

officer, who shall refer the matter through contracting channels. In response to these requests, approvals may be granted only by the Director, Defense Security Cooperation Agency, for particular sales that are consistent with paragraph (1)(i)(C) of this section.

Subpart 245.6—Reporting, Redistribution, and Disposal of Contractor Inventory

245.601 Definitions.

- (1) *Controlled substances* means—
- (i) Narcotic, depressant, stimulant, or hallucinogenic drug or substance;
 - (ii) Any other drug or substance controlled under Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; or
 - (iii) A drug or substance required to be controlled by international treaty, convention or protocol.
- (2) *Demilitarization* means the act of destroying the offensive or defensive characteristics of equipment or material to prevent its further military or lethal use.
- (3) *Production scrap* means material left over from the normal production process that has only remelting or reprocessing value, e.g., textile and metal clippings, borings, and faulty castings and forgings.
- (4) *Serviceable or usable property* means property that has a potential for use or sale value “as is” or with minor repairs or alterations; only property in Federal Condition Codes A1, A2, A4, A5, B1, B2, B4, B5, F7, or F8.

245.603 Disposal methods.

245.603-70 Contractor performance of plant clearance duties.

- (a) *Authorization*. (1) Contract administration offices (CAOs) may, with head of the contracting activity approval and contractor concurrence, authorize selected contractors to perform certain plant clearance functions if the volume of plant clearance warrants performance by the contractor.
- (2) The written authorization shall, as a minimum—
- (i) Designate the contractor as an “accredited contractor”;
 - (ii) Identify the plant clearance actions to be performed;

(iii) State that the Government may cancel part of or all of the authorization to perform plant clearance actions; and

(iv) Provide for plant clearance officer participation when required.

(b) *Government oversight and assistance*. (1) The contract administration office will ensure regular evaluation of the contractor’s performance of the plant clearance function and any corrective action required.

(2) The plant clearance officer shall—

- (i) Evaluate the adequacy and ensure compliance with contractor procedures;
 - (ii) Ensure discrepancies are promptly resolved;
 - (iii) Advise the contractor of screening and inventory schedule requirements;
 - (iv) Respond to contractor requests to withdraw Government-furnished property from inventory schedules;
 - (v) Evaluate physical, quantitative, and technical allocability of contractor inventory prior to disposal using Standard Form 1423, Inventory Verification Survey, as a guide;
 - (vi) Direct contractor to delay disposition of nonallocable inventory pending a contracting officer decision;
 - (vii) With the contractor’s assistance, establish criteria for review and approval of selected contractor disposal decisions;
 - (viii) Complete first endorsement section of DD Form 1640, Request for Plant Clearance, on referrals from plant clearance officers at prime contract administration offices for the disposal of subcontractor inventory; forward inventory schedules to the contractor for processing; and forward completed case file to the referring activity; and
 - (ix) Work with the contractor, screeners, and buyers to ensure that the Government receives maximum reutilization and disposal proceeds.
- (c) *Accredited contractor plant clearance duties*. The accredited contractor shall—
- (1) Ensure inventory schedule acceptability. Use DD Form 1637, Notice of Acceptance of Inventory, if desired;
 - (2) Suspend disposition of property when assets are determined nonallocable (FAR 45.606-3);