DD FORM 1149

FACT OR FICTION

By Ed Winters, CPPM, CF
I’ve worked in Property Management for 35 years and during that time I have prepared more DD Form 1149s than I care to admit.

After all that time it amazes me that there are still so many questions regarding this simple form. Is it contractually required? What information is required? Where do I find information regarding the form? Who can use it? The questions just seem to go on and on. There have been several workshops on this subject over the years and I have attended several. However I have found that the information provided in many cases is not entirely accurate. It is for that purpose that I have prepared this article.

Within this article I plan to answer several questions. Regarding investigations performed for LDD reports, I plan to address the Who, What, Where, When and How questions for the 1149. More specifically: Who uses the form? What information is required? Where can you find information? When is the form used? Why use the form?

One would think that these questions are self explanatory but as you will see this may not be the case.

Before I address the answers to those questions I thought I would provide some history on the DD Form 1149 and answer that age old question once and for all.

Is the DD Form 1149 Contractually Required?

**History of the DD Form 1149**

As I indicated earlier, I have been using this form for 35 years. From the time I started with Fairchild Republic in 1975 as an inventory analyst, I used the 1149 for shipments and transfers of government property. In the 1970’s, the 1149 was a multipart form, and as I recall, there were some instructions on the back that provided guidance as to what information was needed in each box.

I thought it would be interesting to do a little research and determine exactly when the 1149 was created. Living in a small town of 13,000, I do not have the option of using reference materials from a large library so my only alternative is the internet and some help from other property professionals.

My first step was to perform Google searches on DD1149 history, instructions, guidelines, forms, etc., etc., etc. These queries provided in excess of 32,000 results, most of which contained useless information. I did find sites with PDF copies of 1149s, references to “Ask the Professor” and references to Appendix E of the DOD 4161.2-M manual that provide guidance on the preparation of the 1149, which I’ll address later. Unfortunately I did not find any information what-so-ever on the history of the form.

One interesting piece of information that I did find was a completed copy of a DD1149 dated December 19, 1957 that was used for the sale and transfer of title for a rifle from Letterkenny Ordnance Depot in Schenectady New York to an individual whose name was blocked out. If you look at the form it is very similar to the DD1149 we use today. See image 1 on page 10.

However, with all of the information provided from the queries, I was hoping to find a little more information on exactly when the
1149 was first created and used by the Department of Defense and defense contractors. At this point I made a few calls to others in the property profession and was provided some additional information.

My Government Property Administrator, Dee Howe, provided a package titled “The DD 1149 By The Numbers.” This package appeared to be an informal procedure with some guidance as to what information was to be included in each section of the form. It also included a copy of Section XXIV; Personal Property in the Possession of Contractors, to the Armed Services Procurement Regulation dated July 1, 1976. The package had no formal document number or indication as to what organization had prepared the procedure. One thing the package did have was an illustration of a DD1149 dated July 1, 1956 which is eight months earlier than the one I found on the internet.

The second piece of information was provided by my friend Dr. Douglas Goetz. When I called and told Doug what I was trying to accomplish he told me about a book he had read years earlier titled, “Accounting Guide for Defense Contractors” which was written by Paul M. Trueger. Doug had acquired the first edition of this book which was published in 1953 by Commerce Clearing House, a name you’ll recognize as the same
company that publishes soft copies of the Federal Acquisition Regulations today. He indicated that this book addressed some history that I may be able to use; including illustrations of common DD forms used by property folks and dated 1951. I was unable to obtain a copy of that first edition but did find a copy of the second edition published five years later in 1958.

Reviewing the book, I found chapters on government property in the possession of contractors, “The Armed Services Procurement Regulations Appendix B – Manual for the Control of Government Property in the Possession of Contractors” and copies of those government forms Doug had addressed. In this second edition those forms were all dated 1957. The forms illustrated included the DD250, the various Inventory Schedules (DD543 through the DD545), and the DD832, Termination Inventory Schedule. Absent however was any reference to the DD1149, but as I indicated above I had already found a DD1149 dated 1956.

So the question still remained, when was the 1149 first created? The book also provided some history on law, specifically the Armed Services Procurement Act of 1947 and the Federal Property and Administrative Services Act of 1949. These two laws resulted in the formation of the Armed Services Procurement Regulations (ASPR) for military agencies and the Federal Procurement Regulations (FPR) for civilian agencies. Although I have been unable to clearly identify a date as to when the 1149 was first created and used, it is my belief that all pertinent DoD forms including the DD1149 were created when these two regulations were established or shortly thereafter. And for that reason I believe it is safe to say that the DD1149 form dated 1951 referenced in the 1953 printing of the Accounting Guide for Defense Contractors is probably the first edition of the form. So there you have it, this form we are all familiar with is almost 60 years old.

Now let’s get to the big question that everyone struggles with. Is the DD1149 form contractually required? I was unable to find any information on this during the internet searches so once again I turned to my friends at the Defense Acquisition University and their “Ask the Professor” site. I found two references on the use of the DD1149. In the first reference, dated July 3, 2007, it was asked what the official capacity of the DD1149 is for the transfer of property from one
In answering the question, it was simply stated that the DD1149 is not a contractually required document. After thinking about this for awhile, I believed that the response did not provide a complete answer to the question so I continued to the second reference that was asked only eight months ago on November 19, 2009. See image 3.

This question addressed the communication between losing and gaining contractors. In the answer the contractual issue of the DD1149 is once again addressed but this time it goes into a little more depth. It is stated that the form is not a contractual requirement in any of the government property clauses, which is correct. You will not find any reference to the DD1149 in any government property clause including FAR 52.245-1 or the applicable DOD property clauses. In fact the only reference to the DD1149 in the DoD FAR Supplement is in Section 253 (Forms) and Part 245.7101-2, neither of which is contractually binding on contractors.

The answer goes on to advise that we should read our contracts because the required use of the DD1149 has occasionally been incorporated by government agencies.

So wait, now we’re told that the use of the form DD1149 may be contractually required if its use is incorporated in the contract. OK, but what if it’s not addressed in the contract, must contractors still use the form? It is the answer to this question that is missing from this 2009 scenario. So once again I did some research and was provided an
email from a Government Property Administrator (GPA) that also addresses the use of the DD1149, and I believe this email clarifies the issue once and for all. See image 4.

Apparently the GPA worked with a contractor that wanted to develop its own form for the shipment of all property, both government and company, and delete the use of the DD1149 entirely. The contractor asked the GPA to determine whether the use of the 1149 was required. The GPA forwarded this question up through the management chain and provided the contractor the following response.

As you can see, in addition to the contractual issue, this answer picks up one additional point.

What do your procedures say? Even if the use of the form is not contractually required, if its use is addressed in the procedures, then you are still required to use the form. Especially these days, when contractors are bound by ISO and AS standards, compliance to procedures is extremely important. I remember that first registration audit for ISO back in the mid 90’s. The rule drummed into our heads was - say what you do (establish procedures), do what you say (comply with the procedures) and document what you do (provide evidence of compliance). Bottom line, regardless of whether or not the use of the 1149 is contractually required, if your procedures indicate the DD1149 is to be used, it must be used.

So there you have the answer once and for all. Is the use of the DD1149 required? All together now – It Depends! If the use of the DD1149 is addressed in your contract, its use is contractually required. If it isn’t but its use is addressed in your procedures, its use is still required. If neither of these conditions exists, you do not have to use the DD1149.

Here are a few examples of contract language and procedures that address the use of the DD1149. See image 5.

This first example was found in Section F of a contract and involves the shipment in place of some spare materials. It goes on to direct the contractor to DD1149 specific serial
a. A DD Form 1348-1 or DD Form 1149 is used for shipment of Government property.

b. A DD Form 1149 is also used to transfer Government property between contracts and/or Facilities.

numbers to locations provided by the Contracting Officer. Other than the fact that I’ve never seen the use of DD1149 as a verb, this is clear contractual language that the form is to be used.

The next two examples of contractual language were taken from the Statement of Work (SOW) documents included by reference in Section A of each contract. In the first example below, paragraph 1.1.1 indicates that end item deliveries are to be made in accordance with Attachment B and when you go to Attachment B paragraph B.1.2., it clearly states that assemblies are to be shipped using a DD1149 by a specific date. See images 6 and 7.

In the following example, again taken from the SOW, the use of the DD1149 is required for the shipment of failed assemblies. See image 8.

So there you have some examples of how the required use of the DD1149 may be addressed in a contract. What about your procedures? For that I have provided the following examples of language taken from a Storage and Movement procedure that addresses the specific use of a DD1149 for shipments and transfers. See images 9 and 10.

Who, What, Where, When and Why?

Now that we’ve gotten past the history and contractual information let’s delve into that who, what where, when and why stuff, but not necessarily in that order. First off, if the DD1149 is not contractually required why do we even use it? After thinking about this for a little bit I came up with a few responses to that question. The first answer is simple and we just talked about it briefly. Even if the form is not contractually required its use may still be referenced in your procedures. However, there are other common sense reasons to use the form. For one, the form already exists and unlike the hard copies that had to be typed back in the 70’s, there are programs today that contractors can use to prepare and print the 1149 from computers.

The next answer deals with the age of the form. As I indicated earlier the DD1149 has been around since at least 1951, 59 years, and it is a recognized form used for the shipment and transfer of US government property. I can assure you that the employees in my receiving area know that when something comes in on an 1149 they are to contact the property management organization, and I’m sure that this also happens with many of the other government contractors. So why cause confusion by using a myriad of different forms when one recognized form will do? And last, if you decide to utilize another form for the shipment of property, but some of your contracts contain language requiring the use of a DD1149, you will have two different procedures for the shipment of government property.

Who Uses the Form?

The obvious answer to this question is the DoD components, (Army, Air Force, Marines and Navy) and the DoD contractors. But what about the other government agencies such as the Departments of Energy, Homeland Security, Justice, Transportation, and NASA? Can these agencies and their contractors use the
DD Form 1149 even though it is a Department of Defense Form? What do you think?

My company does not do any work for these other agencies so I do not have the ability to review any contracts but I can review their FAR Supplements. Let's start with NASA. Upon reviewing the NASA supplement I found something interesting. Unlike the DoD Supplement, the NASA Supplement contains some specific language requiring the use of a DD1149. In Subpart 1846.106-70, the Contracting Officer is directed to incorporate clause 1852.245-71 in all contracts involving work by contractors on NASA installations. Paragraph (iii) of the clause clearly identifies the requirement to use a DD1149 to transfer title of purchased property from the contractor to the government within five days or receipt.

(iii) The contractor shall establish a record of the property as required by FAR 45.5 and 1845.5 and furnish to the Industrial Property Officer a DD Form 1149 Requisition and Invoice/Shipping Document (or installation equivalent) to transfer accountability to the Government within five working days after receipt of the property by the contractor.

The contractor is accountable for all contractor-acquired property until the property is transferred to the Government's accountability.

Now granted the language allows for the use of an installation equivalent form, but if no such equivalent form exists, it is clear the DD1149 shall be used.

If we continue to look in the NASA Supplement we'll find one more reference to the use of a DD1149 in Part 1845.7101-2. This section talks about the transfer and shipment of property and includes the use of a DD Form 250 which is contractually required by NASA Contractors. However, there is also language that addresses the use of other formats such as the DD Form 1149 and that the form should include the required information. Now this reference to the 1149 is not contractually required but it is interesting that NASA would include this guidance on the use of the DD1149 form.

Where the DD Form 250, Material Inspection and Receiving Report, is used, the FSC code will be part of the national stock number (NSN) entered in Block 16 or, if the NSN is not provided, the FSC alone shall be shown in Block 16. The original government acquisition date shall be shown in Block 23, by item.

Other formats, such as the DD Form 1149, Requisition and Invoice/Shipping Document, should be clearly annotated with the required information.

What about the other government agencies? I reviewed the FAR Supplements for Energy, Homeland Security, Transportation and Justice and found no reference to the use of any specific document for the shipment or transfer of their property. So unless there is specific language within the contract itself or the procedures the answer to the question – Can the other government agencies use the DD1149? – is yes.

When is the Form Used?

If there is no clear indication in the contract of when a DD1149 is to be used there are only two areas that provide some type of guidance to the contractors. The first is within the DoD FAR Supplement Part 245.7101-2. This section indicates the DD1149 may be used for the transfer and donation of contractor inventory including Inventoried Parts and Equipment (IPE). The second reference is Appendix E of the DoD Manual 4161.2-M. Although this manual is in the process of being rescinded it can still be found through a search on the internet.

In the 4161.2-M manual there are five suggested uses for the DD1149. Again these are only recommendations or suggestions as this manual also is not contractually binding on contractors.

1. The return of government furnished property
2. The shipment of IPE
3. The internal transfer of government property between contracts
4. The shipment of government property to other contractors.
5. The shipment of government property to secondary locations of the prime contractor. This would include the prime contractor's vendors.

However, in addition to these five, I would suggest that there is another use for the DD1149 and this brings me back to that DD1149 from 1957 that I found on the internet. In this case the form was used to transfer title of property that was sold by the US Government. So the transfer of title through sale or...
What information is recommended and where do you find it?

These are the last two questions and let me address the last part first. If there are no specific requirements addressed in the contracts or your procedures as to the information that is to be entered on the DD1149 the only place you’ll find information is in Appendix E of the DoD 4161.2-M. Again, this information is only a recommendation not a requirement and don’t let anyone tell you otherwise. However, even though the information is not required it is a good idea to incorporate some of the suggestions when you prepare the forms. As for the information that is recommended, this will depend on the use of the form. Is it being used to ship or transfer the accountability between contracts?

For those DD1149’s that are used to ship property I would strongly recommend that the following information be included on the form. See image 11.

1) Boxes 1 and 2 - Complete mailing addresses, both your address and the address where the property is being shipped. Obviously Post Office Boxes should never be used. In the event you are shipping classified shipments, the shipment should be directed to the recipients’ security organization.

2) Box 3 – Enter the name and phone number for a contact at the receiving point and also the accountable contract number or purchase order number if the shipment is going to another contractor or vendor.

3) Boxes 5 and 6 – Enter the Requisition information and date if applicable otherwise these boxes can remain empty.

4) Box 7 – Enter the date the material is required. This will allow the shipping organization to coordinate proper shipping arrangements.

5) Box 9 – Enter the authority or purpose for the shipment. This may be a contract, specific contract modification, letter from the Contracting Officer or Plant Clearance Officer or in some cases the Contracting Officer’s signature. It is recommended that a copy of the authorizing document be filed with the DD1149 for ease of audit.

6) Boxes 11a and 11b – Enter a voucher number and date. This is normally the document reference number that is posted to the property records.

7) Box 4a – Enter enough information on the property being shipped so the receiving entity can physically verify the property upon receipt. Recommended information

<table>
<thead>
<tr>
<th>Box</th>
<th>Information Required</th>
</tr>
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<tbody>
<tr>
<td>1 &amp; 2</td>
<td>Complete mailing addresses, both your address and the address where the property is being shipped.</td>
</tr>
<tr>
<td>3</td>
<td>Name and phone number for a contact at the receiving point and account number if the shipment is going to another contractor or vendor.</td>
</tr>
<tr>
<td>5 &amp; 6</td>
<td>Requisition information and date if applicable otherwise these boxes can remain empty.</td>
</tr>
<tr>
<td>7</td>
<td>Date the material is required. This will allow the shipping organization to coordinate proper shipping arrangements.</td>
</tr>
<tr>
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</tr>
<tr>
<td>4a</td>
<td>Enough information on the property being shipped so the receiving entity can physically verify the property upon receipt.</td>
</tr>
</tbody>
</table>
should include as applicable, part number, model number, serial number, duplicate number, unique record identification number, explosive classification, explosive weight and security classification.

8) Box 4d – Enter the quantity being shipped.

9) Boxes 4h and 4i – enter the unit and total cost of the property being shipped

The DD1149’s that are used for contract transfers should include similar information. However, in addition you should also include the losing contract number in Box 1, the gaining contract number in Box 2 and the losing and gaining contract modification numbers in the Authority or Purpose Box 9. Of course other information that is pertinent to specific operations may be included as needed. See image 12.

So there you have it. I believe I have addressed everything I set out to and I hope that each of you can take away something from this article that will help you in your daily activities.

OK one last question – What does the future hold for this form? This is one question that I do not know the answer to. I have been told that there was some discussion at a recent meeting in the Washington area that the form may be canceled because there is no clear direction on how it is used and the information required. In response to that I’m not sure why the information contained in Appendix E of 4161.2-M is not added to the new DoD manual that will eventually replace 4161.2-M, but that is not my call. We’ll just have to wait and see what transpires in the near future.

BIOGRAPHY
Ed Winters, CPPM, CF is the Property Manager for the Lockheed Martin Missiles and Fire Control production facility in Camden Arkansas. Ed has had a wide range career in the field of property management. He started his career with Fairchild Republic Company in 1975 as an Inventory Analyst and has held property positions with Sperry Defense Systems, Unisys, Paramax and Loral prior to his current position with Lockheed Martin. During his tenure with Lockheed Martin Ed has been very active within the Corporate Property Council and was appointed chair of the council in 2001 for 2 years. Ed joined the NPMA in 1980 as a charter member of the Long Island chapter and during the last 30 years has held offices at the chapter, region and national level. According to Ed, three of the most memorable experiences of his career within the property profession were being elected as the National President of the NPMA in 1994, awarded the distinguished Jack E. Griffiths Memorial Property Person of the Year Award in 2000 and presented with the NPMA Lifetime Achievement Award during the 2010 NPMA 40th Anniversary NES in Myrtle Beach.