

1. GOVERNMENT PROPERTY

A. Seller acknowledges that all Government property for use on this Contract is subject to the requirements of Federal Acquisition Regulation (FAR) 52.245-1 or the Government property clause incorporated in the customer contract as referenced in the CCR. Seller shall manage Government property in its possession and control from acquisition to relief of stewardship consistent with the requirements of the FAR and include the substance of this clause in all subcontracts under which Government property, as defined in the applicable Government Property clause, is acquired or furnished.

B. Seller further agrees to the following requirements of this Contract which are necessary for Buyer to comply with its obligations for the management of Government property under its prime contract or higher subcontract:

i. Use of Government Property

(1) Seller shall use Government property, either furnished or acquired under this Contract, only for performing this Contract, unless otherwise provided for in this Contract or approved by Buyer in writing.

(2) Seller shall not cannibalize Government property unless otherwise provided for in this Contract or approved by Buyer in writing.

ii. Delivery of Government Property

(1) In the event Government property is not delivered to Seller by the dates stated in this Contract or Government property is received in a condition not suitable for its intended use, Buyer shall, upon Seller's written request, advise Seller on a course of action to remedy the problem.

(2) In the event Government property is furnished in an "as-is" condition, any repairs, replacement, and/or refurbishment shall be at Seller's expense.

(3) Buyer may by written notice increase or decrease the amount of Government property under this Contract, substitute other Government property, or withdraw authority to use Government property under this Contract.

iii. Seller Plans and Systems

(1) Seller shall furnish a written statement to Buyer containing all relevant facts if overages, shortages or damages or other discrepancies are discovered upon receipt of Government property.

(2) Unless otherwise directed by Buyer, Seller shall investigate and promptly furnish a written narrative of all incidents of loss, theft, damage or destruction of Government property, to Buyer as soon as the facts become known.

(3) Seller shall disclose and report to Buyer the need for replacement and/or capital rehabilitation of Government property.

(4) Seller shall promptly perform and report to Buyer contract property closeout, in accordance with FAR 52.245-1(e)(x).

(5) Seller shall disclose any findings or results of reviews, analyses and assessments that may affect Buyer's rights under this article.

iv. Systems Analysis

(1) Buyer and Government shall have access to Seller's premises and all Government property, at reasonable times, for the purposes of reviewing, inspecting and evaluating Seller's property management plan(s), systems, procedures, records, reports and supporting documentation that pertain to Government property.

(2) In the event Buyer identifies a deficiency or inadequacy relating to Seller's management of Government property accountable to this Contract, Seller shall prepare a corrective action plan when requested by Buyer and take all necessary corrective actions as specified within the corrective action plan.

v. Seller Liability for Government property.

Seller shall take all reasonable actions necessary to protect Government property from loss, theft, damage or destruction. Seller shall separate damaged and undamaged Government property, and take such other action as Buyer directs.

vi. Other

(1) If Seller's property management system is reviewed by the United States Government (USG), Seller shall provide Buyer a copy of Seller's US Government system status letter indicating status of Seller's property-control system and any supporting documentation if applicable. If Seller's property-control system is not reviewed by the US Government, Seller must make available one of the following:

- i. Seller's property-management plan; or
- ii. Seller's current property-control procedures.

(2) Seller shall promptly notify Buyer in writing of Seller's relocation, name change or discontinuance of business as soon as such conditions are known. If Seller intends to relocate, no Government property may be moved to the new location without Buyer's prior written authorization.

(3) Buyer may provide property identification numbered stickers or metal tags for affixing to Government property acquired or fabricated under this Contract. Seller will promptly affix the stickers or tags to Government property.

(4) Reports, documents, inventories and correspondence referring to Government property will include Buyer's property identification number as part of the descriptive data.

(5) Virtual Unique Item Identifier (UII) marking may be utilized unless otherwise specified in this Contract. Seller will ensure that items delivered to the Department of Defense (DoD) conform to UII requirements. Marking is required when 252.245-7001 is incorporated in this contract. Seller is responsible for notifying Buyer when it receives Government property which does not have a UII marking/label and/or a virtual UII annotated on a DD Form 1149 Requisition and Invoice/Shipping Document when applicable.

vii. If this Contract is entered into under a prime contract with the National Aeronautics and Space Administration (NASA), the following financial-reporting requirements will apply:

(1) Financial reporting of Government property in the possession of Seller (and its sub-tier suppliers), or for which Seller has responsibility, shall be performed, recorded, and reported as set forth within the applicable Supplier Data Requirements List (SDRL). Frequency and data submittal of the reporting requirements will be agreed upon by Seller and Buyer's Property Management organization and documented by the SDRL.

(2) Seller shall comply with requirements outlined in the following Procurement Information Circulars (PIC):

- (a) 03-14; Contract Modification for Interim Property Information (Quarterly Reporting)
- (b) 03-18; Instructions for Preparing NASA Form 1018 (NF1018) and a Class Deviation to the Requirements of NFS 1852.245-73(c) (Annual Reporting)
- (c) 04-12; Contract Modifications for Monthly Property Financial Reporting
- (d) 05-07; Documentation Requirement for Government Furnished Property (GFP)

viii. Seller shall consult with Buyer on any unique property circumstances or requirements not covered by this article. All communications required under this article shall be in writing.

2. BUYER'S PROPERTY.

If Buyer provides property to Seller ("Buyer's Property" or "BFE") under this contract, such Buyer's Property will be subject to the provisions regarding Buyer's Property in the General Provisions section of this contract.

3. CUSTOMER'S PROPERTY. If Buyer provides property of its Customer, other than the United States Government, to Seller (Customer's Property), such Customer's Property will be subject to the provisions regarding Customer's Property in the Customer Contract Requirements (CCR) governing this Contract, or in the absence of such provisions in the CCR, to the provisions regarding Buyer's Property in General Provisions section of this Contract.

4. NOTIFICATION OF ACQUISITION OR FABRICATION OF BUYER, GOVERNMENT OR CUSTOMER PROPERTY

- (1) In the event Seller acquires or fabricates Government, Buyer, or Customer Property, (excluding material as defined in FAR 45.101), upon completion of such acquisition or fabrication Seller shall submit, an invoice and itemized property listing to Buyer. Buyer will not make payment for the fabrication or acquisition of such property unless a property listing is provided with the Buyer's invoice or through the Vendor Inventory Process (VIP), when applicable. When submitting a manual property listing (not through VIP), submittals will contain, at a minimum, the following data elements for each item fabricated or acquired:

- (1) The name, part number and description, manufacturer, model number, and National Stock Number (if needed for additional item identification tracking and/or disposition).
- (2) Quantity received (or fabricated), issued, and balance-on-hand.
- (3) Unit acquisition cost.
- (4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).
- (5) Unit of measure.
- (6) Accountable contract number or equivalent code designation.
- (7) Location.
- (8) Disposition.
- (9) Posting reference and date of transaction.
- (10) Date placed in service.

5. PROVIDED PROPERTY.

For the purposes of this clause, Provided Property shall be defined as Government, Buyer, or Customer Property which is:

- (a) already in possession of the Seller;
- (b) to be furnished to the Seller; or
- (c) to be acquired or fabricated under this Contract, (which may be referred to as “Provided property”), for use in support of this Contract shall be documented in Clause D501 or as referenced below.

Property to be acquired or fabricated by supplier must be identified as a line item on this Contract.

Any additional property provided during the performance of this contract will be subsequently added to this Contract.

a). Property currently in the possession of the Seller: _____

b). Property to be furnished to the Seller: _____