Approved for Release
Andre L. Jessup
Departmental Property Management Officer

8-9-13
Date

DEPARTMENT OF COMMERCE
CHIEF FINANCIAL OFFICER AND ASSISTANT SECRETARY FOR ADMINISTRATION
OFFICE OF ADMINISTRATIVE SERVICES

PROPERTY BULLETIN # 003, FY13

SUBJECT: Contractors Serving as Property Officials

EFFECTIVE DATE: August 9, 2013

EXPIRATION DATE: Effective until canceled or superseded

SUPERSEDES: Not Applicable

BACKGROUND: Public Law (PL) 105-270, Section 5 defines the term *inherently governmental* as a "function that is so intimately related to the public interest as to require performance by Federal Government employees." Several legislative and regulatory laws which relate to personal property as an inherently governmental function are described in Section B of PL 105-270 and Federal Acquisition Regulation (FAR) subpart 7.5, "*Inherently Governmental Functions*". PL 105-270 states one example of an inherently governmental function as "to exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds." FAR subpart 7.5 states one example of an inherently governmental function as "the determination of what Government property is to be disposed of and on what terms." Although, guidance pertaining to inherently governmental functions is published, there is no legislative or regulatory law that prohibits a contractor from serving as a property official; thus, guidance regarding such policy is defined by each Government agency. During the May 2013 Property Management Officers' (PMOs) meeting, all Bureau PMOs unanimously agreed that contractors serving as a property officials is not in the best interest of the Department; therefore, and due to guidance related to inherently governmental functions, contractors will not be appointed as property officials.

PURPOSE: The purpose of this property bulletin is to define the extent to which a contractor may or may not serve as a Departmental property officials. Property official is defined as PMO, Property Accountability Officer (PAO), Property Custodian (PC), or a National Utilization Officer (NUO).

PROCEDURES/APPLICABILITY: This bulletin will apply to all Departmental property officials. Contractors may not serve in a position such as a PMO, PAO, PC or NUO, requiring them to account or be responsible for Government property outside the

scope of their contract. Contractors are only responsible for Government property assigned to them as necessary to perform their duties outlined in the applicable Government contracts.

The guidance contained in this property bulletin does not restrict a contractor from performing property related functions and activities such as maintaining property records and performing physical inventories of personal property; however, a Government employee (i.e. property official) must provide oversight with respective functions and activities. Furthermore, access to a personal property management system (PPMS) is limited to Government personnel and will be restricted from contractors, excluding asset management helpdesk and inventory support personnel governed by contractual requirements. Contractors requiring data and information directly related to PPMS access for official business purposes are advised to collaborate with a Government employee (i.e. property official) for support in performing property management related activities and tasks.

Upon revision of the *Department Personal Property Management Manual*, dated October 2007, the guidance contained in this property bulletin will be included to reflect this determination.

REFERENCES:
FAR Subpart 7.5, Inherently Governmental Functions
PL 105-270, Section 5
Bureau PMO May 2013 Meeting

OFFICE OF COMMERCE SERVICES: Marilyn Stoll, Associate Director, mstoll@doc.gov, (202) 482-3721.

PROGRAM MANAGER CONTACT INFORMATION: Andre Jessup, Chief, ajessup@doc.gov, (202) 482-4784.