

# **PART 3**

## **PROJECT MATERIEL MANAGEMENT STAGE**

**(ACCOMPLISHING THE WORK)**

This page purposely left blank.

## **SECTION 1. SETTING UP THE PROJECT/MATERIEL MANAGEMENT STRUCTURE**

### **3-1. PROJECT MATERIEL MANAGEMENT STAGE**

**DEFINED.** This stage includes efforts within all agency levels and organizations from the time a project is approved to when the equipment is installed. Activities include requirements verification and records management, acquisition of materiel, refining engineering plans, project tracking, and inventory management.

**3-2. APPROVED PROJECTS.** Once PAs are issued, WIMs enter PMLs (either manually or through the RTP) into PMMS. Each PML becomes a separate PMMS record identified by a computer generated 4-digit alpha-numeric called a project control number (PCN). PMLs in the RTP are downloaded into PMMS for those projects shown on the final spreadsheets. This eliminates or reduces the effort involved in loading approved PMLs to PMMS. Once established, the information is displayed on a project status report (PSR). The PSR is essentially the same as the PML developed during the requirements process. Appendix C, Figure 1 on page C-3 shows a sample PSR.

- a. Acquisition IPTs use PMMS to manage nationally furnished assets needed to accomplish NAS F&E projects. The acquiring IPT may or may not also be the requiring IPT.
- b. Requiring IPTs use PMMS to manage their approved projects. The requiring IPT Lead makes sure all approved national NAS F&E projects are established and maintained within PMMS. This includes acquisitions (by purchase or lease) by FAA, Department of Defense (DOD), or other Government agencies.

**3-3. HEADQUARTERS ACTIVITIES.** IPTs/WIMs maintain and update PSRs and spreadsheet/PAs. They also use acquisition documents and various PMMS reports such as the Requirements and Assets (R&A) and Due-in, to manage assets and provide availability information for project materiel on order. See Appendix C, figures 2 and 3, pages C-4 and C-5 for sample R&A and Due-in reports.

**3-4. REGIONAL ACTIVITIES.**

a. The IC platform responsible for planning and fiscal requirements (planning platform) sets up projects. They also notify the SMO/field office whenever a project has been approved for their location. This is done through RTP reports or by providing a copy of the PA/assignment sheet. The IC budget/program analyst loads "1680" header data into the regional RTP database (after they receive the PA). They then execute a batch interface to DAFIS that downloads the header information. DAFIS, in turn, updates RPMMS the following month. Appendix C, figure 4 on page C-6, is a sample of the DAFIS 32-9F report.

HINT: All parties (acquisition, real estate and materiel, accounting, airway facilities, and IC) need to be aware of what projects are being established, funded, and completed (especially those involving TSSC). An easy means of accomplishing this is periodic project coordination meetings with all impacted organizations, in which all JONs created since the previous meeting are reviewed. Based on the JONs' complexity, discussion could cover what assets will be bought or constructed, anticipated contracts, what existing assets will be decommissioned, etc. It can also be used to establish a plan for partial and full closeouts. This forum provides documented direction for all parties.

b. F&E project materiel managers.

(1) Establish project files for each JON (identified by JON, PCN, and geographic location) upon receipt of PAs, PSR reports, project transmittals, or procurement requests/orders/work releases. These files contain documents supporting the funds associated with materiel and services charged to the project. A file contents checklist is shown as figure 2 on page 3-6. They also include adjustment vouchers and any other documents used to process transactions applicable to the project, all correspondence, RPMMS Detail Job Order (DJO) and Project Materiel Cumulative (PMC) reports (see appendix C, figures 5 and 6 on page C-7 and C-8).

(2) Verify the transactions reflected on the DJO and PMC reports.

(3) Update PMMS to extend start dates, change place name and supply support code (SSC), type of work, update the JON, and reduce/delete the quantity of an item required.

**3-5. FIELD ACTIVITIES.** SMOs and System Service Centers maintain their own project files in JON and location sequence, either after regional notification or when materiel transactions begin. The property custodian performs property management and control functions.

HINT. The property custodian is formally designated by the property manager by organizational position as being responsible for the management and control of property within their field organization.

FIGURE 2. JON FILE CONTENTS CHECKLIST

JON _____	JCN _____	PCN _____
LOCATION _____	COST CENTER _____	FAC TYPE _____
GSA CONTROL # _____	RAPM _____	
COMPANION JONs _____		

  

<p><b>SECTION 1</b> (project start/scope)</p> <ul style="list-style-type: none"> <li>• JON contents checklist</li> <li>• Project authorization</li> <li>• Program assignment sheet</li> </ul> <p><b>SECTION 2</b> (national activity)</p> <ul style="list-style-type: none"> <li>• PSR *</li> <li>• Copies of PSR activity</li> <li>• PSR related correspondence</li> </ul> <p><b>SECTION 3</b> (suspense/correspondence)</p> <ul style="list-style-type: none"> <li>• DJO</li> <li>• Unprocessed transactions</li> <li>• FE770/MIR</li> <li>• Correspondence</li> </ul> <p><b>SECTION 4</b> (documentation)</p> <ul style="list-style-type: none"> <li>• Document control form</li> <li>• Contracts/invoices</li> <li>• Work releases/invoices</li> <li>• POs/invoices</li> <li>• Credit card statements</li> <li>• SF-44s</li> <li>• Third party drafts</li> <li>• Transfer documents</li> <li>• 4500-1s</li> <li>• DD-250s</li> <li>• 4250-4s</li> <li>• Other transactions</li> </ul>	<p><b>SECTION 5</b> (partial closeouts)</p> <ul style="list-style-type: none"> <li>• Asset adjustment sheet</li> <li>• Closeout/cap notification</li> <li>• Closeout/cap worksheet</li> <li>• Closeout batches</li> <li>• Applicable PMC</li> <li>• Applicable 32-9F</li> <li>• Closeout authorization</li> <li>• JAI/CAI (as applicable)</li> <li>• Support documentation</li> <li>• RPI</li> <li>• RPR</li> </ul> <p><b>SECTION 6</b> (final closeout)</p> <ul style="list-style-type: none"> <li>• Asset adjustment sheet</li> <li>• Closeout/cap notification</li> <li>• Closeout/cap worksheet</li> <li>• Closeout batches</li> <li>• Applicable PMC</li> <li>• Applicable 32-9F</li> <li>• Closeout authorization</li> <li>• JAI/CAI (as applicable)</li> <li>• Support documentation</li> <li>• RPI</li> <li>• RPR</li> </ul> <p>(interim) PMC and 32-9F * **</p>
---	--

\* While you do not need to file these reports in the project folder each month, you need to produce them when requested.

\*\*\*"Interim" means that up to final closeout, you can use this area to file updates of these reports

**3-6. MIKE MONRONEY AERONAUTICAL CENTER (AMC) ACTIVITIES.** For NAS F&E projects at AMC, the F&E item managers perform the same functions as the F&E project materiel managers do for regional projects. They requisition materiel, coordinate with the IPT to make sure all requirements are contained on their PSRs, monitor the PSR for changes, and maintain project files.

## **SECTION 2. NATIONAL ACQUISITION OF NAS F&E SYSTEMS/EQUIPMENT/COMPONENTS**

### **3-7. NATIONAL REQUIREMENTS.**

a. The majority of the systems, equipment, and components required for NAS F&E projects are acquired from nationally funded contracts, awarded by either ASU or the AMC Office of Acquisition (AMQ). These procurement actions are usually begun very early in the program cycle to make sure the items are available at the site or in FAALC warehouse stock when required for installation. Before requesting any procurement action, the IPTs review available unrequired/excess materiel. Under certain circumstances, the IPT may also elect to provide funds to a region to acquire an item for all national requirements. Refer to subparagraph "d" below for IPT actions on regional fabrication projects.

b. The acquisition IPT prepares PRs for national requirements, including those for projects sponsored by another IPT. Acquisition sources can include commercial organizations, other government agencies, and components of the DOD. All PRs and subsequent procurement documents must have numbered requisition line item numbers (RLIN) and contract line item numbers (CLIN). The contract determines the structure of the CLIN; i.e., whether or not the deliveries will be turnkey, system, or

line item, as well as the method of shipment to be used (free on board (f.o.b.) origin or destination). CLINs are structured to make sure items being acquired are delineated as to their cost category. Figure 3 on page 3-10, CLIN Cost Category shows the correct cost category to use for various types of expenditures. A CLIN should not contain costs from more than one cost category.

c. The acquisition IPT must satisfy all applicable AMS requirements in their acquisitions.

d. At times, a national IPT provides funds to a region to construct systems or components that are transferred to other regions for installation. These items are transferred between regions using FAA Form 4650-12. The IPT may furnish funds for fabrication or both equipment and funds for modification or reconfiguration of, or incorporation into the equipment. When this happens, the region becomes a vendor to the IPT. See paragraph 3-15 on page 3-17 for a description of regional activities. There should be a clearly defined agreement explaining the responsibilities of all parties.

(1) The IPT issues a PA to the "fabricating" region.

(2) The WIM creates a F&E stock number for each item being fabricated and a PCN for each site receiving fabricated equipment.

(3) If equipment is being furnished for modification, reconfiguration, or incorporation, the WIM will:

(a) Make the equipment available on the fabricating region's PSR.

(b) Generate a 4500-1 (if the equipment is coming from a headquarters contract). If a DD-250 (versus a 4500-1) is required, the WIM makes sure the regions and field offices receive a copy of the DD-250.

(c) Make any equipment coming from the FAALC available to the "fabricating" region for them to requisition.

(d) Generate a 4650-12 (if the equipment is coming from another region).

(e) Once regional fabrication is complete, mark the items as available for shipment on the receiving region's PCN.

**3-8. ESTABLISHING DUE-IN RECORDS.** While the requiring IPT sees that projects are entered into the PMMS, the acquiring WIMs enter and maintain due-in information into the PMMS to provide availability information. If no procurement request (PR) has been established or the contract does not specify a set delivery schedule, the WIMs create due-in records based on best-estimate program schedules. The contract number field in PMMS accepts the PR number, and if no PR number is available, another local identification number is acceptable. For requirements-type contracts, the contract number is acceptable; however, once a PR is created or a contract signed, the WIMs must update the contract number field. They also update the record once contract delivery dates are finalized or modified.

FIGURE 3. CLIN COST CATEGORY

	CLIN Cost Category	Sub OCC	MAC Code	Cost Examples
1	Installed facilities and equipment, other structures, line item accountables, aircraft and aircraft engines	3162	70	Procurement of NAS equipment such as ASR, ILS, and beacons when the contractor is not responsible for installation.
2	Expense	2596	BB	Maintenance of commissioned systems
3	Contract common costs	3174	91	System engineering and configuration management that are common to the entire program
4	Contractor support costs	3175	91	System engineering and configuration management indirectly related to the procurement of equipment but are common to the entire program
5	Spare parts	2654	70	Spares procured for delivery to regions or the FAALC
6	Reimbursable - FAA takes title to equipment	3162	70	A radar ordered by FAA for another government agency when the agency pays for the equipment and gives title to the radar to FAA
7.	Reimbursable - FAA does not take title to equipment	2567	BB	A radar ordered by FAA for another government agency when the agency pays for the equipment but does not give title to the radar to FAA
8	Shipments in place	3178	SP	All items procured in a shipment-in-place status
9	Contractor acquired property	3158	CP	Manufacturing equipment procured by a contractor to be used for manufacture of equipment
10	Turnkey	3168	TK	Costs of items under a turnkey contract

### **SECTION 3. REGIONAL ACQUISITION OF NAS F&E SYSTEMS/EQUIPMENT/COMPONENTS**

**3-9. REGIONAL ACQUISITIONS.** While the majority of project materiel comes from national sources, regions and centers acquire both services and materiel to complete national and regional projects. These acquisitions are made within region/center offices or in the field and include materiel, equipment, construction, services, and system/equipment installation. The following paragraphs show various methods used to acquire F&E materiel.

#### **3-10. CONTRACTS/PURCHASE ORDERS**

a. IC project engineers prepare PRs for construction and installation contracts, associated equipment, and TSSC work releases, routing PRs to the contracting office for processing.

b. All PRs and subsequent procurement documents must have numbered RLIN and CLINs. Each individual RLIN and CLIN must have a separately identified object class and cost/asset/function (CAF) code and contain costs for only one object class/CAF code. Paragraph 3-14 on page 3-15, identifies object classes and CAF codes.

c. The contracting officer provides a copy of all purchase orders/contracts to the F&E project materiel manager to support the cost of the project.

d. Once delivery is made, the consignee provides the F&E project materiel manager with a signed copy of the receiving reports (with code strips included when required). See figure 4, on page 3-12, for code strip examples.

FIGURE 4. CODE STRIPS

PERSONAL PROPERTY DATA ENTRY FORM											FORM 101		
1	AGE	END	CLASS	LOC	PROPERTY TYPE	NATIONAL STOCK NUMBER			EQUIPMENT TYPE/CLASS NO.			MANUFACTURER	
DESCRIPTION						PART			SERIAL			DATE	
2	AGE	END	CLASS	LOC	PROPERTY TYPE	NATIONAL STOCK NUMBER			EQUIPMENT TYPE/CLASS NO.			MANUFACTURER	
DESCRIPTION						PART			SERIAL			DATE	
3	AGE	END	CLASS	LOC	PROPERTY TYPE	NATIONAL STOCK NUMBER			EQUIPMENT TYPE/CLASS NO.			MANUFACTURER	
DESCRIPTION						PART			SERIAL			DATE	
4	AGE	END	CLASS	LOC	PROPERTY TYPE	NATIONAL STOCK NUMBER			EQUIPMENT TYPE/CLASS NO.			MANUFACTURER	
DESCRIPTION						PART			SERIAL			DATE	
5	AGE	END	CLASS	LOC	PROPERTY TYPE	NATIONAL STOCK NUMBER			EQUIPMENT TYPE/CLASS NO.			MANUFACTURER	
DESCRIPTION						PART			SERIAL			DATE	
PROPERTY NUMBER				PROPERTY CLASSIFICATION				PROPERTY STATUS				DATE	

FORM 101-101 (1-81)

RECEIVING DOCUMENT CODE STRIP							
FILL IN BLOCKS FOR INFORMATION NOT SHOWN ON SOURCE DOCUMENT							
COMP CENTER	LOC	PLT TYPE	ISS. NO.	SERIAL NO.	WFO	TR. WFO	DBT CODE

P&amp;M Form 8800-17 (1-81)

**3-11. BLANKET PURCHASE AGREEMENTS (BPA).** BPAs are annually awarded contracts to specific companies; e.g., a local hardware store. Orders are then placed with that company (not to exceed a dollar limit). The original invoice is coded by the authorized purchaser with the F&E appropriation and forwarded to accounting and the F&E project materiel manager.

**3-12. REGIONAL TRANSFERS.** For regional transfers (from unassigned, in-use, or F&E stock), the project engineers make sure the F&E project materiel manager receives a request to prepare the necessary paperwork, which is required whenever project materiel is removed from the site/project. Once received, the F&E project materiel managers prepare and process the FAA Form 4650-12, Materiel Requisition/Issue/Receipt to transfer materiel to or between projects (see figure 5, FAA Form 4650-12, on page 3-14) after verifying that the materiel resides in the project. Once a signed receipt is returned from the consignee, the materiel is deleted from the RPMMS or in-use record. The SMO field logistics specialist provides credit information if materiel is being transferred from in-use. If a Government bill of lading (GBL) is required, the IC planning platform provides an appropriation code.

**3-13. STANDARD FORM (SF) 44, CREDIT CARD, THIRD PARTY DRAFTS.** No "shipment" of materiel is usually involved with SF-44, credit card, or 3<sup>rd</sup> party drafts. The buyer takes the purchase with them to the site.

a. 3<sup>rd</sup> party Drafts and SF-44 Purchases. Copies of these documents (once appropriation coding, including the object class, CAF code, and JON are added) are sent to accounting for obligation against the JON and to the F&E project materiel manager for entry into RPMMS.

FIGURE 5. FAA FORM 4650-12

MATERIEL REQUISITION/REQUEST RECEIPT									
Type of Transaction (7* use)		<input type="checkbox"/> Project Materiel <input type="checkbox"/> Operating Materiel <input type="checkbox"/> In Use Personal Property		<input type="checkbox"/> Other (specify)					
PART A - REQUISITION NUMBER									
Type	Requisition Number	Agency Request Code		Last Center					
Requisition Number	001	Job Order Number		Date Required	001	Priority Type			
Requester's Title PROJECT SUPERVISOR, SUPERVISOR DC STAGING AREA				Accounting Plan		Accounting No.	Date		
				CREDIT TRANS		0. 9495537		1/21/08	
Name For		Date Proposed		Job Number		No. of Packages			
HC-2 00-0000		02/20/08		0. 9495537		2155			
C. CALLS EXPRESS COMPANY 1000 POND LANE SPRINGDALE, MO 65757 PH: 661.876.1000 FAX: 661.876.1000				FEDERAL AVIATION ADMINISTRATION STAGING AREA 533 BARNETT FARMER CITY, MISSOURI 65701					
PART B - PROJECT MATRIEL MVT TRACK BOARDING									
MO	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	1	1	1	1	1	1	1	1	1
PART C - UNIT IDENTIFICATION									
Item No.	National Stock No.	Equipment Type	Item Description	Appr.	Quantity	U	Unit Price	Total Cost	
1	0800-01-050-7509 18048	02271 ANTENNA	20' W/8' TOWER STAKE 50' 100'		1	EA	1374.00	1374.00	
	CREDIT: HC-1	01-00000							
	DEBIT: HC-2	00-00000							
SEE AND RETURN THIS COPY TO ACC-02									
PART D - IN USE OPERATIONAL MATRIEL MVT TRACK BOARDING									
AC/LOC	MO	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TRANS
Accounting Organization				Requester's Signature		Date			
				<input type="checkbox"/> Yes <input type="checkbox"/> No					
All Items Requested (Check All That Apply)				Date		Requester's Title			
<i>[Signature]</i>				06/25		CASS		4/08	

b. Credit Card Purchases. Receipts are kept by the credit card holder until the monthly statement is received. The statement is then coded (including a purchase description), copies of the receipts attached, if available, and forwarded to accounting for payment and the F&E project materiel manager for RPMMS entry.

3-14. **CODING OF REGIONAL ACQUISITIONS.** Appendix E, Coding for F&E Acquisitions, provides a listing of typical F&E purchases, their proper object class code (OCC), and CAF code(s).

a. OCC. This code affects which column (materiel or other expenses) costs show up on the 32-9F report. Figure 6, below, explains which object class codes to use for various types of purchases:

FIGURE 6. OCCs

OCC*	Description
22XX	Transportation of things
23XX	Rent, communications, & utilities
24XX	Printing and reproduction services
25XX	Other Services - contractual services not otherwise classified; supplies and services furnished in connection with services are also included even though they may be separately itemized.
26XX	Supplies and Materials - (a) ordinarily consumed or expended in use within 1 year, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or fixed property, or (d) other property of little monetary value.
31XX	Equipment - personal property of a more or less durable nature which may be expected to have a period of service of 1 year or more, and includes charges for services in connection with initial installation of equipment.
32XX	Land & structures

\* The 1<sup>st</sup> two digits signify the OCC. The "XX" designate possible further separation into sub OCCs. FAA Order 1375.6A lists allowable sub OCCs.

b. CAF Code. The 3-digit CAF is part of the JON structure. It affects the 32-9F and PMC by allocating project charges against the type of work being performed, as well as the asset to which the charge will eventually be assigned. It affects the line (land, buildings, facility equipment, etc.) on the 32-9F report on which the cost is shown. Proper use of this code is extremely important in properly identifying and ultimately closing out assets to the proper property account (real or personal). The CAF code is made up of three distinct elements.

(1) 1<sup>st</sup> Digit - Cost Code. This is the cost class of the funds being used and is found on labor distribution report forms, and indicates the type of work performed. Figure 7, below, describes the various codes.

FIGURE 7. COST CODES

Code	Cost Code Description	Description
0	Expense	
1	Civil Engineering	Costs related to development of project data, site evaluation, design selection, of the physical features of the project
2	Electronic Engineering	Costs related to the electronic features of the project
3	Construction	Costs related to construction, relocation, modification of facilities
4	Installation	Costs related to the actual installation of the electronic equipment
5	Flight Inspection	Costs related to flight inspection of the commissioning facility
6	Drafting	
7	Overhead	
8	Assigned by HQ	
9	TSSC	TSSC contract costs

(2) 2<sup>nd</sup> Digit - Asset Code. This code identifies how expenditures will ultimately be classified (as real or personal property). Coding is based upon the expenditure's purpose. Figure 8, below, describes the various codes.

FIGURE 8. ASSET CODES

Code*	Asset Code Description	Resultant Asset
0	Expense	none
1	Land purchase	real property
2	Building	real property
3	Other construction/structure	real property
4	Facility Equipment	personal property
5	Administrative Equipment	personal property
6	Development Equipment, prototype and experimental	personal property
7	Other equipment	personal property
8	Leasehold Improvements	real property

\*Any use of Asset 1, 2, 3 or 8 requires a Real Property Inventory (RPI).

HINT: Because of how DAFIS interprets various coding combinations, always use a "0" cost code with a "0" asset code.

(3) 3<sup>rd</sup> Digit - Function Code. For purchases, always use zero "0".

**3-15. REGIONAL FABRICATION.** When an IPT "contracts" with a region for a regional fabrication, the region becomes a vendor to the IPT. Paragraph 3-7.d on page 3-8 describes the IPT part of this process.

- a. Once the "fabricating" region receives the PA:

- (1) The IC establishes a "manufacturing" JON to record and track its manufacturing costs as they occur.
- (2) The F&E project materiel manager requisitions, and the consignee receives, any materiel provided by the IPT.
- (3) The F&E project materiel manager includes the materiel provided by the IPT on the "manufacturing" JON (as FS 1 materiel).
- (4) The IC fabricates, modifies, reconfigures, or incorporates the equipment, as required.
- (5) The F&E project materiel manager notifies the IPT when the region is ready to ship the items.
- (6) Either the F&E project materiel manager or the site prepares the FAA Form 4650-12 to ship the materiel to the receiving region, depending on regional procedures. The individual at the site responsible for logistics functions makes transportation arrangements to ship the materiel, including any required packaging and handling. If the equipment had been provided for modification, etc., the receiving documents related to the original item are also sent to the receiving region. A copy of the bill of lading is provided to the F&E project materiel manager. The FAA Form 4650-12 is distributed as follows:

- Original to consignee
- One copy to the receiving region's F&E project materiel manager
- One copy to the sending region's F&E project materiel manager
- One copy to the sending site
- Two copies remain with the equipment

(7) The F&E project materiel manager closes out the fabricating JON. All dollars associated with the fabricating work are included in the value of the items being shipped. If the 32-9F subtotal equals \$100,000 and ten items are fabricated, then each of the items would be valued at \$10,000. The fabricating region issues a FAA Form 4650-12 transferring the property, and an Inter Office Transfer Voucher (IOTV) transferring the dollars, to the receiving regions as the value of the equipment will be capitalized by the receiving region.

b. The "receiving" region's:

(1) Consignee provides a signed copy of the FAA Form 4650-12 to their F&E project materiel manager.

(2) F&E project materiel manager notifies the fabricating region and the IPT when shipment is received.

(3) F&E project materiel manager picks up the cost of the fabricated item to RPMMS (as FS 1 materiel).

(4) Accounting office adds the value of the fabricated item to DAFIS (as FS 1 materiel).

### **3-16. ORDERING FROM THE FAALC.**

a. F&E Materiel.

(1) IC project engineers request the F&E project materiel managers requisition materiel so that it arrives on schedule. Requests should be made in writing, at least 30 days before the materiel is needed at the site.

(2) Prior to requisitioning materiel from the FAALC, the F&E project materiel manager:

(a) Determines if special unloading or storage arrangements are required by contacting the applicable SMO/consignee to advise them what is being ordered. This is done so they can make proper unloading/storage arrangements prior to the shipment's arrival.

(b) Verifies the materiel is on hand at the FAALC, by either looking at the latest PSR or the inquiry screen from the PMMS.

(c) Confirms the accuracy of the Supply Support Code before processing the requisition.

(d) Contacts the WIM if the item is not on hand or available, giving a justification for the requirement and requesting that the WIM make the item available. Internal coordination with the project engineer is required to transfer assets. If approved, the item can be ordered from the second project, using the shipping address and JON of the receiving project. (Remember to maintain proper paperwork cross references for these actions to ensure both projects have an audit trail.) If no assets are available, the F&E -project materiel manager informs the project engineer. The project engineer then decides what to do to minimize any resulting financial/scheduling problems associated with the delay.

(3) Once the requisition is processed, the item(s) is pulled and shipped to the site from the FAALC warehouse. PMMS updates the status of the requisition to "FAALC shipped."

(a) If an F&E requisition requires materiel delivery before the normal 15-day period, the F&E item managers expedite the processing of delivery documents. The requisitioner's name and a 24-hour phone number are required prior to beginning action to expedite.

(b) When an item with a management code (placed on an item to stop its automatic issuance) is requisitioned, it shows an "unshipped" code." F&E item managers can tell which management codes they can bypass. On those items, they process an override and send it to the warehouse for shipping. For those codes that cannot be overridden, they contact the WIM to determine if the code is still required. If it is not, the F&E Item manager removes it and processes the requisition. If it is still needed, they inform the F&E project materiel manager why the requisition cannot be processed.

(c) If a requisitioned item cannot be shipped because it is being inventoried, the F&E item manager contacts the F&E project materiel manager within 3 days by telephone or facsimile to let them know the item is being inventoried. The item will be shipped once the inventory has been completed and the code is lifted. The requisition stays suspended and on the F&E item managers' queue until the code is removed. Sometimes the F&E item manager can ship items on inventory freeze by preparing a FAA Form 4650-12.

b. Operations (OPS) Materiel. Regions can order OPS materiel via the LIS on-line requisition process within 60 days of commissioning. The requisitioner provides copies of the requisitions to the F&E project materiel manager for inclusion in the JON file if ordered locally.

**SECTION 4. REFINEMENT OF ENGINEERING  
PLANS/SUPPORT/REQUIREMENTS  
PROJECT TRACKING**

**3-17. HEADQUARTERS IPT.**

a. The acquisition IPT works with the IC to identify project requirements on the In Service Review (ISR) checklist and monitor the items during the life cycle of the project. The ISR process ensures supportability of the equipment/system after installation.

b. IPTs are accountable to the IPT Lead for periodic briefings of overall program status. The briefings, which focus on significant issues/items that may impact the program activities/schedule, are based on the Program Status Report that is prepared bimonthly with monthly schedule updates.

c. The acquisition IPT coordinates updates to the MDFM. Program/contract schedules are validated through the Program Status Report and major end item delivery dates are reviewed/updated for entry into MDFM.

d. The IPTs review and approve regional requests for recommitment/reassignment of F&E assets to meet regional priorities. Based on the Program Status Report, original requirements are reviewed, revalidated and schedules adjusted as required.

e. The acquisition WIMs reflect current availability information in PMMS based on the Program Status Report. This definitizes the system delivery schedule. Validated delivery schedules used to update major end item delivery dates in MDFM are distributed to the WIMs/program analysts and used to update applicable PMMS due-in dates. Both systems contain availability

information. The MDFM contains the CIP number, location identification, and a hardware delivery date for major end-items. The PMMS identifies each item being delivered by stock number and its associated due-in (delivery) date. PMMS projects are identified by a PCN.

(1) There is an interface between the two systems which updates the PMMS due-in date with the MDFM hardware delivery date whenever there is a PCN + stock number match. To create this match, the PCN and an associated stock number from PMMS need to be added to the MDFM. Since each PCN may have many stock numbers, the WIM/program analyst selects what they consider the "driver" or "most important" stock number in PMMS for each project.

(2) At the beginning of each month, PCNs (and driver stock number) for all projects established in PMMS during the preceding month are provided to the applicable support contractor responsible for that project.

(3) The support contractor enters the PCN and stock number into MDFM. Procedures for MDFM data entry are contained in the MDFM user guides, available from the MDFM program office (AND-210). After the PCNs and stock numbers are entered into the MDFM, any end-item delivery date change made to the MDFM will also be made in PMMS.

(4) Since each MDFM record contains only one stock number, only that specific stock number's due-in date (for each applicable PMMS record) is updated via this process. All other PMMS due-in information (for the remaining stock numbers listed on a PCN) must be updated individually by the WIM/program analyst. For example, if a PCN has 20 stock numbers associated with it, only one will be updated via the MDFM interface. The

remaining 19 must be updated according to normal PMMS due-in update procedures.

f. The acquisition IPT monitors contract performance, schedule, progress payments, etc. Related contract documents are maintained for reference in working with ASU's contracting officers/specialists in formal contract management.

### **3-18. IC ENGINEERING/PLANNING PLATFORMS.**

a. Project engineers work closely with the appropriate IPT in the developing of NAILS requirements.

b. Project engineers refine engineering plans (drawings and specifications) and send engineering plans to the field for review.

c. Before beginning the construction and installation phases of a project, project engineers coordinate between the SMOs and the F&E project materiel manager on deliveries, delivery dates, project status, and requisitioning requirements. They work with the F&E project materiel manager to make sure materiel on the PSR accurately reflects project requirements.

d. During site survey, the project engineers survey the project site to determine if additional storage space is required. If required, they work with the local (field) logistics contact and/or the F&E project materiel manager to make sure adequate storage space is available before requesting materiel be requisitioned from the FAALC.

e. Through the RTP network, the IC planning platform and the project engineer track projects, maintain funds control, and update project plans and milestones.

### 3-19. REALIGNMENT/REPROGRAMMING ACTIVITIES.

a. Within the procedures listed below, ICs can realign/reprogram funds identified as excess to the needs of the JON:

(1) For active appropriations:

(a) The IC is allowed to move funds within the same budget line item (BLI) so long as the BLI has not been marked as "special interest" by Congress or has otherwise been restricted by the pertinent headquarters IPT. This is not reprogramming, but realigning. There are no budgetary constraints connected with this action. However, new PAs are needed. Using the BXM system, the IC needs to request a new PA from ABU-300 within 3 days of realigning the funds.

(b) Moving funds to a different BLI is reprogramming. The IC is allowed to move funds to a different BLI, not to exceed the following dollar thresholds.

(i) If the BLI is \$25,000 or less, decrease up to the entire amount.

(ii) If the BLI is between \$25,000 and \$330,000, decrease the authorization up to 100% of the authorization or \$50,000, whichever is less.

(iii) If the BLI is over \$330,000, decrease the authorization up to 15% or \$90,000, whichever is less.

(iv) If the BLIs involved are not "special interest" to Congress or the appropriate headquarters IPT.

(2) ICs may not realign/reprogram dollars on expired appropriations.

(3) See Appendix F, TSSC Materiel and Accounting Requirements, for guidance on retasking and reprogramming dollars associated with the TSSC BLI.

b. Proper Use of G-Schedule Transfers.

(1) The G-Schedule is an accounting action that transfers expenditures from one JON to another JON. It can be used on individual transactions and travel items, without coordinating with other organizations. All documentation supporting these transfers must be provided to the F&E project materiel manager for inclusion in the project folder. In order to do a G-Schedule on a contract, both the "donor" and "receiving" JONs must be currently on the contract.

(2) Coordinate TSSC G-schedules with individual who authorizes payment of the TSSC invoice so that their records and Unitrack can be kept updated; e.g., TSSC ATO and the local funds certification officer, prior to the transfer. Do not use a G schedule on TSSC work releases that have not been closed out (approved "Z" revision).

(3) This is not a method to circumvent reprogramming restrictions, so the JONs should either be related or the action due to an incorrect entry by the accounting code originator.

### **3-20. FAALC F&E ITEM MANAGEMENT.**

a. The F&E item managers monitor PSRs to see if repairs are required. Repair availability dates are updated when FAALC has support responsibility. Some requirements contained on PSRs

are in "reparable" condition in FAALC stock. Repair actions are not routinely started. The F&E item managers initiate repair action at the request of the WIM when serviceable stock cannot meet immediate needs.

b. The FAALC Transportation Services Branch maintains shipping documents related to FAALC issues of project materiel in shipping date sequence to provide shipping information and for research in the event of discrepant shipments. These files are kept for a minimum of 2 years so they can respond to inquiries from headquarters, regional personnel, and the FAALC F&E inventory managers.

## **SECTION 5. NATIONAL INVENTORIES**

### **3-21. MANAGING HEADQUARTERS INVENTORY.**

a. Project and Item Management.

(1) The WIMs are the contact points for information relating to specific items required for NAS F&E projects, including item availability. They enter and update availability information into the PMMS and coordinate regionally requested changes to and transfers of project materiel with the affected IPTs.

(2) The requiring IPTs are to respond to regional project change requests (in coordination with the WIM) within 10 working days from the date the request was made.

b. In-Place Shipment Inventories. In-place shipments occur when the FAA legally takes title to and responsibility for materiel while the contractor retains physical control. (These requirements do not apply when contractors are authorized to hold the property under applicable Government Furnished Property

(GFP) regulations.) When this occurs, the acquiring IPT accepts responsibility for that materiel. As such, they assume the same inventory management and reporting requirements as regions do if the materiel had been shipped to a FAA site. It includes making arrangements for and funding for future shipping arrangements, as well as making sure materiel is properly packed and stored (by following minimum control measures listed below).

(1) Keep all documents on in-place shipments in a separate file. Include shipping authorizations, contractual agreements to store the materiel, and any documents showing later shipments to a FAA site.

(2) Include the following requirements in all contractual agreements for storing in-place shipments.

(a) The contractor must possess insurance coverage equal to the value of the property.

(b) Any storage facility a contractor uses must include a sprinkler system with an alarm and an adequate security system.

(c) The contractor verifies that its legal liability that meets General Services Administration (GSA) standards.

(d) The contractor supplies the Industrial Evaluation & Contract Support Branch, ASU-210, with a yearly Government Furnished Property/Contractor Acquired Property Inventory record.

### 3-22. FAALC F&E INVENTORY MANAGEMENT.

a. F&E item managers maintain an inventory of all F&E stock held at the FAALC through cyclic and special inventories performed by FAALC. When discrepancies are found, they research the history file in LIS and make adjustments to the master inventory record as necessary. They also respond to and advise headquarters/regional organizations on F&E inventory problems resulting from management code assignments and inventory freezes.

b. F&E item managers utilize the files relating to FAALC issues of project materiel, maintained in the Transportation Services Branch, in shipping date sequence, to provide shipping information and to respond to inquiries from headquarters and regional personnel.

c. F&E item managers initiate transfers of F&E stock to OPS inventory when directed by the IPT (in the case of an exigency) by adjusting the inventory record and notifying the warehouse to physically move the affected stock from F&E to OPS storage.

d. The F&E item managers review and resolve problems, such as warehouse refusals, price reviews, shipping discrepancies, condition code changes, receipt document errors, etc.

e. F&E item managers issue work requests to FAALC shops whenever F&E stock needs to be modified (because of an equipment revision), broken down (splitting a dual system or one that contains modules), or cannibalized (to acquire parts to be used in repairing other systems). When cannibalizing or breaking down the entire quantity of an item, individual parts are entered into LIS under their own stock number, the residue excessed, and the original stock number is deleted off the master inventory record.

When this action is taken on a portion of the stock on hand, the quantity on hand is reduced accordingly. For revisions, the quantity being modified is shown on the master inventory record as "in shops" and not available for issue. Once modified, the materiel is returned to "serviceable" stock.

## **SECTION 6. REGIONAL INVENTORIES**

**3-23. MATERIEL HELD AT A STAGING AREA.** When materiel is received for a JON but held in a staging area, code it in RPMMS as materiel class (MC) 1 "reserved for and identified by a specific job, but being held until needed for the project," or MC 3 "reserved," depending on its status. When it is moved to the project site, change it to MC 2 "Work in Process." This identifies it as being at the project site for installation.

**3-24. LOGISTICS INVENTORY MANAGEMENT.** The F&E project materiel manager:

a. Maintains a file on each JON. Figure 9, Required 3<sup>rd</sup> Party Documentation, on page 3-32 lists documentation required in the JON file. To make sure the JON file has all required 3<sup>rd</sup> party documentation required to support the materiel and other costs associated with a JON, a Document Control Form (see figure 10 on page 3-34) was designed. This includes 32-9F header and subtotal information and the DAFIS "MIR" transaction information. It shows the F&E project materiel manager what 3<sup>rd</sup> party documentation should be in the file, alerting him or her to request any missing documents from the document owner.

b. Reviews PMMS, RPMMS, and DAFIS reports when received, or if available, online.

(1) Reconciles the monthly DJO and PMC reports against previous reports and suspense items to verify acquisition/shipping documents were processed and signed documents received.

(2) Reviews PSRs for accuracy (GSA address, JON, location, etc.), and as necessary updates (extend) project start dates, place names, JONs, SSCs, and type-of-work codes, and reduce/delete item quantities. Changes to other portions of the PSR are submitted to the requiring WIMs PMMS suspense file in PMMS.

(3) Reviews various other reports and information to make sure potential problems are recognized and resolved.

c. Transfers inventory within RPMMS between JONs, MCs, and from/to PPIMS as requested by the project engineer.

d. When low dollar value, miscellaneous expendable supplies are acquired, they are normally included on the PMC under a regionally assigned stock number. The stock number should be configured to readily distinguish it from other purchases and the description should begin with an "I" such as "installation." For "this" item dollars can be added without the quantity being changed.

e. Reviews receiving documents for signature, and line-item accountable information. If missing, they contact the consignee to get the required information. Updates the PMMS due-in file for nationally shipped items.

FIGURE 9. REQUIRED 3<sup>rd</sup> PARTY DOCUMENTATION

(1) Regionally funded acquisitions

Expenditure	Documentation Required	Document Owner
Contracts (excluding TSSC)	1) Face page of contract + additional pages as required to determine the scope of the project 2) Modifications that either change the scope or add dollars to the JON 3) Invoices for expenditures against the JON*	1) Contracting office 2) Contracting office 3) Accounting office
Contract (TSSC)	1) Face page of work release + additional pages as required to determine the scope of the project 2) Modifications that either change the scope or add dollars to the JON 3) TSSC invoice coversheet with the ANI monthly accounting payment sheet	1) Contracting office 2) Contracting office 3) TSSC ATO
Purchase Order	1) Face page of PO + additional pages as required to determine the scope of the project 2) Modifications that either change the scope or add dollars to the JON 3) Invoices for expenditures against the JON	1) Contracting office 2) Contracting office 3) Accounting office
Credit Card	Credit card statement for purchases over \$500 (be annotated with purchase description and accounting codes, including CAF and JON)	Credit card holder, purchaser
Third Party Draft	Third Party Draft for purchases over \$500 (annotated with accounting codes)	Purchaser
Flight Check	Interoffice Transfer Voucher (IOTV)	Accounting
Teleco services (recurring charges)	None	
Teleco services (one time charge for new construction)	1) Applicable headquarters contract modification 2) Breakout of the region's portion of FAA's monthly telecommunication invoice (from AMZ-100)	1) AXX-470 (who receives a copy from the IPT Contracting Officer) 2) Accounting office (who receives a copy from AMZ-100)
Teleco equipment	1) Applicable headquarters contract modification 2) Breakout of the region's portion of FAA's monthly telecommunication invoice (from AMZ-100)	1) AXX-470 (who receives a copy from the IPT Contracting Officer) 2) Accounting office (who receives a copy from AMZ-100)
Transfers from another region	Copy of the FAA Form 4650-12 from the shipping region (showing the applicable JON).	Shipping Region's Logistics Division
Deeds	Face page showing description of property and date of acquisition	Real Estate office

\* For construction contracts, the invoice may be a periodic or progress payment against work performed. If more than one JON is involved, the project engineer is to indicate on the invoice certification what amount is to be applied to each JON.

(2) Nationally funded acquisitions

Expenditure	Documentation Required	Document Owner
Contract	Receiving report; e.g., FAA Form 4500-1, DD 250, or FAA Form 4250-4 (showing the applicable JON)	ARA IPT (Washington Item Manager) and Consignee
Purchase Order	Receiving report; e.g., FAA Form 4500-1, DD 250, or FAA Form 4250-4 (showing the applicable JON)	ARA IPT (Washington Item Manager) and Consignee

HINT. Use the DAFIS "MIR" report to substantiate charges under \$500. This can easily be done by sorting the report according to dollar value and transaction code.

HINT: A JON should be 100% documented. However, it will be considered "fully documented" if the documentation contained in the JON file for required regionally and nationally funded acquisitions, when added to the labor, travel, and overhead columns of the 32-9F, equals or exceeds 97% of the subtotal amount on the 32-9F. The file must contain an explanation as to what actions were done to acquire the missing documentation and a reason why it could not be provided.



f. Prepares FAA Form 4650-12s at the project engineer's request, verifying the equipment to be transferred is in the correct JON. Once a signed receipt is returned from the consignee, they delete the materiel from the "losing" JON (RPMMS) record and add it to the receiving JON (when the transfer is within a single region). The project engineer provides an appropriation code if a GBL is required. They also coordinate transfers involving nationally furnished materiel with the applicable IPT.

g. Partially closes out JONs, as required, transferring property to the appropriate real or personal property in-use property management system.

h. Sends a copy of the Quarterly Project Materiel Management Report (see appendix C, figure 7 on page C-9) to the AFZ-500.

**3-25. IC INVENTORY MANAGEMENT.** Project engineers make sure onsite representatives coordinate with the SMO manager or designee prior to removing any project materiel from the site/project. No property will be moved from the site without appropriate paperwork. Project engineers make sure the F&E project materiel manager receives a request to prepare any paperwork required to adjust the inventory when removing project materiel from the site. Once the transfer is complete, they also provide the documents to the F&E project materiel manager.

### 3-26. FIELD INVENTORY MANAGEMENT.

a. Property Identification. The field:

(1) Has 5 days in which to provide receipts, with accountable property information annotated, to the F&E project materiel manager. This requires identification of the data elements needed to account for each item; e.g., a bar code label and code strip information (figure 41 on page 3-12).

(2) Identifies and controls the use of project materiel stored at the JON site by use of an F&E identification tag (see figure 11 on page 3-37) attached to the materiel.

b. Inventory Management. The field:

(1) Maintains documents in their JON file; e.g., receiving documents, PMCs, DJOs, partial closeout packages, etc.

(2) Segregates F&E materiel from OPS and excess materiel in a secure area. Keeps materiel for a specific job together as much as possible to make it easier to identify when installation begins.

(3) Coordinates any problems related to inventory management, receiving, storage, "lost, damaged, or destroyed" equipment, erroneous transfers of F&E equipment from the project, etc., with the F&E project materiel manager.

FIGURE 11. F&E IDENTIFICATION TAGS



### **3-27. STORING PROJECT MATERIEL.**

a. Regional AF, IC, and logistics offices work with SMO to make sure there is adequate storage for project materiel. Off site, commercial storage areas may be needed if adequate in-house storage is not available. Project engineers are to make sure adequate storage space is available before requesting the F&E project materiel managers to order materiel from the FAALC.

b. If requested by the project engineer, the field logistics specialist checks into commercial storage within the SMO, getting an F&E appropriation code from the F&E project manager. When the F&E installation crew is ready to begin installation, the project engineer works with the SMO to return the stored materiel to the site. This can be by either commercial transportation services or the use of FAA vehicles.

c. When commercial storage is required, the property custodian makes sure there is a complete inventory listing, acknowledged by signature, by the storage facility. The custodian also maintains records identifying items in commercial storage in the SMO office.

### **3-28. INTERIM (PARTIAL) CLOSEOUT ACTIONS.**

Regardless of a JON's status, F&E project materiel managers initiate partial (or interim) closeouts on projects based upon the following criteria. Refer to paragraph 4-8 on page 4-10 for guidance on partially closing out JONs.

a. Real property. The asset must be a "whole" asset as defined in Appendix A. You would not closeout a building foundation by itself. Sometimes a JON is complete, but there is no completed asset; e.g., the JON was for site preparation only. When this occurs, add a future commissioning date in RTP for the JON.

This justifies leaving the JON "open" until the companion JON completing the asset is completed. Refer to real property guidance as to when a real property asset valued under \$25,000 is added to RPR/REMS. Make sure the "completed" JON's project folder identifies any companion JONs as a cross-reference.

- (1) Owned land and land rights - Once title is acquired.
  - (2) Owned building – Once the building is deemed either occupied or physically complete. If purchasing a building, it will be when title is taken. If the building is new construction, it will be the date of acceptance as shown on the Contract Acceptance Inspection (CAI).
  - (3) Owned other structures - When the asset is physically and "substantially" financial complete or placed in service. If purchasing a structure, it will be when title is taken. If the structure is new construction, it will be the date of acceptance as shown on the CAI.
  - (4) Assets under capital lease – When the asset has been accepted or when beneficial occupancy has taken place, as shown on the CAI.
  - (5) Leasehold improvements - Once the improvement is deemed physically complete, accepted, or beneficial occupancy has taken place, as shown on the CAI.
- b. Personal property. The facility must be in a precommissioned or commissioned status in order to transfer an asset to PPIMS.

(1) Installed F&E and related installation charges (asset class 61) - Once the facility, system, or equipment is commissioned and/or placed in service. If the work being done is an improvement to the facility/equipment, record that portion of the cost relating to the improvement as a separate record in PPIMS and capitalized the record if it meets the capitalization criteria

HINT: The facility must be in a precommissioned or commissioned status in FSEP and be in the PPIMS Facility Table File in order to transfer an asset to PPIMS.

(2) Line-item accountable property; e.g., computers, portable test and communications equipment - Within 30 days after receipt and entry into the RPMMS.

(3) Aircraft and aircraft engines - At the time the airframe or engine is placed in service.

(4) Administrative information systems - When placed in use.

c. Special JON Types. Dollars associated with group JONs, identified in paragraph 2-8 on page 2-7, are sometimes associated with a specific F&E NAS project/site. At other times, funds cannot be associated with a project/site or the work being done is for general maintenance and upkeep, not system establishment, relocation, replacement, or upgrade. Listed below are examples of what would be considered general maintenance and upkeep work. Expenditures associated with these projects are expensed (versus capitalized). The proper treatment of costs and closeout/capitalization actions associated with group JONs are shown below.

Type of work

Removal of asbestos in buildings or soil  
Removal of lead based paint in buildings or soil  
Architecture and engineering costs ( rendering, soil testing, drawings)  
Decommission of facilities, demolition of buildings and structures (when no replacement is to take place)  
Environmental audits, studies, reports, and inventories  
Environmental due diligence audits (EDDA) for land disposal (versus land acquisition)

(1) HAZ/OSHA.

(a) For JONs that do not include equipment or materiel, expense all costs. When possible, expense costs as they are incurred by using a "\_ \_" (blank blank) materiel asset cost (MAC) code and "000" CAF code.

(b) For JONs that include equipment or materiel, follow standard procedures for tracking materiel on RPMMS and closing it out into a corresponding property account if property meets accountability thresholds. Otherwise, expense.

(2) RO/Various. Expense JONs for overhead expenditures. Review other JONs to see if any labor or materiel charges are for site-specific capitalizable (versus maintenance) work. If/when site-specific JONs are set up, transfer applicable charges (labor and materiel) to the appropriate JON. If for capitalizable work, follow standard procedures for tracking materiel on RPMMS and closing it out to its corresponding property account if property meets accountability thresholds. Otherwise, expense all costs.

(3) LSSC/NISC. Follow the directions under RO/Various.

d. Special Projects. For special projects such as flood recovery, use the following guidelines.

(1) If facility/equipment (real or personal) is destroyed, follow directions to remove the destroyed equipment from the appropriate property system and treat the cost as a loss in DAFIS. Pick up the new facility/equipment on property records and in DAFIS as any new equipment or facility. If an asset is not destroyed, but restored to its previous operational capability, expense the restoration costs.

(2) If the restoration "improves" the facility/equipment, record that portion of the project cost relating to the improvement as a separate record in PPIMS or RPR/REMS and capitalized the record if it meets the capitalization criteria.

e. Reimbursable Projects. An "8" in the 2<sup>nd</sup> digit of a JON indicates the project is reimbursable. In addition, some old reimbursable JONs used "7" as the 2<sup>nd</sup> digit. These old agreements may not all be closed. Beginning in FY 1999, reimbursable projects also have an "X" as the 1<sup>st</sup> digit. The reimbursable agreement designates whether or not FAA has title and is available from the applicable ANI IC project manager.

(1) Treat reimbursable projects the same as non-reimbursable projects when FAA has title to any acquired facilities or equipment for recording to the appropriate property system. Within accounting, nationally procured equipment is recorded in the same manner as direct JONs. Treat all other charges as donated capital.

(2) Expense all costs on reimbursable projects when FAA does not have title to any acquired facilities and/or equipment.