

C. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 104–13) is not applicable because the NFS changes do not impose information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Parts 1804 and 1852

Government Procurement.

William P. McNally,

Assistant Administrator for Procurement.

Accordingly, 48 CFR Parts 1804 and 1852 are proposed to be amended as follows:

1. The authority citation for 48 CFR Parts 1804 and 1852 continues to read as follows:

Authority: 42 U.S.C. 2455(a), 2473(c)(1).

PART 1804—ADMINISTRATIVE MATTERS

2. Sections 1804.470–3 and 1804.470–4 are revised to read as follows:

§ 1804.470–3 IT security requirements.

(a) These IT security requirements cover all NASA contracts in which IT plays a role in the provisioning of services or products (e.g., research and development, engineering, manufacturing, IT outsourcing, human resources, and finance) that support NASA in meeting its institutional and mission objectives. These requirements are applicable when a contractor or subcontractor must obtain physical or electronic access beyond that granted the general public to NASA's computer systems, networks, or IT infrastructure. These requirements are applicable when NASA information is generated, stored, processed, or exchanged with NASA or on behalf of NASA by a contractor or subcontractor, regardless of whether the information resides on a NASA or a contractor/subcontractor's information system.

(b) The Applicable Documents List (ADL) should consist of all NASA Agency-level IT Security and Center IT Security Policies applicable to the contract. Documents listed in the ADL as well as applicable Federal IT Security Policies are available at the NASA IT Security Policy Web site at: <https://itsecurity.nasa.gov/policies/index.html>.

§ 1804.470–4 Contract clause.

(a) Insert the clause at 1852.204–76, Security Requirements for Unclassified Information Technology Resources, in all solicitations and contracts when contract performance requires contractors to—

(1) Have physical or electronic access to NASA's computer systems, networks, or IT infrastructure; or

(2) Use information systems to generate, store, process, or exchange data with NASA or on behalf of NASA, regardless of whether the data resides on a NASA or a contractor's information system.

(b) Parts of the clause and referenced ADL may be waived by the contracting officer, if they do not apply to the contract. Contracting officers must obtain the approval of the Center IT Security Manager.

PART 1852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

3. Section 1852.204–76 is revised to read as follows:

§ 1852.204–76 Security requirements for unclassified information technology resources.

As prescribed in 1804.470–4(a), insert the following clause:

Security Requirements for Unclassified Information Technology Resources (XX/XX)

(a) The Contractor shall protect the confidentiality, integrity, and availability of NASA Electronic Information and IT resources and protect NASA Electronic Information from unauthorized disclosure.

(b) This clause is applicable to all NASA Contractors and subcontractors that process, manage, access, or store unclassified electronic information, to include Sensitive But Unclassified (SBU) information, for NASA in support of NASA's missions, programs, projects and/or institutional requirements. Applicable requirements, regulations, policies, and guidelines are identified in the Applicable Documents List (ADL) provided as an attachment to the contract. The documents listed in the ADL can be found at: <https://itsecurity.nasa.gov/policies/index.html>. For policy information considered sensitive, the documents will be identified as such in the ADL and made available through the Contracting Officer.

(c) *Definitions.* (1) IT resources means any hardware or software or interconnected system or subsystem of equipment, that is used to process, manage, access, or store electronic information.

(2) NASA Electronic Information is any data (as defined in the Rights in Data clause of this contract) or information (including information incidental to contract administration, such as financial, administrative, cost or pricing, or management information) that is processed, managed, accessed or stored on an IT system(s) in the performance of a NASA contract.

(d) The Contractor shall develop, provide, implement, and maintain an IT Security Management Plan. This plan shall describe the processes and procedures that will be followed to ensure appropriate security of IT

resources that are developed, processed, or used under this contract.

(e) All contractor personnel requiring physical or logical access to NASA IT resources must complete NASA's annual IT Security Awareness training. The training Web site is located at: <https://satern.nasa.gov>. If this address is not available, refer to the IT Training policy located in the IT Security Web site at <https://itsecurity.nasa.gov/policies/index.html>.

(f) The Contractor shall afford Government access to the Contractor's and subcontractors' facilities, installations, operations, documentation, databases, and personnel used in performance of the contract. Access shall be provided to the extent required to carry out a program of IT inspection (to include vulnerability testing), investigation and audit to safeguard against threats and hazards to the integrity, availability, and confidentiality of NASA Electronic Information or to the function of IT systems operated on behalf of NASA, and to preserve evidence of computer crime.

(g) At the completion of the contract, the Contractor shall provide a listing of all NASA Electronic information and IT resources provided to the Contractor during the performance of the contract. At that time, the Contractor shall request disposition instructions from the Contracting Officer. The Contracting Officer shall provide initial disposition instructions within 30 calendar days of the Contractor's request. The Contractor shall state in writing that all NASA Electronic Information (except for data or information owned by the Contractor such as limited rights data or restricted computer software of the Contractor) has been purged from Contractor-owned systems used in the performance of the contract following NASA policies for information destruction, available under the ADL.

(h) The Contracting Officer may waive specific requirements of this clause upon request of the Contractor. The Contractor shall provide all relevant information requested by the Contracting Officer to support the waiver request.

(i) The Contractor shall insert this clause, including this paragraph in all subcontracts that process, manage, access or store NASA Electronic Information in support of the mission of the Agency.

(End of clause)

[FR Doc. E8–28626 Filed 12–1–08; 8:45 am]

BILLING CODE 7510–01–P

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1845 and 1852

RIN 2700–AD37

Government Property

AGENCY: National Aeronautics and Space Administration.

ACTION: Proposed rule.

SUMMARY: NASA proposes to revise the NASA FAR Supplement (NFS) to update Agency-level, property-related provisions, clauses, prescriptions and procedures to be consistent with changes made to Part 45 and clauses 52.245 of the Federal Acquisition Regulation in Federal Acquisition Circular (FAC) 2005–17. FAC 2005–17 significantly rewrote FAR Part 45, Government Property, and changed property related definitions, provisions and clauses which are required to be used in all solicitations and contracts issued after the effective date of June 14, 2007.

DATES: Interested parties should submit comments on or before February 2, 2009, to be considered in formulation of the final rule.

ADDRESSES: Interested parties may submit comments, identified by RIN number 2700–AD37, via the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. Comments may also be submitted to Carl Weber (Mail Stop 5K80), NASA Headquarters, Office of Procurement, Contract Management Division, Washington, DC 20546. Comments may also be submitted by e-mail to carl.c.weber@nasa.gov.

FOR FURTHER INFORMATION CONTACT: Carl Weber, NASA, Office of Procurement, Contract Management Division (Suite 5K80); (202) 358–1784; e-mail: carl.c.weber@nasa.gov.

SUPPLEMENTARY INFORMATION:

A. Background

Federal Acquisition Circular (FAC) 2005–17 implemented the final rule amending the Federal Acquisition Regulation (FAR) to simplify procedures, clarify language, and eliminate obsolete requirements related to the management and disposition of Government property in the possession of contractors. FAC 2005–17 significantly rewrote FAR Part 45, Government Property, and changed property-related definitions, provisions and clauses which are required to be used in all solicitations and contracts issued after the effective date of June 14, 2007. The purpose of this proposed rule is to establish a new NASA FAR Supplement (NFS) Part 1845, Government Property, and related Agency-level solicitation provisions and contract clauses in NFS 1852.245, that are consistent with the rewrite of FAR Part 45. This rewrite of NFS Part 1845 and sections 1852.245 realigns Agency regulations with the new definitions, practices and policy of the FAR, a policy that fosters efficiency, flexibility,

innovation and creativity while continuing to protect the Government's interest. In addition, this proposed rule includes Agency-level procedures, solicitation provisions, and contract clause language necessary to identify contractor-acquired assets which become capital assets of the Government, in order to comply with Statement of Federal Financial Accounting Standard (SFFAS) No. 6.

This is not a significant regulatory action and, therefore, is not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This proposed rule is not a major rule under 5 U.S.C. 804.

B. Regulatory Flexibility Act

NASA certifies that this proposed rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, because it largely implements changes to the FAR Part 45 and sections 52.245 set forth in FAC 2005–17, and does not impose a significant economic impact beyond that addressed in the FAC 2005–17 publication of the FAR final rule.

C. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 104–13) is applicable. However, the NFS changes do not impose information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.* beyond those identified and approved as part of the FAR Part 45 rewrite contained in FAC 2005–17 (Ref OMB control No. 9000–0075) and those previously approved under NASA clearances (Ref OMB control Nos. 2700–0017, 2700–0088, and 2700–0089).

List of Subjects in 48 CFR Parts 1845 and 1852

Government procurement, Government property.

William P. McNally,
Assistant Administrator for Procurement.

Accordingly, 48 CFR Parts 1845 and 1852 are proposed to be amended as follows:

1. The authority citation for 48 CFR Parts 1845 and 1852 continues to read as follows:

Authority: 42 U.S.C. 2455(a), 2473(c)(1).

PART 1845—GOVERNMENT PROPERTY

2. Subpart 1845.1 is revised to read as follows:

Subpart 1845.1—General

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

(a)(1) The contracting officer shall insert the clause at 1852.245–70, Contractor Requests for Government-Provided 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 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 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 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 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 list 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 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 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 not require additional insurance under the clause unless the circumstances clearly indicate advantages to the Government.

(d) The contracting officer shall insert the clause at 1852.245-73, Financial Reporting of NASA Property in the Custody of Contractors, in cost reimbursement solicitations and contracts unless all property to be provided is subject to the clause at 1852.245-71, Installation-Accountable Government Property. The clause shall also be included 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 insert the clause at 1852.245-74, Identification and Marking of Government Property, 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 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 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 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 52.245-2, Government Property Installation Operation Services.

(1) The contracting officer shall insert the following language in the blanks in paragraph (e) of the clause at 52.245-2, when including this clause in solicitations and contracts: "The Government property provided under this clause is identified in clause 1852.245-77 of this contract."

(i) The contracting officer shall 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 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 Public Affairs Officers, 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) The contracting officer shall 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.

(l) The contracting officer shall 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 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 owned property.

(n) The contracting officer shall 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.

3. Subpart 1845.3 is added to read as follows:

Subpart 1845.3—Authorizing the Use and Rental of Government Property

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.

1845.302 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.

1845.4 [Reserved]

4. Subpart 1845.4 is removed and reserved.

5. Subpart 1845.5 is revised to read as follows:

Subpart 1845.5—Support Government Property Administration

1845.501-70 General.

1845.503-70 Delegations of property administration and plant clearance.

1845.505-70 Responsibilities of the property administrator.

1845.506-70 Responsibilities of the plant clearance officer.

Subpart 1845.5—Support Government Property Administration

1845.501-70 General.

(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 will:

(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.

(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.

1845.505-70 Responsibilities of the property administrator.

(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.

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.

Subpart 1845.6—Reporting, Reutilization, and Disposal

6. Section 1845.606-70 is added to read as follows:

1845.606-70 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.

(d) 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.

7. Paragraph (c) of section 1845.7101-2 is revised to read as follows:

1845.7101-2 Transfer of property.

* * * * *

(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 request the omitted data directly from the shipping contractor or through the property administrator. The contracting officer shall assist the Government Property Administrator and the receiving contractor to obtain all required information for the receiving contractor to establish adequate property records.

PART 1852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

8. In part 1852, sections 1852.245-70 through 1852.245-80 are revised and sections 1852.245-81 through 1852.245-83 are added to read as follows:

Subpart 1852.2—Text of Provisions and Clauses

* * * * *

- 1852.245-70 Contractor requests for Government-provided property.
- 1852.245-71 Installation-accountable Government property.
- 1852.245-72 Liability for Government property furnished for repair or other services.
- 1852.245-73 Financial reporting of NASA property in the custody of contractors.
- 1852.245-74 Identification and marking of Government equipment.
- 1852.245-75 Property management changes.
- 1852.245-76 List of Government property furnished pursuant to FAR 52.245-1.
- 1852.245-77 List of Government property furnished pursuant to FAR 52.245-2.
- 1852.245-78 Physical inventory of capital personal property
- 1852.245-79 Records and disposition reports for Government property with potential historic or significant real value.
- 1852.245-80 Government property management information.
- 1852.245-81 List of available Government property.
- 1852.245-82 Occupancy management requirements.

1852.245-83 Real property management requirements.

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Subpart 1852.2—Text of Provisions and Clauses

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1852.245-70 Contractor requests for Government-provided property.

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

Contractor Requests for Government-Provided Property (XX/XX)

(a) The Contractor shall provide all property required for the performance of this contract. The Contractor shall 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.

(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—

- (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 \$100,000 per unit; and

(v) Include only a single unit when the acquisition or construction value equals or exceeds \$100,000.

(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 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 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 52.245-1, Government Property.

(End of clause)

Alternate I (XX/XX)

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 screen Government sources to determine the availability of property from Government inventory or excess property.

(1) The Contractor shall 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 request the item using applicable Center procedures.

(ii) If the Contractor determines that an item within NASA or Federal excess is suitable, it shall 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 shall 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 document the rationale for rejection of available property. The Contractor shall 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 (XX/XX)

(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 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 comply with the following:

NASA Procedural Requirements (NPR) 4100.1, NASA Materials Inventory Management Manual;

NASA Procedural Requirements (NPR) 4200.1, NASA Equipment Management Procedural Requirements;

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

Property not recorded in NASA property systems must be managed in accordance with the requirements of FAR 52.245–1. The Contractor shall establish and adhere to a system of written procedures to assure continued, effective management control and compliance with these user responsibilities. Such procedures must include holding employees liable, when appropriate, for loss, damage, or destruction of Government property.

(b)(1) The official accountable recordkeeping, financial control, and reporting of the property subject to this clause shall 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 require the vendor to deliver the property to the installation central receiving area.

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

(iii) The Contractor shall establish a record of the property as required by FAR 52.245–1, Government Property, and furnish to the Industrial Property Officer a DD Form 1149, Requisition and Invoice/Shipping Document, (or installation equivalent) to transfer accountability to the Government within 5 working days after receipt of the property by the Contractor. The Contractor is accountable for all contractor-acquired property until the property is transferred to the Government's accountability.

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

(2) After transfer of accountability to the Government, the Contractor shall 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 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 become accountable to the Government upon its entry into Government records.

(ii) The Contractor shall 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 (XX/XX)

As prescribed in 1845.107–70(b)(4), substitute the following for paragraph (b)(1)(i) of the basic clause:

(i) The Contractor shall not utilize the installation's central receiving facility for receipt of contractor-acquired property. However, the Contractor shall 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 (XX/XX)

(a) This clause shall 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 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 be retained by the Government. The Contractor shall 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 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, or when sustained while the property is being worked upon and directly resulting from that work, including, but not limited to, any repairing, adjusting, inspecting, servicing, or maintenance operation. The Contractor shall 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) In addition to any insurance (including self-insurance funds or reserves) carried by the Contractor and in effect on the date of this contract affording protection in whole or in part against loss, damage, or destruction of such Government property furnished for servicing, the amount and coverage of which the Contractor agrees to maintain, the Contractor further agrees to obtain any additional insurance covering such loss, damage, or destruction that the Contracting Officer may from time to time require. The requirements for this additional insurance shall be effected under the procedures established by the Changes clause of this contract.

(e) The Contractor shall hold the Government harmless and shall 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 1845.106-70(d), insert the following clause:

Financial Reporting of NASA Property In the Custody of Contractors (XX/XX)

(a) The Contractor shall submit 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 is not required by this clause; however, the Contractor shall include data on property in the possession of subcontractors in the annual NF 1018.

(2) The Contractor shall mail the original signed NF 1018 directly to the cognizant NASA Center Deputy Chief Financial Officer, Finance, unless the Contractor uses the NF 1018 Electronic Submission System (NESS) for report preparation and submission.

(3) One copy shall 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 be from October 1 of each year through September 30 of the following year. The report shall be submitted in time to be received by October 15. 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 15. Some activity may be estimated for the month of September, if necessary, to ensure the 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, Contractor Records Retention. Contractors shall 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 have formal policies and procedures, which address the validation of NF 1018 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 after submission, the contractor shall contact the cognizant NASA Center Industrial Property Officer (IPO) within 30 days after discovery of the error to discuss corrective action.

(2) 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 reports in accordance with NFS subpart 1845.71 and any supplemental instructions for the current reporting period issued by NASA. Such reserve shall 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 not be construed as a waiver of any Government right.

(d) A final report shall be submitted within 30 days after disposition of all property subject to reporting when the contract performance period is complete in accordance with (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 (XX/XX)

(a) The Contractor shall 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. This includes deliverable equipment listed in the schedule and other equipment when NASA directs physical transfer to NASA or a third party. The Contractor shall 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) Property shall be marked in a location that will be human readable, without disassembly or movement of the property, 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 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 items physically transferred under paragraph (a) the following additional data is required:

- (1) Date originally placed in service.
 - (2) Item condition.
 - (3) Date last serviced.
- (e) The data required in paragraphs (c) and (d) shall be delivered to the NASA center receiving activity listed below:

(f) The contractor shall 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 (XX/XX)

(a) The Contractor shall submit any changes to standards and practices used for management and control of Government property under this contract to the assigned property administrator and Industrial Property Officer (IPO), 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.
 (b) The Contractor shall contact the IPO at: (fill in IPO name, address, telephone number and e-mail)

(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 (XX/XX)

(a) 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. The Contractor shall 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.

Item Description	Acquisition Date	Acquisition Cost	Quantity	If equipment		
				Manufacturer	Model	Serial Number

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

(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 (XX/XX)

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. The Contractor shall 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.

Item Description	Acquisition Date	Acquisition Cost	Quantity	If equipment		
				Manufacturer	Model	Serial Number

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

[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) (XX/XX)

(a) In addition to physical inventory requirements under the clause at FAR 52.245-1, Government Property, the Contractor shall conduct annual physical

inventories for individual property items with an acquisition cost exceeding \$100,000.

- (1) The Contractor shall 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 use the physical inventory results to validate the property record data, specifically location, condition 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 NASA Industrial Property Officer (IPO), the inventory shall 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 NASA IPO, when all of the conditions in either (1) or (2) below 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,

(i) The Contractor provides written confirmation that the Government property exists in the recorded condition and location; and

(ii) The items continue to be used exclusively for performance of the contract or as otherwise authorized by the Contracting Officer.

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

(c) The Contractor shall report the results of the physical inventory to the property administrator and the NASA Industrial Property Officer within 10 calendar days of completion of the physical inventory. The report shall—

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

(2) Include additional supporting reports of—

(i) Loss, damage or destruction, 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 retain all physical inventory records, including records of all transactions associated with inventory reconciliation. All records shall 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 (XX/XX)

(a) Items of Government property flown in space or used to support other pioneering NASA programs have increased probability of historic significance and an intrinsic value that is likely to exceed their unused material or physical value. Descriptions of physical characteristics alone are often insufficient to determine an item's historic significance or real value. In addition to the property record data required by the clause at FAR 52.245-1, Government Property in this contract, Contractor records of all Government property under this contract shall—

(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 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 not remove NASA identification or markings from Government-furnished property prior to disposition without the advanced written approval of the NASA Industrial Property Officer.

(End of clause)

1852.245-80 Government property management information.

As prescribed in 1845.107-70(k), insert the following provision.

Government Property Management Information (XX/XX)

(a) The offeror shall 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 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 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 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 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, and the contact information for the responsible Government Contracting Officer. The offeror

shall provide proof that such use was authorized by the responsible Contracting Officer.

(e) The offeror shall 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 identify, in list form, any equipment that it intends to acquire and directly charge to the Government under this contract. The list shall include a description, manufacturer, model number (when available), quantity required, and estimated unit cost.

(g) The offeror shall 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 be in list form, parts shall be grouped by and identify the end item or system and shall include all descriptive information, manufacturer, model, part, catalog or other identification numbers (when available), quantities required, and estimated unit costs.

(h) 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, 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.

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

(End of provision)

18.52.245-81 List of available Government property.

As prescribed in 1845.107-70(l), insert the following provision.

List of Available Government Property (XX/XX)

(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. The offeror shall notify the Government, as part of its proposal, of its intention to use or not use the property.

Item Description	Acquisition Date	Acquisition Cost	Quantity	If equipment		
				Manufacturer	Model	Serial Number

(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. The offeror shall notify the Government of its intention to use or not use the property.

Item Description	Acquisition Date	Acquisition Cost	Quantity	If equipment		
				Manufacturer	Model	Serial Number

(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 1845.106-70(m), insert the following clause:

Occupancy Management Requirements (XX/XX)

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

(1) NPD 8800.14, Policy for Real Property Management.

(2) NPR 8831.2, Facility Maintenance Management [Insert any additional Center occupancy requirements here]

(b) The Contractor shall 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 restore damaged property to its original condition at the Contractor's expense.

(c) The Contractor shall 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 shall vest in the Government.

(d) The Contractor shall 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 1845.106-70(n), insert the following clause:

Real Property Management Requirements (XX/XX)

(a) In addition to the requirements of the FAR Government Property Clause (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, Policy for Real Property Management.

(2) NPR 8831.2, Facility Maintenance Management. [Insert any real property related Center requirements here]

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

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

(d) The Contractor shall keep records of all work done to real property, including plans, drawings, charts, warranties, and manuals. Records shall be complete and current. Record of all transactions shall be auditable. The Government shall 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 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) at any time.

(End of clause)

[FR Doc. E8-28634 Filed 12-1-08; 8:45 am]

BILLING CODE 7510-01-P