

Hello, welcome to module 2 of Asset Management 101. In this module we are discussing acquisition of personal property. I'm Gwen Rush, Property Utilization Specialist in the Denver Office. Acquisition is one of my favorite things to do. I love to acquire things; furniture for my sun room, plants and fish for my pond and anything for my garden. You can always find me on a Saturday at a garage sale or a flea market. There are treasures there you can't find anywhere else. So, what exactly is acquisition?

Acquisition is the process of getting things in the most economical and practical manner. For you the property manager, acquisition is how your office's needs that were determined during the requirement determination process are filled. Acquisition can be accomplished as you will see by various methods and because acquisition most likely will involve expenditure of your office's funds it must be carried out in accordance with acquisition policies and procedures. These are spelled out in what is known as the FAR, the Federal Acquisition Regulations. Now before you get all flustered and start to run, you don't necessarily have to know the FAR inside and out. That is for your purchasing and procurement people to know. What you need to make sure of is that you and the purchasing and procurement people are buddy-buddy. But prior to going shopping, you must first decide what exactly it is that your office needs and how to acquire it with minimal damage to your office's pocket book. You've got to have a plan or you'll end up running around in circles and won't accomplish anything.

So let's go back to my shopping spree and the treasures I acquired. Once I have them in my possession I will need to inspect the items to ensure that what I have received is what I ordered and inspect my treasures to ensure none are damaged. Likewise a designated Receiving Officer must inspect what has been received before it's accepted for the government. In this module you will learn how to determine what property needs your property has which is known as requirements determination, the most cost effective method to acquire the property which is acquisition and how to receive the property which is receiving. Let's look at the requirement determination, the first step in the life cycle of asset management.

Planning ahead for upcoming property requirements can be a very cost effective way to take advantage of special buys, excess acquisition and consolidated buys. You may not always be involved in the planning process but sooner or later you'll be involved in the acquisition and receiving processes. Although property is it's own administrative function, you will soon see that it's intricately tied to purchasing and finance. It would be a good idea to make friends with the purchasing department and the finance people in your office. You all need each other to make this work smoothly. Let's set up a scenario. Your office has accepted the task of clearing a logging road that leads to an orchard. The bugs in the orchard have been unmanageable and in today's greening society, you're looking for environmentally safe ways to control the harmful bugs and leave a

green footprint in doing so. Your manager has been given a staff of three additional people to accomplish this task and a specific budget that will be managed through a project number. We'll begin with the requirement determination.

What will your manager need to support this task? The first need is for office space but will all three employees need an office or will only the project manager need an office? The Field Office Manager has determined that only the Project Manager will need an office. The other two employees will be out in the field working. The field office manager has also determined that the project manager will need a BLM vehicle assigned directly to him or her to go out to the work site daily. So if you're the fleet manager as well as the property manager you have just become involved. Your boss has come to you to get a vehicle assigned to the project manager either from your current fleet or an additional vehicle for seasonal use. The project manager will need a computer, most likely a laptop to take out in the field is needed, file cabinets, calculator, phone, copier, printer, scanner and a chair; you know the office stuff. But now for the pests you have decided that young turkey chicks are just the thing to feast on pesky bugs without harming the environment and by the way this is a true story. So you've just gone through the process of requirements determination. Now that you have an understanding of what your office needs; acquisition is the next step.

Acquisition can be accomplished by several different methods. Transfer from another BLM Office or federal agency, by trading in the old property to the vender for a fair market value, by purchasing new or used property, by leasing or renting the property, by fabricating or making the property in house or through a gift. Depending on your office dynamics, the Office Manager might go to the Procurement Officer first with their requirement determinations. However, if he or she is really with it they will first come to you, the Property Manager, because you are the one who knows if you can fill any of these requirements from property you have in the warehouse or from another BLM Office or even from excess by screening the GSA excess web site. In the FAR as well as the Federal Property Management Regulations, excess is always the first source of supply. Whatever you are able to find as excess will only cost your office for shipping or pickup; a substantial cost savings from purchasing new so if the Office Manager does not come to you first your Procurement Officer should.

Now that you're involved you're able to find the file cabinets, the calculator; seasonal vehicle from another BLM Office. You have an older copier in the warehouse that you're in the process of reporting as unserviceable and being the sharp property manager you are, you work with your procurement officer to negotiate a trade-in of the old obsolete copier for a new copier, scanner, printer and offset the purchase price by five hundred dollars, another cost savings to your office, you're good. The laptop will be purchased as well as the chair which will be a newer ergonomically sound model like this one. You're procurement

office will initiate the purchase of the property. The young turkey chicks are being purchased from a local agricultural supply store. Now you must consider the financial side of the house for the property funding codes for this purchase.

At this point the bureau's finance procurement and property system will begin to build a record of this purchase and begin accounting for any property that may be required to be added to the bureau's property system. For property that is not required to be tracked in the bureau's property system. The DI-105 Receipt for Property may be used to track and account for these property items. All three of these branches are now working together to ensure the proper finance codes are used, procurement documents are completed and a property record is set up. Now that you've taken care of the requirements and acquisition needs of the project manager in the office, you need to focus on the vehicle.

There are three other acquisition methods that we have not talked about; leasing or renting, fabricating making it in house and gifting. In this example the project is short term so you might request a seasonal vehicle from the fleet or you might consider renting or leasing a vehicle. The two person crew will need a trailer and a two hundred gallon water tank to use on the road they will be clearing. You might consider having some creative people in your office fabricate the equipment, maybe they could take an older trailer that's not being used often and mount one of the older slip on tanks, just a thought. The ranchers who will benefit from the project are eager to assist and they donate or gift an ATV to the

project for the two field crew members to use. Great because you know this will give BLM a bonus piece of equipment that was determined in the requirement determination to be too costly for a short term project.

So you've done it; you've worked with procurement and finance to fill the requirements of this new project but I can't leave the subject of acquisitions though without talking about purchase card buys, Property Manager's nightmare.

Although purchase card holders take annual training explaining authorized purchases and responsibility for property purchased, there is always one in the crowd who will purchase a property item and forget to notify the Property Manager. Consequently the property will not be properly received so, what can you do? Well I've talked with some BLM Property Managers and asked how they handle this dilemma and I was pleased to hear some of the great ideas. At all employee meetings remind co-workers that property items they purchase need to be received meaning tagged and maybe entered into the property system by you. Come on by; it'll just take a minute. Remind reviewing officials for purchase card statements to watch for property items prior to approving the statements and notify you again so they can be properly received. If you happen to notice a property item with no evidence of property receiving like no BLM triangle affixed to it; ask the employee about it. The reality is in spite of all of the training and education, property will be purchased with a government card and you the Property Manager will be in the back of everyone's mind but may not make it up

to the active part of the brain. Many employees who acquire property with a purchase card may not realize that a particular item needs to be put in the property system or needs to be tagged as government property. You may not even find these purchases until inventory but that is a subject for another module. So let's move on to receiving the property we've acquired for our office's new project.

I know most of you have ordered items yourself from mail order, a TV ad or online purchase and what's the first thing you do? You open the package and inspect the contents especially if the package or in our case the turkeys look a little roughed up. You check to see if the item is really what you ordered and inspect it to make sure it works or has not been damaged in shipment. The official receiving function is a check and balance function to the acquisition function. Someone besides the acquisitioner must validate the receipt to avoid the possibility of misappropriation of funds. There are several steps in the receiving process.

The first step is to validate the delivery of the package or packages and this is often performed by the front desk in a field office or a warehouse staff person. This step can be performed by anyone. The important part of the process is to document who the package was from, identify if it's an- an acquisition and ensure that it gets delivered to the appropriate Receiving Officer. Since much of what is ordered is not property, it's not necessary that the Receiving Officer be Property

Manager. Supplies may go to the supply room, forms may go to the forms room, printed materials may go to a library and field supplies may go to the warehouse or yard. Many offices have receiving areas designated within the warehouse where the receiving process for large or odd deliveries like the turkey chicks can be accomplished. All property acquisitions must be inspected before being accepted by the government to ensure that the items conform to the specifications of the contract, purchase order or other agreement. So after the physical receipt of property, the Receiving Officer must open the package and inspect the goods and this would include comparing the property against the purchase order, checking for any notable damage, checking to see if all of the pieces like chords and plugs and carrying cases are there and contacting the end user to assist in checking out the operation if applicable. After the property's passed inspection you will want to log the receipt of the property in on your property control register.

I have heard that other areas in the office may initially receive packages and property and may keep a log but the property control register is the official log to get the ball rolling. There can never be too many checks and balances to maintain accountability. So now that you've logged in the property, your next action is to assign a property or inventory number if it's applicable, affix the barcode sticker and the BLM triangle stickers and enter the property into the property system within 72 hours of your official receiving action; this is bureau policy. If the property is not managed in the bureau property system but locally

managed instead like our turkeys are; you still must maintain control and accountability through a DI-105 Receipt for Property. This will not only keep you straight but the end user as well.

Have you ever had an employee who was supposed to have a piece of equipment say that they never had it or that it was transferred or disposed of several years ago? The DI-105 Receipt for Property is the document used to track property movement and accountability and is as important to the employee who has possession of the property as it is to the Property Manager and Custodial Property Officer who must account for the property annually during the inventory. So you are now ready to turn over the accountability to the end user, also known as the Cognizant Employee.

The employee is now responsible for maintaining accountability and safeguarding the property. We will learn how this is done in module three; Warehousing and Movement. So before we leave the acquisition and receiving stage of the asset management life cycle, let's recap what we've learned.

We've learned that requirement determination or planning ahead for property needs is the crucial first step that happens before purchasing or acquiring excess property. Acquisition is the process of filling your office's needs identified during the requirement determination and in the most economical and practical manner. Acquisition can be accomplished through various methods in accordance with

acquisition policies and procedures. Acquired property must be inspected upon arrival at the office to ensure the accuracy, condition and function of the order. And receiving the property and officially receiving the property into the bureau's accountability are not the same but all acquisitions are ultimately received by the Property Manager. Proper planning acquiring and receiving property saves everyone in the office a lot of last minute scrambling to get property and it also saves our ever shrinking budget dollars by allowing our procurement and property people to search for excess property to fill needs before we spend money to purchase. You'll also avoid acquiring the wrong thing. We continue the turkey saga in module 5 on disposal so keep that in the back of your mind.