Subpart 245.1 - GENERAL

Parent topic: Part 245 - GOVERNMENT PROPERTY

245.101 Definitions.

“Mapping, charting, and geodesy property,” as used in this subpart, is defined in the clause at 252.245-7000, Government-Furnished Mapping, Charting, and Geodesy Property.

245.102 Policy.

See the policy guidance at PGI 245.102-70 .

(1) *Mapping, charting, and geodesy property.* All Government-furnished mapping, charting, and geodesy (MC&G) property is under the control of the Director, National Geospatial Intelligence Agency.

(i) MC&G property shall not be duplicated, copied, or otherwise reproduced for purposes other than those necessary for contract performance.

(ii) Upon completion of contract performance, the contracting officer shall—

(A) Contact the Director, National Geospatial-Intelligence Agency, 7500 Geoint Drive, Springfield, VA 22150, for disposition instructions;

(B) Direct the contractor to destroy or return all Government-furnished MC&G property not consumed during contract performance; and

(C) Specify the destination and means of shipment for property to be returned to the Government.

(2) *Government supply sources*. When a contractor will be responsible for preparing requisitioning documentation to acquire Government-furnished property (GFP) from Government supply sources, include in the contract the requirement to prepare the documentation in accordance with DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures. Copies are available from the address cited at PGI 251.102.

(3) *Acquisition and management of industrial resources*. See Subpart 237.75 for policy relating to facilities projects.

(4) *GFP identification.*

(i) It is DoD policy that GFP be tagged, labeled, or marked based on DoD marking standards (MIL Standard 130) or other standards, when the requiring activity determines that such items are subject to serialized item management (serially-managed items). The list of GFP subject to serialized item management will be identified in the contract in accordance with 245.102, Government-furnished property attachments to solicitations and awards.

(ii) *Exceptions.* The Contractor will not be required to tag, label, or mark—

(A) GFP that was previously tagged, labeled, or marked;

(B) Items, as determined by the head of the agency, that are to be used to support a contingency operation; or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack;

(C) Items for which a determination and findings has been executed concluding that it is more cost effective for the Government requiring activity to assign, mark, and register the unique item identification after delivery of an item acquired from a small business concern or a commercial product acquired under FAR part 12 or part 8.

(*1*) The determination and findings shall be executed by—

(*i*) The Component Acquisition Executive for an Acquisition Category (ACAT) I program; or

(*ii*) The head of the contracting activity for all other programs.

(*2*) A copy of the executed determination and findings shall be provided to the Office of the Principal Director, Defense Pricing, Contracting, and Acquisition Policy (Contracting eBusiness) via email at osd.pentagon.ousd-a-s.mbx.dpc-cb@mail.mil.

(D) Items that are contractor-acquired property;

(E) Property under any statutory leasing authority;

(F) Property to which the Government has acquired a lien or title solely because of partial, advance, progress, or performance-based payments;

(G) Intellectual property or software; or

(H) Real property.

(5) *Reporting loss of Government property.* It is DoD policy that all Government property be reported in the GFP module or Wide Area WorkFlow module of the Procurement Integrated Enterprise Environment (PIEE) as required by the clause at 252.245-7005, Management and Reporting of Government Property.

245.103 General.

245.103-70 Furnishing Government property to contractors.

Follow the procedures at PGI 245.103-70 for furnishing Government property to contractors.

245.103-71 Transferring Government property accountability.

Follow the procedures at PGI 245.103-71 for transferring Government property accountability.

245.103-72 Government-furnished property attachments to solicitations and awards.

When performance will require the use of GFP, contracting officers shall include the GFP attachment to solicitations and awards. See PGI PGI 245.103-72 Government-furnished property attachments to solicitations and awards. for links to the formats and procedures for preparing the GFP attachment.

245.103-73 Government property under sustainment contracts.

See PGI 245.103-73 for information on the reporting requirements for Government inventory held by contractors under sustainment contracts in accordance with DoD Manual 4140.01, Volume 6, DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition.

245.103-74 Contracting office responsibilities.

See PGI 245.103-74 for contracting office responsibilities.

245.104 Responsibility and liability for Government property.

In addition to the contract types listed at FAR 45.104, contractors are not held liable for loss of Government property under negotiated fixed-price contracts awarded on a basis other than submission of certified cost or pricing data.

245.105 Contractors property management system compliance.

(a) *Definitions* . As used in this subpart—

“Acceptable property management system” means a property system that complies with the system criteria in paragraph (c) of the clause at 252.245-7003, Contractor Property Management Administration.

“Property management system” means the contractor’s system or systems for managing and controlling Government property.

(b) *Policy*. The cognizant contracting officer, in consultation with the property administrator, shall—

(1) Determine the acceptability of the system and approve or disapprove the system; and

(2) Pursue correction of any weaknesses or deficiencies.

(c) In evaluating the acceptability of a contractor's property management system, the contracting officer, in consultation with the property administrator, shall determine whether the contractor's property management system complies with the system criteria for an acceptable property management system as prescribed in the clause at 252.245-7003 , Contractor Property Management System Administration.

(d) *Disposition of findings—*

(1) *Reporting of findings*. The property administrator shall document findings and recommendations in a report to the contracting officer. If the property administrator identifies any material weaknesses, the report shall describe the underlying deficiencies in sufficient detail to allow the contracting officer to understand the weaknesses or deficiencies.

(2) *Initial determination*.

(i) The contracting officer shall review findings and recommendations and, if there are no material weaknesses, shall promptly notify the contractor, in writing, that the contractor's property management system is acceptable and approved; or

(ii) If the contracting officer finds that there are one or more https://www.acq.osd.mil/dpap/dars/dfars/html/current/252245.htm#252.245-7003 material weaknesses due to the contractor's failure to meet one or more of the property management system criteria in the clause at 252.245-7003, the contracting officer shall—

(A) Promptly make an initial written determination on any material weaknesses and notify the contractor, in writing, providing a description of each material weakness in sufficient detail to allow the contractor to understand the weakness (see PGI 245.105(d)(2));

(B) Request the contractor to respond, in writing, to the initial determination within 30 days and;

(C) Evaluate the contractor's response to the initial determination, in consultation with the property administrator, and make a final determination.

(3) *Final determination*.

(i) The contracting officer shall make a final determination and notify the contractor, in writing, that—

(A) Promptly make an initial written determination on any material weaknesses and notify the contractor, in writing, providing a description of each material weakness in sufficient detail to allow the contractor to understand the weakness (see PGI 245.105(d)(2));

(B) Material weaknesses remain. The notice shall identify any remaining material weaknessesand indicate the adequacy of any proposed or completed corrective action. The contracting officer shall—

(*1*) Request that the contractor, within 45 days of receipt of the final determination, either correct the weaknesses or submit an acceptable corrective action plan showing milestones and actions to eliminate the weaknesses;

(*2*) Disapprove the system in accordance with the clause at 252.245-7003; and

(*3*) Withhold payments in accordance with the clause at 252.242-7005 , Contractor Business

Systems, if the clause is included in the contract.

(ii) Follow the procedures relating to monitoring a contractor's corrective action and the correction of material weaknesses in PGI 245.105 (d)(3).

(e) *System approval*. The contracting officer shall promptly approve a previously disapproved property management system and notify the contractor when the contracting officer determines, in consultation with the property administrator, that there are no remaining material weaknesses.

(f) *Contracting officer notifications*. The cognizant contracting officer shall promptly distribute copies of a determination to approve a system, disapprove a system and withhold payments, or approve a previously disapproved system and release withheld payments to the auditor; payment office; affected contracting officers at the buying activities; and cognizant contracting officers in contract administration activities.

245.107 Contract clauses.

(1)(i) In lieu of the prescription at FAR 45.107(d), use the clause at FAR 52.245-1, Government Property, in all purchase orders for repair, maintenance, overhaul, or modification of Government property regardless of the unit acquisition cost of the items to be repaired.

(ii) For negotiated fixed-price contracts awarded on a basis other than submission of certified cost or pricing data for which Government property is provided, use the clause at FAR 52.245-1, Government Property, without its Alternate I.

(2) Use the clause at 252.245-7000, Government-Furnished Mapping, Charting, and Geodesy Property, in solicitations and contracts when mapping, charting, and geodesy property is to be furnished.

(3) Use the clause at 252.245-7003 , Contractor Property Management System Administration, in solicitations and contracts containing the clause at FAR 52.245-1, Government Property.

(4) Use the clause at 252.245-7005, Management and Reporting of Government Property, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, that contain the clause at FAR 52.245-1, Government Property.