SUBJECT: Acquisition, Management, and Disposal of Government-Owned Contract Property

(b) Federal Acquisition Regulation (FAR), Part 45, "Government Property," current edition
(c) Defense FAR Supplement (DFARS), Part 245, "Government Property," current edition

A. PURPOSE

This Instruction authorizes the publication of DoD 4161.2-M, "Manual for the Performance of Contract Property Administration," in accordance with reference (a), as a DoD issuance on the principles, policies, and procedures for performing contract property administration of Government-owned property in the possession of contractors.

B. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense; the Military Departments; the Defense Agencies; and the DoD Field Activities (hereafter referred to as "the DoD Components").

C. POLICY

It is DoD policy that contractors are ordinarily required to furnish all property necessary to perform Government contracts (reference (b)). However, if contractors request to be provided or are provided Government property, the DoD Components shall ensure compliance with the policies of references (b) and (c). This includes the review, approval or disapproval, and correction of the contractors' property control systems.
D. RESPONSIBILITIES

1. The Assistant Secretary of Defense (Production and Logistics) shall monitor compliance with this Instruction and have developed, published and maintained a Manual to provide instructions to ensure uniformity and consistency in the administration of contract provisions and provide other guidance for Property Administrators (PAs) to perform other responsibilities.

2. The Deputy Assistant Secretary of Defense (Production Resources), in coordination with the Office of the Director of Defense Procurement (Office of the Under Secretary of Defense (Acquisition)), shall maintain surveillance over the contract property administration policies and procedures in the Property Administration Manual.

3. The Secretaries of the Military Departments and the Heads of the Other DoD Components shall ensure compliance with the Government Property policies and procedures in references (b) and (c) and DoD 4161.2-M.

E. PROCEDURES:

The DoD Components shall implement the policies and procedures in references (b), (c), and DoD 4161.2-M in a manner that will improve the acquisition, management, control, and disposal of government-owned contract property.

F. EFFECTIVE DATE

This Instruction is effective immediately.

Colin McMillan
Assistant Secretary of Defense (Production and Logistics)