



NASA Procedural Requirements

COMPLIANCE IS MANDATORY FOR NASA EMPLOYEES

Subject: Administration of Property in the Custody of Contractors

Responsible Office: Office of Strategic Infrastructure

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Chapter 6. Contract Property Management Reporting

6.1 Support for Financial Reporting

6.1.1 While FAR intends that contractors' property records are to be used as custodial records, several also serve cross-functional purposes with financial management activities. To that degree, property systems can also be used for financial reporting purposes. Reports used to support financial statements have to be submitted in accordance with contract requirements by individuals who are authorized by the contractor.

6.1.2 Review of Annual Financial Reports (NASA Form 1018)

6.1.2.1 All reports shall be supported by a PA's verification that the contractor's property system is capal reports. Accuracy is determined through several methods. They include reviews of the contractor's phys which are expected to provide reasonable assurance of the existence and completeness of the property accuracy is also facilitated by the PMSA, where the PA obtains insight into, evaluates, and provides ove entire property management effort.

6.1.2.2 Use of NESS.

a. All NASA reporting related to the submission of NF 1018 will occur in the NESS system. Contractors shall use the system for submission of their reports. However, contractor use of the system is not mandatory. If contractors use manual forms, the NASA PA shall enter the data into NESS on behalf of the contractor and retain hard copies within the property administration file.

6.1.2.3 PA Verification of Adequacy

a. The NASA PA does not verify the figures in the NF1018 report. Rather, the PA verifies that the contractor is capable of producing correct and accurate reports, based on their evaluation of the contractor's property and records. The PA considers the most recent complete PMSA findings related to records, physical inventory, or reporting on corrective actions to address findings, and will annotate the NF1018 accordingly.

6.1.2.4 IPMS/IPO

a. The IPO or their designee shall review the report to ensure that the PA verification is complete, the report contains correct information, based on documents and data retained by the IPO, and resolve any identified discrepancies with the contractor prior to verification.

6.1.2.5 IPO Responsibilities

b. Reports that are not submitted by the contractor within the requirements established in the contract shall be returned to the contractor for further action.

6.1.2.6 For additional information on financial management reporting requirements for personal property custody of contractors, refer to NPR 9250.1, "Property, Plant, and Equipment and Operating Supplies."

6.2 Property Administration Reporting/Metrics

6.2.1 Beyond support for financial reporting, Property Management System metrics should help NASA know whether the program is succeeding. Internal metrics and reports should provide insight into whether the metrics are being met. Certain critical issues shall be monitored by management on a regular basis to ensure critical metrics should help management to determine whether the resources allocated to the program are sufficient and effectively utilized.

6.2.2 Solicitations Issued/Solicitations Reviewed

6.2.2.1 IPOs shall establish a method for collection and reporting of information on the number of solicitations received from each source.

NPR 4500.1

Effective Date: February 24, 2014

Expiration Date: June 24, 2024

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number of solicitations reviewed.

6.2.2.2 The report shall be submitted on an annual basis to the Manager, Contract Property Programs at Headquarters.

6.2.2.3 The following data are required (See Table 6-1):

- a. Subtotal number of solicitations issued for cost contracts.
- b. Subtotal number of fixed price solicitations with GFP issued or anticipated.
- c. Total number of solicitations reviewed by the Center industrial property activity.
- d. Ratio of solicitations reviewed to applicable contract solicitations issued.

Table 6-1 Solicitation Review Metric

Total Solicitations Issued	Cost Contract Solicitations	Other Solicitations with Property	Applicable Solicitations (Column a - (b + c))	Number of Solicitation Reviews	Ratio of Reviews to Solicitations Issued (Column e/d x 100)
Column a	Column b	Column c	Column d	Column e	Column f
					%

6.2.3 Review of Contractor Proposed Systems

6.2.3.1 IPOs shall establish a method for collecting and reporting information on the number of offsite contractor systems reviewed versus the number subject to review.

6.2.3.2 The report shall be submitted on an annual basis to the Manager, Contract Property Programs at Headquarters.

6.2.3.3 The following data are required (See Table 6-2):

- a. Subtotal number of cost-type contracts issued.
- b. Subtotal number of fixed price contracts with known GFP issued.
- c. Total number of applicable contracts issued by Center procurement activities.
- d. Total number of proposed PMSAs reviewed by the Center industrial property activity.
- e. Ratio of audits to applicable contracts.

Table 6-2 Proposed System Audits

Cost contracts	Fixed Price Contracts with GFP	Total Applicable Contracts (Column a + b)	Total Reviews	Ratio (Column d/c x 100)
Column a	Column b	Column c	Column d	Column e
				%

6.2.4 Ratio of High Risk Contracts to PMSA Performance

6.2.4.1 IPOs shall establish a method for collecting and reporting metrics on the performance of PMSAs. The most critical are audits associated with high-risk contractors.

6.2.4.2 The report shall be submitted on an annual basis to the Manager, Contract Property Programs, Logistics Division.

6.2.4.3 The report shall provide the following information (See Table 6-3):

- a. The number of audits of high-risk contractors completed by NASA and delegated PAs during the fiscal year.
- b. The number of audits required for high-risk contractors according to the risk matrix at Table 5-1.
- c. The ratio between the number of required reviews and the number performed.

Table 6-3 High-Risk Contractor Audits

# of High-Risk Contractor Reviews Required per Table 5-1	# of Reviews of High-Risk Contractor Reviews	Ratio (Column b/a x 100)
Column a	Column b	Column c

		%
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6.2.5 Ratio of Overall Contracts to PMSA Performance

6.2.5.1 The IPO shall report the overall effort as of the end of the fiscal year to the Contract Property Program Manager, Headquarters Logistics Management Division.

6.2.5.2 The report shall provide the following information (See Table 6-4):

- The number of audits of all contractors completed by NASA and delegated PAs during the fiscal year.
- The number of reviews required for all contractors according to the risk matrix at Table 5-1.
- The ratio between the number of required audits and the number performed.

Table 6-4 PMSA Reviews Conducted

# of Contractor Reviews Required by Table 5-1	# of Contractor Reviews Completed	Ratio (Column b/a) x 100
Column a	Column b	Column c
		%

6.2.6 Number of Contracts With Unresolved Findings at End of Period

6.2.6.1 The IPO shall report the number of contracts with unresolved findings as of the end of the fiscal year to the Contract Property Program Manager, Headquarters Logistics Management Division.

6.3 Annual Contractor Property Reporting Requirements

6.3.1 It is important that information on contractor property holdings be accumulated for a variety of management activities. In addition to the financial reporting activities discussed in Section 6.1, reports are used to determine risk levels associated with contractor possession of GP, to appropriately allocate industrial property resources, and to provide information for planning future activities, such as disposition. Information will be reported by the contractor in accordance with the FAR clause at 52.245-1 and NFS clause at 1852.245-73.

6.3.2 Property Information Derived From NASA Form 1018, NASA Property in the Custody of Contractors

6.3.2.1 In support of property management activities, NESS provides significant data on contractor holdings of GP. This information should be used to determine risk and to support PMSA audit scheduling. NESS data includes:

- Overall acquisition value of property on hand at beginning and end of period.
- Overall number of line items of property on hand at beginning and end of period.
- Value of items acquired by the contractor or furnished to the contractor over the period.
- Value of property by FAR property classification.
- Value of items dispositioned over period.
- Summary of disposition activities by disposition type.
- Values of items lost.
- Quantity of equipment, special tooling, and special test items on hand at the end of the period.

6.3.3 NASA Form 1018 Electronic Submission System (NESS)

6.3.3.1 NESS provides a non-mandatory alternative to hard copy submission of the NASA Form 1018, NASA Property in the Custody of Contractors. Its principal use is the collection of financial management information in support of financial reporting. In addition to the data elements listed above, NESS also accumulates data in support of property management activities. Information on operation of NESS is contained in the NESS FAQs at:
<http://ness.gsfc.nasa.gov/index.cfm?fuseaction=help.main&prevFuseaction=ness.main&DTTM=20120719132152&RequestTimeout=51>

6.3.3.2 Additional NESS property datasets include:

- Contracts in the enterprise management resource system, SAP.
- Contracts accepted into NESS, with detail.
- History of NF-1018 submissions.
- Status of PMSA and the status of property system segments.
- Contact information associated with contracts.
- An audit trail of transactions against the NESS records.

6.3.3.3 Maintenance of NESS Data

- a. IPOs shall assess the list of incoming SAP contracts to determine whether it is appropriate to add the skeletal records for contracts in the list to NESS and accept or reject the contract skeletal records accordingly.
- b. IPOs shall update information in the NESS Contract Details page regularly as changes are received, including updates to periods of performance, assigned personnel, and addition or deletion of clauses.
- c. IPOs shall update contractor's system status (from PMSAs) when received from NASA or delegated PAs and when the date of the audit is more recent than the date on file.
- (1) Copies of reviews shall be sent to the Manager, Contract Property Program at Headquarters for central filing.
- (2) IPOs at other Centers may request copies of the reviews from the Manager, Contract Property Program when needed in support of activities, such as proposals.
- d. IPOs may request several actions from the system administrator at Headquarters. These include resetting a contract to pending so that a contractor may resubmit a rejected annual or final report, movement of a contract from history to active status, and addition of a new cage code and related contractor information when not part of the addition of a contract to the system.

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