



National Aeronautics and  
Space Administration  
Washington, DC 20546

# Procurement Class Deviation

PCD 25-36

December 2, 2025

---

## CLASS DEVIATION FROM FEDERAL ACQUISITION REGULATION (FAR) PART 45 AND NASA FAR SUPPLEMENT (NFS) PART 1845 TO IMPLEMENT THE REVOLUTIONARY FAR OVERHAUL (NASA Case 2025-N040)

**PURPOSE:** To provide a Class Deviation from the FAR to implement the FAR Council's model deviation text to FAR Part 45 Government Property, and deviation to NFS 1845.

**BACKGROUND:** On April 15, 2025, the Executive Order (E.O.) 14275, ["Restoring Common Sense to Federal Procurement"](#) was signed. Section 2 of the E.O. establishes the policy that the FAR "should only contain provisions required by statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed." To implement E.O. 14275, the Office of Federal Procurement Policy (OFPP) is leading the **Revolutionary FAR Overhaul (RFO)** initiative. This effort is supported by the Federal Acquisition Regulatory Council (the Council) member agencies—includes General Services Administration, Department of War, NASA, along with other agencies. In line with the E.O., the initiative aims to eliminate unnecessary regulations and policies across all levels of the federal government.

The Office of Management and Budget (OMB) memorandum, M-25-26 issued on May 2, 2025, titled, Overhauling the Federal Acquisition Regulation, provided additional guidance to federal agencies regarding the FAR overhaul.

**FAR Streamlining.** As part of the RFO, the FAR will be streamlined to include only statutory requirements, while non-statutory content will move to new buying guides, collectively forming the Strategic Acquisition Guidance (SAG). The Council will first issue model deviation guidance by FAR part, followed by formal rulemaking through the notice-and-comment process. Agencies will have 30 days to issue class deviations based on the model text once it is released.

**Streamlining Agency Acquisition Supplements.** Agencies must streamline their FAR supplements by removing regulations not based on statute or executive orders and aligning with the FAR Council's deviation guidance. Supporting policies must also be updated to reflect these changes. This approach ensures the NASA FAR Supplement (NFS) remains consistent with the streamlined FAR.

**FAR Buying Guides and NFS Companion Guide (CG) (coming soon).** As the FAR and the NFS are streamlined, helpful non-regulatory content will be moved to new FAR Buying Guides and NFS CG. These guides are intended to offer practical instructions and best practices for implementing effective contracting methods.

RFO Part 45 Government Property, has been released by the FAR Council. RFO Part 45, Government Property outlines the acquisition, management, and disposition of government property in the possession of contractors. It provides instructions to government personnel, including contracting officers and property administrators, on when to insert the property clauses for contractors. The regulation is essential for government contractors to understand their responsibilities and obligations regarding government Burdensome, duplicative, or outdated language and language not required by statute have been removed from FAR Part 45. This plain language version of FAR Part 45 shall be adhered to.

To align with the RFO FAR Part 45, the NFS 1845, Government Property, is revised to remove non-statutory and outdated language. This deviation implements the revised RFO Part 45 and NFS Part 1845.

***GUIDANCE:***

(1) Contracting officers shall follow the RFO Part 45 deviated text instead of FAR Part 45 as codified at 48 CFR Chapter 45. The FAR Council's RFO text is available at [FAR Overhaul - Part 45 | Acquisition.GOV](#).

(2) COs shall also follow the NFS Part 1845 deviated text enclosed within this deviation.

***ACTION REQUIRED BY CONTRACTING OFFICERS:*** Effective immediately, ensure that new contract actions issued on or after the effective date complies with the policy in the PCD.

***EFFECTIVE DATE:*** This PCD is effective as dated and shall remain in effect until implemented in the FAR and NFS or otherwise rescinded.

***PROVISION AND CLAUSE CHANGES:*** N/A

***HEADQUARTERS CONTACT:*** Debbie Stone, Procurement Analyst, Procurement and Grants Policy Division, [Deborah.h.stone@nasa.gov](mailto:Deborah.h.stone@nasa.gov)

**Marvin L Horne**  
Acting Assistant Administrator for Procurement

**Enclosure**

Changes in the NFS Deviation text below are identified as follows:  
Deletions shown as ~~strike throughs~~; and additions shown as **[bold in brackets]**.

**PART 1845  
GOVERNMENT PROPERTY**

**TABLE OF CONTENTS**

<b>SUBPART</b>	<b><u>1845.1</u></b>	<b>GENERAL</b>
1845.102-70		NASA policy.
1845.102-71		Solicitation and review procedures.
1845.103-70		General.
1845.104		Responsibility and liability for Government property.
1845.106		Transferring accountability.
1845.107		Contract clauses.
1845.107-70		NASA solicitation provisions and contract clauses.
<b>SUBPART</b>	<b><u>1845.2</u></b>	<b><del>SOLICITATION AND EVALUATION PROCEDURES</del></b>
1845.201		Solicitation.
1845.201-70		NASA solicitation preparation procedures.
1845.201-71		Plant reconversion and plant clearance.
1845.202		Evaluation procedures.
1845.202-70		NASA evaluation procedures.
<b>SUBPART</b>	<b>1845.3</b>	<b>AUTHORIZING THE USE AND RENTAL OF GOVERNMENT PROPERTY</b>
1845.301		Use and rental.
1845.301-70		Use of property on other Government contracts.
1845.301-71		Use of Government property for commercial work.
1845.302		Use of Government property on contracts with foreign governments or international organizations.
1845.303		Use of Government property on independent research and development programs.
<b>SUBPART</b>	<b>1845.4</b>	<b>RESERVED</b>
<b>SUBPART</b>	<b>1845.5</b>	<b>SUPPORT GOVERNMENT PROPERTY ADMINISTRATION</b>
1845.501-70		General.
1845.503-70		Delegations of property administration and plant clearance.
1845.503-71		Retention of property administration and plant clearance.
1845.504-70		Responsibilities of the Industrial Property Officer.
1845.505-70		Responsibilities of the Property Administrator.
1845.506-70		Responsibilities of the Plant Clearance Officer.

<b>SUBPART</b>	<b>1845.6</b>	<b>REPORTING, REUTILIZATION, AND DISPOSAL</b>
1845.602-1		<del>Inventory disposal schedules.</del>
1845.602-3		<del>Screening.</del>
1845.603		<del>Abandonment, destruction or donation of excess personal</del>
1845.604		<del>Restrictions on purchase or retention or contract inventory</del>
1845.604-70		Sale of property pursuant to the exchange/sale authority.
1845.604-4		<del>Proceeds of sale.</del>
1845.604-70		<del>Inventory disposal reports.</del>
1845.606		<del>Disposal of scraps.</del>
1845.606-1		<del>Submission.</del>
1845.606-70		Contractor's approved scrap procedure.
1845.606-71		Recovering precious metals.
1845.607-170		<del>Contractor's approved scrap procedures.</del>
1845.607-2		Recovering precious metals.
1845.610		<del>Sale of surplus contractor inventory.</del>
1845.610-4		<del>Contractor inventory in foreign countries.</del>

**SUBPART    [1845.70](#)        RESERVED**

<b>SUBPART</b>	<b>1845.71</b>	<b>FORMS PREPARATION</b>
1845.7101		Instructions for preparing NASA Form 1018. <b>[electronic annual and final property submissions.]</b>
1845.7101-1		Property classification.
1845.7101-2		Transfers of property.
1845.7101-3		Unit acquisition costs.
1845.7101-4		Types of deletions from contractor property records.
1845.7101-5		Contractor's privileged financial and business information.

**PART 1845**  
**GOVERNMENT PROPERTY**

**Subpart 1845.1—General**

**~~1845.102 Policy.~~**

**~~1845.102-70 NASA policy.~~**

~~(a) In addition to the criteria cited in FAR 45.102 which must be demonstrated before providing property to contractors, contracting officers shall carefully consider the following factors when deciding if it is in the Government's best interest to provide Government property for the performance of a contract. Providing Government property—~~

~~(1) Increases the Government's administrative burden and requires recordkeeping and personnel;~~

~~(2) May dilute the contractor's overall responsibility and weaken guarantees, end item delivery requirements, and other contract terms;~~

~~(3) May make NASA responsible for delays in that the Agency assumes responsibility for scheduling delivery of the property and the operability of the property;~~

~~(4) Carries its own inherent risk that the property may be lost, damaged, destroyed or misused, resulting in a loss of funds that could otherwise be used to support NASA's mission;~~

~~(5) When commercially available, may confer a competitive advantage to contractors who have not taken on the same investment risk as their competitors. Contractors who plan for the Government's provision of commercially available equipment are passing those investment risks to the Government; and~~

~~(6) May be counterproductive to socio-economic programs which encourage small businesses to develop through capital investment.~~

~~(b) The contracting officer shall obtain the approval of the Center Real Property Accountable Officer prior to negotiating, or entering into any real property leaseholds, permits, licenses or disposition actions. The contracting officer shall advise the Center Real Property Accountable Officer when the place of performance is on a NASA center or facility and the contractor will be offered space and utilities under NFS [1852.245-77](#).~~

**~~1845.102-71 Solicitation and review procedures.~~**

~~(a) Each solicitation, as applicable, shall include the following:~~

~~(1) A list of any Government property available to be furnished, quantities, locations, conditions, and any related information.~~

~~(2) A requirement that offerors identify any Government property in their possession proposed for use during contract performance. The items, quantities, locations, acquisition costs, and proposed rental terms must be provided, along with identification of the Government contract under which the property is accountable.~~

~~(3) A requirement that requested Government provided facilities be described and identified by the classifications in 1845.7101-1.~~

~~(4) A requirement that offerors provide, if applicable, the date of the last Government property control system review, a summary of the findings and recommendations, and contractor corrective actions taken.~~

~~(b) The contracting officer shall follow the procedures at NFS 1845.201-70 for center Industrial Property Officer (IPO) review.~~

~~[PN 20-10]~~

### ~~1845.103-70 General.~~

~~(a) Contracting officers are responsible for overall management of their contracts, including the management of Government property provided to contractors under NASA Contracts.~~

~~(b) Contracting officers shall fully document decisions to provide property, including authorization for contractors to purchase property as a direct cost to the Contract. This documentation shall clearly demonstrate that the provision of property is in the Government's best interests in accordance with FAR 45.102.~~

~~(c) Contracting officers shall review the contractor's requests for provision of Government property under the clause at [1852.245-70](#) to determine whether authorizing the provision of Government property is an appropriate business decision according to the policy at 1845.102-70(a).~~

~~(d) Contracting officers may solicit the opinion of the technical officer regarding the technical need for the property. However, technical need, in and of itself, is not sufficient reason for providing Government property. If the property is required to satisfy technical needs, it is still assumed to be in the Government's best interest to require the contractor to use contractor-owned property for contract performance.~~

~~(e) Contracting officers shall assure that all changes to contract property involving the provision of additional Government furnished property or reduction of existing property are noted in the contract by insertion or modification of the clause at [1852.245-76](#), and are recorded or reported for recording in the appropriate NASA property management information records.~~

~~(f) Contracting officers shall document the file on the determination to provide Government property and shall forward copies of any approved requests to—~~

~~(1) The Center Deputy Chief Financial Officer (DCFO) when an item of property or, in the case of a contract for construction, the total value of property being constructed by the contractor is expected to result in the acquisition or construction cost exceeding the NASA capitalization threshold of \$500,000; and,~~

~~(2) The NASA Center IPO, when the contractor is not authorized to conduct its own screening of available inventory.~~

~~(g) IPOs shall coordinate screening with center reutilization personnel to determine the availability of existing Government inventory and excess.~~

~~(1) The IPO shall notify the contracting officer of the availability of property as soon as possible after receipt of the approved request from the contracting officer.~~

~~(2) The IPO shall assist the contracting officer in the coordination of the transfer and oversee property documentation of the transfer of existing Government property to the contractor.~~

#### ~~1845.104 Responsibility and liability for Government property.~~

~~(b) When the Property Administrator, with the concurrence of the Industrial Property Officer (IPO), determines and reports that the contractor's property management practices are inadequate and/or present an undue risk to the Government, contracting officers shall revoke the Government's assumption of risk or take other action to mitigate the risk of loss, damage, destruction, or theft of Government property.~~

#### ~~1845.106 Transferring Accountability.~~

~~(a) When furnishing existing Government property to the contractor, contracting officers shall—~~

~~(1) Insert NFS clause [1852.245-76](#), List of Government Property Furnished Pursuant to FAR 52.245-1, if not already included in the contract; and~~

~~(2) Modify the list in [1852.245-76](#) to include any property furnished after award.~~

~~(b) In addition to modification of the list, transfers of property shall be recorded on a "shipping" or "transfer" document such as the DD Form 1149 "Requisition and Invoice/Shipping Document."~~

~~(1) Centers may use equivalent documents that contain the same information.~~

~~(2) This requirement includes physically transferred property and property transferred in place.~~

~~(3) Contracting officer technical representatives are responsible for creation of shipping documents, based on the contractor's requests and contracting officer's approval, and are considered "shippers" for this purpose.~~

~~(4) Shippers will segregate items valued over \$500,000 and request the transfer of these items on separate documents.~~

~~(5) The transfer documents must be complete and must include the following information for all items with a value greater than \$5,000:~~

~~(i) Description of Property.~~

~~(ii) Property Identification Number.~~

~~(iii) Value.~~

~~(iv) Capital Value (if applicable).~~

~~(v) Property Classification.~~

~~(vi) Federal Supply Classification.~~

~~(vii) Gaining Contract.~~

~~(viii) Acquisition Date.~~



~~(6) Contracting officers must approve all shipping documents prior to property movement.~~

~~(c) In addition to the requirements in paragraphs (a) and (b), when property valued at \$500,000 or more is received and accepted by NASA or NASA's representative within the contractor's facilities, and that property is to remain in the contractor's custody for further work or to be otherwise used in the performance of the contract, the property must be added to the appropriate NASA property system in accordance with NPR 4200.1, NASA Equipment Management Procedural Requirements and NPR 4200.2, Equipment Management Manual for Property Custodians.~~

#### **1845.107 Contract clauses.**

##### **1845.107-70 NASA solicitation provisions and contract clauses.**

(a)(1) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245-70, Contractor Requests for Government-furnished Property, in cost reimbursement solicitations and contracts.

(2) Use the clause with its Alternate I when the center Supply and Equipment Management Officer (SEMO) consents to permit the contractor to screen Government inventory for available property in lieu of contractor acquisition of new items.

(b)(1) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245-71, Installation—Accountable Government Property, in solicitations and contracts when Government property is to be made available to a contractor working on a NASA installation, and the Government will maintain accountability for the property. The contracting officer ~~shall~~ **[must]** list in the clause the applicable property user responsibilities. For purposes of this clause, NASA installations include local off-site buildings owned or leased by NASA.

(2) Use of this clause is subject to the SEMO's concurrence that adequate Government property management resources are available for oversight of the property in accordance with all applicable NASA installation property management directives.

(3) The contracting officer ~~shall~~ **[must]** identify, in the contract, the nature, quantity, and acquisition cost of the property and make it available on a no charge basis.

(4) The contracting officer ~~shall~~ **[must]** use the clause with its Alternate I if the SEMO requests that the contractor be restricted from use of the center central receiving facility for the purposes of receiving contractor-acquired property.

(5) For contractors with both onsite and offsite performance requirements, contracting officers ~~shall~~ **[must]** list Government property provided for offsite use separately in the contract. This Government property is furnished under FAR 52.245-1, Government Property, and remains accountable to the contractor during its use on the contract. This Government property is not subject to the clause at 1852.245-71, Installation—Accountable Government Property. The contracting officer ~~shall~~ **[must]** address any specific maintenance considerations (e.g., requiring or precluding use of an installation calibration or repair facility) elsewhere in the contract.

(c) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245-72, Liability for Government Property Furnished for Repair or Other Services, in fixed-price, time-and-material,

and labor-hour solicitations and contracts (except for experimental, developmental, or research work with educational or nonprofit institutions, where no profit is contemplated) for repair, modification, rehabilitation, or other servicing of Government property, if such property is to be furnished to a contractor for that purpose and no other Government property is to be furnished. The contracting officer ~~shall~~ **[must]** not require additional insurance under the clause unless the circumstances clearly indicate advantages to the Government.

(d) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–73, Financial Reporting of NASA Property in the Custody of Contractors, in cost reimbursement solicitations and contracts and in all contracts in which the contractor has custody of NASA owned-property with a value of \$10 million or more, unless all property to be provided is subject to the clause at 1852.245–71, Installation-Accountable Government Property. Insert the clause 1852.245-73 in other types of solicitations and contracts when it is known at award that property will be provided to the contractor or that the contractor will acquire property title to which will vest in the Government prior to delivery.

(e) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–74, Identification and Marking of Government Equipment, in solicitations and contracts that—

- (1) Include the clause at FAR 52.245–1; or
- (2) Require the delivery of supplies.

(f) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–75, Property Management Changes, in solicitations and contracts that provide for progress payments or include any of the property clauses prescribed in FAR Part 45.

(g) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–76, List of Government Property Furnished Pursuant, to FAR 52.245–1, in solicitations and contracts when the contractor is to be accountable under the contract for Government property.

(h) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–77, List of Government Property Furnished Pursuant, to FAR 52.245–2, in solicitations and contracts containing the clause at FAR 52.245–2, Government Property Installation Operation Services. In addition, the contracting officer ~~shall~~ **[must]** insert the following language in the blanks in paragraph (e) of the clause at FAR 52.245–2: “The Government property provided under this clause is identified in clause 1852.245–77 of this contract.”

(i) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–78, Physical Inventory of Capital Personal Property, in cost reimbursement and fixed-price solicitations and contracts that provide Government property.

(j) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–79, Records and Disposition Reports for Government Property with Potential Historic or Significant Real Value, in solicitations and contracts when, after consultation with the center Historic Preservation Officer, it is determined that the items acquired for or produced by the contract are likely to have historic significance or increased value due to their use in support of NASA projects and programs.

(k)(1) The contracting officer ~~shall~~ **[must]** insert the provision at 1852.245–80, Government Property Management Information, in solicitations when it is known, or there is a reasonable chance, that Government property will be provided to the contractor for contract performance.

(2) The contracting officer ~~shall~~ **[must]** use the provision with Alternate 1 when there are sufficient time and resources to allow prospective contractors the opportunity to inspect the property.

(l) The contracting officer ~~shall~~ **[must]** insert the provision at 1852.245–81, List of Available Government Property, in solicitations when Government property will be made available for contract performance.

(m) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–82, Occupancy Management Requirements, in solicitations and contracts that require performance on, or in, any NASA Center, Installation, facility or other NASA real property.

(n) The contracting officer ~~shall~~ **[must]** insert the clause at 1852.245–83 Real Property Management Requirements, in solicitations and contracts for acquisition, construction, modification (including when the modification is a consequence of another approved task, e.g., installation of telephonic or local area network equipment), demolition, or management of real property.

#### **~~Subpart 1845.2—Solicitation and Evaluation Procedures~~**

##### **~~1845.201—Solicitation—~~**

##### **~~1845.201-70—NASA solicitation preparation procedures—~~**

~~(a) The contracting officer shall provide a copy of the solicitation (or contract if no solicitation is used) to the center Industrial Property Officer (IPO) for review when—~~

~~(1) The value of the acquisition exceeds the simplified acquisition threshold and the work is to be performed within the physical confines of the center;~~

~~(2) Existing Government property may be furnished; or~~

~~(3) Contractors may acquire property that will be titled to the Government under the provisions of FAR 52.245-1, Government Property.~~

~~(b) IPOs shall review the solicitation to—~~

~~(1) Ensure the correct application of property clauses based on the contract type, situation, and product or services ordered;~~

~~(2) Ascertain the contract's possible impact on center property or logistics operations and advise the center's Supply and Equipment Management Officer of those possible impacts; and~~

~~(3) Assure that appropriate property transactions for existing Government property, from internal sources and prior contracts, have been properly reported to NASA property and financial systems.~~

~~(c)(1) Items of Government property used to support NASA programs often become historically significant. In addition, property used by NASA programs often has value that exceeds other property with identical material or physical characteristics. This is particularly true for property that has flown in space. Descriptions of physical characteristics and condition are insufficient to determine an item's historic significance or real value. NASA Center Exhibit Managers are responsible for determining whether property meets the criteria for designation as historically significant. It is essential that items of historic significance are retained for the benefit of current and future generations. NASA must also obtain maximum value for property offered for sale.~~

~~(2) The contracting officer shall contact the Center Exhibit Manager to determine whether the items acquired for or produced by the contract are likely to have historic significance or increased value due to their use in support of NASA projects and programs.~~

~~(3) Center Exhibit Manager shall advise the contracting officer when they believe that property produced or acquired for the Government under the contract may have increased historic significance or increased value due to its use in support of NASA activities or programs.~~

~~[PN 20-10]~~

#### ~~1845.201-71 Plant reconversion and plant clearance.~~

~~The Senior Procurement Executive is the approval authority for any solicitation provision or contract clause that would defer negotiation of costs for plant reconversion or plant clearance until after award.~~

#### ~~1845.202 Evaluation procedures.~~

#### ~~1845.202-70 NASA evaluation procedures.~~

~~(a) The contracting officer shall request Industrial Property Officer (IPO) or Property Administrator (PA) assistance in evaluations of the offeror's proposed systems, standards and practices for the management of Government property.~~

~~(b) The contracting officer shall provide the offeror's proposed property management standards and practices to the IPO for review and evaluation prior to award.~~

~~(c) IPOs shall review proposals to determine whether or not the offeror's proposed industry leading standards and practices and/or voluntary consensus standards are sufficient to manage property, from planning through disposition, under the circumstances of the contract.~~

~~(1) If the IPO is unfamiliar with the offeror, the circumstances of the contract or the performance situation, the IPO may request the assistance of the cognizant PA for evaluation of the standards, practices, situation and history of property management performance at the offeror's place of performance.~~

~~(2) The IPO shall provide a written evaluation, listing any proposed changes or improvements, to the contracting officer prior to award.~~

~~(d) The contracting officer shall require changes or improvements to the offeror's property management practices, standards, or processes as recommended by the IPO. The contracting officer shall advise the offeror that its property management practices, standards, and processes will not be considered adequate for the protection, preservation, and management of Government property, and that the Government will not accept risk under the property clause until the recommended changes or improvements are made.~~

~~(e) When an offeror's proposal requests the Government to provide commercially available equipment, and the commercially available equipment is not required as an end item deliverable or part thereof, the contracting officer should assure the integrity of the competitive process by—~~

~~(1) Adjusting the offeror's proposal to compensate for the value of the Government provided, commercially available equipment; or~~

~~(2) Charging appropriate rent in accordance with the clause at FAR 52.245-9, Use and Charges. As the purpose for rent is to obtain just consideration for the Government's assumption of risk and cost, rent for commercially available equipment provided after award may not be treated as an allowable direct cost under the contract.~~

### **Subpart 1845.3—Authorizing the Use and Rental of Government Property**

#### **~~1845.301 Use and rental.~~**

#### **~~1845.301-70 Use of property on other Government contracts.~~**

~~(a) NASA contracting officers having cognizance over NASA property may authorize its rent-free use on other NASA contracts and contracts of other agencies if such use will not interfere with NASA's primary purpose for the property and will not extend beyond the expected expiration or completion date of the NASA contract.~~

~~(b) Contracting officers shall obtain the concurrence of the gaining contracting officer when they intend to authorize the rent-free use of Government property for performance under the gaining contracting officer's cognizance.~~

#### **~~1845.301-71 Use of Government property for commercial work.~~**

~~(a) The coverage at FAR 45.3 applies to a contractor's commercial (any non-Government) use of any NASA equipment.~~

~~(b)(1) The percentage of Government and non-Government use shall be computed on the basis of time available for use. For this purpose, the contractor's normal work schedule, as represented by scheduled production shift hours, shall be used. All equipment having a unit acquisition cost of less than \$500,000 at any single location may be averaged over a quarterly period. Equipment having a unit acquisition cost of \$500,000 or more shall be considered on an item-by-item basis.~~

~~(2) Approvals for non-Government use, may not exceed 50 percent of total use and may not extend beyond the contract period of performance. Use or rental of Government property must incur charges for all portions that are used for nongovernment commercial purposes.~~

~~(3) Requests for the approval shall be submitted to the head of the contracting activity at least 6 weeks in advance of the projected use and shall include—~~

~~(i) The number of equipment items involved and their total acquisition cost; and~~

~~(ii) An itemized listing of equipment having an acquisition cost of \$500,000 or more, showing for each item the nomenclature, year of manufacture, and acquisition cost.~~

~~[PN 20-11]~~

### **1845.302 [Contracts] Use of Government property on contracts [with foreign governments or international organizations. ]**

~~(a) NASA contracting officers will recover a fair share of the cost of Government property if such property is used in performing services or manufacturing articles for foreign countries or for international organizations.~~

~~(b) Contracting officers shall obtain written authorization from the Senior Procurement Executive and concurrence from the Manager of Contract Property Programs, Logistics Division, Office of Strategic Infrastructure; the Office of the General Counsel (Headquarters); and the Headquarters Office of External Relations before allowing the use of Government production and research property on work for foreign countries or for international organizations.~~

~~(c) Contracting officers shall forward requests, along with a summary of the circumstances involved, including as a minimum—~~

~~(1) The name of the requesting contractor;~~

~~(2) The number of the contract under which the property is controlled;~~

~~(3) A description of the property;~~

~~(4) The name of the foreign contractor and the relationship of the foreign contractor to its government or to any international organization;~~

~~(5) A description of the articles to be manufactured or services to be performed;~~

~~(6) A statement that the intended use will not interfere with the current or foreseeable requirements of the United States or require use of the property beyond the expected expiration or completion date of the NASA contract;~~

~~(7) A statement that the use of Government property is consistent with the best interests of the United States;~~

~~(8) A statement that such use is legally authorized; and~~

~~(9) Any evidence of endorsement by another agency of the U.S. Government based on national security or foreign policy of the United States (e.g., an approved license or agreement from the Department of State or Department of Commerce).~~

~~(d) Use, if approved, shall be subject to rent in accordance with FAR 45.3.~~

[NASA procedures for disposal are in NPR 4300.1C, NASA Personal Property Disposal Procedures and Guidelines. ]

**1845.303 ~~Use of Government property on independent research and development programs.~~**

~~(a) The contracting officer shall not authorize contractor use of Government property for independent research and development on a rent-free basis except in unusual circumstances and after a written determination that —~~

~~(1) Such use is clearly in the best interests of the Government (for example, the project can reasonably be expected to be of value in specific Government programs); and~~

~~(2) No competitive advantage will accrue to the contractor through such use (see FAR 45.103(a)(2)).~~

~~(b) Contracting officers shall utilize the same approval requirements as under 1845.301-71.~~

**Subpart 1845.4—Reserved**

**Subpart 1845.5—Support Government Property Administration**

**1845.501-70 General.**

~~(a) The contracting officer will provide copies of contracts, modifications and related documents to the Center Industrial Property Officer.~~

~~(b) When the Industrial Property Officer or Property Administrator determines that the contractor's proposed systems, standards and practices for the management of Government property are inadequate to manage Government property, the Contracting Officer should: (1) Require the contractor to provide a written revision that addresses the determination of the Industrial Property Officer or Property Administrator.~~

**1845.503-70 Delegations of property administration and plant clearance.**

~~(a) NASA contracting officers shall delegate property administration and plant clearance for contracts performed outside of NASA centers, installations and facilities when:~~

~~(1) The contract is a cost type contract;~~

~~(2) The contract is a fixed price contract that contains a cost element allowing or requiring the contractor to acquire property on behalf of the Government and that property is titled to the Government by operation of the FAR property clause;~~

~~(3) The contract is a fixed price contract and Government property is furnished;~~

~~or;~~

~~(b) NASA Contracting officers may retain property administration and plant clearance, in accordance with 1845.503-70, only when there is a compelling need, such as a security requirement or safety requirement that would prohibit a non-cleared property administrator or a plant clearance officer from performing these services.~~

~~(c) Delegation of property administration activities to other agencies will be made according to the special delegation instructions issued by Logistics Division, Office of Strategic Infrastructure. Variance from these delegations instructions must be authorized by Logistics Division, Office of Strategic Infrastructure.~~

~~(d) Contracting officers shall retain property administration and plant clearance for all contractors where the place of performance is within a NASA Center, Installation or Facility.~~

~~(e) Under the clause at 1852.245-71, Installation-Accountable Government Property, property is managed by center logistics functions using NASA internal policy and procedural guidance, except—~~

~~(1) When contractors are provided or are allowed the use of property that is not governed by that procedural guidance, management of that property is governed by the applicable FAR clause.~~

~~(2) When the contractor is responsible for performance of any segment of a property system under a FAR property clause, then property administration and plant clearance are required.~~

#### ~~**1845.503-71 Retention of property administration and plant clearance.**~~

~~(a) Contracting officers may retain property administration functions and responsibilities by written notification of the Center Industrial Property Officer. Contracting officers who retain property administration must perform property administration in accordance with the requirements of this subsection, FAR Part 45, and DOD instructions for property administration. The written notification must contain—~~

~~(1) A plan for performance of property system reviews;~~

~~(2) A procedure that allows for the maintenance of property management records for items transferred to and from the contractor, the collection and dissemination of property and property related financial reports and the proper disposition of Government property in accordance with Federal Management Regulations and FAR 45.6;~~

~~(3) A plan for coordination of support property administration functions with the cognizant agency;~~

~~(4) Procedures for disposition of Government property, according to FAR and Federal Management Regulations, and for required reporting of disposition actions; and,~~

~~(5) Concurrence of the center procurement officer.~~

~~(b) When the contracting officer retains property administration and plant clearance, the contracting officer shall provide annual reports to the Industrial Property Officer and the Center Property Accountant detailing—~~

~~(1) The status of the annual property control system review;~~



~~(2) Any incidence of Loss, Damage or Destruction and the contracting officer's determination of liability;~~

~~(3) The status of the contractor's physical inventory of property; and~~

~~(4) Final reports of disposition of Government property.~~

#### **~~1845.504-70 Responsibilities of the Industrial Property Officer.~~**

~~This section describes the functional management responsibility for contract property. Beyond individual contracting officers, each NASA installation director will appoint an industrial property officer to manage and coordinate property matters among the various contracting officers, technical officials, contractor officials, delegated property administrators and plant clearance officers. Generally, that individual is responsible for the entire contract property management function outlined below; the installation is responsible for the entire function regardless of how it is organized and distributed. The responsibilities are:-~~

~~-~~  
~~(a) Provide a focal point for all management of contract property, including Government property (Government furnished and contractor acquired) provided to universities, non-profit research institutions and to industry.~~

~~-~~  
~~(b) Provide guidance to contracting and other personnel on the NASA property provisions.~~

~~-~~  
~~(c) To the extent feasible, review property provisions of acquisition plans, solicitations, contracts, and modifications for potential problems. Propose changes as necessary.~~

~~-~~  
~~(d) To the extent feasible, participate in pre-award surveys/post-award orientations when significant amounts of Government property will be involved.~~

~~-~~  
~~(e) Ensure that vesting of title determinations are made and documented pursuant the applicable FAR Government property clause and financing clauses such as the Progress Payments Clause.~~

~~-~~  
~~(f) Maintain effective communications with delegated property administrators and plant clearance officers to keep fully informed about contractor performance and progress on any property control problems.~~

~~(1) Obtain and review property control system survey summaries for all contracts for which property administration has been delegated. Advise the Manager, Contract Property Programs, Logistics Division, Office of Strategic Infrastructure of any severe or continuing problems.~~

~~(2) Provide property administrators copies of all pertinent contract property documentation.~~

~~-~~  
~~(g) Review, analyze and verify that the contractor's property management system is capable of producing a correct and complete [NASA Form 1018](#), NASA Property in the Custody of Contractors.~~

~~(h) Review property administrators' approvals of relief of responsibility for lost, damaged, and destroyed property and question the contractor regarding the need for any excessive or repetitive approvals.~~

~~(i) When appropriate, make recommendations to source and performance evaluation boards regarding property management and award fee criteria and evaluations regarding property management.~~

~~(j) Monitor plant clearance status to preclude delays in contract closeout.~~

~~(k) Maintain contract property files for all transactions and correspondence associated with each contract. Upon receipt of Standard Form 1424, Inventory Disposal Report, and DD Form 1593, Contract Administration Completion Record, or equivalents, merge all property records for the contract and forward for inclusion with the official completed file.~~

~~(l) Perform, or assure the performance of, on-site property administration and plant clearance and the property is not subject to the clause at [1852.245-71](#), Installation Accountable Government Property.~~

#### **~~1845.505-70 Responsibilities of the Property Administrator.~~**

~~(a) When property administration is not delegated to DOD, the NASA property administrator shall evaluate the contractor's management and control of Government property and ascertain whether the contractor is effectively complying with the contract provisions. The property administrator's responsibilities include—~~

~~(1) Developing and applying a property system review program for each contractor under the property administrator's cognizance;~~

~~(2) Evaluating the results of contractor's property control activities and, when necessary, recommending that the contracting officer revoke the Government's assumption of risk for loss, damage or destruction of Government property;~~

~~(3) Advising the contracting officer of other significant problems the property administrator cannot resolve, and recommending appropriate action, which may include disapproval of the contractor's property control system;~~

~~(4) Resolving property administration matters as necessary with the contractor's management, personnel from Government procurement and logistics activities, and representatives of the NASA Headquarters Office of the Inspector General, the Defense Contract Audit Agency (DCAA), and other Government agencies; and~~

~~(5) Recognizing the functions of other Government personnel having cognizance of Government property and obtaining their assistance when required. (These functions include, but are not limited to, contract cost audit, quality assurance, engineering, pricing, and other technical areas. Assistance and advice on matters involving analyses of the contractor's books and accounting records and on any other audit matters deemed appropriate shall be obtained from the cognizant auditor.) Property Administrators shall use, and not repeat, the work of Government auditors or other cognizant Government review activities unless that work does not satisfy the property control system audit requirements set forth in the DoD property guidance and related NASA instruction.~~

- 
- (b) ~~Property administrators will assist the contracting officer in pre award activities.~~  
(1) ~~Property administrators will review the contractor's proposed standards and practices to assess their suitability for the pending contract and will so advise the contracting officer.~~  
(2) ~~Property administrators will advise the contracting officer regarding the contractor's demonstrated past performance in property management, including their ability or inability to perform to the proposed standards or execute the practices they have proposed for the pending contract.~~
- (c) ~~When the property administrator determines that all or a portion of a contractor's property management practices and processes do not afford sufficient protection against loss, damage or destruction of Government property:-~~  
(1) ~~The property administrator shall increase surveillance to prevent, to the extent possible, any loss, damage, or destruction of Government property; and~~  
(2) ~~Advise the contracting officer of any known or reported incidence of loss, damage or destruction identified during any period in which the contracting officer has revoked the Government's acceptance of risk.~~
- 
- (d) ~~The property administrator shall review records and the results of contractor actions to identify any and all incidence where the contractor fails to report property no longer required for performance for periods longer than called for in their standards and practices.~~
- ~~[(e) The property administrator shall complete a surveillance on contractor government property furnished or acquired with the NASA Form 1019, Property Management System Analysis (PMSA) in accordance with NASA Procedural Requirement (NPR) 4500.1A, Administration of Property in the Custody of Award Recipients.]~~
- (e) ~~After a report of excess received from a contractor has been referred to the plant clearance officer for screening and ultimate disposition, the property administrator shall ensure prompt disposition. For equipment, the property administrator shall —~~  
(1) ~~Assure the preparation and submission of individual reports required of the contractor;~~  
(2) ~~Verify the permit certifications required by the forms; and~~  
(3) ~~Transmit the report to the NASA Industrial Property Officer.~~
- 
- (f) ~~Upon completion or termination of a contract, the property administrator shall —~~  
(1) ~~Monitor the actions of the contractor in returning excess Government property not referred to the plant clearance officer; and~~  
(2) ~~Advise the cognizant plant clearance officer as to the existence at a contractor's plant of residual property requiring disposal.~~  
(3) ~~When informed that disposition of Government property under a contract has been completed, the property administrator shall perform a final review and sign a determination that —~~

- ~~(i) Disposition of Government property has been properly accomplished and documented;~~
- ~~(ii) Adjustment documents, including any request of the contractor for relief from responsibility, have been processed to completion;~~
- ~~(iii) Proceeds from disposals or other property transactions, including adjustments, have been properly credited to the contract or paid to the Government as directed by the contracting officer;~~
- ~~(iv) All questions regarding title to property fabricated or acquired under the contract have been resolved and appropriately documented; and~~
- ~~(v) The contract property control record file is complete and ready for retirement.~~
- ~~(4) When final review pursuant to paragraph (a) of this section reveals that such action is proper, the property administrator shall accomplish and sign a DD Form 1593, Contract Administration Completion Record, or equivalent.~~
- ~~(5) The Property Administrator shall forward the complete and signed DD Form 1593 to the contracting officer, and so annotate the Property Summary Data Record.~~
- ~~(6) The contracting officer shall include the DD form 1593 in the official contract file.~~

**~~1845.506-70 Responsibilities of the plant clearance officer.~~**

~~When plant clearance is not delegated to DOD, NASA plant clearance officers shall be responsible for—~~

- ~~(a) Providing the contractor with instructions and advice regarding the proper preparation of inventory schedules;~~
- ~~(b) Accepting or rejecting inventory schedules;~~
- ~~(c) Conducting or arranging for inventory verification;~~
- ~~(d) Initiating prescribed screening and effecting resulting actions;~~
- ~~(e) Final plant clearance of contractor inventory;~~
- ~~(f) Pre inventory scrap determinations, as appropriate;~~
- ~~(g) Evaluating the adequacy of the contractor's procedures for property disposal and providing feedback to the Property Administrator regarding the contractor's performance in property disposal activities;~~
- ~~(h) Determining the method of disposal;~~
- ~~(i) Surveillance of any contractor conducted sales;~~
- ~~(j) Accounting for all contractor inventory reported by the contractor;~~

~~(k) Advising and assisting, as appropriate, the contractor, the Supply and Equipment Management Officer (SEMO) and other Federal agencies in all actions relating to the proper and timely disposal of contractor inventory;~~

~~(l) Approving the method of sale, evaluating bids, and approving sale prices for any contractor-conducted sales; and~~

~~(m) Recommending the reasonableness of selling expenses related to any contractor-conducted sales.~~

~~(n) Seeking the advice and concurrence of the General Counsel regarding antitrust actions when needed.~~

~~(o) Assuring that the center equipment manager is advised of, and receives documentation for, all capital valued property that has been reported for disposition.~~

~~(p) Advising the contracting officer regarding all disposition actions and activities.~~

#### **Subpart 1845.6—Reporting, Reutilization, and Disposal**

##### **~~1845.602-3 Screening.~~**

~~(a) Property Disposal Officers (PDOs) are the center focal points for intra-agency reutilization screening.~~

~~(1) When property is reported for disposition through PCARSS or on manual inventory schedules, PDOs shall make that information available to procurement and program offices seeking to acquire similar, new property in accordance with the agency inventory and other agency excess utilization requirements of FAR Part 8.~~

~~(2) When property is reported for disposition through NASA DSPL systems, the PDO shall screen and process the disposition in accordance with NPR 4200.1, NASA Personal Property Disposal Procedural Requirements and related guidance.~~

~~(b) Waiver of screening requirements. The Director, Logistics Division Office of Strategic Infrastructure will approve deviations from intra-agency screening requirements.~~

##### **~~1845.603 Abandonment, destruction or donation of excess personal property.~~**

~~The center property disposal officer (PDO) shall review abandonment or destruction determinations in accordance with NPR 4300.1.~~

##### **~~1845.604-[70] Restrictions on purchase or retention of contractor inventory. [Sale of property pursuant to the exchange/sale authority~~**

~~(1) No contractor may sell contractor inventory to persons known by it to be NASA or DOD personnel who have been engaged in administering or terminating NASA contracts.~~

(2)(i) The contractor's or subcontractor's authority to approve the sale, purchase, or retention of Government property on a contract which is excess to needs after Government reutilization screening at less than cost by a subcontractor, and the subcontractor's authority to sell, purchase, or retain such property at less than cost with the approval of the contractor or next higher-tier subcontractor does not include authority to approve—

(A) A sale by a subcontractor to the contractor, the next higher-tier subcontractor, or their affiliates; or

(B) A sale, purchase, or retention by a subcontractor affiliated with the contractor or next higher-tier subcontractor.

(ii) Each excluded sale, purchase, or retention requires the written approval of the plant clearance officer.

-

~~1845.604-4 Proceeds of sale.~~

-

~~(a) Sale of surplus contractor inventory. The plant clearance officer shall maintain an open suspense record until verifying that credit has been applied, unless another Government representative has specifically assumed this responsibility.~~

~~**1845.604-70 Contractor inventory in foreign countries.**~~

~~NASA procedures for disposal are in NPR 4300.1, NASA Personal Property Disposal Procedures and Guidelines.~~

-

~~**1845.605-70 Inventory disposal report.**~~

~~A copy of Standard Form 1424, Inventory Disposal Report, shall be provided to the center industrial property officer or the PDO.~~

~~**1845.606 Disposal of scrap. [Contractor scrap procedures.]**~~

**1845.606-70 Contractor's approved scrap procedures.**

(a) When a contractor has an approved scrap procedure, certain property may be routinely disposed of in accordance with that procedure and not processed under this section.

-

(b) ~~The center property administrator is authorized to approve the contractor's scrap procedure. Before approval, the plant clearance officer shall review the procedure, particularly regarding sales. The plant clearance officer shall ensure that the procedure contains adequate requirements for inspecting and examining items to be disposed of as scrap. When the contractor's procedure does not require physical segregation of Government-owned scrap from contractor-owned scrap and separate disposal, care shall be exercised to ensure that a contract change that generates a large quantity of property does not result in an inequitable return to the Government. In such a case, the property administrator shall make a determination as to whether separate disposition of Government scrap would be appropriate.~~

-

~~(c) A plant clearance case shall not be established for production scrap disposed of through the contractor's approved scrap procedure.~~

~~(d) [(b)]~~ Property in scrap condition, other than that disposed of through the contractor's approved scrap procedure, shall be reported on appropriate inventory schedules for disposition in accordance with the provisions of FAR Part 45 and NFS 1845.

#### **1845.606-71 Recovering precious metals.**

Silver, gold, platinum, palladium, rhodium, iridium, osmium, and ruthenium; scrap bearing such metals; and items containing recoverable quantities of them shall be reported through the NASA PDO for disposition in accordance with NASA instructions.

#### **~~1845.607-170 Contractor's approved scrap procedure.~~**

~~(a) When a contractor has an approved scrap procedure, certain property may be routinely disposed of in accordance with that procedure and not processed under this section.~~

~~(b) (c) [Reserved]~~

~~(d) Property in scrap condition, other than that disposed of through the contractor's approved scrap procedure, shall [must] be reported on appropriate inventory schedules for disposition in accordance with the provisions of FAR part 45 and 1845.~~

#### **1845.607-2 Recovering precious metals.**

Silver, gold, platinum, palladium, rhodium, iridium, osmium, and ruthenium; scrap bearing such metals; and items containing recoverable quantities of them ~~shall~~ [must] be reported to the Defense Reutilization and Marketing Service, DRMS-R, Federal Center, Battle Creek, MI 49017-3092, for instructions regarding disposition.

#### **~~1845.610-4 Contractor inventory in foreign countries.~~**

~~NASA procedures for disposal are in NPR 4300.1, NASA Personal Property Disposal Procedures and Guidelines.~~

**~~Subpart 1845.70—Reserved~~**

**Subpart 1845.71—Forms Preparation**

## **1845.7101 Instructions for preparing ~~NASA Form 1018~~. [electronic annual and final property submissions]**

NASA must account for and report assets in accordance with 31 U.S.C. 3512 and 31 U.S.C. 3515, Federal Accounting Standards, and Office of Management and Budget (OMB) instructions. Since contractors maintain NASA's official records for its assets in their possession, NASA must obtain periodic data from those records to meet these requirements [ **(e.g., Property Management System Analysis (PMSA) performed by a Government Property Administrator for accuracy of records)**. All contractors with property furnished and acquired must submit an electronic property submissions in NASA's Accountable Property System of Record (APSR)/NASA Electronic Submission System (NESS) annually; and a final property submission via <https://ness.nasa.gov/contractor> when the period of performance or award has ended with the final disposition of property. Once electronic property submission is completed, the contractor will be able to download their electronic NASA Form (NF) 1018, NASA Property in the Custody of Award Recipients.] Changes in Federal Accounting Standards and OMB reporting requirements may occur from year to year, requiring contractor submission of supplemental information with the ~~NASA Form (NF) 1018~~. **[electronic annual property submission]** ~~annual~~. The specific Statements of Federal Financial Accounting Standards (SFFAS) to be used for property records are SFFAS No. 3 "Accounting for Inventory and Related Property", SFFAS No. 6 "Accounting for Property, Plant and Equipment", SFFAS No. 10 "Accounting for Internal Use Software", and SFFAS No. 11 "Amendments to PP&E: Definitions" issued by the Federal Accounting Standards Advisory Board. Classifications of property, related costs to be reported, and other reporting requirements are discussed in this subpart. NF 1018 (see 1853.3) provides critical information for NASA financial statements and property management. Accuracy, completeness, and timeliness of the report are critical to many aspects of NASA's operations.

### **1845.7101-1 Property classification.**

#### **(a) General.**

(1) Contractors ~~shall~~ [must] report costs in the classifications ~~on NF 1018~~, **[annual and final property submissions]**, as described in this section. The cost of heritage assets and obsolete property will be reported on the ~~NF 1018~~ under the appropriate classification. Supplemental reporting may also be required.

(2)(i) Heritage assets are property, plant and equipment that possess one or more of the following characteristics:

- (A) Historical or natural significance.
- (B) Cultural, educational or artistic importance.
- (C) Significant architectural characteristics.

(ii) Examples of NASA heritage assets include buildings and structures designated as National Historic Landmarks as well as aircraft, spacecraft and related components on display to enhance public understanding of NASA programs. Heritage assets which serve both a heritage and government operation function are considered multi-use when the predominant use is in general government operations. Multi-use heritage assets will not be considered heritage assets **[electronically in the APSR/NESS]** for ~~NF 1018~~ **[property submission]** supplemental reporting purposes.



(3) Obsolete property is property for which there are no current plans for use in its intended purpose (i.e. it no longer provides service to NASA operations). Examples of obsolete property are items in configurations which are no longer required or used by NASA or items held for engineering evaluation purposes only. NASA may have approved the retention of these items for programmatic reasons even though they have no current plans for use.

(b) Land. Includes costs of land and improvements to land. Contractors ~~shall~~ [must] report land with a unit acquisition cost of \$500,000 or more.

(c) Buildings. Includes costs of buildings, improvements to buildings, and fixed equipment required for the operation of a building which is permanently attached to and a part of the building and cannot be removed without cutting into the walls, ceilings, or floors. Contractors ~~shall~~ [must] report buildings with a unit acquisition cost of \$500,000 or more. Examples of fixed equipment required for functioning of a building include plumbing, heating and lighting equipment, elevators, central air conditioning systems, and built-in safes and vaults.

(d) Other Structures and Facilities. Includes costs of acquisitions and improvements of real property (i.e. structures and facilities other than buildings); for example, airfield pavements, harbor and port facilities, power production facilities and distribution systems, reclamation and irrigation facilities, flood control and navigation aids, utility systems (heating, sewage, water and electrical) when they serve several buildings or structures, communication systems, traffic aids, roads and bridges, railroads, monuments and memorials, and nonstructural improvements such as sidewalks, parking areas, and fences. Contractors ~~shall~~ [must] report other structures and facilities with a unit acquisition cost of \$500,000 or more and a useful life of two years or more.

(e) Leasehold improvements. Includes NASA-funded costs of improvements to leased buildings, structures, and facilities, as well as easements and right-of-way, where NASA is the lessee or the cost is charged to a NASA contract. Contractors ~~shall~~ [must] report leasehold improvements with a unit acquisition cost of \$500,000 or more and a useful life of two years or more.

(f) Construction in Progress. Includes costs of work in process for the construction of Buildings, Other Structures and Facilities, and Leasehold Improvements to which NASA has title, regardless of value.

(g) Equipment. Includes costs of commercially available personal property capable of stand-alone use in manufacturing supplies, performing services, or any general or administrative purpose (for example, machine tools, furniture, vehicles, computers, software, test equipment, including their accessory or auxiliary items). Software integrated into and necessary to operate another item of Government property is considered to be an auxiliary item (see FAR 45.501) and should be considered part of the item of which it is an integral part. Other software to which NASA has title ~~shall~~ [must] be classified as an individual item of equipment for reporting purposes if it has a useful life of 2 years or more and acquisition cost of \$1,000,000 or more (also see 1845.7101-3(g)). Enhancement costs for existing software should be added to the software acquisition cost if the enhancement results in significant additional capability beyond that for

which the software was originally developed (i.e. a capability that was not included in the original software specifications, the total cost of the enhancement is \$1,000,000 or more, or the expected useful life of the enhanced software is 2 years or more). Software licenses are excluded. Contractors ~~shall~~ **[must]** separately report—

(1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and

(2) All other items.

(h) Special Tooling. Includes costs of equipment and manufacturing aids (and their components and replacements) of such a specialized nature that, without substantial modification or alteration, their use is limited to development or production of particular supplies or parts, or performance of particular services (~~see FAR 45.101~~). Examples include jigs, dies, fixtures, molds, patterns, taps and gauges. Contractors ~~shall~~ **[must]** separately report—

(1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and

(2) All other items.

(i) Special Test Equipment. Includes costs of equipment used to accomplish special purpose testing in performing a contract, and items or assemblies of equipment (~~see FAR 45.101~~). Contractors ~~shall~~ **[must]** separately report—

(1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and

(2) All other items.

(j) Material. Includes costs of NASA-owned property held in inventory regardless of whether or not it is unique to NASA programs that may become a part of an end item or be expended in performing a contract. Examples include raw and processed material, spares, parts, assemblies, small tools and supplies. Material that is part of work-in-process is not included. Contractors ~~shall~~ **[must]** report the amount for all Materials in inventory, regardless of unit acquisition cost.

(k) Agency-Peculiar Property. Includes costs of completed items, unique to NASA aeronautical and space programs, which are capable of stand-alone operation. Examples include research aircraft, reusable space vehicles, ground support equipment, prototypes, and mock-ups. The amount of property, title to which vests in NASA as a result of progress payments to fixed price subcontractors, ~~shall~~ **[must]** be included to reflect the pro rata cost of undelivered agency-peculiar property. Completed end items not related to the International Space Station or the Space Shuttle program which otherwise meet the definition of Agency-Peculiar Property, and are destined for permanent operation in space, such as satellites and space probes, ~~shall~~ **[must]** not be reported. Contractors ~~shall~~ **[must]** separately report—

(1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and

(2) All other items.

(l) Contract Work-in-Process. Work-in-process (WIP) consists of property items under construction (i.e. not complete). It includes costs of all work-in-process regardless of value, and excludes costs of completed items reported in other categories. While the costs of WIP for

International Space Station and Space Shuttle components should be included as WIP, satellites and space probes and their components should be excluded from WIP as those items will be accounted for by NASA.

#### **1845.7101-2 Transfers of property.**

A transfer is a change in accountability between and among prime contracts, NASA Centers, and other Government agencies (e.g., between contracts of the same NASA Center, contracts of different NASA Centers, a contract of one NASA Center to another, a NASA Center to a contract of another NASA Center, and a contract to another Government agency or its contract). To enable NASA to properly control and account for all transfers, they ~~shall~~ **[must]** be adequately documented. Adequate documentation includes the appropriate dollar amount of the asset(s) transferred (as prescribed in 1845.7101-3) and the formal, signed NASA or contractor authorization approving the transfer. In addition, procurement, property, and financial organizations at NASA Centers must affect all transfers of accountability, although physical shipment and receipt of property may be made directly by contractors. The procedures described in this section ~~shall~~ **[must]** be followed to provide an administrative and audit trail, even if property is physically shipped directly from one contractor to another. Property shipped between September 1 and September 30, inclusively, ~~shall~~ **[must]** be accounted for and reported by the shipping contractor, regardless of the method of shipment, unless written evidence of receipt at destination has been received. Repairables provided under fixed price repair contracts that include the clause at 1852.245-72, Liability for Government Property Furnished for Repair or Other Services, remain accountable to the cognizant NASA Center and are not reportable **[electronically in the APSR/NESS;]** ~~on NF 1018~~; repairables provided under a cost-reimbursement contract, ~~however, are accountable to the contractor and reportable on NF 1018.~~ All materials provided to conduct repairs are reportable, regardless of contract type.

(a) Approval and Notification. The contractor must obtain approval of the contracting officer or designee for transfers of property off the prime contract before shipment. Each shipping document must be signed by the contracting officer or designee demonstrating such approval. Each shipping document must contain contract numbers, shipping references, property classifications in which the items are recorded (including Federal Supply Classification group (FSC) codes for equipment), unit acquisition costs (as defined in 1845.7101-3, Unit Acquisition Cost), original Government acquisition dates for items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more, and any other appropriate identifying or descriptive data. 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~~ **[must]** be shown in Block 16. The original Government acquisition date ~~shall~~ **[must]** 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. Unit acquisition costs ~~shall~~ **[must]** be obtained from records maintained pursuant to FAR Part 45 and this Part 1845, or, for uncompleted items where property records have not yet been established, from such other record systems as are appropriate such as manufacturing or engineering records used for work control and billing purposes. Shipping contractors ~~shall~~ **[must]** furnish a copy of the formally approved shipping document to the cognizant property administrator. Shipping and receiving contractors ~~shall~~ **[must]** promptly submit copies of shipping and receiving documents to the Center Deputy Chief Financial Officer,

Finance, responsible for their respective contracts when accountability for NASA property is transferred to, or received from, other contracts, contractors, NASA Centers, or Government agencies.

(b) Reclassification. If property is transferred to another contract or contractor, the receiving contractor ~~shall~~ **[must]** record the property in the same property classification and amount appearing on the shipping document. For example, when a contractor receives an item from another contractor that is identified on the shipping document as equipment, but that the recipient intends to incorporate into special test equipment, the recipient ~~shall~~ **[must]** first record the item in the equipment account and subsequently reclassify it as special test equipment. Reclassification of equipment, special tooling, special test equipment, or agency-peculiar property requires prior approval of the contracting officer or a designee.

(c) Incomplete documentation. If contractors receive transfer documents having insufficient detail to properly record the transfer (e.g., omission of property classification, FSC, unit acquisition cost, Government acquisition date, required signatures, etc.) they ~~shall~~ **[must]** request the omitted data directly from the shipping contractor or through the property administrator. The contracting officer ~~shall~~ **[must]** assist the Government Property Administrator and the receiving contractor to obtain all required information for the receiving contractor to establish adequate property records.

#### **1845.7101-3 Unit acquisition cost.**

(a) The unit acquisition cost ~~shall~~ **[must]** include all costs incurred to bring the property to a form and location suitable for its intended use. The following is representative of the types of costs that ~~shall~~ **[must]** be included, when applicable:

- (1) Amounts paid to vendors or other contractors.
- (2) Transportation charges to the point of initial use.
- (3) Handling and storage charges.
- (4) Labor and other direct or indirect production costs (for assets produced or constructed).
- (5) Engineering, architectural, and other outside services for designs, plans, specifications, and surveys.
- (6) Acquisition and preparation costs of buildings and other facilities.
- (7) An appropriate share of the cost of the equipment and facilities used in construction work.
- (8) Fixed equipment and related installation costs required for activities in a building or facility.
- (9) Direct costs of inspection, supervision, and administration of construction contracts and construction work.
- (10) Legal and recording fees and damage claims.
- (11) Fair values of facilities and equipment donated to the Government.

(b) Acquisition cost ~~shall~~ **[must]** include, where appropriate, for contractor acquired property, related fees, or a pro rata portion of fees, paid by NASA to the contractor. Situations where inclusion of fees in the acquisition cost would be appropriate are those in which the

contractor designs, develops, fabricates or purchases property for NASA and part of the fees paid to the contractor by NASA are related to that effort.

(c) Acquisition cost ~~shall~~ **[must]** be developed using actual costs to the greatest extent possible, especially costs directly related to fabrication such as labor and materials. Where estimates are used, there must be a documented methodology based on a historical basis. All acquisition costs ~~shall~~ **[must]** be properly documented, supported and retained. Supporting documentation ~~shall~~ **[must]** be made available upon request.

(d) The use of weighted average methodologies is acceptable for valuation of Material.

(e) Contractors ~~shall~~ **[must]** report unit acquisition costs using records that are part of the prescribed property or financial control system as provided in this section. Fabrication costs ~~shall~~ **[must]** be based on approved systems or procedures and include all direct and indirect costs of fabrication.

(f) Only modifications that improve an item's capacity or extend its useful life two years or more and that cost \$500,000 or more ~~shall~~ **[must]** be reported ~~on~~ **[electronically]** in the **[APSR/NESS] NF-1018** on the \$500,000 & Over line. The costs of any other modifications, excluding routine maintenance, will be reported on the Under \$500,000 line. If an item's original unit acquisition cost is less than \$500,000, but a single subsequent modification costs \$500,000 or more, that modification only will be reported as an item \$500,000 or more on subsequent NF 1018s. The original acquisition cost of the item will continue to be included in the under \$500,000 total. The quantity for the modified item will remain "1" and be reported with the original acquisition cost of the item. If an item's acquisition cost is reduced by removal of components so that its remaining acquisition cost is under \$500,000, it ~~shall~~ **[must]** be reported as under \$500,000.

(g) Software acquisition costs include software costs incurred up through acceptance testing and material internal costs incurred to implement the software and otherwise make the software ready for use. Costs incurred after acceptance testing are excluded. License, maintenance, training, and data conversion costs are also excluded. If the software is purchased as part of a package, the costs will need to be segregated in such manner as to ensure that the excluded costs (maintenance, training, etc.) are not reported as part of the software's acquisition cost. Enhancement costs for existing software should be added to the acquisition cost if the enhancement results in significant additional capability beyond that for which the software was originally developed (i.e. a capability that was not included in the original software specifications), the total cost of the enhancement is \$1,000,000 or more, and the expected useful life of the enhanced software is 2 years or more. Include the same types of cost as indicated above under new software. Costs incurred solely to repair a design flaw or perform minor upgrades should not be included.

(h) The computation of work in process (WIP) ~~shall~~ **[must]** include all direct and indirect costs of fabrication, including associated systems, subsystems, and spare parts and components furnished or acquired and charged to work in process pending incorporation into a finished item. These types of items make up what is sometimes called production inventory and

include programmed extra units to cover replacement during the fabrication process (production spares). Also included are deliverable items on which the contractor or a subcontractor has begun work, and materials issued from inventory. The computation of WIP incorporate the other requirements for unit acquisition cost as outlined in paragraphs (a) through (e) of this section. In addition, acquisition cost of property furnished by the Government, which has been incorporated in the property item under construction or in process of fabrication, should be included. Do not include costs for operation or repairing existing completed property items. Once the property is complete, include all the costs outlined above in its acquisition value in the property record. The WIP values are inception to date until such time as the WIP is completed. It does not include future costs.

#### **1845.7101-4 Types of deletions from contractor property records.**

Contractors ~~shall~~ **[must]** report the types of deletions from contract property records as described in this section.

(a) Lost, Damaged or Destroyed. Deletion amounts that result from relief from responsibility under FAR 45.503 **[603]** granted during the reporting period.

(b) Transferred in Place. Deletion amounts that result from transfer of property to a follow-on prime contract or other prime contract with the same contractor.

(c) Transferred to NASA Center Accountability. Deletion amounts that result from transfer of accountability to the NASA Center responsible for the contract, whether or not items are physically moved.

(d) Transferred to Another NASA Center. Deletion amounts that result from transfer of accountability to a NASA Center other than the one responsible for the contract, whether or not items are physically moved.

(e) Transferred to Another Government Agency. Deletion amounts that result from transfer of property to another Government agency.

(f) Purchased at Cost/Returned for Credit. Deletion amounts that result from contractor purchase or retention of contractor acquired property as provided in FAR 45.605-1, or from contractor returns to suppliers under **FAR 45.605-2**.

(g) Disposed of Through Plant Clearance Process. Deletions other than transfers within the Federal Government, e.g., donations to eligible recipients, sold at less than cost, or abandoned/directed destruction, or trade-ins.

(h) Other. Types of deletion other than those reported in paragraph (a) through (g) of this section such as those resulting from reclassifications (e.g. from equipment to agency-peculiar property).

#### **1845.7101-5 Contractor's privileged financial and business information.**

If a transfer of property between contractors involves disclosing costs of a proprietary nature, the contractor ~~shall~~ **[must]** furnish unit acquisition costs only on copies of shipping documents sent to the shipping and receiving NASA Centers.

### **Subpart 1852.245—Text of Provisions and Clauses**

#### **1852.245-70 Contractor Requests for Government-furnished Property.**

As prescribed in [1845.107-70\(a\)\(1\)](#), insert the following clause:

#### **CONTRACTOR REQUESTS FOR GOVERNMENT-FURNISHED PROPERTY (AUG 2015)–[DEVIATION DEC 2025]**

(a) The Contractor ~~shall~~ **[must]** provide all property required for the performance of this contract. The Contractor ~~shall~~ **[must]** not acquire or construct items of property to which the Government will have title under the provisions of this contract without the Contracting Officer's written authorization. Property which will be acquired as a deliverable end item as material or as a component for incorporation into a deliverable end item is exempt from this requirement. Property approved as part of the contract award or specifically required within the statement of work is exempt from this requirement.

(b)(1) In the event the Contractor is unable to provide the property necessary for performance, and the Contractor requests provision of property by the Government, the Contractor's request ~~shall~~ **[must]** —

- (i) Justify the need for the property;
- (ii) Provide the reasons why contractor-owned property cannot be used;
- (iii) Describe the property in sufficient detail to enable the Government to screen its inventories for available property or to otherwise acquire property, including applicable manufacturer, model, part, catalog, National Stock Number or other pertinent identifiers;
- (iv) Combine requests for quantities of items with identical descriptions and estimated values when the estimated values do not exceed \$500,000 per unit; and
- (v) Include only a single unit when the acquisition or construction value equals or exceeds \$500,000.

(2) Contracting Officer authorization is required for items the Contractor intends to manufacture as well as those it intends to purchase.

(3) The Contractor ~~shall~~ **[must]** submit requests to the Contracting Officer no less than 30 days in advance of the date the Contractor would, should it receive authorization, acquire or begin fabrication of the item.

(c) The Contractor ~~shall~~ **[must]** maintain copies of Contracting Officer authorizations, appropriately cross-referenced to the individual property record, within its property management system.

(d) Property furnished from Government excess sources is provided as-is, where-is. The Government makes no warranty regarding its applicability for performance of the contract or its ability to operate. Failure of property obtained from Government excess sources under this clause is insufficient reason for submission of requests for equitable adjustments discussed in the clause at FAR 52.245-1, Government Property, as incorporated in this contract.

(End of clause)

ALTERNATE I ~~(AUG 2015)~~ **[DEVIATION DEC 2025]**

As prescribed in [1845.107-70\(a\)\(2\)](#), add the following paragraph (e).

(e) In the event the Contracting Officer issues written authorization to provide property, the Contractor ~~shall~~ **[must]** screen Government sources to determine the availability of property from Government inventory or excess property.

(1) The Contractor ~~shall~~ **[must]** review NASA inventories and other authorized Federal excess sources for availability of items that meet the performance requirements of the requested property.

(i) If the Contractor determines that a suitable item is available from NASA supply inventory, it ~~shall~~ **[must]** request the item using applicable Center procedures.

(ii) If the Contractor determines that an item within NASA or Federal excess is suitable, it ~~on-shall~~ **[must]** tact the Center Industrial Property Officer to arrange for transfer of the item from the identified source to the Contractor.

(2) If the Contractor determines that the required property is not available from inventory or excess sources, the Contractor ~~shall~~ **[must]** note the acquisition file with a list of sources reviewed and the findings regarding the lack of availability. If the required property is available, but unsuitable for use, the contractor ~~shall~~ **[must]** document the rationale for rejection of available property. The Contractor ~~shall~~ **[must]** retain appropriate cross-referenced documentary evidence of the outcome of those screening efforts as part of its property records system.

**1852.245-71 Installation-accountable Government Property.**

As prescribed in [1845.107-70\(b\)\(1\)](#), insert the following clause:

**INSTALLATION-ACCOUNTABLE GOVERNMENT PROPERTY**

~~(JUN 2018)~~ **[DEVIATION DEC 2025]**



(a) The Government property described in paragraph (c) of this clause may be made available to the Contractor on a no-charge basis for use in performance of this contract. This property ~~shall~~ **[must]** be utilized only within the physical confines of the NASA installation that provided the property unless authorized by the Contracting Officer under (b)(1)(iv). Under this clause, the Government retains accountability for, and title to, the property, and the Contractor ~~shall~~ **[must]** comply with the following:

NASA Procedural Requirements (NPR) 4100.1 **[F]** ~~NASA Materials Inventory Management Manual~~. NASA Supply Support and Materiel Management  
NASA Procedural Requirements (NPR) 4200.1 **[G]**, NASA Equipment Management Procedural Requirements.

NASA Procedural Requirement (NPR) 4300.1 **[C]**, NASA Personal Property Disposal Procedural Requirements: [Insert any additional property management responsibilities].

**[NASA Procedural Requirements (NPR) 4500.1[A], Administration of Property in the Custody of Award Recipients: [Insert any additional property management responsibilities].**

Property not recorded in NASA property systems must be managed in accordance with the requirements of the clause at FAR 52.245-1, as incorporated in this contract.

The Contractor ~~shall~~ **[must]** establish and adhere to a system of written procedures to assure continued, effective management control and compliance with these user responsibilities. In accordance with FAR 52.245-1(h)(1) the contractor ~~shall~~ **[must]** be liable for property lost, damaged, destroyed or stolen by the contractor or their employees when determined responsible by a NASA Property Survey Board, in accordance with the NASA guidance in this clause.

(b)(1) The official accountable recordkeeping, financial control, and reporting of the property subject to this clause ~~shall~~ **[must]** be retained by the Government and accomplished within NASA management information systems prescribed by the installation Supply and Equipment Management Officer (SEMO) and Financial Management Officer. If this contract provides for the Contractor to acquire property, title to which will vest in the Government, the following additional procedures apply:

(i) The Contractor's purchase order ~~shall~~ **[must]** enquire the vendor to deliver the property to the installation central receiving area.

(ii) The Contractor ~~shall~~ **[must]** all furnish a copy of each purchase order, prior to delivery by the vendor, to the installation central receiving area.

(iii) The Contractor ~~shall~~ **[must]** establish a record for Government titled property as required by FAR 52.245-1, as incorporated in this contract, and ~~shall~~ **[must]** maintain that record until accountability is accepted by the Government.

(iv) Contractor use of Government property at an off-site location and off-site subcontractor use requires advance approval of the Contracting Officer and notification of the Industrial Property Officer. The property ~~shall~~ **[must]** be considered Government furnished and the Contractor ~~shall~~ **[must]** assume accountability and financial reporting responsibility. The Contractor ~~shall~~ **[must]** establish records and property control procedures and maintain the property in accordance with the requirements of FAR 52.245-1, Government Property (as incorporated in this contract), until its return to the installation. NASA Procedural Requirements related to property loans ~~shall~~ **[must]** not apply to offsite use of property by contractors.

(2) After transfer of accountability to the Government, the Contractor ~~shall~~ **[must]** continue to maintain such internal records as are necessary to execute the user responsibilities identified in paragraph (a) of this clause and document the acquisition, billing, and disposition of the property. These records and supporting documentation ~~shall~~ **[must]** be made available, upon request, to the SEMO and any other authorized representatives of the Contracting Officer.

(c) The following property and services are provided if checked:

\_\_\_(1) Office space, work area space, and utilities. Government telephones are available for official purposes only.

\_\_\_(2) Office furniture.

\_\_\_(3) Property listed in [Insert attachment number or “not applicable” if no equipment is provided].

(i) If the Contractor acquires property, title to which vests in the Government pursuant to other provisions of this contract, this property also ~~shall~~ **[must]** become accountable to the Government upon its entry into Government records.

(ii) The Contractor ~~shall~~ **[must]** not bring to the installation for use under this contract any property owned or leased by the Contractor, or other property that the Contractor is accountable for under any other Government contract, without the Contracting Officer’s prior written approval.

\_\_\_(4) Supplies from stores stock.

\_\_\_(5) Publications and blank forms stocked by the installation.

\_\_\_(6) Safety and fire protection for Contractor personnel and facilities.

\_\_\_(7) Installation service facilities: [Insert the name of the facilities or “none”].

\_\_\_(8) Medical treatment of a first-aid nature for Contractor personnel injuries or illnesses sustained during on-site duty.

\_\_\_(9) Cafeteria privileges for Contractor employees during normal operating hours.

\_\_\_(10) Building maintenance for facilities occupied by Contractor personnel.

\_\_\_(11) Moving and hauling for office moves, movement of large

equipment, and  
delivery of supplies. Moving services may be provided on-site, as approved by the Contracting Officer.

(End of clause)

~~/PN 18-11/~~

ALTERNATE I (~~JAN 2011~~) **[DEVIATION DEC 2025]**

As prescribed in [1845.107-70\(b\)\(4\)](#), substitute the following for paragraph (b)(1)(i) of the basic clause:

(i) The Contractor ~~shall~~ **[must]** not utilize the installation's central receiving facility for receipt of contractor-acquired property. However, the Contractor ~~shall~~ **[must]** provide listings suitable for establishing accountable records of all such property received, on a monthly basis, to the SEMO.

**1852.245-72 Liability for Government Property Furnished for Repair or Other Services.**

As prescribed in [1845.107-70\(c\)](#), insert the following clause:

LIABILITY FOR GOVERNMENT PROPERTY FURNISHED FOR REPAIR OR OTHER SERVICES

~~(JAN 2011)~~ **[DEVIATION DEC 2025]**

(a) This clause ~~shall~~ **[must]** govern with respect to any Government property furnished to the Contractor for repair or other services that is to be returned to the Government. Such property, hereinafter referred to as "Government property furnished for servicing," ~~shall~~ **[must]** not be subject to FAR 52.245-1, Government Property.

(b) The official accountable recordkeeping and financial control and reporting of the property subject to this clause ~~shall~~ **[must]** be retained by the Government. The Contractor ~~shall~~ **[must]** maintain adequate records and procedures to ensure that the Government property furnished for servicing can be readily accounted for and identified at all times while in its custody or possession or in the custody or possession of any subcontractor.

(c) The Contractor ~~shall~~ **[must]** be liable for any loss, damage, or destruction of the Government property furnished for servicing when caused by the Contractor's failure to exercise such care and diligence as a reasonable prudent owner of similar

property would exercise under similar circumstances. The Contractor ~~shall~~ **[must]** not be liable for loss, damage, or destruction of Government property furnished for servicing resulting from any other cause except to the extent that the loss, damage, or destruction is covered by insurance (including self-insurance funds or reserves).

(d) The Contractor ~~shall~~ **[must]** hold the Government harmless and ~~shall~~ **[must]** indemnify the Government against all claims for injury to persons or damage to property of the Contractor or others arising from the Contractor's possession or use of the Government property furnished for servicing or arising from the presence of that property on the Contractor's premises or property.

(End of clause)

**1852.245-73 Financial Reporting of NASA Property in the Custody of Contractors.**  
As prescribed in [1845.107-70\(d\)](#), insert the following clause:

FINANCIAL REPORTING OF NASA PROPERTY IN THE CUSTODY OF  
CONTRACTORS ~~(JAN 2017)~~  
**[DEVIATION DEC 2025]**

(a) The Contractor **[with furnished and acquired property]** ~~shall~~ **[must]** submit **[an electronic property submissions in NASA's Accountable Property System of Record (APSR)/NASA Electronic Submission System (NESS) annually; and a final property submission via <https://ness.nasa.gov/contractor> when the period of performance or award has ended. Once electronic property submission is completed, the contractor will be able to download their electronic NASA Form (NF) 1018, NASA Property in the Custody of Award Recipients]** ~~annually a NASA Form (NF) 1018, NASA Property in the Custody of Contractors,~~ in accordance with this clause, the instructions on the form and NFS subpart [1845.71](#), and any supplemental instructions for the current reporting period issued by NASA.

(b)(1) Subcontractor use of NF 1018 **[the APSR/NESS]** is not required by this clause; however, the Contractor ~~shall~~ **[must]** include data on property in the possession of subcontractors in ~~the annual~~ **[the electronic annual property submission]** NF 1018.

The Contractor ~~shall~~ **[must]** mail the original signed NF 1018 directly to the cognizant NASA Center Industrial Property Officer and a copy to the cognizant NASA Center Deputy Chief Financial Officer, Finance, unless the **Contractor [is required by their contract to report with zero value award, that never had property associated.]** ~~uses the NF 1018 Electronic Submission System (NESS) for report preparation and submission.~~

~~(2) One copy shall [must] be submitted (through the Department of Defense (DOD) Property Administrator if contract administration has been delegated to DOD) to the following address: [Insert name and address of appropriate NASA~~

~~Center office.], unless the Contractor uses the NF 1018 Electronic Submission System (NESS) for report preparation and submission.~~

(c)(1) The annual reporting period ~~shall~~ **[must]** be from October 1 of each year through September 30 of the following year. The report ~~shall~~ **[must]** be submitted in time to be received by October 31<sup>st</sup>. The information contained in these reports is entered into the NASA accounting system to reflect current asset values for agency financial statement purposes. Therefore, it is essential that required reports be received no later than October 31<sup>st</sup>.

(2) Some activity may be estimated for the month in which the report is submitted, if necessary, to ensure the **[electronic annual or final property submission]** ~~NF 1018~~ is received when due. However, contractors' procedures must document the process for developing these estimates based on planned activity such as planned purchases or NASA Form 533 (NF 533) Contractor Financial Management Report) cost estimates. It should be supported and documented by historical experience or other corroborating evidence, and be retained in accordance with FAR Subpart 4.7**[05], [Specific Retention Periods]** ~~Contractor Records Retention~~. Contractors ~~shall~~ **[must]** validate the reasonableness of the estimates and associated methodology by comparing them to the actual activity once that data is available and adjust them accordingly. In addition, differences between the estimated cost and actual cost must be adjusted during the next reporting period. Contractors ~~shall~~ **[must]** have formal policies and procedures, which address the validation of ~~NF 1018~~ **[the electronic annual or final property submission]** data, including data from subcontractors, and the identification and timely reporting of errors. The objective of this validation is to ensure that information reported is accurate and in compliance with the NASA FAR Supplement. If errors are discovered on ~~NF 1018~~ **[the electronic annual or final property submission]** after submission, **[submittal]** the contractor ~~shall~~ **[must]** contact the cognizant NASA Center Industrial Property Officer (IPO) within ~~30-~~ **[10]** days after discovery of the error to discuss corrective action. **[If there is an error found during the Contractor's property submission, it will be disapproved, and Contractor will receive an automatic email explaining what is needed for it to be approved.]**

(3) In addition to an annual report, if at any time during performance of the contract, NASA-owned property in the custody of the Contractor has a value of \$10 million or more, the Contractor ~~shall~~ **[must]** also submit a report no later than the 21<sup>st</sup> of each month in accordance with the requirements of paragraph (c)(2) of this clause.

(4) The Contracting Officer may, in NASA's interest, withhold payment until a reserve not exceeding \$25,000 or 5 percent of the amount of the contract, whichever is less, has been set aside, if the Contractor fails to submit ~~annual NF 1018~~ **[the electronic annual or final property submission]** reports in accordance with NFS subpart [1845.71\[01\]](#), any monthly report in accordance with (c)(3) of this clause, and any supplemental instructions for the current reporting period issued by NASA. Such reserve ~~shall~~ **[must]** be withheld until the Contracting Officer has determined that NASA has received the required reports. The withholding of any

amount or the subsequent payment thereof ~~shall~~ **[must]** not be construed as a waiver of any Government right.

(d) ~~A~~ An **[electronic final property]** final report ~~shall~~ **[must]** be submitted **[in the APSR/NESS]** within 30 days after disposition of all property subject to reporting when the contract performance period is complete in accordance with paragraph (b)(1) through (3) of this clause.

(End of clause)

**1852.245-74 Identification and Marking of Government Equipment.**

As prescribed by [1845.107-70\(e\)](#), insert the following clause.

IDENTIFICATION AND MARKING OF GOVERNMENT EQUIPMENT ~~(AN~~  
~~2011)~~ **[DEVIATION DEC 2025]**

(a) The Contractor ~~shall~~ **[must]** identify all equipment to be delivered to the Government using NASA Technical Handbook (NASA-HDBK) 6003, Application of Data Matrix Identification Symbols to Aerospace Parts Using Direct Part Marking Methods/Techniques, and NASA Standard (NASA-STD) 6002, Applying Data Matrix Identification Symbols on Aerospace Parts or through the use of commercial marking techniques that: (1) are sufficiently durable to remain intact through the typical lifespan of the property; and, (2) contain the data and data format required by the standards. This requirement includes deliverable equipment listed in the schedule and other equipment when no longer required for contract performance and NASA directs physical transfer to NASA or a third party. The Contractor ~~shall~~ **[must]** identify property in both machine and human readable form unless the use of a machine readable-only format is approved by the NASA Industrial Property Officer.

(b) Equipment ~~shall~~ **[must]** be marked in a location that will be human readable, without disassembly or movement of the equipment, when the items are placed in service unless such placement would have a deleterious effect on safety or on the item's operation.

(c) Concurrent with equipment delivery or transfer, the Contractor ~~shall~~ **[must]** provide the following data in an electronic spreadsheet format:

- (1) Item Description.
- (2) Unique Identification Number (License Tag).
- (3) Unit Price.
- (4) An explanation of the data used to make the unique identification number.

(d) For equipment no longer needed for contract performance and physically transferred under paragraph (a) of this clause, the following additional data is

required:

- (1) Date originally placed in service.
- (2) Item condition.

(e) The data required in paragraphs (c) and (d) of this clause ~~shall~~ **[must]** be delivered to the NASA center receiving activity listed below:

---

---

---

(f) The contractor ~~shall~~ **[must]** include the substance of this clause, including this paragraph (f), in all subcontracts that require delivery of equipment.

(End of clause)

**1852.245-75 Property Management Changes.**

As prescribed in [1845.107-70\(f\)](#), insert the following clause.

PROPERTY MANAGEMENT CHANGES (~~JAN 2011~~) **[DEVIATION DEC 2025]**

(a) The Contractor ~~shall~~ **[must]** submit any changes to standards and practices used for management and control of Government property under this contract to the assigned property administrator prior to making the change whenever the change —

- (1) Employs a standard that allows increase in thresholds or changes the timing for reporting loss, damage, or destruction of property;
- (2) Alters physical inventory timing or procedures;
- (3) Alters recordkeeping practices;
- (4) Alters practices for recording the transport or delivery of Government property; or
- (5) Alters practices for disposition of Government property.

(End of clause)

**1852.245-76 List of Government Property Furnished Pursuant to FAR 52.245-1.**

As prescribed in [1845.107-70\(g\)](#), insert the following clause:

LIST OF GOVERNMENT PROPERTY FURNISHED PURSUANT TO FAR  
52.245-1 (~~JAN 2011~~) **[DEVIATION DEC 2025]**

For performance of work under this contract, the Government will make available Government property identified below or in Attachment [Insert attachment number or “not applicable”] of this contract on a no charge-for-use basis pursuant to the clause at FAR 52.245– 1, Government Property, as incorporated in this contract. The Contractor ~~shall~~ **[must]** use this property in the performance of this contract at [Insert applicable site(s) where property will be used] and at other location(s) as may be approved by the Contracting Officer. Under FAR 52.245–1, the Contractor is accountable for the identified property.

(End of clause)

**1852.245-77 List of Government Property Furnished Pursuant to FAR 52.245-2.**  
As prescribed in [1845.107-70\(h\)](#), insert the following clause:

LIST OF GOVERNMENT PROPERTY FURNISHED PURSUANT to FAR  
52.245-2 ~~(JAN 2011)~~ **[DEVIATION DEC  
2025]**

For performance of work under this contract, the Government will make available Government property identified below or in Attachment [Insert attachment number or “not applicable”] of this contract on a no charge-for-use basis pursuant to FAR 52.245–2, Government Property Installation Operation Services, as incorporated in this contract. The Contractor ~~shall~~ **[must]** use this property in the performance of this contract at [Insert applicable site(s) where property will be used] and at other location(s) as may be approved by the Contracting Officer.

[Insert a description of the item(s), acquisition date, quantity, acquisition cost, and applicable equipment information]

(End of clause)

**1852.245-78 Physical Inventory of Capital Personal Property.**  
As prescribed in [1845.107-70\(i\)](#), insert the following clause.

PHYSICAL INVENTORY OF CAPITAL PERSONAL PROPERTY ~~(AUG 2015)~~  
**[DEVIATION DEC 2025]**

(a) In addition to physical inventory requirements under the clause at FAR 52.245–1, Government Property, as incorporated in this contract, the Contractor ~~shall~~ **[must]** conduct annual physical inventories for individual property items with an acquisition cost exceeding \$500,000.

(1) The Contractor ~~shall~~ **[must]** inventory—



(i) Items of property furnished by the Government;  
(ii) Items acquired by the Contractor and titled to the Government under the clause at FAR 52.245-1;  
(iii) Items constructed by the Contractor and not included in the deliverable, but titled to the Government under the clause at FAR 52.245-1; and

(iv) Complete but undelivered deliverables.

(2) The Contractor ~~shall~~ **[must]** use the physical inventory results to validate the property record data, specifically location and use status, and to prepare summary reports of inventory as described in paragraph (c) of this clause.

(b) Unless specifically authorized in writing by the Property Administrator, the inventory ~~shall~~ **[must]** be performed and posted by individuals other than those assigned custody of the items, responsibility for maintenance, or responsibility for posting to the property record. The Contractor may request a waiver from this separation of duties requirement from the Property Administrator, when all of the conditions in either (1) or (2) of this paragraph are met.

(1) The Contractor utilizes an electronic system for property identification, such as a laser bar-code reader or radio frequency identification reader, and

(i) The programs or software preclude manual data entry of inventory identification data by the individual performing the inventory; and

(ii) The inventory and property management systems contain sufficient management controls to prevent tampering and assure proper posting of collected inventory data.

(2) The Contractor has limited quantities of property, limited personnel, or limited property systems; and the Contractor provides written confirmation that the Government property exists in the recorded condition and location;

(3) The Contractor ~~shall~~ **[must]** submit the request to the cognizant property administrator and obtain approval from the property administrator prior to implementation of the practice.

(c) The Contractor ~~shall~~ **[must]** report the results of the physical inventory to the property administrator within 10 calendar days of completion of the physical inventory. The report ~~shall~~ **[must]**

(1) Provide a summary showing number and value of items inventoried; and

(2) Include additional supporting reports of—

(i) Loss in accordance with the clause at 52.245-1, Government Property;

(ii) Idle property available for reuse or disposition; and

(iii) A summary of adjustments made to location, condition, status, or user as a result of the physical inventory reconciliation.

(d) The Contractor ~~shall~~ **[must]** retain auditable physical inventory records, including records supporting transactions associated with inventory reconciliation. All records ~~shall~~ **[must]** be subject to Government review and/or audit.

(End of clause)

**1852.245-79 Records and Disposition Reports for Government Property with Potential Historic or Significant Real Value.**

As prescribed in [1845.107-70\(j\)](#), insert the following clause:

RECORDS AND DISPOSITION REPORTS FOR GOVERNMENT PROPERTY WITH  
POTENTIAL HISTORIC OR SIGNIFICANT REAL VALUE

~~(JAN 2011)~~ **[DEVIATION DEC 2025]**

(a) In addition to the property record data required by the clause at FAR 52.245-1, Government Property as incorporated in this contract, Contractor records of all Government property under this contract ~~shall~~ **[must]** —

- (1) Identify the projects or missions that used the items;
- (2) Specifically identify items of flown property;
- (3) When known, associate individual items of property used in space flight operations with the using astronaut(s); and
- (4) Identify property used in test activity and, when known, the individuals who conducted the test.

(b) The Contractor ~~shall~~ **[must]** include this information within item descriptions—

- (1) On any Standard Form 1428, Inventory Schedule;
- (2) In automated disposition systems;
- (3) In any other disposition related reports; and
- (4) In other requests for disposition instructions.

(c) The Contractor ~~shall~~ **[must]** not remove NASA identification or markings from Government property prior to or during disposition without the advanced written approval of the Plant Clearance Officer.

(End of clause)

**1852.245-80 Government Property Management Information.**

As prescribed in [1845.107-70\(k\)\(1\)](#), insert the following provision.

GOVERNMENT PROPERTY MANAGEMENT INFORMATION ~~(JAN 2011)~~

**[DEVIATION DEC 2025]**

(a) The offeror ~~shall~~ **[must]** identify the industry leading or voluntary consensus standards, and/or the industry leading practices, that it intends to employ for the management of Government property under any contract awarded from this solicitation.

(b) The offeror ~~shall~~ **[must]** provide the date of its last Government property control system analysis along with its overall status, a summary of findings and recommendations, the status of any recommended corrective actions, the name of the Government activity that performed the analysis, and the latest available contact information for that activity.

(c) The offeror ~~shall~~ **[must]** identify any property it intends to use in performance of this contract from the list of available Government property in the provision at [1852.245-81](#), List of Available Government Property.

(d) The offeror ~~shall~~ **[must]** identify all Government property in its possession, provided under other Government contracts that it intends to use in the performance of this contract. The offeror ~~shall~~ **[must]** also identify: The contract that provided the property, the responsible Contracting Officer, the dates during which the property will be available for use (including the first, last, and all intervening months), and, for any property that will be used concurrently in performing two or more contracts, the amounts of the respective uses in sufficient detail to support prorating the rent, the amount of rent that would otherwise be charged in accordance with FAR 52.245-9, Use and Charges (~~June 2007~~)**[April 2012]**, and the contact information for the responsible Government Contracting Officer. The offeror ~~shall~~ **[must]** provide proof that such use was authorized by the responsible Contracting Officer.

(e) The offeror ~~shall~~ **[must]** disclose cost accounting practices that allow for direct charging of commercially available equipment, when commercially available equipment is to be used in performance of the contract and the equipment is not a deliverable.

(f) The offeror ~~shall~~ **[must]** identify, in list form, any equipment that it intends to acquire and directly charge to the Government under this contract. The list ~~shall~~ **[must]** include a description, manufacturer, model number (when available), quantity required, and estimated unit cost. Equipment approved as part of the award need not be requested under NFS clause [1852.245-70](#).

(g) The offeror ~~shall~~ **[must]** disclose its intention to acquire any parts, supplies, materials or equipment, to fabricate an item of equipment for use under any contract resulting from this solicitation when that item of equipment—

Will be titled to the government under the provisions of the contract; is not included as a contract deliverable; and the Contractor intends to charge the costs

of materials directly to the contract. The disclosure ~~shall~~ **[must]** identify the end item or system and ~~shall~~ **[must]** include all descriptive information, identification numbers (when available), quantities required and estimated costs.

(h) Existing Government property may be reviewed at the following locations, dates, and times: [Enter the appropriate information]

(End of provision)

#### ALTERNATE 1

~~(JAN 2011)~~ **[DEVIATION DEC 2025]**

As prescribed in [1845.107-70\(k\)\(2\)](#) add the following paragraph (i).

(i) Existing available Government property listed in the provision at [1852.245-81](#) is provided “as-is”. NASA makes no warranty regarding its performance or condition. The offeror uses this property at its own risk and should make its own assessment of the property’s suitability for use. The equitable adjustment provisions of the clause at 52.245-1, Government Property as included in this solicitation, are not applicable to this property. The offeror must obtain the Contracting Officer’s written approval before acquiring replacement property when it intends to charge the cost directly to the contract.

#### **1852.245-81 List of Available Government Property.**

As prescribed in [1845.107-70\(l\)](#), insert the following provision.

#### LIST OF AVAILABLE GOVERNMENT PROPERTY

~~(JAN 2011)~~ **[DEVIATION DEC 2025]**

(a) The Government will make the following Government property available for use in performance of the contract resulting from this solicitation, on a no-charge-for-use basis in accordance with FAR 52.245-1, Government Property, included in this solicitation. The offeror ~~shall~~ **[must]** notify the Government, as part of its proposal, of its intention to use or not use the property.

(b) The Government will make the following Government property available for use in performance of the contract resulting from this solicitation, on a no-charge-for-use basis in accordance with FAR 52.245-2, Government Property Installation Operation Services, as included in this solicitation. The offeror ~~shall~~ **[must]** notify the Government of its intention to use or not use the property.

(c) The selected Contractor will be responsible for costs associated with transportation, and installation of the property listed in this provision.

(End of provision)

**1852.245-82 Occupancy Management Requirements.**

As prescribed in [1845.107-70\(m\)](#), insert the following clause:

OCCUPANCY MANAGEMENT REQUIREMENTS (~~SEP 2017~~) **[DEVIATION  
DEC 2025]**

(a) In addition to the requirements of the clause at FAR 52.245-1, Government Property, as included in this contract, the Contractor ~~shall~~ **[must]** comply with the following in performance of work in and around Government real property:

- (1) NPD 8800.14 **[F]** Policy for Real Estate Management.
- (2) NPR 8831.2 **[F]**, Facilities Maintenance and Operations Management. **[Contracting Officers must insert any additional Center occupancy requirements here.]**

(b) The Contractor ~~shall~~ **[must]** obtain the written approval of the Contracting Officer before installing or removing Contractor-owned property onto or into any Government real property or when movement of Contractor-owned property may damage or destroy Government-owned property. The Contractor ~~shall~~ **[must]** restore damaged property to its original condition at the Contractor's expense.

(c) The Contractor ~~shall~~ **[must]** not acquire, construct or install any fixed improvement or structural alterations in Government buildings or other real property without the advance, written approval of the Contracting Officer. Fixed improvement or structural alterations, as used herein, means any alteration or improvement in the nature of the building or other real property that, after completion, cannot be removed without substantial loss of value or damage to the premises. Title to such property vest ~~shall~~ **[must]** in the Government.

(d) The Contractor ~~shall~~ **[must]** report any real property or any portion thereof when it is no longer required for performance under the contract, as directed by the Contracting Officer.

(End of clause)

**1852.245-83 Real Property Management Requirements.**

As prescribed in [1845.107-70\(n\)](#), insert the following clause:

REAL PROPERTY MANAGEMENT REQUIREMENTS (~~JAN 2011~~)  
**[DEVIATION DEC 2025]**

(a) In addition to the requirements of the FAR Government Property Clause incorporated in this contract (FAR 52.245-1), the Contractor shall comply with the following in performance of any maintenance, construction, modification, demolition, or management activities of any Government real property:

- (1) NPD 8800.14[F], Policy for Real Estate Management.
- (2) NPR 8831.2[F], Facilities Maintenance and Operations Management. **[Contracting Officers must insert any real property related Center requirements here.]**

(b) Within 30 calendar days following award, the Contractor ~~shall~~ **[must]** provide a plan for maintenance of Government real property provided for use under this contract. The Contractor's maintenance program ~~shall~~ **[must]** enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Contractor ~~shall~~ **[must]** disclose and report to the Contracting Officer the need for replacement and/or capital rehabilitation. Upon acceptance by the Contracting Officer, the program ~~shall~~ **[must]** become a requirement under this contract.

(c) Title to parts replaced by the Contractor in carrying out its normal maintenance obligations ~~shall~~ **[must]** pass to and vest in the Government upon completion of their installation in the facilities. The Contractor ~~shall~~ **[must]** keep the property free and clear of all liens and encumbrances.

(d) The Contractor ~~shall~~ **[must]** keep records of all work done to real property, including plans, drawings, charts, warranties, and manuals. Records ~~shall~~ **[must]** be complete and current. Record of all transactions ~~shall~~ **[must]** be auditable. The Government ~~shall~~ **[must]** have access to these records at all reasonable times, for the purposes of reviewing, inspecting, and evaluating the Contractor's real property management effectiveness. When real property is disposed of under this contract, the Contractor ~~shall~~ **[must]** deliver the related records to the Government.

(e) The Contracting Officer may direct the Contractor in writing to reduce the work required by the maintenance program authorized in paragraph (b) of this clause at any time.

(End of clause)

**PART 1845  
GOVERNMENT PROPERTY**

**TABLE OF CONTENTS**

<b>SUBPART</b>	<b><u>1845.1</u></b>	<b>GENERAL</b>
1845.107		Contract clauses.
1845.107-70		NASA solicitation provisions and contract clauses.
<b>SUBPART</b>	<b>1845.3</b>	<b>AUTHORIZING THE USE AND RENTAL OF GOVERNMENT PROPERTY</b>
1845.302		Contracts with foreign government or international organizations.
<b>SUBPART</b>	<b>1845.4</b>	<b>RESERVED</b>
<b>SUBPART</b>	<b>1845.6</b>	<b>REPORTING, REUTILIZATION, AND DISPOSAL</b>
1845.604-70		Sale of property pursuant to the exchange/sale authority.
1845.606-70		Contractor's scrap procedure.
1845.607-2		Recovering precious metals.
<b>SUBPART</b>	<b>1845.71</b>	<b>FORMS PREPARATION</b>
1845.7101		Instructions for preparing NASA electronic annual and final property submissions.
1845.7101-1		Property classification.
1845.7101-2		Transfers of property.
1845.7101-3		Unit acquisition costs.
1845.7101-4		Types of deletions from contractor property records.
1845.7101-5		Contractor's privileged financial and business information.

**PART 1845**  
**GOVERNMENT PROPERTY**

**Subpart 1845.1—General**

**1845.107 Contract clauses.**

**1845.107–70 NASA solicitation provisions and contract clauses.**

(a)(1) The contracting officer must insert the clause at 1852.245–70, Contractor Requests for Government-furnished Property, in cost reimbursement solicitations and contracts.

(2) Use the clause with its Alternate I when the center Supply and Equipment Management Officer (SEMO) consents to permit the contractor to screen Government inventory for available property in lieu of contractor acquisition of new items.

(b)(1) The contracting officer must insert the clause at 1852.245–71, Installation—Accountable Government Property, in solicitations and contracts when Government property is to be made available to a contractor working on a NASA installation, and the Government will maintain accountability for the property. The contracting officer must list in the clause the applicable property user responsibilities. For purposes of this clause, NASA installations include local off-site buildings owned or leased by NASA.

(2) Use of this clause is subject to the SEMO's concurrence that adequate Government property management resources are available for oversight of the property in accordance with all applicable NASA installation property management directives.

(3) The contracting officer must identify, in the contract, the nature, quantity, and acquisition cost of the property and make it available on a no charge basis.

(4) The contracting officer must use the clause with its Alternate I if the SEMO requests that the contractor be restricted from use of the center central receiving facility for the purposes of receiving contractor-acquired property.

(5) For contractors with both onsite and offsite performance requirements, contracting officers must list Government property provided for offsite use separately in the contract. This Government property is furnished under FAR 52.245–1, Government Property, and remains accountable to the contractor during its use on the contract. This Government property is not subject to the clause at 1852.245–71, Installation—Accountable Government Property. The contracting officer must address any specific maintenance considerations (e.g., requiring or precluding use of an installation calibration or repair facility) elsewhere in the contract.

(c) The contracting officer must insert the clause at 1852.245–72, Liability for Government Property Furnished for Repair or Other Services, in fixed-price, time-and-material, and labor-hour solicitations and contracts (except for experimental, developmental, or research work with educational or nonprofit institutions, where no profit is contemplated) for repair, modification, rehabilitation, or other servicing of Government property, if such property is to be furnished to a contractor for that purpose and no other Government property is to be



furnished. The contracting officer must not require additional insurance under the clause unless the circumstances clearly indicate advantages to the Government.

(d) The contracting officer must insert the clause at 1852.245–73, Financial Reporting of NASA Property in the Custody of Contractors, in cost reimbursement solicitations and contracts and in all contracts in which the contractor has custody of NASA owned-property with a value of \$10 million or more, unless all property to be provided is subject to the clause at 1852.245–71, Installation-Accountable Government Property. Insert the clause 1852.245-73 in other types of solicitations and contracts when it is known at award that property will be provided to the contractor or that the contractor will acquire property title to which will vest in the Government prior to delivery.

(e) The contracting officer must insert the clause at 1852.245–74, Identification and Marking of Government Equipment, in solicitations and contracts that—

- (1) Include the clause at FAR 52.245–1; or
- (2) Require the delivery of supplies.

(f) The contracting officer must insert the clause at 1852.245–75, Property Management Changes, in solicitations and contracts that provide for progress payments or include any of the property clauses prescribed in FAR Part 45.

(g) The contracting officer must insert the clause at 1852.245–76, List of Government Property Furnished Pursuant, to FAR 52.245–1, in solicitations and contracts when the contractor is to be accountable under the contract for Government property.

(h) The contracting officer must insert the clause at 1852.245–77, List of Government Property Furnished Pursuant, to FAR 52.245–2, in solicitations and contracts containing the clause at FAR 52.245–2, Government Property Installation Operation Services. In addition, the contracting officer must insert the following language in the blanks in paragraph (e) of the clause at FAR 52.245–2: “The Government property provided under this clause is identified in clause 1852.245–77 of this contract.”

(i) The contracting officer must insert the clause at 1852.245–78, Physical Inventory of Capital Personal Property, in cost reimbursement and fixed-price solicitations and contracts that provide Government property.

(j) The contracting officer must insert the clause at 1852.245–79, Records and Disposition Reports for Government Property with Potential Historic or Significant Real Value, in solicitations and contracts when, after consultation with the center Historic Preservation Officer, it is determined that the items acquired for or produced by the contract are likely to have historic significance or increased value due to their use in support of NASA projects and programs.

(k)(1) The contracting officer must insert the provision at 1852.245–80, Government Property Management Information, in solicitations when it is known, or there is a reasonable chance, that Government property will be provided to the contractor for contract performance.

(2) The contracting officer must use the provision with Alternate 1 when there are sufficient time and resources to allow prospective contractors the opportunity to inspect the property.

(l) The contracting officer must insert the provision at 1852.245–81, List of Available Government Property, in solicitations when Government property will be made available for contract performance.

(m) The contracting officer must insert the clause at 1852.245–82, Occupancy Management Requirements, in solicitations and contracts that require performance on, or in, any NASA Center, Installation, facility or other NASA real property.

(n) The contracting officer must insert the clause at 1852.245–83 Real Property Management Requirements, in solicitations and contracts for acquisition, construction, modification (including when the modification is a consequence of another approved task, e.g., installation of telephonic or local area network equipment), demolition, or management of real property.

### **Subpart 1845.3 -- Authorizing the Use and Rental of Government**

#### **1845.302 Contracts with foreign government or international organizations.**

NASA procedures for disposal are in NPR 4300.1C, NASA Personal Property Disposal Procedures and Guidelines.

### **Subpart 1845.6—Reporting, Reutilization, and Disposal**

-

#### **1845.604-70 Sale of property pursuant to the exchange/sale authority.**

-

(1) No contractor may sell contractor inventory to persons known by it to be NASA or DOD personnel who have been engaged in administering or terminating NASA contracts.

(2)(i) The contractor's or subcontractor's authority to approve the sale, purchase, or retention of Government property on a contract which is excess to needs after Government reutilization screening at less than cost by a subcontractor, and the subcontractor's authority to sell, purchase, or retain such property at less than cost with the approval of the contractor or next higher-tier subcontractor does not include authority to approve—

(A) A sale by a subcontractor to the contractor, the next higher-tier subcontractor, or their affiliates; or

(B) A sale, purchase, or retention by a subcontractor affiliated with the contractor or next higher-tier subcontractor.

(ii) Each excluded sale, purchase, or retention requires the written approval of the plant clearance officer.

-

#### **1845.606 Contractor's scrap procedure.**

##### **1845.606-70 Contractor's scrap procedure.**

(a) When a contractor has an approved scrap procedure, certain property may be routinely disposed of in accordance with that procedure and not processed under this section.

(b) Property in scrap condition, other than that disposed of through the contractor's approved scrap procedure, must be reported on appropriate inventory schedules for disposition in accordance with the provisions of FAR Part 45 and NFS 1845.

##### **1845.606-71 Recovering precious metals.**

Silver, gold, platinum, palladium, rhodium, iridium, osmium, and ruthenium; scrap bearing such metals; and items containing recoverable quantities of them must be reported through the NASA PDO for disposition in accordance with NASA instructions.

-

##### **1845.607-2 Recovering precious metals.**

Silver, gold, platinum, palladium, rhodium, iridium, osmium, and ruthenium; scrap bearing such metals; and items containing recoverable quantities of them must be reported to the Defense Reutilization and Marketing Service, DRMS-R, Federal Center, Battle Creek, MI 49017-3092, for instructions regarding disposition.

### **Subpart 1845.71—Forms Preparation**

#### **1845.7101 Instructions for preparing the electronic annual and final property submission.**

NASA must account for and report assets in accordance with 31 U.S.C. 3512 and 31 U.S.C. 3515, Federal Accounting Standards, and Office of Management and Budget (OMB) instructions. Since contractors maintain NASA's official records for its assets in their possession, NASA must obtain periodic data from those records to meet these requirements (e.g., Property Management System Analysis (PMSA) performed by a Government Property Administrator for accuracy of records). All contractors with property furnished and acquired must submit an electronic property submissions in NASA's Accountable Property System of Record (APSR)/NASA Electronic Submission System (NESS) annually; and a final property submission via <https://ness.nasa.gov/contractor> when the period of performance or award has ended with the final disposition or property. Once electronic property submission is completed, the contractor will be able to download their electronic forms. Changes in Federal Accounting Standards and OMB reporting requirements may occur from year to year, requiring contractor submission of supplemental information with the electronic annual property submission. The specific Statements of Federal Financial Accounting Standards (SFFAS) to be used for property

records are SFFAS No. 3 “Accounting for Inventory and Related Property”, SFFAS No. 6 “Accounting for Property, Plant and Equipment”, SFFAS No. 10 “Accounting for Internal Use Software”, and SFFAS No. 11 “Amendments to PP&E: Definitions” issued by the Federal Accounting Standards Advisory Board. Classifications of property, related costs to be reported, and other reporting requirements are discussed in this subpart. NF 1018 (see 1853.3) provides critical information for NASA financial statements and property management. Accuracy, completeness, and timeliness of the report are critical to many aspects of NASA’s operations.

#### **1845.7101-1 Property classification.**

(a) General.

(1) Contractors must report costs in the classifications on annual and final property submissions, as described in this section. The cost of heritage assets and obsolete property will be reported on the property submissions under the appropriate classification. Supplemental reporting may also be required.

(2)(i) Heritage assets are property, plant and equipment that possess one or more of the following characteristics:

- (A) Historical or natural significance.
- (B) Cultural, educational or artistic importance.
- (C) Significant architectural characteristics.

(ii) Examples of NASA heritage assets include buildings and structures designated as National Historic Landmarks as well as aircraft, spacecraft and related components on display to enhance public understanding of NASA programs. Heritage assets which serve both a heritage and government operation function are considered multi-use when the predominant use is in general government operations. Multi-use heritage assets electronically in the APSR/NESS for supplemental reporting purposes.

(3) Obsolete property is property for which there are no current plans for use in its intended purpose (i.e. it no longer provides service to NASA operations). Examples of obsolete property are items in configurations which are no longer required or used by NASA or items held for engineering evaluation purposes only. NASA may have approved the retention of these items for programmatic reasons even though they have no current plans for use.

(b) Land. Includes costs of land and improvements to land. Contractors must report land with a unit acquisition cost of \$500,000 or more.

(c) Buildings. Includes costs of buildings, improvements to buildings, and fixed equipment required for the operation of a building which is permanently attached to and a part of the building and cannot be removed without cutting into the walls, ceilings, or floors. Contractors must report buildings with a unit acquisition cost of \$500,000 or more. Examples of fixed equipment required for functioning of a building include plumbing, heating and lighting equipment, elevators, central air conditioning systems, and built-in safes and vaults.

(d) Other Structures and Facilities. Includes costs of acquisitions and improvements of real property (i.e. structures and facilities other than buildings); for example, airfield pavements, harbor and port facilities, power production facilities and distribution systems, reclamation and

irrigation facilities, flood control and navigation aids, utility systems (heating, sewage, water and electrical) when they serve several buildings or structures, communication systems, traffic aids, roads and bridges, railroads, monuments and memorials, and nonstructural improvements such as sidewalks, parking areas, and fences. Contractors must report other structures and facilities with a unit acquisition cost of \$500,000 or more and a useful life of two years or more.

(e) Leasehold improvements. Includes NASA-funded costs of improvements to leased buildings, structures, and facilities, as well as easements and right-of-way, where NASA is the lessee or the cost is charged to a NASA contract. Contractors must report leasehold improvements with a unit acquisition cost of \$500,000 or more and a useful life of two years or more.

(f) Construction in Progress. Includes costs of work in process for the construction of Buildings, Other Structures and Facilities, and Leasehold Improvements to which NASA has title, regardless of value.

(g) Equipment. Includes costs of commercially available personal property capable of stand-alone use in manufacturing supplies, performing services, or any general or administrative purpose (for example, machine tools, furniture, vehicles, computers, software, test equipment, including their accessory or auxiliary items). Software integrated into and necessary to operate another item of Government property is an auxiliary item (see FAR 45.501) and should be considered part of the item of which it is an integral part. Other software to which NASA has title must be classified as an individual item of equipment for reporting purposes if it has a useful life of 2 years or more and acquisition cost of \$1,000,000 or more (also see 1845.7101-3(g)). Enhancement costs for existing software should be added to the software acquisition cost if the enhancement results in significant additional capability beyond that for which the software was originally developed (i.e. a capability that was not included in the original software specifications, the total cost of the enhancement is \$1,000,000 or more, or the expected useful life of the enhanced software is 2 years or more). Software licenses are excluded. Contractors must separately report—

- (1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and
- (2) All other items.

(h) Special Tooling. Includes costs of equipment and manufacturing aids (and their components and replacements) of such a specialized nature that, without substantial modification or alteration, their use is limited to development or production of particular supplies or parts, or performance of particular services. Examples include jigs, dies, fixtures, molds, patterns, taps and gauges. Contractors must separately report—

- (1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and
- (2) All other items.

(i) Special Test Equipment. Includes costs of equipment used to accomplish special purpose testing in performing a contract, and items or assemblies of equipment (see FAR 45.101). Contractors must separately report—

- (1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and
- (2) All other items.

(j) **Material.** Includes costs of NASA-owned property held in inventory regardless of whether or not it is unique to NASA programs that may become a part of an end item or be expended in performing a contract. Examples include raw and processed material, spares, parts, assemblies, small tools and supplies. Material that is part of work-in-process is not included. Contractors must report the amount for all Materials in inventory, regardless of unit acquisition cost.

(k) **Agency-Peculiar Property.** Includes costs of completed items, unique to NASA aeronautical and space programs, which are capable of stand-alone operation. Examples include research aircraft, reusable space vehicles, ground support equipment, prototypes, and mock-ups. The amount of property, title to which vests in NASA as a result of progress payments to fixed price subcontractors, must be included to reflect the pro rata cost of undelivered agency-peculiar property. Completed end items not related to the International Space Station or the Space Shuttle program which otherwise meet the definition of Agency-Peculiar Property, and are destined for permanent operation in space, such as satellites and space probes, must not be reported. Contractors must separately report—

- (1) The amount for all items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more; and
- (2) All other items.

(l) **Contract Work-in-Process.** Work-in-process (WIP) consists of property items under construction (i.e. not complete). It includes costs of all work-in-process regardless of value, and excludes costs of completed items reported in other categories. While the costs of WIP for International Space Station and Space Shuttle components should be included as WIP, satellites and space probes and their components should be excluded from WIP as those items will be accounted for by NASA.

## **1845.7101-2 Transfers of property.**

A transfer is a change in accountability between and among prime contracts, NASA Centers, and other Government agencies (e.g., between contracts of the same NASA Center, contracts of different NASA Centers, a contract of one NASA Center to another, a NASA Center to a contract of another NASA Center, and a contract to another Government agency or its contract). To enable NASA to properly control and account for all transfers, they must be adequately documented. Adequate documentation includes the appropriate dollar amount of the asset(s) transferred (as prescribed in 1845.7101-3) and the formal, signed NASA or contractor authorization approving the transfer. In addition, procurement, property, and financial organizations at NASA Centers must affect all transfers of accountability, although physical shipment and receipt of property may be made directly by contractors. The procedures described in this section must be followed to provide an administrative and audit trail, even if property is physically shipped directly from one contractor to another. Property shipped between September 1 and September 30, inclusively, must be accounted for and reported by the shipping contractor, regardless of the method of shipment, unless written evidence of receipt at destination has been

received. Repairables provided under fixed price repair contracts that include the clause at 1852.245-72, Liability for Government Property Furnished for Repair or Other Services, remain accountable to the cognizant NASA Center and are not reportable electronically in the APSR/NESS; repairables provided under a cost-reimbursement contract, are accountable and reportable. All materials provided to conduct repairs are reportable, regardless of contract type.

(a) Approval and Notification. The contractor must obtain approval of the contracting officer or designee for transfers of property off the prime contract before shipment. Each shipping document must be signed by the contracting officer or designee demonstrating such approval. Each shipping document must contain contract numbers, shipping references, property classifications in which the items are recorded (including Federal Supply Classification group (FSC) codes for equipment), unit acquisition costs (as defined in 1845.7101-3, Unit Acquisition Cost), original Government acquisition dates for items with a unit acquisition cost of \$500,000 or more and a useful life of two years or more, and any other appropriate identifying or descriptive data. 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 must be shown in Block 16. The original Government acquisition date must 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. Unit acquisition costs must be obtained from records maintained pursuant to FAR Part 45 and this Part 1845, or, for uncompleted items where property records have not yet been established, from such other record systems as are appropriate such as manufacturing or engineering records used for work control and billing purposes. Shipping contractors must furnish a copy of the formally approved shipping document to the cognizant property administrator. Shipping and receiving contractors must promptly submit copies of shipping and receiving documents to the Center Deputy Chief Financial Officer, Finance, responsible for their respective contracts when accountability for NASA property is transferred to, or received from, other contracts, contractors, NASA Centers, or Government agencies.

(b) Reclassification. If property is transferred to another contract or contractor, the receiving contractor must record the property in the same property classification and amount appearing on the shipping document. For example, when a contractor receives an item from another contractor that is identified on the shipping document as equipment, but that the recipient intends to incorporate into special test equipment, the recipient must first record the item in the equipment account and subsequently reclassify it as special test equipment. Reclassification of equipment, special tooling, special test equipment, or agency-peculiar property requires prior approval of the contracting officer or a designee.

(c) Incomplete documentation. If contractors receive transfer documents having insufficient detail to properly record the transfer (e.g., omission of property classification, FSC, unit acquisition cost, Government acquisition date, required signatures, etc.) they must request the omitted data directly from the shipping contractor or through the property administrator. The contracting officer must assist the Government Property Administrator and the receiving contractor to obtain all required information for the receiving contractor to establish adequate property records.

### **1845.7101-3 Unit acquisition cost.**

(a) The unit acquisition cost must include all costs incurred to bring the property to a form and location suitable for its intended use. The following is representative of the types of costs that must be included, when applicable:

- (1) Amounts paid to vendors or other contractors.
- (2) Transportation charges to the point of initial use.
- (3) Handling and storage charges.
- (4) Labor and other direct or indirect production costs (for assets produced or constructed).
- (5) Engineering, architectural, and other outside services for designs, plans, specifications, and surveys.
- (6) Acquisition and preparation costs of buildings and other facilities.
- (7) An appropriate share of the cost of the equipment and facilities used in construction work.
- (8) Fixed equipment and related installation costs required for activities in a building or facility.
- (9) Direct costs of inspection, supervision, and administration of construction contracts and construction work.
- (10) Legal and recording fees and damage claims.
- (11) Fair values of facilities and equipment donated to the Government.

(b) Acquisition cost must include, where appropriate, for contractor acquired property, related fees, or a pro rata portion of fees, paid by NASA to the contractor. Situations where inclusion of fees in the acquisition cost would be appropriate are those in which the contractor designs, develops, fabricates or purchases property for NASA and part of the fees paid to the contractor by NASA are related to that effort.

(c) Acquisition cost must be developed using actual costs to the greatest extent possible, especially costs directly related to fabrication such as labor and materials. Where estimates are used, there must be a documented methodology based on a historical basis. All acquisition costs must be properly documented, supported and retained. Supporting documentation must be made available upon request.

(d) The use of weighted average methodologies is acceptable for valuation of Material.

(e) Contractors must report unit acquisition costs using records that are part of the prescribed property or financial control system as provided in this section. Fabrication costs must be based on approved systems or procedures and include all direct and indirect costs of fabrication.

(f) Only modifications that improve an item's capacity or extend its useful life two years or more and that cost \$500,000 or more must be reported in the APSR/NESS on the \$500,000 & Over line. The costs of any other modifications, excluding routine maintenance, will be reported on the Under \$500,000 line. If an item's original unit acquisition cost is less than \$500,000, but a single subsequent modification costs \$500,000 or more, that modification only will be reported



as an item \$500,000 or more on subsequent submissions. The original acquisition cost of the item will continue to be included in the under \$500,000 total. The quantity for the modified item will remain “1” and be reported with the original acquisition cost of the item. If an item’s acquisition cost is reduced by removal of components so that its remaining acquisition cost is under \$500,000, it must be reported as under \$500,000.

(g) Software acquisition costs include software costs incurred up through acceptance testing and material internal costs incurred to implement the software and otherwise make the software ready for use. Costs incurred after acceptance testing are excluded. License, maintenance, training, and data conversion costs are also excluded. If the software is purchased as part of a package, the costs will need to be segregated in such manner as to ensure that the excluded costs (maintenance, training, etc.) are not reported as part of the software’s acquisition cost. Enhancement costs for existing software should be added to the acquisition cost if the enhancement results in significant additional capability beyond that for which the software was originally developed (i.e. a capability that was not included in the original software specifications), the total cost of the enhancement is \$1,000,000 or more, and the expected useful life of the enhanced software is 2 years or more. Include the same types of cost as indicated above under new software. Costs incurred solely to repair a design flaw or perform minor upgrades should not be included.

(h) The computation of work in process (WIP) must include all direct and indirect costs of fabrication, including associated systems, subsystems, and spare parts and components furnished or acquired and charged to work in process pending incorporation into a finished item. These types of items make up what is sometimes called production inventory and include programmed extra units to cover replacement during the fabrication process (production spares). Also included are deliverable items on which the contractor or a subcontractor has begun work, and materials issued from inventory. The computation of WIP must incorporate the other requirements for unit acquisition cost as outlined in paragraphs (a) through (e) of this section. In addition, acquisition cost of property furnished by the Government, which has been incorporated in the property item under construction or in process of fabrication, should be included. Do not include costs for operation or repairing existing completed property items. Once the property is complete, include all the costs outlined above in its acquisition value in the property record. The WIP values are inception to date until such time as the WIP is completed. It does not include future costs.

#### **1845.7101-4 Types of deletions from contractor property records.**

Contractors must report the types of deletions from contract property records as described in this section.

(a) Lost, Damaged or Destroyed. Deletion amounts that result from relief from responsibility under FAR 45.603 granted during the reporting period.

(b) Transferred in Place. Deletion amounts that result from transfer of property to a follow-on prime contract or other prime contract with the same contractor.

(c) Transferred to NASA Center Accountability. Deletion amounts that result from transfer of accountability to the NASA Center responsible for the contract, whether or not items are physically moved.

(d) Transferred to Another NASA Center. Deletion amounts that result from transfer of accountability to a NASA Center other than the one responsible for the contract, whether or not items are physically moved.

(e) Transferred to Another Government Agency. Deletion amounts that result from transfer of property to another Government agency.

(f) Purchased at Cost/Returned for Credit. Deletion amounts that result from contractor purchase or retention of contractor acquired property as provided in FAR 45.605-1, or from contractor returns to suppliers under FAR 45.605.

(g) Disposed of Through Plant Clearance Process. Deletions other than transfers within the Federal Government, e.g., donations to eligible recipients, sold at less than cost, or abandoned/directed destruction, or trade-ins.

(h) Other. Types of deletion other than those reported in paragraph (a) through (g) of this section such as those resulting from reclassifications (e.g. from equipment to agency-peculiar property).

#### **1845.7101-5 Contractor's privileged financial and business information.**

If a transfer of property between contractors involves disclosing costs of a proprietary nature, the contractor must furnish unit acquisition costs only on copies of shipping documents sent to the shipping and receiving NASA Centers.

### **Subpart 1852.245—Text of Provisions and Clauses**

#### **1852.245-70 Contractor Requests for Government-furnished Property.**

As prescribed in [1845.107-70\(a\)\(1\)](#), insert the following clause:

#### **CONTRACTOR REQUESTS FOR GOVERNMENT-FURNISHED PROPERTY DEVIATION DEC 2025**

(a) The Contractor must provide all property required for the performance of this contract. The Contractor must not acquire or construct items of property to which the Government will have title under the provisions of this contract without the Contracting Officer's written authorization. Property which will be acquired as a deliverable end item as material or as a component for incorporation into a deliverable end item is exempt from this requirement. Property approved as part of the contract award or specifically required within the statement of work is exempt from this

requirement.

(b)(1) In the event the Contractor is unable to provide the property necessary for performance, and the Contractor requests provision of property by the Government, the Contractor's request must —

- (i) Justify the need for the property;
- (ii) Provide the reasons why contractor-owned property cannot be used;
- (iii) Describe the property in sufficient detail to enable the Government to screen its inventories for available property or to otherwise acquire property, including applicable manufacturer, model, part, catalog, National Stock Number or other pertinent identifiers;
- (iv) Combine requests for quantities of items with identical descriptions and estimated values when the estimated values do not exceed \$500,000 per unit; and
- (v) Include only a single unit when the acquisition or construction value equals or exceeds \$500,000.

(2) Contracting Officer authorization is required for items the Contractor intends to manufacture as well as those it intends to purchase.

(3) The Contractor must submit requests to the Contracting Officer no less than 30 days in advance of the date the Contractor would, should it receive authorization, acquire or begin fabrication of the item.

(c) The Contractor must maintain copies of Contracting Officer authorizations, appropriately cross-referenced to the individual property record, within its property management system.

(d) Property furnished from Government excess sources is provided as-is, where-is. The Government makes no warranty regarding its applicability for performance of the contract or its ability to operate. Failure of property obtained from Government excess sources under this clause is insufficient reason for submission of requests for equitable adjustments discussed in the clause at FAR 52.245-1, Government Property, as incorporated in this contract.

(End of clause)

ALTERNATE I  
DEVIATION DEC 2025

As prescribed in [1845.107-70\(a\)\(2\)](#), add the following paragraph (e).

(e) In the event the Contracting Officer issues written authorization to provide property, the Contractor must screen Government sources to determine the availability of property from Government inventory or excess property.

(1) The Contractor must review NASA inventories and other authorized Federal excess sources for availability of items that meet the performance requirements of the requested property.

(i) If the Contractor determines that a suitable item is available from NASA supply inventory, it must request the item using applicable Center procedures.

(ii) If the Contractor determines that an item within NASA or Federal excess is suitable, it must contact the Center Industrial Property Officer to arrange for transfer of the item from the identified source to the Contractor.

(2) If the Contractor determines that the required property is not available from inventory or excess sources, the Contractor must note the acquisition file with a list of sources reviewed and the findings regarding the lack of availability. If the required property is available, but unsuitable for use, the contractor must document the rationale for rejection of available property. The Contractor must retain appropriate cross-referenced documentary evidence of the outcome of those screening efforts as part of its property records system.

**1852.245-71 Installation-accountable Government Property.**

As prescribed in [1845.107-70\(b\)\(1\)](#), insert the following clause:

INSTALLATION-ACCOUNTABLE GOVERNMENT PROPERTY

DEVIATION DEC 2025

(a) The Government property described in paragraph (c) of this clause may be made available to the Contractor on a no-charge basis for use in performance of this contract. This property must be utilized only within the physical confines of the NASA installation that provided the property unless authorized by the Contracting Officer under (b)(1)(iv). Under this clause, the Government retains accountability for, and title to, the property, and the Contractor must comply with the following:

NASA Procedural Requirements (NPR) 4100.1F NASA Supply Support and Materiel Management

NASA Procedural Requirements (NPR) 4200.1G, NASA Equipment Management Procedural Requirements.

NASA Procedural Requirement (NPR) 4300.1C, NASA Personal Property Disposal Procedural Requirements: [Insert any additional property management responsibilities].

NASA Procedural Requirements (NPR) 4500.1A, Administration of Property in the Custody of Award Recipients: [Insert any additional property management responsibilities].

Property not recorded in NASA property systems must be managed in accordance with the requirements of the clause at FAR 52.245-1, as incorporated in this contract.

The Contractor must establish and adhere to a system of written

procedures to assure continued, effective management control and compliance with these user responsibilities. In accordance with FAR 52.245-1(h)(1) the contractor must be liable for property lost, damaged, destroyed or stolen by the contractor or their employees when determined responsible by a NASA Property Survey Board, in accordance with the NASA guidance in this clause.

(b)(1) The official accountable recordkeeping, financial control, and reporting of the property subject to this clause must be retained by the Government and accomplished within NASA management information systems prescribed by the installation Supply and Equipment Management Officer (SEMO) and Financial Management Officer. If this contract provides for the Contractor to acquire property, title to which will vest in the Government, the following additional procedures apply:

(i) The Contractor's purchase order must enquire the vendor to deliver the property to the installation central receiving area.

(ii) The Contractor must all furnish a copy of each purchase order, prior to delivery by the vendor, to the installation central receiving area.

(iii) The Contractor must establish a record for Government titled property as required by FAR 52.245-1, as incorporated in this contract, and must maintain that record until accountability is accepted by the Government.

(iv) Contractor use of Government property at an off-site location and off- site subcontractor use requires advance approval of the Contracting Officer and notification of the Industrial Property Officer. The property must be considered Government furnished and the Contractor must assume accountability and financial reporting responsibility. The Contractor must establish records and property control procedures and maintain the property in accordance with the requirements of FAR 52.245-1, Government Property (as incorporated in this contract), until its return to the installation. NASA Procedural Requirements related to property loans must not apply to offsite use of property by contractors.

(2) After transfer of accountability to the Government, the Contractor must continue to maintain such internal records as are necessary to execute the user responsibilities identified in paragraph (a) of this clause and document the acquisition, billing, and disposition of the property. These records and supporting documentation must be made available, upon request, to the SEMO and any other authorized representatives of the Contracting Officer.

(c) The following property and services are provided if checked:

\_\_ (1) Office space, work area space, and utilities. Government telephones are available for official purposes only.

\_\_ (2) Office furniture.

\_\_ (3) Property listed in [Insert attachment number or "not applicable" if no equipment is provided].

(i) If the Contractor acquires property, title to which vests in the Government pursuant to other provisions of this contract, this property also must become accountable to the Government upon its entry into

Government records.

(ii) The Contractor must not bring to the installation for use under this contract any property owned or leased by the Contractor, or other property that the Contractor is accountable for under any other Government contract, without the Contracting Officer's prior written approval.

\_\_ (4) Supplies from stores stock.

\_\_ (5) Publications and blank forms stocked by the installation.

\_\_ (6) Safety and fire protection for Contractor personnel and facilities.

\_\_ (7) Installation service facilities: [Insert the name of the facilities or "none"].

\_\_ (8) Medical treatment of a first-aid nature for Contractor personnel injuries or illnesses sustained during on-site duty.

\_\_ (9) Cafeteria privileges for Contractor employees during normal operating

hours.

\_\_ (10) Building maintenance for facilities occupied by Contractor personnel.

\_\_ (11) Moving and hauling for office moves, movement of large equipment, and

delivery of supplies. Moving services may be provided on-site, as approved by the Contracting Officer.

(End of clause)

#### ALTERNATE I

#### DEVIATION DEC 2025

As prescribed in [1845.107-70\(b\)\(4\)](#), substitute the following for paragraph (b)(1)(i) of the basic clause:

(i) The Contractor must not utilize the installation's central receiving facility for receipt of contractor-acquired property. However, the Contractor must provide listings suitable for establishing accountable records of all such property received, on a monthly basis, to the SEMO.

#### **1852.245-72 Liability for Government Property Furnished for Repair or Other Services.**

As prescribed in [1845.107-70\(c\)](#), insert the following clause:

#### LIABILITY FOR GOVERNMENT PROPERTY FURNISHED FOR REPAIR OR OTHER SERVICES

#### DEVIATION DEC 2025

(a) This clause must govern with respect to any Government property furnished to the Contractor for repair or other services that is to be returned to the Government. Such property, hereinafter referred to as “Government property furnished for servicing,” must not be subject to FAR 52.245-1, Government Property.

(b) The official accountable recordkeeping and financial control and reporting of the property subject to this clause must be retained by the Government. The Contractor must maintain adequate records and procedures to ensure that the Government property furnished for servicing can be readily accounted for and identified at all times while in its custody or possession or in the custody or possession of any subcontractor.

(c) The Contractor must be liable for any loss, damage, or destruction of the Government property furnished for servicing when caused by the Contractor’s failure to exercise such care and diligence as a reasonable prudent owner of similar property would exercise under similar circumstances. The Contractor must not be liable for loss, damage, or destruction of Government property furnished for servicing resulting from any other cause except to the extent that the loss, damage, or destruction is covered by insurance (including self-insurance funds or reserves).

(d) The Contractor must hold the Government harmless and must indemnify the Government against all claims for injury to persons or damage to property of the Contractor or others arising from the Contractor’s possession or use of the Government property furnished for servicing or arising from the presence of that property on the Contractor’s premises or property.

(End of clause)

**1852.245-73 Financial Reporting of NASA Property in the Custody of Contractors.**  
As prescribed in [1845.107-70\(d\)](#), insert the following clause:

FINANCIAL REPORTING OF NASA PROPERTY IN THE CUSTODY OF CONTRACTORS  
DEVIATION DEC 2025

(a) The Contractor with furnished and acquired property must submit an electronic property submissions in NASA’s Accountable Property System of Record (APSR)/NASA Electronic Submission System (NESS) annually; and a final property submission via <https://ness.nasa.gov/contractor> when the period of performance or award has ended. Once electronic property submission is completed, the contractor will be able to download their electronic forms, in accordance with this clause, the instructions on the form and NFS subpart [1845.71](#), and any supplemental instructions for the current reporting period issued by NASA.

(b)(1) Subcontractor use of the APSR/NESS is not required by this clause;

however, the Contractor must include data on property in the possession of subcontractors in the electronic annual property submission.

The Contractor must mail the original signed NF 1018 directly to the cognizant NASA Center Industrial Property Officer and a copy to the cognizant NASA Center Deputy Chief Financial Officer, Finance, unless the Contractor is required by their contract to report with zero value award, that never had property associated.

(c)(1) The annual reporting period must be from October 1 of each year through September 30 of the following year. The report must be submitted in time to be received by October 31<sup>st</sup>. The information contained in these reports is entered into the NASA accounting system to reflect current asset values for agency financial statement purposes. Therefore, it is essential that required reports be received no later than October 31<sup>st</sup>.

(2) Some activity may be estimated for the month in which the report is submitted, if necessary, to ensure the electronic annual or final property submission is received when due. However, contractors' procedures must document the process for developing these estimates based on planned activity such as planned purchases or NASA Form 533 (NF 533) Contractor Financial Management Report) cost estimates. It should be supported and documented by historical experience or other corroborating evidence, and be retained in accordance with FAR Subpart 4.705, Specific Retention Periods. Contractors must validate the reasonableness of the estimates and associated methodology by comparing them to the actual activity once that data is available and adjust them accordingly. In addition, differences between the estimated cost and actual cost must be adjusted during the next reporting period. Contractors must have formal policies and procedures, which address the validation of the electronic annual property or final property submission data, including data from subcontractors, and the identification and timely reporting of errors. The objective of this validation is to ensure that information reported is accurate and in compliance with the NASA FAR Supplement. If errors are discovered on the electronic annual or final property submission after submittal the contractor must contact the cognizant NASA Center Industrial Property Officer (IPO) within 10 days after discovery of the error to discuss corrective action. If there is an error found during the Contractor's property submission, it will be disapproved, and Contractor will receive an automatic email explaining what is needed for it to be approved.

(3) In addition to an annual report, if at any time during performance of the contract, NASA-owned property in the custody of the Contractor has a value of \$10 million or more, the Contractor must also submit a report no later than the 21<sup>st</sup> of each month in accordance with the requirements of paragraph (c)(2) of this clause.

(4) The Contracting Officer may, in NASA's interest, withhold payment until a reserve not exceeding \$25,000 or 5 percent of the amount of the contract, whichever is less, has been set aside, if the Contractor fails to submit the electronic annual or final property submission reports in accordance with NFS subpart [1845.7101](#), any monthly report in accordance with (c)(3) of this clause, and any supplemental instructions for the current reporting period issued by NASA. Such



reserve must be withheld until the Contracting Officer has determined that NASA has received the required reports. The withholding of any amount or the subsequent payment thereof must not be construed as a waiver of any Government right.

(d) An electronic final report must be submitted in the APSR/NESS within 30 days after disposition of all property subject to reporting when the contract performance period is complete in accordance with paragraph (b)(1) through (3) of this clause.

(End of clause)

**1852.245-74 Identification and Marking of Government Equipment.**

As prescribed by [1845.107-70\(e\)](#), insert the following clause.

**IDENTIFICATION AND MARKING OF GOVERNMENT EQUIPMENT**

**DEVIATION DEC 2025**

(a) The Contractor must identify all equipment to be delivered to the Government using NASA Technical Handbook (NASA-HDBK) 6003, Application of Data Matrix Identification Symbols to Aerospace Parts Using Direct Part Marking Methods/Techniques, and NASA Standard (NASA-STD) 6002, Applying Data Matrix Identification Symbols on Aerospace Parts or through the use of commercial marking techniques that: (1) are sufficiently durable to remain intact through the typical lifespan of the property; and, (2) contain the data and data format required by the standards. This requirement includes deliverable equipment listed in the schedule and other equipment when no longer required for contract performance and NASA directs physical transfer to NASA or a third party. The Contractor must identify property in both machine and human readable form unless the use of a machine readable-only format is approved by the NASA Industrial Property Officer.

(b) Equipment must be marked in a location that will be human readable, without disassembly or movement of the equipment, when the items are placed in service unless such placement would have a deleterious effect on safety or on the item's operation.

(c) Concurrent with equipment delivery or transfer, the Contractor must provide the following data in an electronic spreadsheet format:

- (1) Item Description.
- (2) Unique Identification Number (License Tag).
- (3) Unit Price.
- (4) An explanation of the data used to make the unique identification number.

(d) For equipment no longer needed for contract performance and physically

transferred under paragraph (a) of this clause, the following additional data is required:

- (1) Date originally placed in service.
- (2) Item condition.

(e) The data required in paragraphs (c) and (d) of this clause must be delivered to the NASA center receiving activity listed below:

---

---

---

(f) The contractor must include the substance of this clause, including this paragraph (f), in all subcontracts that require delivery of equipment.

(End of clause)

**1852.245-75 Property Management Changes.**

As prescribed in [1845.107-70\(f\)](#), insert the following clause.

PROPERTY MANAGEMENT CHANGES

DEVIATION DEC 2025

(a) The Contractor must submit any changes to standards and practices used for management and control of Government property under this contract to the assigned property administrator prior to making the change whenever the change —

- (1) Employs a standard that allows increase in thresholds or changes the timing for reporting loss, damage, or destruction of property;
- (2) Alters physical inventory timing or procedures;
- (3) Alters recordkeeping practices;
- (4) Alters practices for recording the transport or delivery of Government property; or
- (5) Alters practices for disposition of Government property.

(End of clause)

**1852.245-76 List of Government Property Furnished Pursuant to FAR 52.245-1.**

As prescribed in [1845.107-70\(g\)](#), insert the following clause:

LIST OF GOVERNMENT PROPERTY FURNISHED PURSUANT TO FAR 52.245-1

DEVIATION DEC 2025

For performance of work under this contract, the Government will make available Government property identified below or in Attachment [Insert attachment number or “not applicable”] of this contract on a no charge-for-use basis pursuant to the clause at FAR 52.245– 1, Government Property, as incorporated in this contract. The Contractor must use this property in the performance of this contract at [Insert applicable site(s) where property will be used] and at other location(s) as may be approved by the Contracting Officer. Under FAR 52.245–1, the Contractor is accountable for the identified property.

(End of clause)

**1852.245-77 List of Government Property Furnished Pursuant to FAR 52.245-2.**  
As prescribed in [1845.107-70\(h\)](#), insert the following clause:

LIST OF GOVERNMENT PROPERTY FURNISHED PURSUANT to FAR 52.245–2  
DEVIATION DEC 2025

For performance of work under this contract, the Government will make available Government property identified below or in Attachment [Insert attachment number or “not applicable”] of this contract on a no charge-for-use basis pursuant to FAR 52.245–2, Government Property Installation Operation Services, as incorporated in this contract. The Contractor must use this property in the performance of this contract at [Insert applicable site(s) where property will be used] and at other location(s) as may be approved by the Contracting Officer.

[Insert a description of the item(s), acquisition date, quantity, acquisition cost, and applicable equipment information]

(End of clause)

**1852.245–78 Physical Inventory of Capital Personal Property.**  
As prescribed in [1845.107-70\(i\)](#), insert the following clause.

PHYSICAL INVENTORY OF CAPITAL PERSONAL PROPERTY  
DEVIATION DEC 2025

(a) In addition to physical inventory requirements under the clause at FAR 52.245–1, Government Property, as incorporated in this contract, the Contractor must conduct annual physical inventories for individual property items with an acquisition cost exceeding \$500,000.

(1) The Contractor must inventory—

- (i) Items of property furnished by the Government;
- (ii) Items acquired by the Contractor and titled to the

Government under the clause at FAR 52.245–1;

- (iii) Items constructed by the Contractor and not

included in the deliverable, but titled to the Government under the clause at FAR 52.245-1; and

(iv) Complete but undelivered deliverables.

(2) The Contractor must use the physical inventory results to validate the property record data, specifically location and use status, and to prepare summary reports of inventory as described in paragraph (c) of this clause.

(b) Unless specifically authorized in writing by the Property Administrator, the inventory must be performed and posted by individuals other than those assigned custody of the items, responsibility for maintenance, or responsibility for posting to the property record. The Contractor may request a waiver from this separation of duties requirement from the Property Administrator, when all of the conditions in either (1) or (2) of this paragraph are met.

(1) The Contractor utilizes an electronic system for property identification, such as a laser bar-code reader or radio frequency identification reader, and

(i) The programs or software preclude manual data entry of inventory identification data by the individual performing the inventory; and

(ii) The inventory and property management systems contain sufficient management controls to prevent tampering and assure proper posting of collected inventory data.

(2) The Contractor has limited quantities of property, limited personnel, or limited property systems; and the Contractor provides written confirmation that the Government property exists in the recorded condition and location;

(3) The Contractor must submit the request to the cognizant property administrator and obtain approval from the property administrator prior to implementation of the practice.

(c) The Contractor must report the results of the physical inventory to the property administrator within 10 calendar days of completion of the physical inventory. The report must—

(1) Provide a summary showing number and value of items inventoried; and

(2) Include additional supporting reports of—

(i) Loss in accordance with the clause at 52.245-1, Government Property;

(ii) Idle property available for reuse or disposition; and

(iii) A summary of adjustments made to location, condition, status, or user as a result of the physical inventory reconciliation.

(d) The Contractor must retain auditable physical inventory records, including records supporting transactions associated with inventory reconciliation. All records must be subject to Government review and/or audit.

(End of clause)

**1852.245-79 Records and Disposition Reports for Government Property with Potential Historic or Significant Real Value.**

As prescribed in [1845.107-70\(j\)](#), insert the following clause:

RECORDS AND DISPOSITION REPORTS FOR GOVERNMENT PROPERTY WITH  
POTENTIAL HISTORIC OR SIGNIFICANT REAL VALUE  
DEVIATION DEC 2025

(a) In addition to the property record data required by the clause at FAR 52.245-1, Government Property as incorporated in this contract, Contractor records of all Government property under this contract must—

- (1) Identify the projects or missions that used the items;
- (2) Specifically identify items of flown property;
- (3) When known, associate individual items of property used in space flight operations with the using astronaut(s); and
- (4) Identify property used in test activity and, when known, the individuals who conducted the test.

(b) The Contractor must include this information within item descriptions—

- (1) On any Standard Form 1428, Inventory Schedule;
- (2) In automated disposition systems;
- (3) In any other disposition related reports; and
- (4) In other requests for disposition instructions.

(c) The Contractor must not remove NASA identification or markings from Government property prior to or during disposition without the advanced written approval of the Plant Clearance Officer.

(End of clause)

**1852.245-80 Government Property Management Information.**

As prescribed in [1845.107-70\(k\)\(1\)](#), insert the following provision.

GOVERNMENT PROPERTY MANAGEMENT INFORMATION  
DEVIATION DEC 2025

(a) The offeror must identify the industry leading or voluntary consensus standards, and/or the industry leading practices, that it intends to employ for the management of Government property under any contract awarded from this

solicitation.

(b) The offeror must provide the date of its last Government property control system analysis along with its overall status, a summary of findings and recommendations, the status of any recommended corrective actions, the name of the Government activity that performed the analysis, and the latest available contact information for that activity.

(c) The offeror must identify any property it intends to use in performance of this contract from the list of available Government property in the provision at [1852.245-81](#), List of Available Government Property.

(d) The offeror must identify all Government property in its possession, provided under other Government contracts that it intends to use in the performance of this contract. The offeror must also identify: The contract that provided the property, the responsible Contracting Officer, the dates during which the property will be available for use (including the first, last, and all intervening months), and, for any property that will be used concurrently in performing two or more contracts, the amounts of the respective uses in sufficient detail to support prorating the rent, the amount of rent that would otherwise be charged in accordance with FAR 52.245-9, Use and Charges (~~June 2007~~), and the contact information for the responsible Government Contracting Officer. The offeror must provide proof that such use was authorized by the responsible Contracting Officer.

(e) The offeror must disclose cost accounting practices that allow for direct charging of commercially available equipment, when commercially available equipment is to be used in performance of the contract and the equipment is not a deliverable.

(f) The offeror must identify, in list form, any equipment that it intends to acquire and directly charge to the Government under this contract. The list must include a description, manufacturer, model number (when available), quantity required, and estimated unit cost. Equipment approved as part of the award need not be requested under NFS clause [1852.245-70](#).

(g) The offeror must disclose its intention to acquire any parts, supplies, materials or equipment, to fabricate an item of equipment for use under any contract resulting from this solicitation when that item of equipment—

Will be titled to the government under the provisions of the contract; is not included as a contract deliverable; and the Contractor intends to charge the costs of materials directly to the contract. The disclosure must identify the end item or system and must include all descriptive information, identification numbers (when available), quantities required and estimated costs.

(h) Existing Government property may be reviewed at the following locations, dates, and times: [Enter the appropriate information]

(End of provision)

ALTERNATE 1  
DEVIATION DEC 2025

As prescribed in [1845.107-70\(k\)\(2\)](#) add the following paragraph (i).

(i) Existing available Government property listed in the provision at [1852.245-81](#) is provided “as-is”. NASA makes no warranty regarding its performance or condition. The offeror uses this property at its own risk and should make its own assessment of the property’s suitability for use. The equitable adjustment provisions of the clause at 52.245-1, Government Property as included in this solicitation, are not applicable to this property. The offeror must obtain the Contracting Officer’s written approval before acquiring replacement property when it intends to charge the cost directly to the contract.

**1852.245-81 List of Available Government Property.**

As prescribed in [1845.107-70\(l\)](#), insert the following provision.

LIST OF AVAILABLE GOVERNMENT PROPERTY  
DEVIATION DEC 2025

(a) The Government will make the following Government property available for use in performance of the contract resulting from this solicitation, on a no-charge-for-use basis in accordance with FAR 52.245-1, Government Property, included in this solicitation. The offeror must notify the Government, as part of its proposal, of its intention to use or not use the property.

(b) The Government will make the following Government property available for use in performance of the contract resulting from this solicitation, on a no-charge-for-use basis in accordance with FAR 52.245-2, Government Property Installation Operation Services, as included in this solicitation. The offeror must notify the Government of its intention to use or not use the property.

(c) The selected Contractor will be responsible for costs associated with transportation, and installation of the property listed in this provision.

(End of provision)

**1852.245-82 Occupancy Management Requirements.**

As prescribed in [1845.107-70\(m\)](#), insert the following clause:

OCCUPANCY MANAGEMENT REQUIREMENTS  
DEVIATION DEC 2025

(a) In addition to the requirements of the clause at FAR 52.245-1, Government Property, as included in this contract, the Contractor must comply with the following in performance of work in and around Government real property:

- (1) NPD 8800.14F Policy for Real Estate Management.
- (2) NPR 8831.2F, Facilities Maintenance and Operations Management. Contracting Officers must insert any additional Center occupancy requirements here.

(b) The Contractor must obtain the written approval of the Contracting Officer before installing or removing Contractor-owned property onto or into any Government real property or when movement of Contractor-owned property may damage or destroy Government-owned property. The Contractor must restore damaged property to its original condition at the Contractor's expense.

(c) The Contractor must not acquire, construct or install any fixed improvement or structural alterations in Government buildings or other real property without the advance, written approval of the Contracting Officer. Fixed improvement or structural alterations, as used herein, means any alteration or improvement in the nature of the building or other real property that, after completion, cannot be removed without substantial loss of value or damage to the premises. Title to such property must vest in the Government.

(d) The Contractor must report any real property or any portion thereof when it is no longer required for performance under the contract, as directed by the Contracting Officer.

(End of clause)

**1852.245-83 Real Property Management Requirements.**

As prescribed in [1845.107-70\(n\)](#), insert the following clause:

**REAL PROPERTY MANAGEMENT REQUIREMENTS**

**DEVIATION DEC 2025**

(a) In addition to the requirements of the FAR Government Property Clause incorporated in this contract (FAR 52.245-1), the Contractor must comply with the following in performance of any maintenance, construction, modification, demolition, or management activities of any Government real property:

- (1) NPD 8800.14F, Policy for Real Estate Management.
- (2) NPR 8831.2F, Facilities Maintenance and Operations Management. Contracting Officers must insert any real property related Center requirements here.

(b) Within 30 calendar days following award, the Contractor must provide a



plan for maintenance of Government real property provided for use under this contract. The Contractor's maintenance program must enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Contractor must disclose and report to the Contracting Officer the need for replacement and/or capital rehabilitation. Upon acceptance by the Contracting Officer, the program must become a requirement under this contract.

(c) Title to parts replaced by the Contractor in carrying out its normal maintenance obligations must pass to and vest in the Government upon completion of their installation in the facilities. The Contractor must keep the property free and clear of all liens and encumbrances.

(d) The Contractor must keep records of all work done to real property, including plans, drawings, charts, warranties, and manuals. Records must be complete and current. Record of all transactions must be auditable. The Government must have access to these records at all reasonable times, for the purposes of reviewing, inspecting, and evaluating the Contractor's real property management effectiveness. When real property is disposed of under this contract, the Contractor must deliver the related records to the Government.

(e) The Contracting Officer may direct the Contractor in writing to reduce the work required by the maintenance program authorized in paragraph (b) of this clause at any time.

(End of clause)