

ARE CONTRACTORS AT WAR WITH THE GOVERNMENT?

BY DUSTON HANNERBERG, CPPM COLUMBIA BASIN CHAPTER



In today's competitive marketplace, more and more companies are casting their hats into the arena and bidding upon government contracts. Unfortunately, most companies enter into their first-time government contracts with the illusion that it will be a "cake-walk" and that their obligations to the government will be minimal (outside of the requirement to deliver a finished product). They are seduced by simplistic language in their contracts stating that they shall abide by certain Federal Acquisition Regulation (FAR) clauses such as the FAR 52.245 clauses and Subpart 45.5 when dealing with property. In essence, they are ignorant to the requirements of handling government property and many times enter into an adversarial relationship with the government until they are educated in the requirements of controlling and maintaining government property. New emergent government contractors need to be aware of their actual obligations before entering into government contracts.

In my experience, new government contractors go through an evolution of development. The first stage is ignorant bliss. This is where the contractor signs the contract, then congratulates themselves upon making such a shrewd bargain where they will make a maxi-

mum profit without doing much beyond making a product or performing a service,

Inevitably, there comes a point where the contractor is shocked or outraged when they are told they are not living up to the obligations of the contract. There is usually a period of argument and bickering while the contractor is brought to the realization that their contract required more than they thought it would.

Next is the point of resignation: Yes! They had underestimated the requirements of the contract. Yes! They needed to establish a property control system. Yes! They can assign that clerk to put together the property control system and take care of all the government property assigned to the contract. *After all, how hard could it be?*

Again, there is a period of outrage and disbelief when the contractor is brought to the realization that they are still failing in their obligations. It was not as simple as they thought and not just anyone can guide them to a satisfactory property control system. (This is after they had a couple unsatisfactory Government audits. One to show they had deficiencies and at least one to show that they did not understand how to correct the deficiencies.)

The final stage of evolution for new government contractors is the period of enlightenment. This is where the contractor realizes that they need help. At this point, a qualified property professional is usually hired to educate the contractor about property management and to guide the contractor through the intricacies of building and maintaining a successful property control system. The contractor also learns that it is not a one person job. Instead property management is a team effort that requires all personnel on a site, working together, to provide the proper stewardship for government property.

A period of strife and turmoil can exist from the point of awarding a contract to the point of a successful Property Control System. It is often like war with periods of intense negotiation, reforming of battle lines and many times there are casualties. Also, just like war, this situation could have been avoided with more information and mutual understanding before contract assignment. Most importantly, if contractors availed themselves of a property professional at the onset of a new government contract, the misunderstandings and infighting would be avoided and a smooth transition can be made from contract initiation to contract completion. □