and shall include verification that the subcontractor will provide added value as related to the work to be performed by the lower-tier subcontractor(s).

(d) Significant deficiencies. (1) The Contracting Officer will provide notification of initial determination to the Contractor, in writing, of any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.

(2) The Contractor shall respond within 30 days to a written initial determination from the Contracting Officer that identifies significant deficiencies in the Contractor’s purchasing system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing.

(3) The Contracting Officer will evaluate the Contractor’s response and notify the Contractor, in writing, of the Contracting Officer’s final determination concerning—

(i) Remaining significant deficiencies;

(ii) The adequacy of any proposed or completed corrective action; and

(iii) System disapproval, if the Contracting Officer determines that one or more significant deficiencies remain.

(e) If the Contractor receives the Contracting Officer’s final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the deficiencies.

(f) Withholding payments. If the Contracting Officer makes a final determination to disapprove the Contractor’s purchasing system, and the contract includes the clause at 252.242–7005, Contractor Business Systems, the Contracting Officer will withhold payments in accordance with that clause.

(End of clause)


252.245–7001 Tagging, labeling, and marking of government-furnished property

As prescribed in 245.107(2), use the following clause:

TAGGING, LABELING, AND MARKING OF GOVERNMENT-FURNISHED PROPERTY (APR 2012)

(a) Definitions. As used in this clause—

Government-furnished property is defined in the clause at FAR 52.245–1, Government Property.

Serially-managed item means an item designated by DoD to be uniquely tracked, controlled, or managed in maintenance, repair, and/or supply systems by means of its serial number.

(b) The Contractor shall tag, label, or mark Government-furnished property previously tagged, labeled, or marked.

(End of clause)


252.245–7002 Reporting Loss of Government Property

As prescribed in 245.107(3), use the following clause:

REPORTING LOSS OF GOVERNMENT PROPERTY (APR 2012)

(a) Definitions. As used in this clause—

Government property is defined in the clause at FAR 52.245–1, Government Property.

Loss of Government property means unintended, unforeseen, or accidental loss, damage, or destruction of Government property.

(End of clause)