



**SPECIAL ADDENDUM 1
TO
SPECIAL PROVISIONS
CONTROL AND ACCOUNTABILITY
OF PROPERTY IN THE POSSESSION OF CONTRACTORS**

For purposes of this purchase agreement/contract, in Sec Doc 300 (10/96), “Special Provisions – Control and Accountability of Property in the Possession of Contractors”:

A. In **Section XII “REPORTING REQUIREMENTS”**, delete in its entirety and replace with the following:

For the purposes of this purchase agreement/contract with Lockheed Martin, the CONTRACTOR shall prepare and submit to Lockheed Martin a quarterly property report, known as the “Financial Data Report,” in the form of a spreadsheet in an Excel format to include detailed data of all of the property they have accountable to the contract.

A Government fiscal year (1 October – 30 September) shall be used. The first quarter is from 1 September through 30 November, with the spreadsheet due no later than 7 December. The second quarter is from 1 December through 28 (29) February, with the spreadsheet due no later than 7 March. The third quarter is from 1 March through 31 May, with the spreadsheet due no later than 7 June. The fourth quarter is from 1 June through 31 August, with the spreadsheet due no later than 7 September. (These reports will replace the annual financial report and the quarterly reports previously submitted.) The format is attached.

- (i) Newly acquired items of equipment with a value at \$100,000.00 or over will be accompanied by the appropriate source documentation. Source documentation is defined, in order of acceptability, as (1) invoice; (2) purchase order; (3) purchase request; (4) receiving document or DD Form 1149; (5) catalog listing or similar documentation; or (6) a previously documented cost estimate.

Government Furnished Material (GFM) and Contractor Acquired Material (CAM) will be formatted using only 1) the Property Classification Code, GFM or CAM, and 2) the total value. Reporting of separate items or line items is not required.

The Financial Data Report must be submitted electronically. The format and instruction follow:

MS Excel Format for Financial Data Report Submittals

Single Column Location (Locations of building and room together)

| Nomenclature | Mfr. | Model # | Part # | Serial # | Property Classification Code | Acquisition Date | Disposition or Transfer Date | Contract # Asset Was Received From or Transferred To | Property Tag # | Location Bldg/ Room | Original Acquisition Cost |
|--------------|------|---------|--------|----------|------------------------------|------------------|------------------------------|--|----------------|---------------------|---------------------------|
|--------------|------|---------|--------|----------|------------------------------|------------------|------------------------------|--|----------------|---------------------|---------------------------|

Dual Column Location (Locations separated by building and room)

| Nomenclature | Mfr. | Model # | Part # | Serial # | Property Classification Code | Acquisition Date | Disposition or Transfer Date | Contract # Asset Was Received From or Transferred To | Property Tag # | Location Bldg | Location Room | Original Acquisition Cost |
|--------------|------|---------|--------|----------|------------------------------|------------------|------------------------------|--|----------------|---------------|---------------|---------------------------|
|--------------|------|---------|--------|----------|------------------------------|------------------|------------------------------|--|----------------|---------------|---------------|---------------------------|

For material GFM/CAM, the only columns required for reporting are Property Classification Code and Original Acquisition Cost.

| Contract Reference Number | Property Classification Code | Original Acquisition Cost |
|---------------------------|------------------------------|---------------------------|
|---------------------------|------------------------------|---------------------------|

Guide

1. Financial (quarterly spreadsheet) submissions must include all columns, whether or not they are being populated. Hidden columns will cause the upload to fail as the system reads hidden data.
2. All submissions must begin on Row 2 if using an Excel spreadsheet.
3. Do not include totals or subtotals in the spreadsheet as the system will try to read each line as a line of property data, and will fail when it reads these lines.
4. All dates must be entered in a standard date format. Files submitted with dates formatted, as strings cannot be processed. It is also advisable to verify that the date values are not out of range, for example "01/01/1900" instead of "01/01/2000," or "31 Jun 00" instead of "30 Jun 00."
5. If acquisition costs are included in another line item, the entry without a separate cost should be filled in with a zero. Do not include text in any cost field. If using number formatting with two decimal places, do not include commas separating the thousands.
6. Each row must be a single line item, except for CAM and GFM.
7. Property classifications must use one of the accepted acronyms (*i.e.*, L, RP, EQ, OPE, PE, IT, ADPE, STE, ST, APP, AP, GFM, or CAM). If you insert numerical codes or full text in this field, the file will be rejected.

Code Description

ADPE Automated Data Processing Equipment

AP Agency Peculiar Military Property

APP Agency Peculiar Property

CAM Contractor Acquired Material (Government Owned)

EQ Equipment

GFM Government Furnished Material

IT (ITE) Information Technology Equipment

L Land

OPE Other Plant Equipment

PE Plant Equipment

RP Other Real Property

ST Special Tooling

STE Special Test Equipment

8. The reference number must be placed on the tab for each Excel worksheet. Multiple contracts may be submitted in one file/workbook, but the tabs must reflect each reference number. To ensure you are using the correct reference number, contact your LOCKHEED MARTIN Subcontract Administrator to determine the reference number used for the initial upload.
9. Do not place classification headers and footers on the spreadsheets. The system will try to interpret those as line items and will reject them.
10. To submit a row with CAM and GFM, place the applicable acronym in the property classification field and populate the acquisition cost field. Do not include any additional information such as vendor notes.
11. For new property items with an acquisition value of \$100,000 or more, valuation documentation must be submitted as an attachment to the corresponding property report. The system can accept a scanned document.
12. **Mandatory Data.** For financial submissions of property reports, the following fields/columns are mandatory: Nomenclature, Property Classification, Acquisition Date, Property Tag Number, and Original Acquisition Cost. Files with missing mandatory data cannot be processed.
13. Property tag numbers for individual line items **MUST** be unique. **ALL** line items **MUST** contain a property tag number. Duplicates will result in submission failure. It is acceptable to use the serial number as the property tag number if approved by your LOCKHEED MARTIN Subcontract Administrator. This does not apply to Inventory Schedules and LDD reports for CAM/GFM.

B. In Section XVI “LOSS AND DAMAGE”, delete in its entirety and replace with the following:

CONTRACTORS shall report to LOCKHEED MARTIN all cases of loss, damage or destruction of LOCKHEED MARTIN/ Government-owned property in their possession or control, which is accountable under purchase agreement/Contract, as soon as such facts become known. When physical inventories, consumption analyses, or other actions disclose (1) excess consumption of LOCKHEED MARTIN/Government-owned property or (2) loss, damage or destruction of LOCKHEED MARTIN/Government-owned property, the CONTRACTOR shall submit a report on the following format electronically to LOCKHEED MARTIN Property Management.

LOCKHEED MARTIN will notify CONTRACTOR of disposition.

MS Excel Format for LDD Report Submittals

| | A | B | C |
|---|----------------------------------|----------------------|---------------------|
| 1 | Contract Reference Number | LDD Indicator | Property Tag |
| 2 | Sample Contract Number | Damaged | 47910291001 (e.g.) |
| 3 | Sample Contract Number | Damaged | 57910291001 (e.g.) |

1. LDD submittals for other than CAM and GFM require only two columns. The first column is the LDD Indicator (e.g., lost, damaged, destroyed). The second column is the property tag number. Once again, the contract reference number will be placed on the worksheet tab. When submitting an LDD, you are required to submit a letter of explanation, which should also be uploaded at the same time as a document upload.
2. Once again, since records for CAM and GFM are loaded as a summary line, the LDD reports require additional columns of data.

| Contract Reference Number | Classification | Nomenclature | Quantity | Unit of Measure | Unit Cost | Total Cost |
|---------------------------|----------------|--------------|----------|-----------------|-----------|------------|
| | | | | | | |

C. In Section XVII “PROMPT REPORTING OF EXCESS GOVERNMENT PROPERTY”, delete paragraph B in its entirety and replace with the following:

As property becomes excess, the CONTRACTOR shall submit a request for disposition instructions electronically to LOCKHEED MARTIN Property Management using the following format:

MS Excel Format for Disposal Inventory Schedule Submittals

| | A | B | C | D | E |
|---|----------------------------------|----------------------|-----------------|-----------------------|----------------------------|
| 1 | Contract Reference Number | IS Ref Number | DMZ Code | Condition Code | Property Tag Number |
| 2 | Sample Contract Number | Sample Ref No | A | A1 | 77790675400 (e.g.) |
| 3 | Sample Contract Number | Sample Ref No | A | A1 | 7779067401 (e.g.) |

1. Inventory Schedules for identified property will require submittal in the above format. Column A denotes the subcontract number to which the property is accountable. Column B is your Inventory Schedule reference number. Column C is the DML code. See DML table below. Column D is the condition code. See the table below for condition code descriptions. Column E is the property tag number.

Guide

DML Decision-processing Tool

The following is a decision-processing tool using question and answer to assist in the assignment of demilitarization codes to property. This tool is not intended to be all inclusive, but rather a general guide to code assignment.

1. Is the item commercially available and has not been specifically designed, modified or configured for military use?
 - a. If yes, does item appear on the Commodity Control List with an Export Control Classification Number ending with "A" or "B"?
 - i. If yes, assign DEMIL Code "Q".
 - ii. If no, assign DEMIL Code "A".
 - b. If no, continue to Paragraph 2.
2. Is the item on the US Munitions List (USML), Appendix 1 of the DEMIL Manual, or is the item a part, repair part, component, subassembly, key point, etc. of an item appearing on the USML, or does the item have an offensive or defensive capability or contribute to that capability?
 - a. If yes,
 - i. Is the item classified?
 1. If yes, assign DEMIL Code "P".
 2. If no, continue to 2(a)ii.
 - ii. Does item fit the definition of Ammunition, Explosives and Dangerous Articles (AEDA)?
 1. If yes, assign DEMIL Code "G".
 2. If no, continue to 2(a)iii.
 - iii. If item does not meet criteria 2(a)i or 2(a)ii, continue to Paragraph 3.
 - b. If no, return to Paragraph 1 above...
3. Is the item mentioned in the corresponding category of Appendix 4 of the DEMIL Manual?
 - a. If yes, review corresponding category (see DEMIL manual) and determine appropriate DEMIL Code.
 - b. If no, assign DEMIL Code "B".

Code Description

- A** Non-Munitions List Item/Non-Strategic List Item -- Demilitarization not required.
- B** Munitions List Item/Non-Significant Military Equipment -- Demilitarization not required. Trade Security Controls required at disposition.
- D** Munitions List Item/Significant Military Equipment -- Total destruction of item and components so as to preclude restoration or repair to a usable condition by melting, cutting, tearing, scratching, crushing, breaking, punching, neutralizing, etc.
- E** Munitions List Item/Non-Significant Military Equipment -- Additional critical items/materiel determined to require demilitarization, either key point or total destruction.
- F** Munitions List Item/Significant Military Equipment -- Demilitarization instructions to be furnished by the Item/Technical Manager.
- G** Munitions List Item/Significant Military Equipment --Demilitarization required - AEDA. Demilitarization, and if required, declassification and/or removal of sensitive markings or information, will be accomplished prior to physical transfer to a DRMO. This code will be used for all AEDA items, including those that also require declassification and/or removal of sensitive markings or information.
- P** Munitions List Item/Significant Military Equipment -- Security Classified Item --Declassification and any additional demilitarization and removal of any sensitive markings or information will be accomplished prior to accountability or physical transfer to a DRMO. This code will not be assigned to AEDA items.
- Q** Strategic List Item -- Demilitarization not required. SLI are non-MLI and are controlled by the US Dept of Commerce through the Export Administration Regulations and indicated on the Commerce Control List, CCL. Each CCL entry is preceded by a four-digit Export Control Classification Number, ECCN. Any ECCN ending in the letter "A" or "B" is defined as a SLI. These items are subject to Import Certification and Delivery Verification control and other Trade Security Controls.

Condition Code Description

- A1** Unused: Good issuable to all customers
- A2** Unused: Fair issuable to all customers
- A3** Unused: Poor issuable to all customers
- A4** Used: Good issuable to all customers
- A5** Used: Fair issuable to all customers
- A6** Used: Poor issuable to all customers
- B1** Unused: Good restricted issue/limited use
- B2** Unused: Fair restricted issue/limited use
- B3** Unused: Poor restricted issue/limited use
- B4** Used: Good restricted issue/limited use
- B5** Used: Fair restricted issue/limited use
- B6** Used: Poor restricted issue/limited use
- F7** Unserviceable/Minor Repairs-Good
- F8** Unserviceable/Considerable Repairs-Fair
- F9** Unserviceable/Major Repairs-Poor
- HX** Condemned/Repairs >65%
- HS** Condemned/Scrap
- SS** Scrap/No value except for basic material content
- SX** Scrap/No value, repairs exceed 65% of acquisition cost

2. Since records for CAM and GFM are loaded as a summary line, the inventory schedules require 6 additional columns of data to be provided. The columns are: Classification (i.e., CAM or GFM), Nomenclature, Quantity, Unit of Measure (e.g., each, lot, feet, yards, etc.), Unit Cost and Total.

| Contract Reference Number | Inventory Schedule Reference | Classification | Nomenclature | Quantity | Unit of Measure | Unit Cost | Total Cost |
|---------------------------|------------------------------|----------------|--------------|----------|-----------------|-----------|------------|
| | | | | | | | |