.9.1.2.5. Name and phone number of a contact point at the requisitioning activity. If the requisition is valid as submitted, the PMS will forward the requisition by message or letter to DISC-ODBA/YC 700 Robins Ave, Philadelphia, PA 19111 to include statement that the requisition is approved by ALC, name, office symbol, and phone number of approving individual. If requisition is invalid, the requisition will be returned to the requisitioning activity.

3.9.1.3. When the stock level reaches the reorder point on the stock record system, requisitions will be submitted for a sufficient quantity to maintain the stock level. A requisition control record will be maintained to indicate date and material received.

3.9.1.4. Requisitions for urgent requirements to prevent work stoppages (including nonstocklisted (NSL) items) are submitted on a fill-or-kill basis and advice code "2C" is inserted in columns 65-66 of the requisition. An urgency of need designator (UND) "A" with the assigned force activity designator (FAD) is used to establish the priority. If an urgently required item is not provided by the government in the time specified, and when this condition could cause a work slippage or stoppage, the contractor, with approval of the ACO, is authorized to locally procure with CAP funds to fill the immediate need. Fill-or-kill ("2C") may be used for RSD material. These items will be reported as production problems through appropriate transactions in the G009 system. To prevent excess material build-up, ensure all requisitions submitted using standard procedures are canceled prior to initiating a fill-or-kill requisition, unless the item requires continued usage (recurring demand).

3.9.1.5. The policy and procedures for establishing UNDs and requisition priority designators are prescribed in AFM 67-1, Vol I, Part One, Chap 24, Sec A, and in DoDM 4000.25-1. The contracting ALC will include, within Appendix B of the contract, the applicable FAD assigned per AFM 67-1, Vol I, Part One, Chap 24, Sec C. **Attachment 4** to this instruction provides guidance for

determining requisition priority designators to be used on contractor requisitions (cc 60-61) for GFM.

3.9.1.6. When the components of the end item being repaired are also being repaired or manufactured in support of a contract, the contractor will request authority from the funding ALC to divert material from the repair contract. Approval will require the following action:

3.9.1.6.1. The requesting contractor will submit a requisition for the desired item.

3.9.1.6.2. The IM will accomplish amended shipping instructions and give the repair contract credit for the material by accomplishing a D6H transaction in the D035A system.

3.9.1.6.3. The contract from which the material was shipped must be adjusted to reflect the loss of the items involved. This will be done by the accomplishment of the contractor's input to reduce the inventory. Lateral support, the movement of material between DMBA contract facilities and other DoD activities without going through an MCA and using standard supply procedures, is not authorized.

3.9.1.7. Requisition Status Codes:

3.9.1.7.1. Used by supply sources/inventory control points to relay information back to the requisitioning activity.

3.9.1.7.2. Contractors will be instructed to refer to the requisition status codes contained in DLA Customer Assistance Handbook.

3.9.1.8. Shipment status is provided to maintenance contractors by the FSC IMS for the purpose of advising shipment status of material requisitioned by the contractor. In addition, shipment status is forwarded to maintenance contractors to advise that reparable end items are being shipped to contractors for repair (according to the Reparable Item Movement Control System (RIMCS) or IM instructions).

3.9.1.9. Appendix B, **Attachment 1** and **Attachment 2** are instructions which the contractor may use to prepare requisition and turn-in documents.

3.9.2. FAR part 45, states the contractor will be directly responsible and accountable for all government property according to the provisions of the contract, including property provided under such contract that may be in the possession or control of a subcontractor. Therefore, all requisitions for material will originate from the prime contractor. When the material is to be shipped to an activity other than the prime contractor, enter the service and activity, address code (EZ number) supplementary address field according to DoDM 4000.25-1. Procedures for ensuring control of subcontractor inventories will be included in the prime contractor's approved property control system.

3.9.3. The contractor shall not transfer material from contract to contract without the advance written consent of the funding ALC. When the need for such action arises, the contractor will submit a written request for transfer action authority from the funding ALC. Transfer requests will contain the following information:

3.9.3.1. Contract numbers to and from which material is to be transferred, including fund citations in the contracts.

3.9.3.2. Stock numbers, quantity, and dollar value of material to be transferred.

3.9.3.3. Verification that material to be transferred is excess to the needs of the losing contract and will not be reordered for that contract.

**3.10. Disposition of Excess Government Property:**

3.10.1. These policies and procedures apply to all DMBA contracts with property that is determined to be excess to the contractors requirement to complete a specific contract.

3.10.1.1. A list of all items will be reported to the contracting ALC for disposition instructions.

3.10.1.2. Contractors will review stock position of all items of GFM with ERRC designators "XD1(C)" and "XD2(T)" every 30 days, and every 60 days for items with ERRC designators "XB3(S)" and XF3(U)." These reviews will be conducted until contract is production complete or terminated. Identify and process all items having inventories excess to that required to support the current contract. Concurrent with these reviews, contractors will review the requisition control record and cancel those requisitions on backorder when requirements no longer exist. Within 60 days of contract being production complete, all backordered requisitions (for items still required) having estimated or actual delivery dates which will not provide timely support will be canceled and a new requisition submitted on a fill-or-kill basis. The quantity on the fill-or-kill requisitions will be limited to only that required to complete the contract.

3.10.1.3. When the funding ALC has made a determination that the contractor has excess GFM, the following actions should be taken: In accordance with the contract Appendix B, request the contractor to do an "FTE transaction on the excess list of GFM." The FTE action will result in an FTR response with 3 options: hold and come back in 90 days; ship to _____(credit will be given); destroy (plant clearance). For the first two options, do as instructed. For the third option, do plant clearance in accordance with Appendix B of the contract (ref DoDM 4000.25-1).

3.10.1.4. Loaned property listed in Appendix B will be disposed of as follows: 30 days prior to contract completion the LCO will request disposition instructions from the IM. The LCO will coordinate the disposition of these assets with the prime IM and advise the contractor of required actions. Loaned agency-peculiar property is not to be considered excess to the contractors requirement. These items are to be reported to the applicable ALC LCO when no longer needed or upon expiration of the loan period.

3.10.1.5. RSD. Credit will be provided for returned RSD material as indicated in Appendix B attachment to this instruction.

3.10.2. Government property support for follow-on contracts will be as follows:

3.10.2.1. When the incumbent contractor is awarded a follow-on contract before completion of the current contract, all GFM in contractor's possession will be screened by the contractor against actual individual line usage experience and production schedule to establish individual item requirements for support of both current and follow-on contract and will be considered as part of the initial lay in for the follow-on contract. If transferred material is equal to or exceeds initial stock objective, no requisition will be initiated for those materials until the time the stock level reaches the reorder point. The contractor will consider the old contract as first source of supply before submitting any requisitions against the new contract. Materials that do not apply to any CLIN on the new contract will be disposed of according to Appendix B.

3.10.2.2. When the award of a follow-on contract is made to a contractor other than the incumbent contractor, the contracting ALC must ensure that timely disposition instructions are provided to the current contractor for each serviceable item of GFM in their possession that is excess to current contract requirements. The contracting ALC must be cognizant of all GFM excesses and may request redistribution by current contractor to the new contractor. However, under no circumstances will the wholesale transfer of these excesses to another contract or a new contractor be authorized by the contracting ALC without a thorough individual item screening of all the current contractor's excesses against the latest usage experience of MRLs.

3.10.2.3. When the GFM in excess of an incumbent contractor's current contract support requirements has a total value of $100,000 or more, a screening of items and quantities will be done by the contracting ALC before transfer. The screening can be done by using G009 product or an on-site ALC team. The PMS seller has the prerogative to designate the most qualified personnel to accomplish the on-site screening. When needed, DLA representation will be invited to participate.

3.10.2.4. No loaned agency-peculiar property will be diverted or transferred to another contract without prior request or approval from the applicable ALC LCOs. When such a transfer is made, the loaned assets must be authorized for loan under the gaining contract by listing on the contract Appendix B attachment, as appropriate and a copy of the transfer document be provided to the applicable LCO.

3.10.3. Directed disposal of excess by ALC field teams:

3.10.3.1. The ALC field team, as a result of excess items discovered during a visit, may direct on-the-spot disposition of excesses. Such determinations must be a coordinated action between representatives of the team, the contract administration activity, and the contractor, that these items are excess to total contract requirements.

3.10.3.2. A list of such excesses will be prepared, with a copy furnished to the contract administration activity representative.

3.10.3.3. Upon receipt of the report, each PMS will develop a listing of assets to be returned to the ALC and provide it to the material support function of the ALC concerned. The organization making the visit will retain a copy for checking during the next visit to ensure that assets have been returned to the Air Force.

3.10.3.4. Turn-in documents (DD Form 1348-1) will always be used and will be prepared according to DoDM 4000.25-1 (MILSTRIP). Bar coding of return documents will be used when contractor capability permits.

3.10.4. Processing of Discrepancy Reports. The following procedures prescribe actions to be taken by the contractor in disposing of property received which is not acceptable, not identifiable, or not related to that required in support of a specific contract.

3.10.4.1. Property received against a contractor requisition which is other than that ordered, or that is not identifiable as an acceptable interchangeable or substitute item, will be reported on Standard Form (SF) 364, **Report of Discrepancy.** SF 368, **Product Quality Deficiency Report,** if item is unserviceable, according to discrepancy reporting as prescribed in AFR 400-54, *Reporting of Items and Packaging Discrepancies.* The completed SF 364/368 will be forwarded through the CAO to the shipping activity for corrective action to prevent recurrence. When the shipping activity is an ALC, the focal point for receipt/control of SF 364 will be the ALC/DSQ Quality

Management Division. In addition to the processing of Reports of Discrepancy (ROD), the contractor will ensure that a copy of each ROD initiated during a given month is submitted to the seller PMS according to Appendix B. The items received and reported on SF 364 will be processed according to the disposition of excess government property criteria specified in the following portions of this paragraph.

3.10.4.2. For property received by a contractor and recognized as misdirected the Cognizant Transportation Officer (CTO) from the Defense Contract Management Area Operations (DCMAO) will be contacted for research, funding and disposition instructions or actions. If the correct location cannot be identified, the DCMAO will contact the seller PMS who will refer it to the material support function for research and disposition instructions. An SF 364 will be prepared and forwarded through the CAO to the shipping activity to initiate action to prevent recurrence.

3.10.4.3. Damaged material received by the contractor from government installations, where such damage can be attributed to improper preservation or packaging by the shipping activity, will be reported to the ACO.

3.10.4.4. Loss, damage or destruction of property where common or contract carrier liability is indicated when item is en route to the contractor, will be reported on SF 364 according to AFR 75-18, *Reporting of Tranportation Discrepancies in Shipments (RCS MTMC-54(RI)).*

3.10.4.5. Material received with quality deficiencies will be reported on SF 368 (Category II), according to AFR 76-6, *Movement of Units in Air Force Aircraft,* or TO 00-35D-54. Mailing instructions are contained in reference. Also mail one copy to CA.

3.10.5. Credit for turn-ins to the stock fund from DMBA contractors.

3.10.5.1. In certain cases, the stock fund will give the DMBA 100 percent dollar credit for turn-in assets from repair contractors regardless of the current asset position. In these cases, the use of a "Y" credit indicator code in column 56 of DD Form 1348-1 will be used to ensure 100 percent credit is granted to DMBA. Appropriate instructions should be included in Appendix B to require maintenance contractors to use the "Y" credit indicator in the following cases:

3.10.5.1.1. Turn-in of GFM issued to repair contractor in excess of quantity order.

3.10.5.1.2. Turn-in of GFM having a latent defect when received by the reporting contractor.

3.10.5.1.3. Turn-in of GFM received by the contractor in error.

3.10.5.1.4. Turn-in of serviceable items of GFM issued to the repair contractor for testing purposes under unsatisfactory report (UR) procedures.

3.10.5.1.5. Turn-in of items to satisfy IM requirements elsewhere.

3.10.5.2. In cases where the IM requests the repair contractors to ship defective items under warranty to the item manufacturer for correction of the defect or replacement of the item (AFM 67-1, Vol I, Part One, Chap 10, Sec J), the repair contractor should furnish a copy of the shipping document (DD Form 1348-1) attached to a cover letter addressed to the appropriate IM ALC, attention of the IM requesting the action. Shipping document will be used to properly reimburse the DMBA. Similar action is also desired in instances where the IM requests the repair contractor to ship items to satisfy priority requirements elsewhere (such as redistribution orders for shipment to using bases).

3.10.6. If material provided as GFM is or contains precious metals, disposition will be according to FAR part 45.

**3.11. Disposition of Condemned Property.** The contract Appendix A policies require AFMC maintenance contractors to evaluate economy of repair of reparable end items and components. Therefore, when inspection reveals that estimated cost to repair (labor and parts) would exceed 75 percent of the replacement cost of the item, the prime ALC is notified. The item won't be condemned except when authorized by prime ALC. Items authorized for condemnation will be disposed of at the contractor location through plant clearance procedures (without further ALC screening) except:

3.11.1. All condemnations of critical items identified in Appendix A must be reported to the funding ALC for disposition instructions. Normally, the contractors will be instructed to submit such listings every 30 days.

3.11.2. Loan agency-peculiar property is furnished in serviceable condition and, except for fair wear and tear resulting from normal use, should be maintained in such condition by the contractor. Instances of loss, condemnation, or other circumstances causing the equipment to become unavailable or not usable for its intended purposes will be investigated by cognizant contract administration personnel to determine the cause and liability, if any, and corrective action initiated as indicated by the circumstances. Condemnations of agency-peculiar property listed in Appendix B attachments will be submitted to each applicable issuing ALC, Attn: LCO. The listings will be in Appendix B format with a letter of transmittal titled, "*Request for Disposition of Government-Furnished Property,* condemnations of contract (insert number), submitted per **Chapter 3** of AFMCI 21-113." If replacement is required and authorized, the contractor will prepare a MILSTRIP requisition and forward the requisition and a copy of DD Form 1348-1 to the funding ALC, Attn: LCO.

3.11.3. The contracting ALC will (assisted by funding IM when necessary) also provide as attachment to Appendix B, when appropriate, a save list of components which should be removed from condemned higher assemblies (if economical and if excess to contract requirement) and returned to funding IM. (See Appendix B, **Attachment 8** for format.) End item IM will contact component IMs and update this save list (additions/deletions) quarterly during the length of the contract.

3.11.4. Other exceptions, including precious metals or critical alloys, will be disposed of according to appropriate FAR, DoD Air Force and AFMC policies.

**3.12. The Government Furnished Material and End Item Transaction Reporting System (G009).** Implemented to support all DMBA repair contracts as they generate, with exception to those waived by local ALC FM__ policy. Contractor will report in accordance with Data Item Description (DI-L-3341A).

3.12.1. Instructions pertaining to G009 reporting are contained in AFLCM 66-226, Vols I and II.

3.12.2. The contractor submits GFM/end items transactions through G009 to the funding ALC as required in AFMCM 66-266, Vol I. The G009 system compiles a monthly summary status report for GFM and end items. The GFM reporting is an integral component of an industrialized contract maintenance program. To effectively manage under such a concept, it is essential that specific attention be focused on the inconsistencies in contractual provisions, reporting dates and the validity of the data obtained. Various methods are used to measure GFM inventories (ideal levels versus objectives) and all data sources must be considered before taking action. Continuous surveillance is necessary to ensure timely reporting and accuracy of data.

3.12.3. The GFM report is interfaced to the G072D system and is one of the elements used in reconciliation of government shipments and contractor receipts.

3.12.4. On DD Form 1423, indicate in block 6 the appropriate office of technical responsibility. Ensure that the report is inspected and accepted at the destination by the seller PMS.

3.12.5. Upon receipt of the GFM report, the control point will forward copies to the required recipients (i.e., PMS, contractor, etc.).

**3.13. Accounting System for Industrial Fund Procurements for GFM (H075C) System Management Reports:**

3.13.1. The H075C focal point will be responsible for distribution of H075C reports. Each seller PMS provides input transactions for DMBA contracts requiring entry in the H075C Valid Contract Table no later than 5 days after contract award. For a contract which is authorized GFM, the PMS is also responsible for providing the FSC/MMAC which are or are not authorized on the contract, and for input to prevent further requisitioning after production on the contract is completed (refer to AFMCR 177-22 for codes).

3.13.1.1. The Valid Contract Table will contain the responsible IM/SPM division, the contract and order number, and contractor activity address code, the CAGE code, the PMS code and office symbol, and the contract award date.

3.13.1.2. Indicate whether or not GFM is authorized in the contract. A separate eight-digit abbreviated contract number will be file maintained in HO75C by the seller function for each contract Appendix B if the contractor is authorized to requisition GFM. If GFM/CAP is authorized, include the abbreviated contract number and any FSC/MMAC data in Appendix B of the contract/order. A separate abbreviated contract number must be provided for each BOA order. The abbreviated contract number will not be input to the valid contract table until after the contract is awarded.

3.13.2. PMS seller will be provided H075C data system products containing GFM expenditure and status data. The HO75C focal point will determine the proper distribution of the H075C reports by cross-referencing the last four digits of the contract/order number and contractor activity address code shown in the products to the listing of contracts in the valid lookup table. The PMS will review the data system products to ensure file maintenance actions were accomplished and take action as required.

**3.14. CFT Program.** AFMCR 66-33 gives policy and procedures applicable to activities engaged in CFT programming, and subsequent acquisition and contract administration. The CFT performs maintenance modification of aircraft, aerospace equipment, C-E equipment, missile weapon system, and support equipment located at various DoD operational locations in CONUS and overseas.

3.14.1. Material support to contractors performing on-site depot level maintenance under ALC funded contracts will be provided as follows:

3.14.1.1. All material requirements for items financed from central procurement appropriations funds and Air Force stock fund SSD and GSD items required by contractor through the project officer designed by the base commander of the Air Force accountable supply activity for the site on which the maintenance is being accomplished. Any of the Air Force stock fund items required are the financial responsibility of the DMBA of the contracting ALC. The contracting ALC (DMBA) will reimburse the Air Force base for the Air Force stock accomplished (AFI 65-601,

Vol 1, *Budget Guidance and Procedures*, and AFM 67-1, Vol II, Part Two, Chap 22 and 23). The contractor will furnish their own handtools peculiar to the skill/trade for performing the workload at the base site.

3.14.1.2. To obtain Air Force stock fund items not on hand, the local base supply officer will prepare requisitions according to AFM 67-1. The base contracting officer will be responsible for local purchase (LP) as required. The base will be reimbursed from the DMBA of the ALC funding the maintenance effort after issue of the material to the contractor. The base will submit a listing of items and quantities used in support of the identified contract to the funding ALC, based on data obtained for base funded material from the financial inventory accounting system and will reflect net issues, such as, gross issues less turn-ins by the contractor (AFM 177-106, *Materiel and Property Accounting).*

***NOTE:*** The ALC issuing the work order will, before arrival of the CFT, furnish the base, on which work is to be performed, the following information:

3.14.1.2.1. Contractor's name.

3.14.1.2.2. Contract number and/or order number.

3.14.1.2.3. ALC funding the contract.

3.14.1.2.4. Applicable fund sales code.

3.14.1.2.5. Accounting classification of the funding ALC industrial fund or central procurement fund.

3.14.1.2.6. Appropriate fund code.

3.14.1.2.7. Fund citation with amount of funds reserved at the ALC for reimbursing base via 1080 billing.

3.14.1.3. The contracting ALC will provide a material requirements list for the accountable supply activity at the site on which the depot level work is to be performed.

3.14.1.4. The contracting ALC will provide assistance in locating supply sources for contractor acquired property items. Overseas bases will requisition all base-funded (GSD, SSD, SF) items not available in the local overseas area, from CONUS sources as prescribed by other current overseas base requisitioning procedures. Fund reimbursement will be obtained by the overseas base as prescribed in this paragraph.

3.14.2. In addition to the preceding contract Appendix B policy, the base and ALC responsibilities for providing material support or authorizing the contractor to obtain unavailable GFP, or items not available upon need, are prescribed by AFM 67-1, Vol II, Part One, Chap 4.

3.14.3. The project officer designated by the base commander will be the point of contact between the contractor and the base supply organization for material support.

**3.15. Support of Mobile Contractor Teams at Remote Locations:**

3.15.1. Material required in support of maintenance contracts, established for the primary purpose of contractors performing on-site repairs or preventive maintenance at remote locations, such as ground C-E equipment, will be obtained and accounted for under the provision of this chapter.

3.15.2. When emergency conditions so justify, contractor may obtain additional one-time type support from the Air Force base accountable for supply support to the site being serviced by the contractor. This support includes temporary use of base maintenance and test facilities, and issues in support of material requirements.

3.15.3. When the CFT material requirements exceed the available resources of the base supply function, coordination with the PMS seller is required prior to proceeding with work. Reimbursement of the base rendering support will be obtained by the same procedures as prescribed in this paragraph.

**3.16. Material Support Problems:**

3.16.1. The name, office symbol, and telephone number of the responsible seller PMS will be listed in contract Appendix B, as a part of the contract. For contractors experiencing material support problems, the contractor will report using G009 LPS/LPT transactions.

3.16.2. The seller PMS is responsible for material support problems. The seller PMS will coordinate the contractor's reports of material support problems with the appropriate IM and other managers as appropriate.

## Chapter 4

## IN-HOUSE PREAWARD SURVEY (PAS)

**4.1. Purpose.** The purpose of the in-house PAS is to verify, before award of contract, the availability and adequacy of the applicable Material Requirements List (MRL), and the availability of modification kits, support equipment (SE), special tooling/special test equipment (ST/STE) technical data and overseas contractors. Past experience and performance will dictate the degree of the review conducted.

**4.2. Responsibilities.** The seller PMS is responsible for ensuring all certifications on the in-house PAS checklist are completed and the checklist is forwarded with the PR package. Such certifications must be provided for all modification installations over $1 million, aircraft PDM and engine programs. Use of the in-house PAS must be varied to meet the peculiar circumstances of each prospective maintenance contract. For all other programs, the need for such certifications will be determined on a contract by contract basis. Responsibilities for completion of in-house PAS certification are:

4.2.1. Adequacy of MRL. In order to provide the contractor with a description and usage rate on those replacement components that may be used during the repair of an end item, the ES will certify the MRL to be complete, accurate and current.

4.2.2. Availability of Modification Kits. The seller PMS, with the assistance of the inventory manager and the ES, is responsible for ensuring the TCTO modification kits are obtained, distributed and con-trolled in a timely manner to support all TCTO requirements called out in Appendix A. Modification kits will be requisitioned by the contractor as specified in the applicable TCTO. Requisitioning procedures are contained in Appendix B. If contract does not authorize MILSTRIP, the inventory/mod manager will ship under FD document number.

4.2.3. Availability and Serviceability of SE. Identi-fication of the SE, including designation of all peculiar SE, is the responsibility of the ES. The seller PMS will ensure availability and serviceability of the SE at the time of contract award. This may be done through storage in the Material Utilization Control Office (MUCO) account. The seller PMS will provide instructions in Appendix B/Appendix H as to delivery of the SE. If authorization for spares to maintain the SE is granted, it must be included in Appendix B. SE may be subject to loan procedures.

4.2.4. Availability and Serviceability of ST/STE. ST/STE consists of dies, fixtures, molds, patterns, gauges, other equipment and manufacturing aids, electric or electronic, pneumatic, mechanical, and other items or assemblies of equipment with such a specialized nature that without substantial modification or alteration their use is restricted to the development or production of particular supplies or parts thereof. These items are not federally stock listed. These items are controlled by the IM/SPM ST/STE manager. The SPM will complete this certification. The listing of ST/STE prepared by the ES will be forwarded to the seller PMS through the buyer PMS, as soon as it is definitized. The SPM will furnish the listing to the ST/STE manager who will check availability and serviceability and reserve the material for use on the contract. The seller PMS will identify to the buyer PMS the available and nonavailable items. A list of the available items will be attached to Appendix B of the contract. This listing will advise the contractor of the source and method of supply of the items. Overall monitorship of this program is the responsibility of the loan officer.

4.2.5. Availability of Facilities Including Production Equipment. The seller PMS is responsible for completing this certificate. Facilities consist of equipment, machine tools, standard test equipment,

furniture, vehicles and accessory and auxiliary items, but exclude ST/STE and agency-peculiar property (FAR part 45). Facilities may be furnished to the contractor only under severely restricted conditions described in FAR part 45. It is DoD policy to rely upon privately owned production equipment in defense contracts, especially general purpose facilities. Before facility items can be furnished to the contractor, justification must be provided according to FAR 45.302. Upon receipt of the listing of facility items required and the justification required, the seller PMS will determine item availability and advise buyer. The available items will be listed in the attachment to Appendix B/Appendix H of the contract. This listing will advise the contractor of the method of obtaining these items.

4.2.6. Availability of Agency-Peculiar Property. Agency-peculiar property consists of items peculiar to agency operations and is under the cognizance of an agency inventory control point. These items are federally stocklisted and do not include ST/STE or facilities items. Agency-peculiar property with ERRC designators XD1(C), XD2(T), NF2(U), or ND2(S) are subject to loan control procedures. The buyer PMS will ensure that a listing of all required agency-peculiar property is provided to the seller PMS. The seller PMS will request the LCO to check availability and reserve items and quantities required for the contract. The buyer function will be advised by the seller PMS of items not available from the government. An attachment to Appendix B/Appendix H will list all required items and state the method of supply.

4.2.7. Availability of Technical Data. All data specified in Appendix A will be assembled by the buyer PMS for review by the bidder. The data package available for review by contractors will consist only of that which is directly related to work requirements detailed in Appendix A, section III. Additional data, such as general TOs required by the contractor, will be secured through ACO. Responsible activities will provide data to the buyer function for inclusion in the technical data package furnished for bidder inspection.

4.2.8. Overseas Contractors. When overseas contractors are to be selected, it is the responsibility of the SPM/IMs to provide procurement package to the PCO. Procedures for obtaining theater clearance are contained within the foreign theater clearance guide. Clearances are likewise required when sending CFT to Alaska and Hawaii.

# Chapter 5

## CONTRACT MAINTENANCE REVIEW BOARD (CMRB)

**5.1. Purpose.** This chapter presents the final action before initiation of contracting action. It covers requirements for, composition, and responsibilities of the CMRB.

**5.2. CMRB Criteria:**

5.2.1. CMRB meetings are mandatory on:

5.2.1.1. PRs for aircraft, engine.

5.2.1.2. PRs for other commodities over $5 million.

5.2.1.3. PRs which provide GFM/CAP and meet one of the following criteria:

5.2.1.4. Past history of total expense issues (or projected issues) exceeding $250,000 during a 12-month period.

5.2.1.5. Actual instores expense inventory (or projected inventory) exceeds $500,000 in any reporting month.

5.2.1.6. CAP expenditures have exceeded or are projected to exceed $50,000 in any 12-month period.

5.2.1.7. New workloads if PR value exceeds $50,000.

5.2.2. The CMRB should be considered for major modifications of existing contracts. The CMRB meeting is optional for other contract maintenance programs and may be held so the PR package can reach the appropriate contracting activity in sufficient time to acquire the contract and support the requirement. CMRB meetings are held for the purpose of performing an in-depth review of the total PR package. This meeting is the culmination of program planning in the PD and formal start of planning by contracting. Finally, the CMRB meeting must be the point at which the determination is made that the program planning is complete and all deficiencies in the total PR package have been, or are being, corrected prior to forwarding the PR package to the contracting activity.

**5.3. CMRB Membership.** The CMRB is composed of any of the following representatives as determined by the CMRB chairperson.

5.3.1. Chairperson-DMBA seller (FM or FM designated representative).

5.3.2. Competition advocate, representative.

5.3.3. Financial management (seller).

5.3.4. Seller PMS.

5.3.5. Technology and industrial support directorate (TI).

5.3.6. Buyer PMS.

5.3.7. Equipment specialist.

5.3.8. Engineer.

5.3.9. Safety office (SE).

5.3.10. Program manager.

5.3.11. Contracting buyer and/or procuring contracting officer (PCO).

5.3.12. Quality assurance.

5.3.13. Staff judge advocate (JA).

5.3.14. Packaging and materials handling office (LG).

5.3.15. Transportation logistics management (ABW/LG).

5.3.16. Foreign disclosure policy office (FM).

5.3.17. Using command representatives.

5.3.18. Loan control officer (FM).

5.3.19. Any supporting inventory management specialist.

5.3.20. Business (BC)

**5.4. Membership Responsibilities:**

5.4.1. The chairperson will:

5.4.1.1. Arrange for a suitable meeting place and establish a time schedule for the meeting. Provide written notice to all personnel designated to attend the CMRB meeting. When the urgency of a requirement precludes written notice, telephone contact will be made and documented in the CMRB minutes. Ensure the initiator has furnished them draft copies of the total PR package including Appendix A, B, and C exhibits and attachments for review. This will be done to give at least 7 workdays after receipt, before each CMRB meeting. When emergency conditions preclude holding a CMRB, the CMRB chairperson will document the justification and it will be maintained in the PR folder.

5.4.1.2. Review and follow-up actions directed at the meeting to make sure any discrepancies noted are corrected.

5.4.1.3. Schedule meetings to ensure CMRB process does not delay PR processing cycle.

5.4.1.4. Ensure minutes of the CMRB are recorded and accurate.

5.4.1.5. Review PR for compliance with minutes and coordinate that PR has been "reviewed IAW AFMCI 21-113."

5.4.2. Members will:

5.4.2.1. Review in detail complete PR package provided before the meeting.

5.4.2.2. Present problem areas with recommended solutions.

5.4.2.3. Resolve problems during the meeting and coordinate or agree to actions required as a result of the completed meeting. Required changes become action items in the minutes.

**5.5. Minutes of CMRB Meeting.** Minutes of the meeting will be maintained in the PR file located in appropriate seller PD. To make sure adequate review is made during the meeting and that items reviewed

are properly documented, a checklist for CMRB meetings is contained in **Attachment 2**. All of the subject areas listed in this checklist should be reviewed during the meeting, some items will not apply to all PR packages; for example, subjects peculiar to an aircraft will not apply to an aircraft engine contract. Those that are not applicable can be noted "not applicable (or NA)" in the minutes. While it is expected that all items contained in the checklist will be reviewed, if applicable, it is not intended that the discussion be limited only to the checklist items. Complete copies of the CMRB checklist will be signed by the chairperson, coordinated with the PMS seller as necessary and may serve as the official minutes. A copy of the CMRB minutes will become a part of, and be forwarded with, the official PR package.

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Director, Financial Management and Comptroller

## Attachment 1

## GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

***Abbreviations and Acronyms***

**ACD—**Administrative Commitment Document

**ACO—**Administrative Contracting Officer

**ADPL—**Annual DPEM Program Limitation

**ALC—**Air Logistics Center

**BOA—**Basic Order Agreement

**CAO—**Contract Administration Office

**CAP—**Contractor Acquired Property

**CDRL—**Contract Data Requirements List

**C/ELIN—**Contract/Exhibit Line Item Number

**CFM—**Contractor Furnished Material

**CFT—**Contract Field Team

**CLIN—**Contract Line Item Number

**CMRB—**Contract Maintenance Review Board

**COAL—**Customer Order Acceptance List

**COQ—**Customer Order Quantity

**DLA—**Defense Logistics Agency

**DMISA—**Depot Maintenance Interservice Support Agreement

**DMBA—**Depot Maintenance Business Area

**DPEM—**Depot Purchase Equipment Maintenance

**FAD—**Force Activity Designator

**FAR—**Federal Acquisition Regulation

**FCRN—**Fund Classification Reference Number

**FDO—**Foreign Disclosure Office

**FMS—**Foreign Military Sales

**FRL—**Full Range Listing

**FSC—**Federal Stock Class

**FSG—**Federal Stock Group

**GFE—**Government Furnished Equipment

**GFM—**Government Furnished Material

**GFP—**Government Furnished Property

**LCO—**Loan Control Office

**LM—**Local Manufacture

**LP—**Local Purchase

**MDS—**Model Design Series

**MILSTRIP—**Military Standard Requisitioning and Issue Procedures

**MIPR—**Military Interdepartmental Purchase Request

**MISTR—**Management of Items Subject to Repair

**MMAC—**Material Management Aggregation Code

**MOD—**Modification

**MRL—**Material Requirements List

**MUCO—**Material Utilization Control Organization

**NSN—**National Stock Number

**O&M—**Operation & Maintenance

**PA—**Program Authority

**PAOC—**Postaward Orientation Conference

**PAOT—**Postaward Orientation Team

**PAS—**Preaward Survey

**PCO—**Procuring Contracting Officer

**PDM—**Programmed Depot Maintenance

**PIIN—**Procurement Instrument Identification Number

**PMS—**Production Management Specialist

**PO—**Purchase Order

**POL—**Petroleum Oil and Lubricants

**PR—**Purchase Request

**PRSL—**Purchase Request Support List

**RSC—**Repair Source Category

**RIMCS—**Repair Item Movement Control System

**RGC—**Repair Group Category

**SE—**Support Equipment

**SPM—**System Program Manager

**ST—**Special Tooling

**STE—**Special Test Equipment

**TCTO—**Time Compliance Technical Orders

**TMS—**Type Model Series

**TO—**Technical Order

**TRC—**Technology Repair Center

**UND—**Urgency of Need Designator

**URC—**Unit Repair Cost

**USP—**Unit Sales Price

## Attachment 2

## CONTRACT MAINTENANCE SEQUENCE OF EVENTS FOR MOD/PDM AIRCRAFT AND ENGINE OVERHAUL

Sequence of events and OPRs are listed as a guide and may be varied by each ALC to fit peculiar operating conditions. However, the total number of days allowed for contract actions must be adhered to. The milestones are predicated upon a negotiated competitive procurement, estimated to exceed $100,000, and employing an RFQ type solicitation. For negotiated procurements over $2 million dollars, add 15 days to each action from numbers 1-36. For source selection, add 35 days to each action from numbers 1-36. The standard days for procurement action would be from that point to contract award at day 0. The total standard days are established by HQ AFMC/PK. The number of days for internal procurement actions within the total standard may be established locally.

**Figure A2.1. Contract Maintenance Sequence**

| OPR | Seq No. | Precontract Award Actions | Days Contract Before Award | |
|---|---|---|---|---|
| | | | Begin | End |
| PD/SPM/PMS Buyer | 1 | Conduct System Review | 418 | 411 |
| PD/SPM/PMS Buyer | 2 | Prepare/Revise Inspection Requirements | 411 | 365 |
| PD/SPM/PMS Buyer | 3 | Prepare and Present DLM Items | 411 | 365 |
| PD/SPM/PMS Buyer | 4 | Develop Proposed MOD/PDM Program | 365 | 321 |
| PD/SPM/PMS Buyer | 5 | Assist PMS Buyer | 365 | 321 |
| PD/SPM/PMS Buyer | 6 | Extend Invitation to Workload Conference | 335 | 325 |
| PD/SPM/PMS Buyer | 7 | Hold Workload Conference | 321 | 318 |
| PD/SPM/PMS Buyer | 8 | Document Requirement Based Workload Conference in G072E and G079 | On 1st schedule cycle after 318 | |
| PD/PMS Buyer | 9 | Formally Advise Contracting of Contract Requirements | 317 | 316 |
| PD/PMS Buyer | 10 | Request and Accumulate Data for Work Specifications/ Purchase Request (PR Package) | 315 | 181 |
| PD/PMS Buyer | 11 | Prepare Initial Appendix A (Work Requirements) | 315 | 285 |
| PD/FM/PMS Seller | 12 | Obtain Appendix B (Supply) | 315 | 285 |
| SE | 13 | Prepare Appendix C (Safety) | 315 | 285 |
| PD/PMS Buyer | 14 | Forward Appendix A for Concurrence and/or Comment | 284 | 284 |
| PD/PMS Seller | 15 | Forward Appendix B for Concurrence and/or Comment | 284 | 284 |
| SE | 16 | Forward Appendix C for Concurrence and/or Comment | 284 | 284 |
| PD/FM/SE | 17 | Review, Concur and/or Comment on Appendix A | 283 | 269 |
| PD/FM | 18 | Review, Concur and/or Comment on Appendix B | 283 | 279 |
| PD/FM | 19 | Review, Concur and/or Comment on Appendix C | 283 | 269 |
| PD/PMS Buyer | 20 | Update Appendix A Based on Comments Received | 268 | 261 |
| PD/FM/PMS Seller | 21 | Update Appendix B Based on Comments Received | 268 | 261 |
| SE | 22 | Update Appendix C Based on Comments Received | 268 | 261 |
| PD/SE | 23 | Forward Updated Appendix A and Appendix C to PMS Seller | 260 | 260 |
| PD/ES | 24 | Request or Prepare MRL/CRISL/FRL/T&TE/GFE | 259 | 235 |
| PD/FM/ES | 25 | Review MRL/CRISL/FRL/T&TE/GFE | 234 | 227 |
| PD | 26 | Determine Dollar Value of GFM to be Provided Contractor | 234 | 227 |
| PD | 27 | Accumulate GFE | 225 | 90 |
| PD/PK | 28 | Identify Minimum Acceptable Qualifications of Contractor | | |
| PD | 29 | Make Presentation | 225 | 223 |
| PD | 30 | Consolidate all Data into Complete PR Package | 218 | 208 |
| PD | 31 | Provide Draft of Procurement Package to CMRB Members and Establish Data for Meeting | 207 | 207 |
| FM/FMPO | 31A | Determine Releasability of PR Package for Foreign Industry Involvement | 207 | 200 |
| FM | 32 | Conduct CMRB Meeting | 200 | 199 |
| PD | 33 | Finalize PR Package | 199 | 185 |

**Figure A2.2. Contract Maintenance Sequence (Continued)**

| OPR | Seq No. | Precontract Award Actions | Days Contract Before Award | |
|---|---|---|---|---|
| | | | Begin | End |
| PD | 34 | Obtain Signatures on PR | 185 | 181 |
| PD | 35 | PR Coordination Cycle | 181 | 166 |
| PD | 36 | Receive PR Package | 165 | 165 |
| PD | 37 | Review PR | 165 | 160 |
| PD | 38 | Develop Procurement Plan | 165 | 139 |
| PD | 39 | Request Briefing Dates | 148 | 148 |
| PD | 40 | Review/Approve Procurement Plan | 139 | 132 |
| PD/PK | 41 | Review Solicitation | 132 | 128 |
| PD | 42 | Mail Preinvitation Notices | 128 | 128 |
| PD | 43 | Brief ALC CC | 127 | 126 |
| PD | 44 | Brief AFMC Senior Staff & Commander | 125 | 124 |
| PD | 45 | Prepare and Distribute Solicitation | 123 | 115 |
| PD | 46 | Conduct Preproposal Conference | 101 | 100 |
| PD | 47 | Notify Contracting of GFE to be Changed to CFE | 67 | 59 |
| PD | 48 | Amend Solicitation if Required | 58 | 54 |
| PD/PK | 49 | Open Bids/Proposals | 44 | 44 |
| PD | 50 | Negotiate with Contractors/Select Contractor | 44 | 26 |
| DFAS/PD | 51 | Commit Funds | 26 | 23 |
| PD | 52 | Complete Contract | 26 | 21 |
| PD | 53 | Selection of Postaward Orientation Team | 25 | 18 |
| JA | 54 | Staff Judge Advocate Review | 22 | 20 |
| PK | 55 | PMC Review | 19 | 12 |
| PK | 56 | AFMC PKC Review | 11 | 4 |
| PK | 57 | Submit Report of Contract $5 Million and Over | 4 | 3 |
| PD | 58 | Award Contract | | |
| **Contract Maintenance Sequence of Events For MOD/MD/PDM and Aircraft Engine Overhaul** | | | | |
| OPR | Seq No. | Actions | Postaward Days | |
| | | | Begin | End |
| PD | 1 | PCO Advise ACO of Postaward Support | 1 | 1 |
| PD | 2 | Release Tooling, GFE, SE, Unserviceable End Item | 1 | 90 |
| PD | 3 | Postaward Orientation Team in Place | 3 | 3 |
| PD | 4 | Deliver Tech Data File and MRL to CAO for Release to Contractor | 3 | 3 |
| DCMAO | 5 | Monitor Establishment of Stock Record and Input of Initial GFM | 3 | 90 |
| PD | 6 | Preproduction Planning Meeting | 5 | 5 |
| DCMAO/PD | 7 | Postaward Orientation Conference | 6 | 20 |
| PD | 8 | Forward Technical Data Package to Contract | 10 | 15 |
| PD | 9 | Monitor GPM Follow-on Support | 90 | Until contract is complete |
| Contractor | 10 | Contractor Induction | 90 | 210 |
| PD | 1 | Obtain DODAAC, if Required, and Abbr P11N | | |

**Figure A2.3. Contract Maintenance Sequence (Continued)**

| SUBJECT UNDER REVIEW: CONTRACT MAINTENANCE SEQUENCE OF EVENTS | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FOR MOD/PDM AND AIRCRAFT ENGINE OVERHAUL | | | | | | | | | | | | | | | | | | | | | | | | |
| NO. | ACTIVITIES AND EVENTS | WEEKS BEFORE CONTRACT AWARD | | | | | | | | | | | | | | | | | | | | | | |
| | | 60 | 59 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 |
| 1 | Hold Maintenance Review | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Prepare/Revise Inspection Requirements | USE TIMES SPECIFIED IN THIS ATTACHMENT | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Prepare and Present DLM Items to Local and AFMC MRRBs | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Develop Proposed MOD/PDM Program | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Assist PD/PMS to Develop/Finalize Program | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Extend Invitation to Workload Conference | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Hold Workload Conference | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Document Requirements Based on Workload Conference (GO72, GO79) | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Formally Advise Procurement of Contract Requirements | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Request and Accumulate Data for Work Space/PR Package | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Prepare Initial Appendix A | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Prepare Initial Appendix B | | | | | | | | | | | | | | | | | | | | | | | | |

**Figure A2.4. Contract Maintenance Sequence (Continued)**

| SUBJECT UNDER REVIEW: CONTRACT MAINTENANCE SEQUENCE OF EVENTS FOR MOD/PDM AND AIRCRAFT ENGINE OVERHAUL | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NO. | ACTIVITIES AND EVENTS | WEEKS BEFORE CONTRACT AWARD | | | | | | | | | | | | | | | | | | | | | | | |
| | | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 |
| 13 | Prepare Initial Appendix C | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Forward Initial Appendix A for Concurrence/Comment | USE TIMES SPECIFIED IN THIS ATTACHMENT | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Forward Initial Appendix B for Concurrence/Comment | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | Forward Initial Appendix C for Concurrence/Comment | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Review/Concur/Comment on Appendix A | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 | Review/Concur/Comment on Appendix B | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 | Review/Concur/Comment on Appendix C | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | Update Appendix A Based on Comments Received | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | Update Appendix B Based on Comments Received | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Update Appendix C Based on Comments Received | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 | Forward Updated Appendices A, B, and C | | | | | | | | | | | | | | | | | | | | | | | | |
| 24 | Request or Prepare MRL/CRISL/RFI/ T&TE/OFE | | | | | | | | | | | | | | | | | | | | | | | | |

**Figure A2.5. Contract Maintenance Sequence (Continued)**

| SUBJECT UNDER REVIEW: CONTRACT MAINTENANCE SEQUENCE OF EVENTS FOR MOD/PDM AND AIRCRAFT ENGINE OVERHAUL | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NO. | ACTIVITIES AND EVENTS | WEEKS BEFORE CONTRACT AWARD | | | | | | | | | | | | | | | | | | | | | | | |
| | | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 |
| 25 | Review MRL/CRIEL/FRL/T&TE/GFE | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | Determine Dollar Value of GFM to be Provided Contractor | USE TIMES SPECIFIED IN THIS ATTACHMENT | | | | | | | | | | | | | | | | | | | | | | | |
| 27 | Accumulate GFE | | | | | | | | | | | | | | | | | | | | | | | | |
| 28 | Identify Minimum Acceptable Qualifications of Contractor | | | | | | | | | | | | | | | | | | | | | | | | |
| 29 | Make Presentation to AFMC MRRB | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 | Consolidate all Data into Complete PR Package | | | | | | | | | | | | | | | | | | | | | | | | |
| 31 | Provide Draft of Procurement Package to CMRB and Set Date for Meeting | | | | | | | | | | | | | | | | | | | | | | | | |
| 32 | Conduct CMRB Meeting | | | | | | | | | | | | | | | | | | | | | | | | |
| 33 | Finalize PR Package | | | | | | | | | | | | | | | | | | | | | | | | |
| 34 | Obtain Appropriate Signature Level on PR | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | PR Coordination Cycle | | | | | | | | | | | | | | | | | | | | | | | | |
| 36 | Receive PR Package | | | | | | | | | | | | | | | | | | | | | | | | |

**Figure A2.6. Contract Maintenance Sequence (Continued)**

| SUBJECT UNDER REVIEW: CONTRACT MAINTENANCE SEQUENCE OF EVENTS FOR MOD/PDM AND AIRCRAFT ENGINE OVERHAUL | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NO. | ACTIVITIES AND EVENTS | WEEKS BEFORE CONTRACT AWARD | | | | | | | | | | | | | | | | | | | | | | |
| | | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 |
| 37 | Review PR | | | | | | | | | | | | | | | | | | | | | | | |
| 38 | Develop Procurement Plan | USE TIMES SPECIFIED IN THIS ATTACHMENT | | | | | | | | | | | | | | | | | | | | | | |
| 39 | Request Briefing Dates | | | | | | | | | | | | | | | | | | | | | | | |
| 40 | Review/Approve Procurement Plan | | | | | | | | | | | | | | | | | | | | | | | |
| 41 | Review Solicitation | | | | | | | | | | | | | | | | | | | | | | | |
| 42 | Mail Preinvitation Notices | | | | | | | | | | | | | | | | | | | | | | | |
| 43 | Brief CC | | | | | | | | | | | | | | | | | | | | | | | |
| 44 | Brief AFMC Senior Staff and Commanders | | | | | | | | | | | | | | | | | | | | | | | |
| 45 | Distribute Solicitation | | | | | | | | | | | | | | | | | | | | | | | |
| 46 | Conduct Preproposal/Quote Conference | | | | | | | | | | | | | | | | | | | | | | | |
| 47 | Accumulate GFP | | | | | | | | | | | | | | | | | | | | | | | |
| 48 | Notify PP of GFE to be Changed to CFE | | | | | | | | | | | | | | | | | | | | | | | |

**Figure A2.7. Contract Maintenance Sequence (Continued)**

| SUBJECT UNDER REVIEW: CONTRACT MAINTENANCE SEQUENCE OF EVENTS FOR MOD/PDM AND AIRCRAFT ENGINE OVERHAUL | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NO. | ACTIVITIES AND EVENTS | WEEKS BEFORE CONTRACT AWARD | | | | | | | | | |
| | | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
| 49 | Amend Solicitation if Required | | | | | | | | | | |
| 50 | Open Bids/Proposals | USE TIMES SPECIFIED IN THIS ATTACHMENT | | | | | | | | | |
| 51 | Negotiate with Contractors/Select Contractor | | | | | | | | | | |
| 52 | Commit Funds | | | | | | | | | | |
| 53 | Complete Contract | | | | | | | | | | |
| 54 | Select PAOT | | | | | | | | | | |
| 55 | Staff Judge Advocate Review | | | | | | | | | | |
| 56 | PPC Review | | | | | | | | | | |
| 57 | AFMC/PPC Review | | | | | | | | | | |
| 58 | Submit Report of Contracts Over $5 Million | | | | | | | | | | |
| 59 | Contract Award | | | | | | | | | | |

**Figure A2.8. Contract Maintenance Sequence (Continued)**

| SUBJECT UNDER REVIEW: CONTRACT MAINTENANCE SEQUENCE OF EVENTS FOR MOD/PDM AND AIRCRAFT ENGINE OVERHAUL | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NO. | ACTIVITIES AND EVENTS | WEEKS AFTER CONTRACT AWARD | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | TO CONTRACT COMPLETION | | | | | | | | | |
| 1 | PCO Advise ACO of Pushoward Support | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Release Tooling, GFE and AGE | | | | | | | | USE TIMES SPECIFIED IN THIS ATTACHMENT | | | | | | | | | | | | | | | | |
| 3 | PAOT in Place | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Deliver Tech Data File and MRL to GAO for Release to Contractor | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Monitor Establishment of Stock Records and Input of Initial GFM | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Preproduction Planning Meeting | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | PAOC | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Forward Tech Data Package to Contractor | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Monitor GFM Follow-on Support | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | First Item Input | | | | | | | | | | | | | | | | | | | | | | | | |

## Attachment 3

## CHECKLIST FOR CONTRACT MAINTENANCE REVIEW BOARD

This checklist has been developed for guidance to personnel preparing PRs and may be varied depending upon the nature of the requirements.

PR NO._____ Initiating Activity _____Date of Meeting _____
Chairperson_____ Seller PMS_____

| Name of Attendees | Office Symbols | Telephone | Title |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |

**A3.1. Nature of Item and History:**

A3.1.1. Has the team discussed the acquisition concept for this program (e.g., GFM, GFE, contract length, whether end item is serviceable on input, insurance policy concept)? If not, does the PR reflect the concept of Appendix A?

A3.1.2. What are the items involved and how do they fit into the system (end item)?

A3.1.3. What programs and using commands do they support? Is there a sense of urgency involved and why?

A3.1.4. Have we previously contracted this work out and if so who was our contractor, contract number? What was our experience with this contractor?

A3.1.4.1. Did the contractor meet original contract schedules? If not, state if government or contractor or both were responsible for delays. Identify each delay and the cause and corrective action taken. State whether or not additional corrective action remains to be taken. If schedule was extended by contract modification, identify the consideration for such a modification, if applicable. If contractor was paid for claim, explain.

A3.1.4.2. Were problems due to nature of item, contractor, or government?

A3.1.4.3. What type contract was it? Was it satisfactory?

A3.1.4.4. Were engineering problems involved? If so, state the problem and how resolved.

A3.1.4.5. Did transportation/traffic management adversely affect the program? If so, identify the problems and how resolved.

A3.1.5. What is the Air Force estimated unit cost to do the job and how was it arrived at? How does this compare with price of a new item? (75 percent acquisition cost factor may show here.)

**A3.2. PR Package:**

A3.2.1. Are all NSNs with possible requirements for this system covered on this PR?

A3.2.2. Are you asking for a requirements contract? If not, should you? If the system will transfer to organic repair during the life of the requirements contract, be sure to include the contract clauses for transition of the workload from contract to organic.

A3.2.3. Are quantities flexible enough to cover both an increase and decrease in requirements (min/max)?

A3.2.4. Are you asking for first production testing or ATPs? If so, allow enough notification time before testing to allow government planning? (If you have ATPs or test reports ensure the correct funding is used.)

A3.2.5. Are minimum essential requirements needed to evaluate the contractor?

A3.2.6. Does the delivery schedule conflict with other delivery schedules, such as ATPs or other data requirements? Does the delivery schedule adequately state the delivery requirements both in time and quantities.

A3.2.7. If other funds besides DMBA are on the PR, are the line items identifiable to appropriate paragraphs in the Appendix A or SOW?

A3.2.8. For MOD installs are the correct funds paying for safety of flight, receipt of aircraft, fuel, etc.?

A3.2.9. If you need copy of solicitation, add a remark requesting a copy of the solicitation before mailing to sources.

A3.2.10. Type of contract required and source selection procedures to be used?

A3.2.11. Do you need contract clauses to cover evaluation of the contractor's performance at the contractor's facility?

A3.2.12. Has consideration been given to inclusion of Demonstration of Responsibility Clause?

A3.2.13. Is the liquidated damages clause required? Has the actual dollar damage the government would sustain been documented? (It is AFMC policy that this clause be used on MOD/PDM, and aircraft engine overhaul contracts where timely delivery is of the utmost importance.)

**A3.3. Remarks (Block 12):**

A3.3.1. The remarks block (Block 12, AFMC Form 36) is used to furnish information to the contracting buyer for which no other block has been provided on the PR. If space is insufficient, place remarks on plain bond paper and mark it as an attachment to the PR. As a minimum, the following information will be included in the remarks block prior to the submission of the PR for review by the CMRB:

A3.3.1.1. Authority for procurement (FY____ Contract Maintenance Program).

A3.3.1.2. Contracting buyer, office symbol, and phone number: This should be on front page of the AFMC Form 36. When the buyer's name is identified, the PR should have been discussed with the contracting buyer.

A3.3.1.3. Source of repair/addresses. If sole source, so indicate and attach justification and approval prepared in accordance with CICA.

A3.3.1.4. Quality requirements. **NOTE.** Must be same as those in Appendix A or SOW.

A3.3.1.5. Data requirements. Add a statement that "Data requirements apply to each year and shall be separately priced." If multiple exhibits are included that do not apply to each year, state which exhibits apply to outyears.

A3.3.1.6. Preservation and packing: The contractor shall comply with preservation, packing, and packaging instructions stipulated on or attached to the AFMC Form 158, **Packaging Requirements**. Marking. The contractor shall comply with the MIL-STD-130.

A3.3.1.7. Value engineering requirements does apply. State if royalties currently exist.

A3.3.1.8. If GFM is not authorized, specify that contractor will furnish all parts and material. If authorized, see Appendix B section.

A3.3.1.9. If ST/STE is not authorized, specify that contractor must furnish all parts and material. If authorized, see Appendix B section.

A3.3.1.10. Any desired contract options (normally a 120-day and/or 50 percent quantity). For maintenance of equipment applicable to the AFMC 5-year operating policy, add: "Recommend a Contract for this equipment be negotiated under the 5-year operating policy." Pertinent information to support anticipated requirements for the outyears will be included as a part of the PR package (this involves the estimated dollar value for each of the outyears). In addition, the requirements (quantity) for each item for each outyear will be included or a statement added that the outyear quantities are the same as basic year.

A3.3.1.11. Maintenance Data Collection Record (AFTO 349 date, if waived, cite authority for waiver). (See AFMCR 66-15, *Product Performance*, Chapter 15). A copy of the waiver must accompany PR package when submitted for CMRB review; however, the waiver letter is not part of the PR package.

A3.3.1.12. MRL is/is not required.

A3.3.1.13. Advance and planning PRs. Specify estimated total dollar value (including options) and breakout by fiscal year. Specify quantities associated with each fiscal year.

A3.3.1.14. Specify work specifications. Appendix A or SOW file number.

A3.3.1.15. When GFM is authorized add the following comments:

A3.3.1.15.1. Parts and material will be furnished IAW Appendix B, file number.

A3.3.1.15.2. The G009 is required and replaces AF Form 412, **Report of Government Furnished Material**, AFMC Form 413, **Depot Maintenance Production Report** , AF Form 414, **Overhaul Contractor Stock Balance Report** and MRL updates.

A3.3.1.15.3. Training will be provided on Government Furnished Material and End Item Transaction Reporting System (G009), if required. For additional information, contact G009 OPR.

A3.3.1.16. If precious metals are applicable, statement about precious metals shall be included in the Appendix A. "Precious Metals are not applicable."

A3.3.1.17. Listing of all attachments to PR package.

A3.3.1.18. If follow-on contract, cite current contract number and expiration date. Reference planning PR that established current contract on FM copy only.

A3.3.1.19. State that MIL-STD-1567 is required. (This applies only on PRs where the total dollar value exceeds $20, 000,000 in one year or $100,000,000 total program.)

A3.3.1.20. Specify safety requirements IAW Appendix C file number.

A3.3.1.21. Contracts with overseas contractor. Add the following remarks:

A3.3.1.21.1. "Employment of Third Country Nationals: Contractor must obtain prior authority from the Procuring Contracting Office (PCO) to employ third country nationals in the performance of this contract. (Third country nationals in the performance of this contract may be citizens of the United States, residents of the home country of this contractor, or citizens of another foreign nation). Contractor may discuss potential employment with prospective third country nationals on this contract to determine qualifications. However, no firm offer shall be made without written approval from the PCO."

A3.3.1.21.2. "Subcontracting to Third Country Firms: Contractor must obtain prior authority from the PCO before subcontracting with firms owned or controlled by third countries in connection with this contract (third countries are considered to be those other than the United States or the home country of this contractor). No US Government information will be disclosed to third country firms without the written approval of the PCO."

A3.3.1.21.3. "MIL-STD-1528, *Production Management*, is required." (This standard is required on all contracts under the cognizance AFCMC.)

A3.3.1.22. Acquisition plan number (if applicable).

A3.3.1.23. For competitive PRs, the following comments are required:

A3.3.1.23.1. Add. "Special Standards of Responsibility are addressed in attachment __ __." Add attachment to Block 12, Remarks, which spells out the special standards of responsibility IAW AFMCR =====, para 2-11.

A3.3.1.23.2. State responsible individual's name, title, location office symbol and telephone number that can be contacted for review of specifications, standards, plans drawings, and any other pertinent documents, if those documents are not forwarded with PR (AFMCR ====, para 2-8a(1)).

A3.3.1.23.3. State whether Preaward Survey is requested. Indicate which office(s) should be contacted to attend.

A3.3.1.24. Warranty IAW AFMC Form 618 is/is not required. If aircraft PR, attach reporting instructions IAW local guidance.

A3.3.1.25. State if contractor is member of GIDEP.

A3.3.1.26. If aircraft PDM overhaul contract, state "Liquidated damages and payment for accelerated delivery clauses will be included in the contract."

A3.3.1.27. The following statement is required on all off-base PRs. "Forward a copy of all obligating documents to DAO-DE/FC (zip code)."

A3.3.1.28. Multiple source strategy is/is not applicable.

**A3.4. Attachments to PR:**

A3.4.1. When possible, attachments will be prepared on approved forms designed for such use. Otherwise, they will be prepared on plain reproducible paper (AFMC Form 36 will not be used to prepare attachments). The applicable PR number will be placed in the lower right hand corner of each page of the attachments, unless there is a space provided on the form. Attachments to planning PR will be as follows:

A3.4.1.1. Continuation sheets from face page of PR (i.e., shipping schedule, remarks, etc.) shall be accomplished on bond paper and attached.

A3.4.1.2. Other specifications and directives governing technical aspects shall be attached, as required.

A3.4.1.3. Memorandum of Agreement will be signed and attached if trial installation, testing kit proofing, modification installation, or repair will be performed at an on-site base by the contractor.

A3.4.1.4. AFMC Form 1027 (if applicable).

A3.4.1.5. ODC statement.

A3.4.1.6. Is the software approval form attached?

**A3.5. Appendix A, Work Specification/SOW.** Will be obtained by the PMS buyer with input form technician and engineer when appropriate. The SOW will state exact and specific directions and procedures the contractor must follow to perform the work requirements, including quality, security, acceptance and testing requirements. The SOW cannot allow the contractor to determine the work required or the TO or directive that applies. Format specified in AFMCR 65-22 must be followed for repair, and format specified in MIL-HDBK-245C, *Preparation of Statement of Work (SOW)*, must be followed for modification.

A3.5.1. Standard format and general content.

A3.5.2. Standard statements of work and quality requirements.

A3.5.3. Special work requirements and inspection; for example, Safety of Flight TCTO.

A3.5.4. If aircraft MOD/PDM, are there any special agreements with using commands? If so, list them and any peculiarities involved if not covered under **A3.5.3.** above. (Consider classified matters.)

A3.5.5. Are all referenced TOs and other documents current and complete?

A3.5.6. Are all inspection and work requirements definitized? If not, when will they be? Does Appendix A cite the date required for final test of the units being repaired?

A3.5.7. Are maintenance acceleration/compression requirements, inspections, and AMREP reporting clearly defined?

A3.5.8. Are flight test requirements clearly and adequately defined? Is the flight crew composition clearly identified to specify government crews?

A3.5.9. Applicable TO listing:

A3.5.9.1. General.

A3.5.9.2. TCTOs (Class IV Mods).

A3.5.9.3. TCTOs (Class V Mods).

A3.5.10. Is there any conflict between TOs and work specifications? Which applies? How resolved?

**A3.6. Appendix B, Supply Information.** Appendix B required if GFM is provided on DMBA funded contracts. If GFM is provided, a memo for record is required of why it is in the best interest of the government to provide GFM.

A3.6.1. Standard format and general content limited to actual contract requirements, and tailored for area of operations.

A3.6.2. GFM support.

A3.6.2.1. What is plan for GFM support? Will it be available to support maintenance schedule?

A3.6.2.2. If new contractor is anticipated, can incumbent also be supported if there is an overlap? Indicate plan (phase in/phase out) by line item. List items requiring rework.

A3.6.2.3. Is there an MRL, full range listing, contractor required initial support list? Is it updated and adequate? How was it developed?

A3.6.2.4. Identify GFM line items that may become a problem. Will long supply assets be furnished as GFM? Was there a history of difficulties with GFM on current or previous contract? If so, identify. State if problems concerned late receipt of GFM by contract, defective GFM or improperly labeled GFM. State corrective actions taken and required.

A3.6.2.5. Have provisions for AFMC Form 413 and G009 reporting been adequately identified?

A3.6.3. Contractor acquired property support (local purchase). If you have a cap line item for software repair, it must be definitive because it can't be used to buy hardware. **Note:** EEIC 540 funds can only be used to buy cables, disks, software item.

A3.6.3.1. Can items be realistically obtained by the contractor in time to meet requirements?

A3.6.3.2. Identify the items.

A3.6.4. Requisitioning:

A3.6.4.1. Are instructions clear?

A3.6.4.2. If new contractor, have requirements personnel been selected to assist in establishing supply operations and ensure contractor understands procedures? If not, when will selection be made? What are procedures to be followed in event of parts shortage?

A3.6.5. Excess GFM disposition. Are there any special instructions contrary to existing directives? Why?

A3.6.6. Condemnation disposition.

A3.6.7. Production problems.

A3.6.8. GFE:

A3.6.8.1. Is listing of equipment to be furnished to contractor included? Is list by stock number, quantity, condition, and contract item number.

A3.6.8.2. Are instructions to fill out DD Form 1348 included in Appendix B when returning agency peculiar property?

A3.6.8.3. Have the items of equipment, ST&STE been listed and categorized in accordance with this instruction?

A3.6.8.4. Is a facilities contract being written to contractually authorize contractor's use of industrial type facilities?

A3.6.9. Is spelling correct and terminology clear and understandable?

**A3.7. Appendix C, Safety:**

A3.7.1. Standard format.

A3.7.2. Peculiar safety requirements based on type of program.

A3.7.3. Are all referenced TOs and other documents current and complete?

**A3.8. Data Requirements (DD Form 1423).** Will be documented on DD Form 1423, per DoDM 5010.12, and approved by appropriate data management approval authority. The following are usually required of repair but are not everything that could be required.

A3.8.1. Government Furnished Material and End Item Transaction Reporting System (G009) DI-L-3341A. The G009 replaces AF Form 412, AFMC Form 413 and AF Form 414, MRL, and GFM by NSN.

A3.8.2. Additional on Aircraft:

A3.8.2.1. Comprehensive Engine Status Reporting AF Form 1534, **CEMS CDB Report**, DI-MGMT-81324. (DI-MGMT-81326, and DI-MGMT-81327).

A3.8.2.2. Aircraft/Missile Maint Status Report DI-L-7023D.

A3.8.2.3. Aviation Fuel Requirements to Support A/C and Engine DI-MGMT-80791.

A3.8.2.4. Maintenance Acceleration and Compression Plan DI-ILSS-80675.

A3.8.3. Maintenance Data Collection Record AFTO Form 349 DI-MISC-81371.

A3.8.4. Alert/Safe Alert (DI-QCIC-80125) and Response to Alert/Safe (DI-QCIC-80126). Required on all Planning PRs over $100,000 unless contractor is member of Government Industry Data Exchange Program (GIDEP).

A3.8.5. Are mandatory requirements covered and have they been coordinated?

A3.8.6. Is DD Form 1664, **Data Item Description**, attached?

A3.8.7. What special reports or date are listed? Are they necessary? Will they provide all the necessary production status reporting required by the ALC?

A3.8.8. Is AFI 21-101 and TCTO compliance reporting required?

A3.8.9. Identify inspection criteria for DD Form 1423 data items. Develop instructions on inspection and acceptance points and methods of transmittal. Are each of these data items separately priced?

A3.8.10. Tear Down Deficiency Report (Need Data DID).

**A3.9. Technical Data Package:**

A3.9.1. Are the data adequate? If not identify. What has been or is being done to correct or complete it? When will it be completed?

A3.9.2. When will data be available (as a package)?

A3.9.3. List any specific areas that need explanation or clarification to PCO or contractor.

A3.9.4. Has foreign disclosure approval been received for all data to be released on contracts with foreign country involvement?

**A3.10. Government Equipment, ST&STE:**

A3.10.1. Government furnished or contractor furnished?

A3.10.2. Identify items required (by quantity and unit price if GFE). Specify need date.

A3.10.3. If Government furnished, is it available or not? Is it serviceable so the contractor can use it upon receipt?

A3.10.3.1. If at incumbent contractor's facility, indicate date it will become available (by line item) to new contractor.

A3.10.3.2. Does this meet requirement of new contractor? Indicate need date by new contractor to meet turn-around time?

A3.10.3.3. Are all items serviceable? Indicate reparable items and plan for repairs. When will repaired items be available (schedule)?

A3.10.3.4. What plans, if any, have been made to provide technical assistance to contractor?

A3.10.3.5. Is item subject to bailment and separate maintenance agreements?

**A3.11. Manning Requirements (New Contractors):**

A3.11.1. What skills and quantity will be needed (time phased schedule) to meet input/output schedule?

A3.11.2. Do recommended sources have skills available?

A3.11.3. List special training requirement, if any.

**A3.12. Schedule (New Contractors):**

A3.12.1. Is input/output schedule realistic in consideration of skills, personnel, training, availability of government-furnished tooling, test equipment, government equipment, and GFM? If tooling, test equipment, government equipment, and GFM cannot be provided in serviceable condition in time to meet schedule, then schedule is unrealistic and should be revised.

A3.12.2. Can slower build-up of input/output be considered if necessary?

**A3.13. PAS Concept.** Has the in-house PAS concept been compiled with AFMCR 66-15, Chapter 5?

**A3.14. Other Considerations.** List any other matters for consideration not covered by the foregoing. For overseas contracts, has contract coverage been considered for in-country aircraft recovery teams and crash battle damage repair?

**A3.15. Conclusions:**

A3.15.1. Is the type contract recommended by PR initiator feasible?

A3.15.2. Is it the best type contract, considering all factors?

A3.15.3. Was planning accomplished before this meeting, complete? If not what needs to be done?

A3.15.4. Can this be resolved at this meeting? If not, when?

A3.15.5. Was planning accomplished before this meeting complete? If not what needs to be done?

A3.15.6. What is target date PR package (with all planning actions completed) will be submitted to contracting?

A3.15.7. Is PAS required?

A3.15.8. Who will comprise the PAS team? (Names or office symbols.)

A3.15.9. When will survey be made? (Estimate if necessary.)

A3.15.10. Should another meeting be held to ensure problems discovered at this meeting are resolved before release of the PR package to contracting and manufacturing?

A3.15.11. Are there any matters that require elevation to higher authority for resolution? Who will do it?

## Attachment 4

## IN-HOUSE PREAWARD SURVEY INSTRUCTIONS CHECKLIST

**A4.1. General.** (See **Chapter 4** of this instruction.)

**A4.2. The columns of the report will be filled in under the following criteria:**

A4.2.1. Satisfactory. If items are in long supply and availability is guaranteed use this column. When attesting to the adequacy of the MRL, use this column if all actions required by AFMCM 65-1 have been completed as specified.

A4.2.2. Unsatisfactory. When availability of material is in doubt and it is believed that the contractor must provide the material, use this column. When attesting to the adequacy of the MRL, use this column if all actions required by AFLCM 65-1 have not been accomplished as specified.

A4.2.3. First Source. Use this column when availability of material is in doubt but it is desired that the government be used as a first source by the contractor.

**A4.3. In-house PAS Participation:**

A4.3.1. The in-house PAS will normally require participation of the same D/MM individuals who took part in CMRB meeting. These individuals will review the various items listed on the checklists herein for which they are responsible and submit their findings to the CMRB chairperson.

A4.3.2. Additional support may be required from other directorates and staff offices, and will be provided upon request of the CMRB chairperson.

**A4.4. Survey Responsibilities:**

A4.4.1. System program manager will:

A4.4.1.1. Review inputs of individuals, referred to in **paragraph A4.3.**.

A4.4.1.2. Complete the ALC in-house PAS and associated certification and forward it to the PCO as a part of the PR package.

A4.4.1.3. Initiate action in conjunction with the PCO to resolve all areas which are found to be unsatisfactory.

A4.4.1.4. Follow-up on these areas and all other areas requiring special emphasis. This may require the preparation of a listing containing special and critical factors concerning criterium work tasks, special tooling and equipment, peculiar spares and spare parts, essential facilities, manpower and skills requirements, and other areas essential to managing a contract depot-level maintenance program.

A4.4.1.5. Notify the PCO of any changes which could affect the government's ability to meet its contractual obligations.

A4.4.2. Other PDs and staff offices will:

A4.4.2.1. Provide in depth, the data requested by the FM.

A4.4.2.2. Identify problem areas with recommended solutions.

## IN-HOUSE PREAWARD SURVEY

Adequacy of MRL. Sat Unsat First Source

Availability of modification kits.

Availability and serviceability of support equipment.

Availability and serviceability of special tools and special test equipment.

Availability of facilities including production equipment.

Availability of agency-peculiar property.

Availability of technical data.

REMARKS. (Explanation of unsatisfactory and first source items). Based upon a review of the items above, conducted _____ (date), I _____ (IM/PSM), herein certify that the above is true to the best of my knowledge.

## ADEQUACY OF MATERIAL REQUIREMENTS LIST

Complete. Sat Unsat

Current.

Accurate.

REMARKS. (Explanation of unsatisfactory and first source items.) Based upon a review of the items above, conducted (date), I, ES, hereby certify that the above is true to the best of my knowledge.

AVAILABILITY OF MODIFICATION KITS

Group A Component. Sat Unsat First Source

Group B Components.

Identification of components to be CAP.

TCTO kits.

REMARKS. (Explanation of unsatisfactory and first source items.) Based upon a review of the items above, conducted _____ (date), I _____ (MOD PMS buyer) hereby certify that the above is true to the best of my knowledge.

## AVAILABILITY AND SERVICEABILITY OF SUPPORT EQUIPMENT

| Identification | Sat | Unsat | First Source |
|---|---|---|---|
| Action to ensure availability. | | | |
| Identification of peculiar support equipment. | | | |
| Delivery schedule for shipment. | | | |
| Support for maintenance of support equipment. | | | |

REMARKS. (Explanation of unsatisfactory and first source items.) Based upon a review of the items above, conducted _____ (date), I _____ (ES), hereby certify that the above is true to the best of my knowledge.

## AVAILABILITY AND SERVICEABILITY OF SPECIAL TOOLS AND SPECIAL TEST EQUIPMENT

| Identification of special tools and test equipment. | Sat | Unsat | First Source |
|---|---|---|---|
| Identification of type item and cost. | | | |
| Delivery schedule for shipment of items to contractor. | | | |
| Support for maintenance of special tools and test equipment. | | | |

REMARKS. (Explanation of unsatisfactory and first source items.) Based upon a review of the items above conducted _____ (date), I_____ (SPM), hereby certify that the above is true to the best of my knowledge.

## AVAILABILITY OF FACILITIES INCLUDING PRODUCTION EQUIPMENT

| Identification of facility items. | Sat | Unsat | First Source |
|---|---|---|---|
| Availability of previously furnished items for use on the proposed contract. | | | |
| Identification of the condition of the items and cost. | | | |
| Delivery schedule for shipment of items to contractor. | | | |
| Support of maintenance of facility items. | | | |

REMARKS. (Explanation of unsatisfactory and first source items.) Based upon a review of the items above conducted _____(date), I_____ (PMS seller), hereby certify that the above is true to the best of my knowledge.

## AVAILABILITY OF AGENCY-PECULIAR PROPERTY

| | | | |
|---|---|---|---|
| Identification of agency-peculiar property to be furnished | Sat | Unsat | First Source |
| Availability of previously furnished agency-peculiar property for use on the proposed contract. | | | |
| Identification of condition of items. | | | |
| Delivery schedule for shipment of items. | | | |
| Support for maintenance of agency-peculiar property. | | | |

REMARKS. (Explanation of unsatisfactory and first source items.) Based upon a review of the items above conducted _____(date), I_____ (SPM), hereby certify that the above is true to the best of my knowledge.

## AVAILABILITY OF TECHNICAL DATA

| | | | |
|---|---|---|---|
| Technical orders. | Sat | Unsat | First Source |
| Modification technical orders. | | | |
| Time compliance technical orders. | | | |
| Tear-down deficiencies reports. | | | |
| Rescinded technical orders. | | | |
| AF/AFMC directives. | | | |
| AF/AFMC instructions. | | | |
| AF/AFMC manuals. | | | |
| Navy bulletins. | | | |
| Navy design standards. | | | |
| Military specifications. | | | |
| Engineering drawings. | | | |

REMARKS. (Explanation of unsatisfactory and first source items.) Based upon a review of the items above conducted _____(date), I_____ (PMS buyer), hereby certify that the above is true to the best of my knowledge.

**Attachment 5**

**APPENDIX B**

HEADQUARTERS

_____AIR LOGISTICS CENTER

UNITED STATES AIR FORCE

_____AIR FORCE BASE, _____

APPENDIX B

Contract No. _____ Revision No._____

Purchase Request No. _____ _____ALC/FM_____

Phone No._____

Fax No. _____

Date_____

Government Property Management

Type Work. Repair/Overhaul Type Equipment_____

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**A5.8.** Uniform Material Movement and Issue Priority System (UMMIPS)

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**LIST OF ATTACHMENTS**

1. Instructions for Preparing GFM/GFE Requisitions
2. Instructions for Preparing Shipping Document for GFP Turn-Ins
3. GFM Authorized
4. CCN, G009 GFM and Production Reporting Requirements
5. GFE
6. Facilities
7. Agency-Peculiar Property
8. Critical Item and Save List

**PURPOSE STATEMENT**

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

**A5.1. Terms Explained.** Terms and definitions are referenced in paragraph **A5.18.** of this appendix and are supplemented as follows when applicable:

A5.1.1. Abbreviated Contract Number. An 8 position alphanumeric designator that represents the contract number and is used in requisitioning material and reporting transactions in the G009 Government Furnished Material and End Item Transaction Reporting System. The first position for this ALC will be a __ and the remaining 7 positions are the control number.

A5.1.2. Administrative Contracting Officer (ACO). A contracting officer assigned the responsibility for the postaward functions related to the administration of a government contract in the field. The ACO may be located in the Defense Contract Management Area Operations (DCMAO) office. The ACO is responsible for ensuring the contractor performs in accordance with the terms of the contract.

A5.1.3. Agency-Peculiar Property (APP). Government owned personal property for military operations. It includes end items and integral support equipment which are not readily available as a commercial item. It does not include normal government material, special test equipment, special tooling or facilities. Also referred to as military property (FAR 45.301).

A5.1.4. Bench Stock. Low cost, high usage, nonsensitive consumable material located in work areas for contract performance. Quantities of such stock shall not exceed that amount normally consumed in a 30 day period, or as established in the contractors approved property control system (normally only used for broken units of issue).

A5.1.5. Contractor Acquired Property (CAP). Property procured, local manufactured or otherwise provided by the contractor for the duration of the contract, title to which is vested in the government (FAR, Part 45.101).

A5.1.6. Consumable Item. Items not subject to repair which are consumed in use. However, used items may be reconditioned and used again if still serviceable and safety of flight is not jeopardized. Also referred to as expense or stock funded items.

A5.1.7. Contractor Furnished Property (CFP). Property other than GFP and CAP, furnished and funded by the contractor per terms of the contract, title to which remains with the contractor until consumed.

A5.1.8. Contractor Communications Network (CCN). Provides the contractor with a computerized electronic method of transmitting Government Furnished Material and End Item Transaction Reporting System (G009) data transactions. The CCN can also be used to transmit MILSTRIP/MILSTRAP transactions and receive data regarding their status.

A5.1.9. Direct Parts and Materials. Those parts or materials purchased, supplied, manufactured or fabricated by the contractor for the sole purpose of incorporating them into or making them a part of the end product or components thereof covered by this contract.

A5.1.10. Excess Government Furnished Property (GFP). GFP that will not be required during the performance of the current contract.

A5.1.11. Expendability, Recoverability, Reparability Category (ERRC) Code. The ERRC code is assigned to an Air Force item that determines the extent of repair for that item.

A5.1.12. Facilities. Industrial property (other than material, tooling, agency peculiar property and test equipment) for production, maintenance research, development, or test, including real property and rights therein; buildings, structures, improvements and plant equipment.

A5.1.13. Government Furnished Equipment (GFE). An all inclusive term to define all types of equipment defined in FAR, Part 45. It includes facilities, plant equipment, agency-peculiar property and special tooling/special test equipment. For the purpose of reporting dollar values on the annual DoD property in the custody of contractors (DD Form 1662, DOD Property in the Custody of Contractors), items must be categorized as to the specific FAR definitions of property.

A5.1.14. Government Furnished Material (GFM). Government property (GP) sent to the contractor, which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, and assemblies. GFM is also referred to as "materials" and "direct materials" under the terms of the contract (FAR 45.301).

A5.1.15. GFP. All property in the possession of or acquired by the government and subsequently delivered or otherwise made available to the contractor. It also includes GFE (plant), GFM and CAP (FAR 45.101).

A5.1.16. GP. All types of property owned or leased to the government or acquired by the government under the terms of the contract. GP includes GFM and CAP (FAR 45.101).

A5.1.17. Hazardous Material. Any used or unused property, including scrap and waste, that is ignitable, corrosive, reactive or toxic because of its quantity, concentration, or physical, chemical or infectious characteristics. The property can be in a solid, liquid, semiliquid or contained gas form and may

cause or significantly contribute to an increase in mortality or serious illness, or pose a substantial threat or potential hazard to human health or the environment when improperly treated, stored, transported, disposed of, or otherwise managed.

A5.1.18. Hazardous Waste. Any used or unused hazardous material that has no known use and, therefore, must be discarded. This includes hazardous material not otherwise disposed of through plant clearance that the contractor has been authorized, by the plant clearance officer, to dispose of as hazardous waste.

A5.1.19. Loan Control Officer (LCO). An individual at the prime stock number Air Logistics Center (ALC) who has the responsibility for the GFP assets loaned to a contractor, and validates the authorization and tracks the issuance and return of loaned assets.

A5.1.20. Local Manufacture (LM). The manufacture of items for the government using GFM and contracted labor. CAP includes manufacture if the contractor is using GFM.

A5.1.21. Management Control Activity (MCA). DoD component designated activity that initially receives and controls requisitions for GFM supplied from the wholesale DoD supply system to support defense contracts or requirements.

A5.1.22. Material Return Program (MRP). A means by which a contractor identifies excess GFM to the source of supply and the source of supply provides disposition information back to the contractor.

A5.1.23. Nonconsumable Item. An item that is not expended during the repair process, but is used in support of the repair process.

A5.1.24. On-Site Support. Material support for contract field teams (CFT) is provided by Air Force MAJCOM bases to AFMC maintenance contractors and from AFMC maintenance contractors to Air Force MAJCOM bases. Memorandum of Agreement between the AFMC maintenance contracting ALC and the MAJCOM base must be in effect before lateral support can be provided.

A5.1.25. Plant Clearance Officer. An individual authorized to act on behalf of the ACO on all plant clearance matters concerning the screening, reutilization, redistribution and marketing of excess government property.

A5.1.26. Procuring Contracting Officer (PCO). The person responsible for entering into a contract on behalf of the government. The PCO will ordinarily be located at the funding ALC.

A5.1.27. Production Management Specialist (PMS). An individual assigned by the contracting activity to act as liaison for production, supply and transportation issues.

A5.1.28. Property Control Procedures. A detailed written description of the contractor's operation for the control, use and care of property while in the contractor's possession (FAR )

A5.1.29. Property Administrator (PA). An individual authorized to act on behalf of the ACO on all matters concerning the management of government owned property.

A5.1.30. Property Records. Records that are construed to include all documents reflecting the status of GP.

A5.1.31. Reparable Support Division (RSD). Items that have an ERRC code of XD1 or XD2. These items are referred to as line replacement units (LRU) and shop replacement units (SRU).

A5.1.32. Sensitive Property. Property for which the theft, loss or misplacement could be potentially dangerous to the public safety or community security and which must be subject to exceptional phys-

ical security, control and accountability. The following types of property should be designated as "sensitive" in the contractor's property management system: weapons, ammunitions, explosives, narcotics and dangerous drugs.

**A5.2. GFP (GFM/CAP):**

A5.2.1. Federal Stock Classes (FSC)/Part Numbers (PN). Contractor requisition/procurement of GFP is limited to FSC/PNs authorized as listed on the attachments to this Appendix B. GFM identified in attachment three of this appendix includes direct parts and materials. The contractor will not requisition, procure, nor be provided with, any other materials by the government.

A5.2.2. GFE, if authorized on this contract, is identified in attachment six to this appendix. The contractor will comply with the GFE related clauses in the basic contract. While the GFE is in the possession of the contractor, it is the contractor's responsibility to provide routine maintenance and calibration of the GFE to ensure the GFE is returned to the government in the same condition as when provided, less normal wear and tear. GFE will not be requisitioned until it is actually required and will be turned in when no longer required.

A5.2.3. The contractor will requisition the applicable supply management publications through the CAO. Essential publications are:

A5.2.3.1. FEDLOG, logistical information system or equivalent DoD publications. The contractor will provide a CD-ROM reader capable of reading a 4.72 inch compact disk. The CD-ROM reader must conform High Sierra and ISO 9660 Standards.

A5.2.3.2. DoDM 4000.25-1.

A5.2.3.3. DLA Customer Assistance Handbook.

***NOTE:*** The contractor shall not order GFM or purchase CAP material for any other contract by using requisitioning procedures or CAP funds assigned to this contract.

**A5.3. CAP:**

A5.3.1. CAPs are items prescribed as authorized GFM in attachment three of this appendix, but are not readily available from normal government sources to meet production schedules. The contractor shall only procure CAP authorized by the ACO, using government funds, to prevent production slippage or work stoppage. Acquisition will not normally exceed quantities required for immediate consumption. CAP will be retained in a secured storage area and treated as GFM. The contractor shall ensure that quantities obtained with CAP funds are canceled from requisitioning backorders to prevent accumulation of GFM in excess of the stock levels authorized in paragraph **A5.6.1.**

A5.3.2. Each month, billings for actual CAP expenditures, support by invoices, shall be submitted by the contractor to the CAO. These expenditures shall be identified by NSN, CAGE code, PN, noun, ERRC, quantity purchased and cost per item. Expenditures for CAP shall be limited to the amount of CAP funds authorized on this contract.

A5.3.3. Under no circumstances shall the contractor use CAP funds for other than GFM identified in attachment three.

A5.3.4. The contractor shall acquire any CAP which has been developed and produced to meet federal/military standards and specifications or an industry standard adopted by the DoD. The contractor

shall contact the ACO if there is doubt as to whether or not proposed CAP meets appropriate standards and specifications.

**A5.4. CCN:**

A5.4.1. The success of any contract depends upon how fast and efficient communications are passed to the sources of supply (SOS) for MILSTRIP documents transmitted/received and GFM and End Item Transaction Reporting System (G009) transactions to the contract managing ALC.

A5.4.2. The purpose of the CCN is to improve the flow of supply to the contractor and to facilitate reporting of GFM transactions, inventory status, and end item production. This is accomplished by providing a direct on line data and narrative message service interface between the contractor and DoD logistics activities.

A5.4.3. The G009 software will be provided by the contract managing ALC to report G009 and the Defense Automated Message Exchange System (DAMES) software will be provided by Defense Automated Addressing System Center (DAASC).

A5.4.4. G009/DAMES software installation and initial G009 and MILSTRIP training will be conducted by the contract managing ALC, the cost will be borne by the government. Any retraining required by the contractor will be provided by the managing ALC, the cost will be borne by the contractor.

A5.4.5. The contractor shall be required to provide the CCN hardware in accordance with attachment four. The hardware upkeep, maintenance and operational cost (including personnel) shall be borne by the contractor. This includes operational supplies such as printer ribbons, paper and backup disks.

A5.4.6. _____ will be advised of system failures which cannot be corrected within 24 hours.

**A5.5. Contractor Property Control Records:**

A5.5.1. The official property records are described in FAR, subpart 45.505. The contractor shall establish a property control record for each line item. Property records shall be current at all times. Property records are to be kept current and an audit trail maintained from property acquisition to consumption in use or final disposition. Property accounting records, including debit and credit support documentation, are considered part of the official government contract records.

A5.5.2. FAR 45.505-1 states the basic information required on all material records, whether mechanized or manual:

Name, description and NSN.

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

Unit of measure (each, feet, etc.).

Unit price (from receipt document or stock list data).

Contract or project number relating to contract.

Location.

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

Disposition.

A5.5.3. In addition to FAR requirements, the following data is required to enable requirements planning and stock control:

Quantity due in (on order or being fabricated).

ERRC code.

Stock levels and reorder points.

Quantity per assembly (QPA) from MRL or TO.

Replacement percentage factor (from MRL or actual experience).

CAGE code number.

A5.5.4. FAR, Subpart 45.505-14 describes the annual report which gives the acquisition cost of all government property in the contractor's possession. Details for completing this report are on the reverse of DD Form 1662, . This form is available from the property administrator.

A5.5.5. Other reports may be required in accordance with FAR, Subparts 45.508, 45.6 and DD Form 1423.

**A5.6. Stock Levels of GFM:**

A5.6.1. Stock levels of GFM (ERRC N and P) shall be initially computed for the first 60 days production requirements. Initial establishment will be computed by the following method:

Divide one year's production requirement by 6 to obtain 60 day production requirement. Example: one year's production requirement is 12 (12:6 = 2 for 60 day production quantity).

Divide each NSN or PN quantity authorized on MRL by the total production quantity to obtain authorized quantity for each repaired item. Example: total NSN quantity on the MRL is 72 and total production quantity is 12 (72:12 = 6 NSN quantity authorized for each repaired item).

After initial stock levels have been requisitioned all future stock levels will be predicated on the quarterly delivery order provided by the production manager and the contractor's production schedule. Any material over the quarterly delivery order/production schedule will be considered excess.

A5.6.2. The maximum stock levels of GFM authorized on this contract are a combined total of material on hand and/or on order at any one time. Minimum stock levels will be maintained as a normal procedure. Maximum levels can only be maintained when (a) contractor usage and/or reorder time experience justifies a need to prevent production slippage/work stoppage and (b) authorized by the contracting ALC through the ACO.

A5.6.3. Authorized FSCs listed in attachment three/MRL of this appendix may vary as contract workout is adjusted. The contractor must adjust the stock on hand as these changes occur.

**A5.7. Reorder Points:**

A5.7.1. Reorder for additional expense GFM will be based on receipt of additional contract line items for repair.

A5.7.2. If projected production requirements of contract line items are not received during the first 60 days, no additional GFM will be ordered or procured and in stock GFM will be maintained for the next 60 days.

A5.7.3. If projected production requirements of contract line items are not received during the first 120 days, all GFM will be determined excess and disposed of in accordance with **A5.12.5.** of this appendix.

A5.7.4. When the stock on hand is insufficient to repair receipt of additional contract line items above the projected production requirements, the following method will be used:

Divide each NSN or PN quantity authorized on the MRL of this appendix by the total production quantity to obtain the authorized quantity for each repaired item. Example: total quantity on MRL is 72 for the NSN and total production quantity is 12 (72:12 = 6) GFM replacement quantity is 6.

The quantity to be reordered will be the quantity required to support the additional contract line items. Example: Additional contract line items are 4 multiplied by GFM replacement quantity of 6 (4 x 6 = 24). Authorized reorder quantity would be 24.

Pipeline time (in days):

| ERRC Code | ERRC Designator | CONUS | Overseas | | |
|---|---|---|---|---|---|
| | | | * | ** | *** |
| T | XD2 | 31 | 69 | 74 | 84 |
| N | XB3 | 31 | 69 | 74 | 84 |
| P | XF3 | 31 | 69 | 74 | 84 |

*To Alaska, Hawaii, South America, Caribbean or

North Atlantic.

**To Northern Europe, Mediterranean or Africa.

***To Western Pacific.

A5.7.5. A reduced pipeline time shall be used when the contractor's experience reflects pipeline time less than authorized above. An increase to the authorized pipeline time must be approved by _____through the ACO.

**A5.8. Uniform Material Movement and Issue Priority System (UMMIPS).** The contract buying office has assigned a FAD to this contract for use in determining the proper requisition priority. FAD is determined by relating the Urgency of Need (UND).

A5.8.1. On FAD II, only use priorities 02, 05 and 12.

UND "A" with FAD II equals priority 02. Use this priority when a work stoppage exists or will exist if material is not received within eight days.

UND "B" with FAD II equals priority 05. Use this priority when production capability will be impaired if material is not received within normal order and shipping times.

UND "C" with FAD II equals priority 12. Use this priority when requisitioning (1) initial operating stock and for (2) normal stock replenishment.

A5.8.2. The object of proper stock control is to have all requirements planned well in advance where only the lowest priority 12 is used. The use of high priority for stock replenishment is poor stock management and serves to defeat the priority system.

**A5.9.** MILSTRIP. DoDM 4000.23-1 gives detailed guidance on accomplishing MILSTRIP requisitions, modifiers and follow up actions. This can be accomplished by electrical (DAMES) or manual process. The contractor shall prepare and process requisitions in accordance with regulation, as supplemented by the following:

A5.9.1. The contractor shall ensure all items and quantities authorized and the requisitions are properly prepared in accordance with attachment one for MILSTRIP format. A requisition control record will be maintained and document numbers assigned to each day's requisitions. Entries will be maintained to indicate date, material requisitioned, material on order and material received.

A5.9.2. If an item is urgently required to prevent a production slippage or work stoppage, the contractor shall:

A5.9.2.1. Requisition the GFM required to relieve the production stoppage, with an advice code of (2C) (fill-or-kill) in card columns 65-66 and priority 02 in card column 60-61. The requisition quantity should not exceed the quantity required to relieve the production slippage or work stoppage. At the same time take action to cancel any requisitions, currently on back order, for the item and input a new requisition with the adjusted quantity. NOTE: A NORMAL REQUISITION USING ADVICE CODE 2L MUST BE SUBMITTED FIRST. IF UNACCEPTABLE STATUS IS RECEIVED THEN USE THE 2C ADVICE CODE.

A5.9.2.2. Upon receipt of the denied 2C requisition (status code "CB" from the SOS), and, upon approval of the ACO, the contractor will locally procure the items with funds specified in the contract. NOTE; A DOCUMENT MODIFIER WILL BE USED TO ADJUST THE ON ORDER QUANTITY OF THE ORIGINAL REQUISITION.

A5.9.3. When material requisitioned is to be shipped to a supplemental station activity address other than the contractor's home location, the contractor will enter the supplemental address EZ station number in columns 45-50 and signal code L in column 51.

A5.9.4. Requisitions will be prepared in accordance with instructions in attachment one of this appendix.

A5.9.5. Requisition follow-ups, modifiers, cancellations, etc., will be routed to (blank) routing identifier code.

**A5.10. Actions Required on Supply Status Codes:**

A5.10.1. An advice code may be entered by the contractor in card columns 65 and 66 of the requisition to provide instructions to the SOS when such data are considered essential to a supply action. A status code is inserted in the same field by the SOS to advise the contractor of the action taken after the requisition was processed.

A5.10.2. Once requisitions are input there is a continuing need to monitor the returned status codes. This is because each requisition must pass an edit check to ensure the item and quantity is valid under

the terms of the contract. Also, some supply status codes may ask the requistioner to revalidate, provide additional information or further justify the request for the item or quantity requisitioned. Failure to reply can cause the requisition to be canceled.

A5.10.3. Back Order Validation. Listings of contractor requisitions on back order for ALC managed items will be forwarded, by the ALC to the contractor semiannually, for validation. Letter of transmittal for these listings will contain instructions for the contractor's validation or cancellation of back orders.

**A5.11. Production Problems:**

A5.11.1. The contractor shall report all potential supply support deficiencies that could cause production slippage or work stoppage to the ACO, PCO, the GFM manager, and the PMS at the managing ALC. Reports will be prepared in accordance with AFMCM 66-266, Vol I, attachments five and six and forwarded to the managing ALC via the G009 system. These reports shall identify the GFM items which are critical or have long procurement lead time and the work stoppage date. If problems are not resolved, the contractor shall report them to the ACO. The ACO will forward all problems to the PCO and PMS.

A5.11.2. Contract line items received with missing RSD components: The contractor will immediately process a Report of Discrepancy (ROD), SF 364, in accordance with AFR 400-54, *Reporting of Item and Packaging Discrepancies,* and provide the missing item report, including the ROD number, to _____. The report will specify the missing items by NSN.

**A5.12. Disposition of Government Property:**

A5.12.1. These instructions apply to all government owned property, or property procured with government funds, that is determined to be excess by the contracting ALC for the fulfillment of this contract.

A5.12.2. If a follow-on contract is being awarded, or, in the negotiation or solicitation stage, the existing GFM may be retained to the extent required to support the current contract and the follow-on contract.

Within 90 days prior to contract expiration, the contractor shall submit a letter to the managing ALC requesting that they retain and transfer the GFM to the follow-on contract. The letter must contain the following information: noun, NSN, P/N, ERRC code, dollar value and quantity on hand to be retained.

If the retention/transfer of GFM is approved, the contractor shall submit a "ship in place" document to the Property Administrator. Copies of transfer documents shall be furnished through the ACO and PCO to the Production Management Specialist and/or GFM management office.

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

A5.12.3. If this contract or any delivery order placed against this contract is terminated, disposition of GFM determined to be excess to the needs of this contract will be in accordance with paragraph **A5.12.5.** of this appendix.

A5.12.4. The contractor shall review stock positions on all GFM every 90 days. The contractor will initiate disposition action within 30 days following determination of excess GFM.

A5.12.4.1. If the contractor identifies excess GFM following the stock position review, he will prepare an excess (document identification code FTE) transaction in accordance with attachment two. The FTE action will result in an FTR response with 3 options: hold and come back in 90 days; ship to _____(credit will be given); destroy (plant clearance). For the first two options, do as instructed. For the third option, do plant clearance in accordance with Appendix B of the contract. The contractor shall forward the results of the FTE action to the PMS.

A5.12.4.2. When the contract is within 60 days of completion, the contractor shall review all requisition control records. All back order requisitions for which a positive supply action has not been received will be canceled and a new requisition, with an advice code "2C" (fill-or-kill) in 65-66, will be submitted. The new requisition quantity will be limited to the amount required to complete the contract.

A5.12.4.3. The contractor shall obtain disposition instructions from the PMS for unserviceable RSD items which are removed from the end item and are not to be repaired under the terms of this contract. Unserviceable expense items removed from the end item shall be condemned and disposed of in accordance with **paragraph A5.13.**.

A5.12.4.4. The contractor shall prepare a listing of excess local purchase (LP), local manufacture (LM), Air Force managed items coded in the stock list as "JCD" (deleted) and items coded "N" (expense) in the stock list regardless of condition or line item dollar value. The list shall include GFP by NSN, PN/CAGE, noun, quantity and dollar value and be submitted through the ACO to the PMS for disposition instructions.

A5.12.4.5. Serviceable Air Force stocklisted items with a $50.00 or more line item value shall be returned to the ALC responsible for managing the FSC of the items. DLA and Other Services Stock Fund (OSSF) items with the same value shall be shipped to the nearest ALC.

A5.12.4.6. Items valued at less than $50.00 per line item shall be disposed of by the contractor using plant clearance procedures.

A5.12.4.7. The contractor shall use DD Form 1348-1 for turn-in of GFP. Instructions for completion of this form are attached.

A5.12.5. Directed Disposal:

A5.12.5.1. Contracting ALC representatives, during a visit, may direct on the spot disposition of excess material discovered. Representatives of the ALC, the contract administration activity, and the contractor, must be in agreement that such items are excess to total contract requirements prior to disposal action.

A5.12.5.2. The contractor will be instructed in writing as to the items and quantities to be eliminated from stock.

A5.12.6. Package and Shipment of Items:

A5.12.6.1. Items still in their original package shall be shipped as is.

A5.12.6.2. All remaining items shall be packaged "Level A" and shipped "Level C" in accordance with MIL-STD 2073.

A5.12.6.3. The contractor may use commercial packaging if equal to or better than MIL-STD 794.

A5.12.6.4. The contractor should refer to the basic contract for cost of packaging and shipping.

**A5.13. Discrepancies Incident to Shipment:**

A5.13.1. There are transportation and item discrepancies, each having different reporting requirements. Detailed information for each report is in the pertinent service publications.

A5.13.2. The most common discrepancies are those item transactions which are misidentified, have variations in quantity, dubious condition, nonrequisitioned items, lost/damaged parcel post or excessive packaging. These discrepancies will be reported on SF 364 (ref AFR 400-54). The completed form will be forwarded through the CAO/QA activity for corrective action. The items received and reported on SF 364 as overages will be processed according to the disposition of excess GFM criteria specified in this appendix. Transportation discrepancies are also reported on SF 364. When the shipping activity is an ALC, the focal point for receipt/control of SF 364 is _____.

A5.13.3. Misdirected shipments of GFM shall be immediately reported to the PA by telephone, and followed in writing within three workdays. The PA will issue appropriate disposition instructions for the misdirected items.

**A5.14. Disposition of Condemned Government Property:**

A5.14.1. Unserviceable GFM (ERRC code N&P items) shall be condemned and disposed of at the contractor's facility in accordance with the terms of this contract and/or government approved scrap procedures.

A5.14.2. Disposition instructions for all ERRC code C&T items, such as critical items, RSD and save list items that are condemned during the performance of this contract shall be requested through the ACO/CO from the ALC.

A5.14.3. The contractor shall submit a list of "condemned ST/STE" (ERRC code S&U) to the contracting ALC (Attn: ---------). The listing shall identify the condemned items by NSN, PN, noun and quantity; and shall be submitted together with a letter of transmittal titled "Request for Disposition of ST/STE condemned on Contract Number ---------." Disposition instructions will be provided by the contract managing ALC.

**A5.15. Contractor Reporting.** The contractor shall comply with DD Form 1423-1 regarding the GFM and End Item Transaction Reporting System (G009) (DI-L-3341A). Submit this report via CCN. Contractor requisitions by NSN may also be submitted via CCN.

**A5.16. Visits.** Surveillance visits will be made by the CO/ACO and or the contracting ALC representatives, when such visits are considered necessary, particularly in relation to contract material control and production schedules.

**A5.17. Other:**

A5.17.1. The contractor shall not obtain GFP or purchase CAP material through the utilization of requisition codes or CAP funds assigned to this contract for any other contract.

A5.17.2. The contractor shall not transfer GFP charged to this contract to any other contract, contractor, or activity, without the advance approval of the GFM Management Unit, ----------/------- through the ACO.

A5.17.3. The government reserves the right to withdraw any GP in possession of the contractor to supply other urgent USAF requirements. _____ALC/_____ will be the approval office for directed shipments of expense material prior to movement of material. If any item so removed by the government is still required to complete the contract, the contractor shall take appropriate action to replace the removed item.

A5.17.4. When, during the last six months of the contract, it becomes evident that an option shall most probably be exercised, the PCO will notify the contractor through the ACO to maintain stock levels necessary to meet the option workload.

**A5.18. References.** All references called out in Appendix B will be listed in this section.

A5.18.1. FAR, Subpart 45, *Management of Government Property in the Possession of Contractors* (current version).

A5.18.2. Defense Federal Acquisition Regulation Supplement (DFARS), Subpart 245.5, *Management of Government Property in the Possession of Contractors* (current version).

A5.18.3. DoDM 4000.25-1, *Military Standard Requisition and Issue Procedures (MILSTRIP)* (current version).

A5.18.4. Federal Acquisition Regulation (FAR) Subpart 52, *Solicitation Provisions and Contract Clauses.*

A5.18.5. AFMCM 66-266, Vol I, *Government Furnished Material and End Item Transaction Reporting System (G009)*.

A5.18.6. Other DoD and military service directives if specifically referenced in the contract special clauses or appendices.

APPENDIX B ATTACHMENT ONE

INSTRUCTIONS FOR PREPARING GFM/GFE REQUISITIONS

MANUAL: DD Form 1348 (NSN)

DD Form 1348-6 (PN)

AF Form 923

MECHANICAL: "DAMES" VIA "CCN"

***NOTE:*** Use DD Form 1346-6, DOD Single Line Item Release/Receipt Document, for requisitions by manufacturer's PN and mail to ------/----------,----------, and mark the envelope: D035 INPUT.

Card Columns 1-3 - Enter the appropriate three position code:

AOA if requisitioning by NSN/NATO stock number

AOB if requisitioning by manufacturer's PN

AOD if requisitioning by nonstocklisted or kit number (NC,ND,K)

AOE if requisitioning by manufacturer's PN and the PN will not fit in card columns 8-22 or if a prior requisition was rejected and the item represents a valid requirement. The Identification Data portion of the DD Form 1348-6 will be fully completed.

Card Columns 4-6 - Enter F__.

Card Column 7 - Enter S (if automated) or enter T (if manual reporting).

Card Columns 8-22 - Enter the NSN or NSN/MMC or the manufacturer's PN. If the PN will not fit, enter as many characters as possible and include the entire PN in Block 1 of the DD Form 1348-6.

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

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

Card Columns 30-35 - Enter your EZ number.

Card Column 36 - Enter the last digit of the calendar year in which the requisition originated.

Card Column 37-39 - Enter the Julian date.

Card Column 40 - Enter M.

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

Card Column 44 - Enter R if a recurring demand or N if nonrecurring.

Card Columns 45-50 - Enter Y in column 45, the last digit of the contract year in column 46 and enter the last four characters of the contract number in columns 47-50.

Card Columns 51-56 - Enter ------.

Card Columns 57-59 - Leave blank.

Card Columns 60-61 - Enter the appropriate priority (see Appendix B, Chapter 8).

Card Columns 62-64 - Enter the Julian date by which the material is required (must be filled).

Card Columns 65-66 - Leave blank or enter appropriate code.

Card Columns 67-72 - Leave blank

Card Columns 73-80 - Enter the abbreviated contract number.

## APPENDIX B ATTACHMENT TWO

## INSTRUCTIONS FOR PREPARING SHIPPING DOCUMENT FOR GFP TURN-INS

DD Form 1348-1 is the only authorized return document. DO NOT USE DD FORM 1149!

Card Columns 1-3 - Document Identifier - Enter D6_.

Columns 4-6 - Routing Identifier

In column 4 - enter "F."

In column 5 - enter the item manager ALC for items supplied by the ALC or the nearest geographical ALC for DLA/OSSF items.

Code ALC

F - Sacramento ALC

G - Ogden ALC

H - Oklahoma City ALC

L - Warner Robins ALC

P - San Antonio ALC

In column 6, enter "Z" for items supplied by the ALC or "B" for DLA/OSSF items.

Card Column 7 - Status Code - "F" for (GFM) "G" for (GFE).

Card Columns 8-22 - Stock Number - enter NSN of item being returned..

Card Columns 23-24 - Unit of Issue - enter the two letter abbreviation as shown in the catalog or stocklist. Example: EA for each, FT for feet.

Card Columns 25-29 - Quantity - (Must Fill) If card column 72 is "J", then "Quantity" shall be one. If card column 72 is other than "J," then "Quantity" shall be the quantity being returned.

Card Columns 30-43 - Document Number.

Columns 30-35 - enter contractor's activity address code (EZ ).

Column 36 - enter the last numeric digit of the calendar year in which the document originated. Example: 1981 enter (1).

Columns 37-39 - enter the numeric consecutive day of the calendar year, i.e., Julian date. Example 23 March is 082.

Columns 40-43 - enter a four-digit serial number assigned to each turn-in. The serial number will be assigned by the contractor returning the item and is not to be duplicated on any one day.

Card Column 44 - Demand Code - leave blank.

Card Column 45 - Enter Code "Y."

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

Card Columns 47-50 - Enter the last four digits of the contract number. If the turn-in is against a basic ordering agreement, enter the same funding ALC that was used when the material was requisitioned.

Card Column 51 - Signal Code - enter "C."

Card Columns 52-53 - Fund Code - (Must Fill) - enter "LR."

Card Column 54 - Distribution - enter "L."

Card Column 55 - Leave blank.

Card Column 56 -

Enter a "Y" in column 56 if one of the following conditions exists:

The turn-in is because more material was received than the quantity that was requisitioned.

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

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

If the turn-in is serviceable GFM issued for testing purposes under unsatisfactory report.

If the turn-in is directed by the item manager to satisfy a requirement elsewhere.

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

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

Card Columns 57-59 - Project - Leave blank.

Card Columns 60-61 Priority - Leave blank unless directed otherwise by the contracting officer.

Card Columns 62-65 - Leave blank.

Card Column 66 - Enter R.

Card Columns 67-69 - Leave blank.

Card Columns 70 Ownership Purpose - Enter "A."

Card Column 71 - Condition Code - enter applicable condition code such as "A" for serviceable, "F" for unserviceable (reparable), etc.".

Card Column 72 - Management Code - (Must Fill).

Enter "F" when returning serviceable GFM.

Enter "L" when returning GFE.

Enter "J" when returning GFM that is unserviceable RSD material (Budget Code 9 and ERRC "T").

Card Columns 73-80 Leave blank.

## APPENDIX B ATTACHMENT THREE

## GFM AUTHORIZED

GFM for which the contractor is authorized to requisition is listed below by Federal Stock Class (FSC). The contractor is also authorized to requisition items in certain other FSCs and nonstocklisted items when they are determined to be direct parts and materials in accordance with Section H of the contract.

## APPENDIX B ATTACHMENT FOUR

## CCN, G009 GFM AND PRODUCTION REPORTING REQUIREMENTS

The purpose of this attachment is to provide the specific conditions, hardware specifications, software criteria and communications interface to support contractor GFM/End Item reporting requirements. This system will remotely interface with the DLA/DAASC front end computer, located at Gentile AFS, Ohio.

The DLA/DAASC front end computer at Gentile AFS will act as host for all CCN/G009/CEMS input and output transactions. The contractor's terminal, using software provided by DAASC, will dial the DAASC computer to initiate the transmitting or receiving of related data.

Background. The CCN/G009 system software provides the Air Force contractors, having aircraft, engine or equipment repair contracts, the capability to electronically process GFM and End Item production data.

Technical Considerations:

The contractor will have available a personal computer (PC) that uses the DOS operating system, capable of executing the DAASC supplied DAMES software. This system will have a minimum of 256K RAM, 20 MB hard disk drive and compatible version of DOS and the BASIC interpreter. The DOS operating system must be 3.0 or higher. TANDEM PC IG12X requires GW BASIC version 3.2. In addition, the contractor will provide a printer than can be configured as LTP 1. Telephone line will be provided by the contractor.

ASYNC configurations will have a Hayes or Hayes compatible 1200 or 2400 baud autodial modem with an asynchronous communication port configured as COM 1 or COM 2. The modem must be connected via direct dial telephone circuit.

All customers of DAASC using DAMES software will be required to adhere to the augmented DAMES security policy and procedures. DAASC will furnish each current customer and all new customers with a copy of the security policy and procedures once they are approved by the Defense Message System (DMS) Security Project Working Group (SPWG). The following is a partial list:

Each DAMES customer must sign a licensing agreement with DAASC that includes but is not limited to the following:

Customer will not duplicate, distribute or modify the DAMES software without written approval from the chief of DAASC.

Customer will operate the DAMES system solely for the intended purposes, will not attempt to saturate or abuse the dial up communications network in any way.

Customer will operate the system within the identification and authentication specifications distributed by DAASC.

Customer will designate a responsible authorizing and releasing authority who will effect the communications link sessions with DAASC for data exchange.

Address messages to preapproved addresses only.

The installation of the DAMES/G009 software will be assisted by personnel from the contracting ALC.

Initial training on the use of the DAMES/G009 software will be provided by the contracting ALC. Any additional training will be the responsibility of the contractor.

The contractor is responsible for the maintenance of the hardware and for supplies (paper, ink, ribbons, extra disks, etc.).

It is the contractor's responsibility to keep the system operational and compatible with the DAASC host computer.

The contractor will use the CCN/G009 Transaction Reporting System to report all GFM and end item transactions. These transactions must be transmitted within two workdays of occurrence.

System failures that cannot be corrected within 24 hours will be reported to the contracting ALC.

APPENDIX B **Attachment 5**

GFE

The following items are required and will be furnished as loan equipment. This GFE will be transferred from contract(s)_____ and _____.

| Number | NSN/PN | Description | Qty |
|---|---|---|---|

The following item is prepositioned at _____as GFE accountable on contract _____. The contractor is authorized use of this GFE on a noninterference, rent-free basis.

| PN | Description | Qty |
|---|---|---|

**APPENDIX B Attachment 6**

**FACILITIES**

FAR 45.301 contains definitions; FAR Part 45 contains policy. The following government furnished facilities have been identified during contract negotiation as required for the duration of this contract:

| Item No. | NSN Part No. | Qty | Condition | Unit Cost | Unit Cost | Source of Supply |
|---|---|---|---|---|---|---|

**APPENDIX B Attachment 7**

**AGENCY-PECULIAR PROPERTY**

FAR 45.301 contains definitions. FAR 45.309 contains policy. Agency-peculiar property may be provided and therefore subject to loan control procedures or furnished to be incorporated into end items during repair. The following government furnished agency-peculiar property has been identified during contract negotiation as required for the duration of this contract:

Agency-peculiar property (subject to loan control procedures):

| Item No. | NC/PD No. | NSN or Noun | Quantity | Condition | Unit Cost | Source of Supply | Total Cost |
|---|---|---|---|---|---|---|---|

Agency-peculiar property:

| Item No. | NC/PD No. | NSN or Noun | Quantity | Condition | Unit Cost | Source of Supply | Total Cost |
|---|---|---|---|---|---|---|---|

## APPENDIX B Attachment 8

## CRITICAL ITEM AND SAVE LIST

Format for critical items reported to FSC IM ALC:

Subject: Critical Item Condemnations - Contract Number _____

Noun P/N NSN Quantity

Format of save list prepared for this Appendix B:

Subject: Condemnation Component Save List - Contract Number _____

List for NSN XXXX Noun P/N NSN

Noun P/N NSN Quantity Per Assy Prime IM

## Attachment 6

## REQUISITION PRIORITY DESIGNATORS

**Figure A6.1. Designators**

Requisition Priority Designators (Force Activity Designator (FAD))

Urgency of Need Designator

| Force Activity Designator | A<br>CANNOT PERFORM MISSION OR MEET CONTRACT COMMITMENT | B<br>MISSION CAPABILITY OR CONTRACT COMMITMENT IS IMPAIRED | C<br>FIRM FUTURE REQUIREMENTT STOCK REPLENISHMENT REQUIREMENT |
|---|---|---|---|
| I | 1 | 4 | 11 |
| II | 2 | 5 | 12 |
| III | 3 | 6 | 13 |
| IV | 7 | 9 | 14 |
| V | 8 | 10 | 15 |

Requisition Priority Designator

## Attachment 7

## REFERENCE LIST OF FEDERAL STOCK GROUPS (FSG)

FSGs listed below can be authorized as GFM to contractors in Appendix B. Those asterisked are normally not furnished to contractors. Other FSGs should be reviewed and determination made as to which FSGs should be required as contractor-furnished material (CFM) IAW the best interest of the government.

**Table A7.1. Reference List**

| FSG | NOMENCLATURE |
|---|---|
| *10 | Weapons |
| *11 | Nuclear Ordinance |
| 12 | Fire Control Equipment |
| *13 | Ammunition and Explosives |
| 14 | Guided Missiles |
| *15 | Aircraft, and Airframe Structural Components |
| *1540 | Gliders |
| *1550 | Drones |
| 16 | Aircraft Components and Accessories |
| 17 | Aircraft Launching, Landing, and Ground Hauling Equipment |
| 18 | Space Vehicles |
| *19 | Ships, Small Craft, Pontoons, and Floating Docks |
| *20 | Ships and Marine Equipment |
| *22 | Railway Equipment |
| *23 | Ground Effect Vehicles, Motor Vehicles, Trailers, and Cycles |
| *24 | Tractors |
| *25 | Vehicular Equipment Components |
| 26 | Tires and Tubes (2620) |
| *2610 | Not Aircraft |
| *2630 | Solid Tires |
| *2640 | Rebuild & Repair |
| 28 | Engines, Turbines and Components |
| 29 | Engine Accessories |
| 30 | Mechanical Power Transmission Equipment |
| *31 | Bearings |
| *32 | Woodworking Machinery and Equipment |
| *34 | Metalworking Machinery |
| *35 | Service and Trade Equipment |

| | |
|---|---|
| *36 | Special Industry Machinery |
| *37 | Agricultural Machinery and Equipment |
| *38 | Construction, Mining, Excavating, and Highway Maintenance Equipment |
| *39 | Materials Handling Equipment |
| *40 | Rope, Cable, Chain, and Fittings |
| *41 | Refrigeration, Air Conditioning, and Air Circulating Equipment |
| *42 | Fire Fighting, Rescue, and Safety Equipment |
| *43 | Pumps and Compressors |
| *44 | Furnace, Steam Plant and Drying Equipment, and Nuclear Reactions |
| *45 | Plumbing, Heating, and Sanitation Equipment |
| *46 | Water Purification, and Sewage Treatment Equipment |
| 47 | Pipe, Tubing, Hose, and Fittings |
| 48 | Valves |
| *49 | Maintenance and Repair Shop Equipment |
| *51 | Hand Tools |
| *52 | Measuring Tools |
| 53 | Hardware and Abrasives (5325, 5330,.5340, 5355) |
| *5305 | Screws |
| *5306 | Bolts |
| *5307 | Stud |
| *5310 | Nuts |
| *5315 | Nails |
| *5320 | Rivets |
| *5345 | Disks |
| *5350 | Abrasives |
| *5360 | Springs |
| *5365 | Rings |
| *54 | Prefabricated Structures and Scaffolding |
| *55 | Lumber, Millwork, Plywood, and Veneer |
| *56 | Construction and Building Materials |
| 58 | Communication, Detection, and Coherent Radiation Equipment |
| *59 | Electrical and Electronic Equipment Components |
| *61 | Electric Wire, and Power and Distribution Equipment |
| *62 | Lighting Fixtures and Lamps |
| 63 | Alarm and Signal System (6340) |
| *6310 | Transit |

| | |
|---|---|
| *6320 | Shipment |
| *6330 | Railroad |
| *6350 | Misc |
| 65 | Medical, Dental, and Veterinary Equipment and Supplies |
| 66 | Instructions and Laboratory Equipment |
| *67 | Photographic Equipment |
| *68 | Chemicals and Chemical Products |
| *69 | Training Aids and Devices |
| *70 | General Purpose Automatic Data Processing Equipment, Software, Supplies, and Support Equipment |
| *71 | Furniture |
| *72 | Household and Commercial Furnishings and Appliances |
| *73 | Food Preparation and Serving Equipment |
| *74 | Office Machines and Visible Record Equipment |
| 76 | Office Supplies and Devices |
| *7610 | Books |
| *7630 | Newspapers |
| *7640 | Maps |
| *7660 | Music |
| *7670 | Microfilm |
| *77 | Musical Instruments, Phonographs, and Home-Type Radios |
| *78 | Recreational and Athletic Equipment |
| *79 | Cleaning Equipment and Supplies |
| *80 | Brushes, Paints, Sealers, and Adhesives |
| 81 | Containers, Packaging, and Packing Supplies (8145) |
| *8105 thru 8140 | |
| *83 | Textiles, Leather, Furs, Apparel and Shoes Findings, Tents and Flags |
| *84 | Clothing, Individual Equipment, and Insignia |
| *85 | Toiletries |
| *87 | Agriculture Supplies |
| *88 | Live Animals |
| *89 | Subsistence |
| *91 | Fuels, Lubricants, Oils, and Waxes |
| *93 | Nonmetallic Fabricated Materials |
| *94 | Nonmetallic Crude Materials |
| *95 | Metal Bars, Sheets, and Shapes |

| | |
|---|---|
| *96 | Ores, Minerals, and Their Primary Products |
| *9660 | If precious metals are required, provide them as GFM.( See AFM 67-1, Vol VI, Chap 4.) |
| *99 | Miscellaneous |

*Normally not furnished to majority of DMBA contractors.

## Attachment 8

## INSTRUCTIONS FOR PREPARING AFMC FORM 413

Preparing Part I - Production Data:

**Heading:**

As of Date - Enter the day, month, and year applicable to the report. (Data reflected must be through the last day of each month.)

Block 1-AF Management Code - Enter the Federal Supply Class (FSC) and the material management code when appropriate.

Block 2-Contractor and AAC - Enter the name of your business or activity followed by the DODAAC which has been assigned to your business or facility for shipment of material. Maintenance contractor's AACs are always on "EZ" code.

Block 3-Contract Number - Enter the contract number applicable to the data being reported.

Block 4-Item Manager ALC - Enter the applicable account code of the prime ALC, i.e., FD2030, FD2040, etc., for the items being listed on the page.

Block 5-Contracting ALC or AFLC Procuring Agency - Enter the designation of the contracting ALC or AFMC agency which awarded the contract.

Block 6-CAO - Enter the office designated as the CAO in the contract.

Reporting Columns:

Column A, Item Identification - Enter the NSN of the item being reported, divided into FSC and national item identification number.

Column B, Call Number - When the awarded contract is a call (order) type, enter the applicable call number. When an item is awarded on more than one call, it is repeated for each call until completed. If the current report completes the call, enter the word "completed" on the line in a blank block.

Column C, C/ELIN - Enter the contract/exhibit line item number assigned to the NSN in the contract.

Column D, Quantity on Contract or Call - Enter the quantity of the end item to be repaired on each call, as appropriate, or contract quantity when calls do not apply in D-1. D-2, Quantity scheduled for repair during the quarter, including the report month. D-3, Quantity scheduled for repair cumulative to date.

DURING REPORT PERIOD - THESE COLUMNS REPRESENT DATA WHICH OCCURRED DURING THE REPORT PERIOD AND TOTALS TO DATE:

Column E, Reparables Received.

Column E-1, Enter quantity of reparables received during report month.

Column E-2, Enter cumulative quantity of reparables received from start of contract through report month.

Column F, Quantity Inducted to Work-Enter quantity inducted during the report month.

Column G, Enter quantity produced during report month.

Column H, Serviceables Shipped.

Column H-1, Serviceables shipped this report month.

Column H-2, Serviceables shipped cumulative from start of contract.

Column I, Serviceables On Hand - Enter the quantity of completed items on hand pending acceptance or shipment.

Column J, Reparables On Hand - Enter the quantity of reparables on hand (either awaiting input to work or awaiting condemnation).

Column K, Reparables Shipped - Enter reparables shipped during report month.

Column L, Quantity Condemned.

Column L-1, Enter quantity condemned during report month.

Column L-2, Enter quantity condemned cumulative from start of contract.

NEXT MONTH - THESE COLUMNS PERTAIN TO THE ANTICIPATED ACTIONS DURING THE NEXT MONTH:

Column M, Enter the quantity of each C/ELIN scheduled to be input to work next month.

Column N, Enter the quantity of each C/ELIN forecast to be completed next month.

Preparing Part II - Production Problems. This part of the report is designed to report production problems. When production problems relate to specific C/ELINs, part II, production problems will be prepared on bond paper and submitted as an attachment to part I of DMP. Previously scheduled input and forecasted production (columns M and N) slippages will be explained each month. Columns will be completed in the following manner:

C/ELIN - Self explanatory.

Problems - This column will relate the problems to the following specific code entries, as applicable (use as many as needed for each item to describe the problem):

| Problems | Codes Explanation |
|---|---|
| 1. Asset Condition | |
| A | Missing components. |
| B | Requires modification. |
| C | Cannibalized prior to receipt |
| D | Not reparable. |
| 2. Assets | |
| E | No contract coverage. |
| F | Pending authority to proceed with work. |
| G | Negotiations with ACO incomplete. |
| H | Late receipt. |

| | |
|---|---|
| I | Rejected by quality control to be reworked. |
| J | Misidentified asset. |

3. Parts

| | |
|---|---|
| K | Awaiting parts. List actions taken to resolve problem. Provide requisition number, status, etc. |
| L | Late receipt of parts. |
| M | Unplanned parts. |

4. Technical Data

| | |
|---|---|
| N | Inadequate. |
| O | Unavailable. |
| P | Test procedures pending government approval. |
| Q | Requires waiver. |

5. Support Equipment

| | |
|---|---|
| R | Inadequate. |
| S | Unserviceable. Awaiting repair. |
| T | Unserviceable. In repair. |

6. Personnel

| | |
|---|---|
| U | Inadequate strength. |
| V | Require more training. |
| W | Vacation period. |

Actions - Enter in this column the actions you have initiated to resolve each problem.

Current Status - Self explanatory.

When the problems do not impact the specific C/ELINs type the problem across the page. Include sufficient data and current status to allow analysis by government personnel.