

245.602-70**245.602-70 Plant clearance procedures.**

Follow the procedures at PGI 245.602-70 for establishing and processing a plant clearance case.

245.604 Sale of surplus personal property.**245.604-1 Sales procedures.**

(1) *Best value sales approach.* Plant clearance officers shall determine a best value sales approach, to include due consideration for costs, risks, and benefits, *e.g.*, potential sales proceeds.

(2) *Invitation for bid procedures.* The plant clearance officer may direct the contractor to issue informal invitations for bid (orally, telephonically, or by other informal media), provided—

(i) Maximum practical competition is obtained;

(ii) Sources solicited are recorded; and

(iii) Informal bids are confirmed in writing.

(3) *Sale approval and award.* Plant clearance officers shall—

(i) Evaluate bids to establish that the sale price is fair and reasonable, taking into consideration—

(A) Knowledge or tests of the market;

(B) Current published prices for the property;

(C) The nature, condition, quantity, and location of the property; and

(D) Past sale history for like or similar items;

(ii) Approve award to the responsible bidder whose bid is most advantageous to the Government. The plant clearance officer shall not approve award to any bidder who is an ineligible transferee, as defined in 252.245-7005, Management and Reporting of Government Property; and

(iii) Notify the contractor of the bidder to whom an award will be made within 5 working days from receipt of bids.

(4) *Negotiated sales.*

(i) Negotiated sales include purchases or retention at less than cost by the contractor. Negotiated sales may be made when—

(A) The plant clearance officer determines that this method is essential to expeditious plant clearance; and

48 CFR Ch. 2 (10-1-24 Edition)

(B) The Government's interests are adequately protected.

(ii) Negotiated sales shall be at fair and reasonable prices, not less than those reasonably expected under competitive sales.

(iii) Conditions justifying negotiated sales are—

(A) No acceptable bids are received under competitive sale;

(B) Anticipated sales proceeds do not warrant competitive sale;

(C) Specialized nature of the property would not create bidder interest;

(D) Removal of the property would reduce its value or result in disproportionate handling expenses; or

(E) Such action is essential to the Government's interests.

(5) Plant clearance officers shall consider any special disposal requirements such as demilitarization or trade security control requirements in accordance with DoDM 4160.28-M, Defense Demilitarization Manual, and DoDI 2030.08, Implementation of Trade Security Controls (TSCs) for Transfers of DoD Personal Property to Parties Outside DoD Control, respectively. See PGI 245.6.

[86 FR 59871, Oct. 29, 2021, as amended at 88 FR 88537, Dec. 22, 2023]

PART 246—QUALITY ASSURANCE**Subpart 246.1—General**

Sec.

246.101 Definitions.

246.102 Policy.

246.103 Contracting office responsibilities.

Subpart 246.2—Contract Quality Requirements

246.202 Types of contract quality requirements.

246.202-4 Higher-level contract quality requirements.

246.270 Safety of facilities, infrastructure, and equipment for military operations.

246.270-1 Scope.

246.270-2 Policy.

246.270-3 Exceptions.

246.270-4 Contract clause.

Subpart 246.3—Contract Clauses

246.370 Notification of potential safety issues.

Defense Acquisition Regulations System, DoD**246.103****Subpart 246.4—Government Contract Quality Assurance**

- 246.401 General.
- 246.402 Government contract quality assurance at source.
- 246.404 Government contract quality assurance for acquisitions at or below the simplified acquisition threshold.
- 246.406 Foreign governments.
- 246.407 Nonconforming supplies or services.
- 246.408 Single-agency assignments of Government contract quality assurance.
- 246.408-70 Subsistence.
- 246.408-71 Aircraft.
- 246.470 Government contract quality assurance actions.
- 246.470-1 Assessment of additional costs.
- 246.470-2 Quality evaluation data.
- 246.471 Authorizing shipment of supplies.
- 246.472 Inspection stamping.

Subpart 246.5—Acceptance

- 246.504 Certificate of conformance.

Subpart 246.6—Material Inspection and Receiving Reports

- 246.601 General.

Subpart 246.7—Warranties

- 246.702 General.
- 246.702-70 Definitions.
- 246.704 Authority for use of warranties.
- 246.705 Limitations.
- 246.706 Warranty terms and conditions.
- 246.708 Warranties of data.
- 246.710 Contract clauses.
- 246.710-70 Warranty attachments.

Subpart 246.8—Contractor Liability for Loss of or Damage to Property of the Government

- 246.870 Contractor counterfeit electronic part detection and avoidance.
- 246.870-0 Scope.
- 246.870-1 Definition.
- 246.870-2 Policy.
- 246.870-3 Contract clauses.

AUTHORITY: 41 U.S.C. 1303 and 48 CFR chapter 1.

SOURCE: 56 FR 36460, July 31, 1991, unless otherwise noted.

Subpart 246.1—General**246.101 Definitions.**

Discipline Working Group, as used in this subpart, is defined in the clause at 252.246-7004, Safety of Facilities, Infra-

structure, and Equipment for Military Operations.

[75 FR 66685, Oct. 29, 2010]

246.102 Policy.

Departments and agencies shall also—

(1) Develop and manage a systematic, cost-effective Government contract quality assurance program to ensure that contract performance conforms to specified requirements. Apply Government quality assurance to all contracts for services and products designed, developed, purchased, produced, stored, distributed, operated, maintained, or disposed of by contractors.

(2) Conduct quality audits to ensure the quality of products and services meet contractual requirements.

(3) Base the type and extent of Government contract quality assurance actions on the particular acquisition.

(4) Provide contractors the maximum flexibility in establishing efficient and effective quality programs to meet contractual requirements. Contractor quality programs may be modeled on military, commercial, national, or international quality standards.

[56 FR 36460, July 31, 1991, as amended at 60 FR 33145, June 27, 1995; 71 FR 27646, May 12, 2006]

246.103 Contracting office responsibilities.

(1) The contracting office must coordinate with the quality assurance activity before changing any quality requirement.

(2) The activity responsible for technical requirements may prepare instructions covering the type and extent of Government inspections for acquisitions that are complex, have critical applications, or have unusual requirements. Follow the procedures at PGI 246.103(2) for preparation of instructions.

[71 FR 27647, May 12, 2006]

246.202**48 CFR Ch. 2 (10-1-24 Edition)****Subpart 246.2—Contract Quality Requirements****246.202 Types of contract quality requirements.****246.202-4 Higher-level contract quality requirements.**

(1) Higher-level contract quality requirements are used in addition to a standard inspection requirement.

(2) Higher-level contract quality requirements, including nongovernment quality system standards adopted to meet DoD needs, are listed in the DoD Index of Specifications and Standards.

[60 FR 33145, June 27, 1995. Redesignated and amended at 60 FR 61599, Nov. 30, 1995]

246.270 Safety of facilities, infrastructure, and equipment for military operations.**246.270-1 Scope.**

This section implements section 807 of the National Defense Authorization Act for Fiscal Year 2010 (Pub. L. 111-84). It establishes policies and procedures intended to ensure the safety and habitability of facilities, infrastructure, and equipment acquired for use by DoD military or civilian personnel during military operations performed outside the United States, Guam, Puerto Rico, and the Virgin Islands.

[75 FR 66685, Oct. 29, 2010]

246.270-2 Policy.

(a) Contracts (including task and delivery orders) for the construction, installation, repair, maintenance, or operation of facilities, infrastructure, and equipment configured for occupancy, including but not limited to, existing host nation facilities, new construction, and relocatable buildings acquired for use by DoD military or civilian personnel, shall require a pre-occupancy safety and habitability inspection.

(b) To minimize safety and health risks, each contract covered by this policy shall require the contractor's compliance with the Unified Facilities Criteria (UFC) 1-200-01 and its referenced standards for—

- (1) Fire protection;
- (2) Structural integrity;
- (3) Electrical systems;

- (4) Plumbing;
- (5) Water treatment;
- (6) Waste disposal; and
- (7) Telecommunications networks.

(c) Existing host nation facilities constructed to standards equivalent to or more stringent than UFC 1-200-01 are acceptable upon a written determination of the acceptability of the standards by the Discipline Working Group.

(d) Inspections to ensure compliance with UFC 1-200-01 standards shall be conducted in accordance with the inspection clause of the contract.

[75 FR 66685, Oct. 29, 2010]

246.270-3 Exceptions.

The combatant commander may waive compliance with the foregoing standards when it is impracticable to comply with such standards under prevailing operational conditions.

[75 FR 66685, Oct. 29, 2010]

246.270-4 Contract clause.

Use the clause at 252.246-7004, Safety of Facilities, Infrastructure, and Equipment for Military Operations, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, for the construction, installation, repair, maintenance, or operation of facilities, infrastructure, or for equipment configured for occupancy, planned for use by DoD military or civilian personnel during military operations.

[75 FR 66685, Oct. 29, 2010, as amended at 78 FR 37989, June 25, 2013; 88 FR 6588, Jan. 31, 2023]

Subpart 246.3—Contract Clauses**246.370 Notification of potential safety issues.**

(a) Use the clause at 252.246-7003, Notification of Potential Safety Issues, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, for the acquisition of—

(1) Repairable or consumable parts identified as critical safety items;

(2) Systems and subsystems, assemblies, and subassemblies integral to a system; or

(3) Repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.

(b) Follow the procedures at PGI 246.370 for the handling of notifications received under the clause at 252.246-7003.

[72 FR 2636, Jan. 22, 2007, as amended at 78 FR 37989, June 25, 2013. Redesignated and amended at 83 FR 66064, Dec. 21, 2018; 88 FR 6588, Jan. 31, 2023]

Subpart 246.4—Government Contract Quality Assurance

246.401 General.

The requirement for a quality assurance surveillance plan shall be addressed and documented in the contract file for each contract except for those awarded using simplified acquisition procedures. For contracts for services, the contracting officer should prepare a quality assurance surveillance plan to facilitate assessment of contractor performance, see 237.172. For contracts for supplies, the contracting officer should address the need for a quality assurance surveillance plan.

[75 FR 22706, Apr. 30, 2010]

246.402 Government contract quality assurance at source.

Do not require Government contract quality assurance at source for contracts or delivery orders valued below \$350,000, unless—

(1) Mandated by DoD regulation;

(2) Required by a memorandum of agreement between the acquiring department or agency and the contract administration agency; or

(3) The contracting officer determines that—

(i) Contract technical requirements are significant (e.g., the technical requirements include drawings, test procedures, or performance requirements);

(ii) The product being acquired—

(A) Has critical characteristics;

(B) Has specific features identified that make Government contract quality assurance at source necessary; or

(C) Has specific acquisition concerns identified that make Government contract quality assurance at source necessary; and

(iii) The contract is being awarded to—

(A) A manufacturer or producer; or

(B) A non-manufacturer or non-producer and specific Government verifications have been identified as necessary and feasible to perform.

[70 FR 8543, Feb. 22, 2005, as amended at 75 FR 45074, Aug. 2, 2010; 85 FR 61504, Sept. 29, 2020]

246.404 Government contract quality assurance for acquisitions at or below the simplified acquisition threshold.

Do not require Government contract quality assurance at source for contracts or delivery orders valued at or below the simplified acquisition threshold unless the criteria at 246.402 have been met.

[70 FR 8543, Feb. 22, 2005]

246.406 Foreign governments.

(1) *Quality assurance among North Atlantic Treaty Organization (NATO) countries.* (i) NATO Standardization Agreement (STANAG) 4107, Mutual Acceptance of Government Quality Assurance and Usage of the Allied Quality Assurance Publications—

(A) Contains the processes, procedures, terms, and conditions under which one NATO member nation will perform quality assurance for another NATO member nation or NATO organization;

(B) Standardizes the development, updating, and application of the Allied Quality Assurance Publications; and

(C) Has been ratified by the United States and other nations in NATO with certain reservations identified in STANAG 4107.

(ii) Departments and agencies shall follow STANAG 4107 when—

(A) Asking a NATO member nation to perform quality assurance; or

(B) Performing quality assurance when requested by a NATO member nation or NATO organization.

(2) *International military sales (non-NATO).* Departments and agencies shall—

246.407

(i) Perform quality assurance services on international military sales contracts or in accordance with existing agreements;

(ii) Inform host or U.S. Government personnel and contractors on the use of quality assurance publications; and

(iii) Delegate quality assurance to the host government when satisfactory services are available.

(3) *Reciprocal quality assurance agreements.* A Memorandum of Understanding (MOU) with a foreign country may contain an annex that provides for the reciprocal performance of quality assurance services. MOUs should be checked to determine whether such an annex exists for the country where a defense contract will be performed. (See subpart 225.8 for more information about MOUs.)

[56 FR 36460, July 31, 1991, as amended at 63 FR 43890, Aug. 17, 1998; 63 FR 47439, Sept. 8, 1998; 71 FR 27647, May 12, 2006]

246.407 Nonconforming supplies or services.

(f) If nonconforming material or services are discovered after acceptance, the defect appears to be the fault of the contractor, any warranty has expired, and there are no other contractual remedies, the contracting officer—

(i) Shall notify the contractor in writing of the nonconforming material or service;

(ii) Shall request that the contractor repair or replace the material, or perform the service, at no cost to the Government; and

(iii) May accept consideration if offered. For guidance on solicitation of a refund, see subpart 242.71.

(S-70) The head of the design control activity is the approval authority for acceptance of any nonconforming aviation or ship critical safety items or nonconforming modification, repair, or overhaul of such items (see 209.270). Authority for acceptance of minor nonconformances in aviation or ship critical safety items may be delegated as determined appropriate by the design control activity. See additional information at PGI 246.407.

[56 FR 36460, July 31, 1991, as amended at 67 FR 4208, Jan. 29, 2002; 69 FR 55989, Sept. 17, 2004; 70 FR 57190, Sept. 30, 2005; 73 FR 1828, Jan. 10, 2008]

48 CFR Ch. 2 (10-1-24 Edition)**246.408 Single-agency assignments of Government contract quality assurance.****246.408-70 Subsistence.**

(a) The Surgeons General of the military departments are responsible for—

- (1) Acceptance criteria;
- (2) Technical requirements; and
- (3) Inspection procedures needed to assure wholesomeness of foods.

(b) The contracting office may designate any Federal activity, capable of assuring wholesomeness and quality in food, to perform quality assurance for subsistence contract items. The designation may—

- (1) Include medical service personnel of the military departments; and
- (2) Be on a reimbursable basis.

246.408-71 Aircraft.

(a) The Federal Aviation Administration (FAA) has certain responsibilities and prerogatives in connection with some commercial aircraft and of aircraft equipment and accessories (Pub. L. 85-726 (72 Stat 776, 49 U.S.C. 1423)). This includes the issuance of various certificates applicable to design, manufacture, and airworthiness.

(b) FAA evaluations are not a substitute for normal DoD evaluations of the contractor's quality assurance measures. Actual records of FAA evaluations may be of use to the contract administration office (CAO) and should be used to their maximum advantage.

(c) The CAO shall ensure that the contractor possesses any required FAA certificates prior to acceptance.

[56 FR 36460, July 31, 1991, as amended at 71 FR 27647, May 12, 2006]

246.470 Government contract quality assurance actions.**246.470-1 Assessment of additional costs.**

(a) Under the clause at FAR 52.246-2, *Inspection of Supplies—Fixed-Price*, after considering the factors in paragraph (c) of this subsection, the quality assurance representative (QAR) may believe that the assessment of additional costs is warranted. If so, the representative shall recommend that the contracting officer take the necessary action and provide a recommendation

as to the amount of additional costs. Costs are based on the applicable Federal agency, foreign military sale, or public rate in effect at the time of the delay, reinspection, or retest.

(b) If the contracting officer agrees with the QAR, the contracting officer shall—

(1) Notify the contractor, in writing, of the determination to exercise the Government's right under the clause at FAR 52.246-2, Inspection of Supplies—Fixed-Price; and

(2) Demand payment of the costs in accordance with the collection procedures contained in FAR Subpart 32.6.

(c) In making a determination to assess additional costs, the contracting officer shall consider—

(1) The frequency of delays, reinspection, or retest under both current and prior contracts;

(2) The cause of such delay, reinspection, or retest; and

(3) The expense of recovering the additional costs.

[71 FR 27647, May 12, 2006]

246.470-2 Quality evaluation data.

The contract administration office shall establish a system for the collection, evaluation, and use of the types of quality evaluation data specified in PGI 246.470-2.

[71 FR 27647, May 12, 2006]

246.471 Authorizing shipment of supplies.

(a) *General.* (1) Ordinarily, a representative of the contract administration office signs or stamps the shipping papers that accompany Government source-inspected supplies to release them for shipment. This is done for both prime and subcontracts.

(2) An alternative procedure (see paragraph (b) of this section) permits the contractor to assume the responsibility for releasing the supplies for shipment.

(3) The alternative procedure may include prime contractor release of supplies inspected at a subcontractor's facility.

(4) The use of the alternative procedure releases DoD manpower to perform technical functions by eliminating routine signing or stamping of

the papers accompanying each shipment.

(b) *Alternative Procedures—Contract Release for Shipment.*

(1) For foreign military sales contracts, do not use alternative procedures. (2) The contract administration office may authorize, in writing, the contractor to release supplies for shipment when—

(i) The stamping or signing of the shipping papers by a representative of the contract administration office interferes with the operation of the Government contract quality assurance program or takes too much of the Government representative's time;

(ii) There is sufficient continuity of production to permit the Government to establish a systematic and continuing evaluation of the contractor's control of quality; and

(iii) The contractor has a record of satisfactory quality, including that pertaining to preparation for shipment.

(3) The contract administration office shall withdraw, in writing, the authorization when there is an indication that the conditions in paragraph (b)(2) of this subsection no longer exist.

(4) When the alternative procedure is used, require the contractor to—

(i) Type or stamp, and sign, the following statement on the required copy or copies of the shipping paper(s), or on an attachment—

The supplies in this shipment—

1. Have been subjected to and have passed all examinations and tests required by the contract;

2. Were shipped in accordance with authorized shipping instructions;

3. Conform to the quality, identity, and condition called for by the contract; and

4. Are of the quantity shown on this document.

This shipment was—

1. Released in accordance with section 246.471 of the Defense FAR Supplement; and

2. Authorized by (name and title of the authorized representative of the contract administration office) in a letter dated (date of authorizing letter). (Signature and title of contractor's designated official.)

(ii) Release and process, in accordance with established instructions, the DD Form 250, Material Inspection and

246.472

Receiving Report, or other authorized receiving report.

[56 FR 36460, July 31, 1991, as amended at 83 FR 66064, Dec. 21, 2018]

246.472 Inspection stamping.

(a) DoD quality inspection approval marking designs (stamps) may be used for both prime contracts and subcontracts. Follow the procedures at PGI 246.472(a) for use of DoD inspection stamps.

(b) Policies and procedures regarding the use of National Aeronautics and Space Administration (NASA) quality status stamps are contained in NASA publications. When requested by NASA centers, the DoD inspector shall use NASA quality status stamps in accordance with current NASA requirements.

[71 FR 27647, May 12, 2006]

Subpart 246.5—Acceptance**246.504 Certificate of conformance.**

Before authorizing a certificate of conformance for aviation or ship critical safety items, obtain the concurrence of the head of the design control activity (see 209.270).

[73 FR 1828, Jan. 10, 2008]

Subpart 246.6—Material Inspection and Receiving Reports**246.601 General.**

See Appendix F, Material Inspection and Receiving Report, for procedures and instructions for the use, preparation, and distribution of—

(1) The Material Inspection and Receiving Report (DD Form 250 series); and

(2) Supplier's commercial shipping/packing lists used to evidence Government contract quality assurance.

[71 FR 27647, May 12, 2006]

Subpart 246.7—Warranties**246.702 General.****246.702-70 Definitions.**

As used in this subpart—

Acceptance as used in this subpart and in the warranty clauses at FAR 52.246-17, Warranty of Supplies of a

48 CFR Ch. 2 (10-1-24 Edition)

Noncomplex Nature; FAR 52.246-18, Warranty of Supplies of a Complex Nature; FAR 52.246-19, Warranty of Systems and Equipment Under Performance Specifications or Design Criteria; and FAR 52.246-20, Warranty of Services, includes the execution of an official document (e.g., DD Form 250, Material Inspection and Receiving Report) by an authorized representative of the Government.

Defect means any condition or characteristic in any supply or service furnished by the contractor under the contract that is not in compliance with the requirements of the contract.

Enterprise means the entity (e.g., a manufacturer or vendor) responsible for granting the warranty and/or assigning unique item identifiers to serialized warranty items.

Enterprise identifier means a code that is uniquely assigned to an enterprise by an issuing agency.

Issuing agency means an organization responsible for assigning a globally unique identifier to an enterprise, as indicated in the Register of Issuing Agency Codes for International Standards Organization/International Electrotechnical Commission 15459, located at http://www.aimglobal.org/?Reg_Authority15459.

Serialized item means each item produced is assigned a serial number that is unique among all the collective tangible items produced by the enterprise, or each item of a particular part, lot, or batch number is assigned a unique serial number within that part, lot, or batch number assignment within the enterprise identifier. The enterprise is responsible for ensuring unique serialization within the enterprise identifier or within the part, lot, or batch numbers, and that serial numbers, once assigned, are never used again.

Unique item identifier means a set of data elements marked on an item that is globally unique and unambiguous.

Warranty tracking means the ability to trace a warranted item from delivery through completion of the effectiveness of the warranty.

[76 FR 33168, June 8, 2011, as amended at 81 FR 17043, Mar. 25, 2016. Redesignated at 86 FR 59871, Oct. 29, 2021]

Defense Acquisition Regulations System, DoD**246.710****246.704 Authority for use of warranties.**

(1) The chief of the contracting office must approve use of a warranty, except in acquisitions for—

(i) Commercial products or commercial services (see FAR 46.709);

(ii) Technical data, unless the warranty provides for extended liability (see 246.708);

(iii) Supplies and services in fixed-price type contracts containing quality assurance provisions that reference higher-level contract quality requirements (see 246.202-4); or

(iv) Supplies and services in construction contracts when using the warranties that are contained in Federal, military, or construction guide specifications.

(2) The chief of the contracting office shall approve the use of a warranty only when the benefits are expected to outweigh the cost.

[71 FR 27647, May 12, 2006, as amended at 88 FR 6588, Jan. 31, 2023]

246.705 Limitations.

(a) In addition to the exceptions provided in FAR 46.705(a), warranties in the clause at 252.246-7001, Warranty of Data, may be used in cost-reimbursement contracts.

[71 FR 27647, May 12, 2006]

246.706 Warranty terms and conditions.

(b)(5) *Markings.* For other than commercial products, use MIL-STD-129, Marking for Shipments and Storage, and MIL-STD-130, Identification Marking of U.S. Military Property, when marking warranty items.

[71 FR 27647, May 12, 2006, as amended at 88 FR 6588, Jan. 31, 2023]

246.708 Warranties of data.

Obtain warranties on technical data when practicable and cost effective. Consider the factors in FAR 46.703 in deciding whether to obtain warranties of technical data. Consider the following in deciding whether to use extended liability provisions—

(1) The likelihood that correction or replacement of the nonconforming data, or a price adjustment, will not

give adequate protection to the Government; and

(2) The effectiveness of the additional remedy as a deterrent against furnishing nonconforming data.

246.710 Contract clauses.

(1) Use a clause substantially the same as the basic or one of the alternates of the clause at 252.246-7001, Warranty of Data, in solicitations and contracts that include the clause at 252.227-7013, Rights in Technical Data and Computer Software, when there is a need for greater protection or period of liability than provided by the inspection and warranty clauses prescribed in FAR part 46.

(i) Use the basic clause in solicitations and contracts that are not firm-fixed price or fixed-price incentive.

(ii) Use alternate I in fixed-price-incentive solicitations and contracts.

(iii) Use alternate II in firm-fixed-price solicitations and contracts.

(2) Use the clause at 252.246-7002, Warranty of Construction (Germany), instead of the clause at FAR 52.246-21, Warranty of Construction, in solicitations and contracts for construction when a fixed-price contract will be awarded and contract performance will be in Germany.

(3) When the solicitation includes the clause at 252.211-7003, Item Unique Identification and Valuation, which is prescribed in 211.274-6(a), and it is anticipated that the resulting contract will include a warranty for serialized items—

(i) Use the provision at 252.246-7005, Notice of Warranty Tracking of Serialized Items, in the solicitation if the Government does not specify a warranty and offerors will be required to enter data with the offer;

(ii) Use the clause at 252.246-7006, Warranty Tracking of Serialized Items, in the solicitation and contract; and

(iii) Include the following warranty attachments, available at https://www.pdrep.csd.disa.mil/pdrep_files/other/wsr.htm, in the solicitation and contract and see 246.710-70:

(A) Warranty Tracking Information.

246.710-70**(B) Source of Repair Instructions.**

[56 FR 36460, July 31, 1991, as amended at 62 FR 34128, June 24, 1997; 64 FR 51077, Sept. 21, 1999; 71 FR 27647, May 12, 2006; 76 FR 33168, June 8, 2011; 78 FR 76072, Dec. 16, 2013; 79 FR 17449, Mar. 28, 2014; 79 FR 18654, Apr. 3, 2014; 81 FR 17043, Mar. 25, 2016; 86 FR 59871, Oct. 29, 2021]

246.710-70 Warranty attachments.

Follow the procedures at PGI 246.710-70 regarding warranty attachments.

[81 FR 17043, Mar. 25, 2016]

Subpart 246.8—Contractor Liability for Loss of or Damage to Property of the Government

SOURCE: 79 FR 26106, May 6, 2014, unless otherwise noted.

246.870 Contractor counterfeit electronic part detection and avoidance.**246.870-0 Scope.**

This section—

(a) Partially implements section 818(c) and (e) of the National Defense Authorization Act for Fiscal Year 2012 (Pub. L. 112-81), as amended by section 817 of the National Defense Authorization Act for Fiscal Year 2015 (Pub. L. 113-291) and section 885 of the National Defense Authorization Act for Fiscal Year 2016 (Pub. L. 114-92); and

(b) Prescribes policy and procedures for preventing counterfeit electronic parts and suspect counterfeit electronic parts from entering the supply chain when procuring electronic parts or end items, components, parts, or assemblies that contain electronic parts.

[79 FR 26106, May 6, 2014. Redesignated and amended at 81 FR 50648, Aug. 2, 2016; 83 FR 19645, May 4, 2018]

246.870-1 Definition.

Authorized supplier, as used in this subpart, means a supplier, distributor, or an aftermarket manufacturer with a contractual arrangement with, or the express written authority of, the original manufacturer or current design activity to buy, stock, repackage, sell, or distribute the part.

[81 FR 50648, Aug. 2, 2016]

48 CFR Ch. 2 (10-1-24 Edition)**246.870-2 Policy.**

(a) *Sources of electronic parts.* (1) Except as provided in paragraph (a)(2) of this section, the Government requires contractors and subcontractors at all tiers, to—

(i) Obtain electronic parts that are in production by the original manufacturer or an authorized aftermarket manufacturer or currently available in stock from—

(A) The original manufacturers of the parts;

(B) Their authorized suppliers; or

(C) Suppliers that obtain such parts exclusively from the original manufacturers of the parts or their authorized suppliers; and

(ii) Obtain electronic parts that are not in production by the original manufacturer or an authorized aftermarket manufacturer, and that are not currently available in stock from a source listed in paragraph (a)(1)(i) of this section, from suppliers identified by the Contractor as contractor-approved suppliers, provided that—

(A) For identifying and approving such contractor-approved suppliers, the contractor uses established counterfeit prevention industry standards and processes (including inspection, testing, and authentication), such as the DoD-adopted standards at <https://assist.dla.mil>;

(B) The contractor assumes responsibility for the authenticity of parts provided by such contractor-approved suppliers (see 231.205-71); and

(C) The selection of such contractor-approved suppliers is subject to review, audit, and approval by the Government, generally in conjunction with a contractor purchasing system review or other surveillance of purchasing practices by the contract administration office, or if the Government obtains credible evidence that a contractor-approved supplier has provided counterfeit parts. The contractor may proceed with the acquisition of electronic parts from a contractor-approved supplier unless otherwise notified by DoD.

(2) The Government requires contractors and subcontractors to comply with the notification, inspection, testing, and authentication requirements of paragraph (b)(3)(ii) of the clause at

252.246-7008, Sources of Electronic Parts, if the contractor—

(i) Obtains an electronic part from—

(A) A source other than any of the sources identified in paragraph (a)(1) of this section, due to nonavailability from such sources; or

(B) A subcontractor (other than the original manufacturer) that refuses to accept flowdown of this clause; or

(ii) Cannot confirm that an electronic part is new or not previously used and that it has not been commingled in supplier new production or stock with used, refurbished, reclaimed, or returned parts.

(3) Contractors and subcontractors are still required to comply with the requirements of paragraphs (a)(1) or (2) of this section, as applicable, if—

(i) Authorized to purchase electronic parts from the Federal Supply Schedule;

(ii) Purchasing electronic parts from suppliers accredited by the Defense Microelectronics Activity; or

(iii) Requisitioning electronic parts from Government inventory/stock under the authority of the clause at 252.251-7000, Ordering from Government Supply Sources.

(A) The cost of any required inspection, testing, and authentication of such parts may be charged as a direct cost.

(B) The Government is responsible for the authenticity of the requisitioned electronic parts. If any such part is subsequently found to be counterfeit or suspect counterfeit, the Government will—

(1) Promptly replace such part at no charge; and

(2) Consider an adjustment in the contract schedule to the extent that replacement of the counterfeit or suspect counterfeit electronic parts caused a delay in performance.

(b) *Contractor counterfeit electronic part detection and avoidance system.* (1) Contractors that are subject to the cost accounting standards and that supply electronic parts or products that include electronic parts, and their subcontractors that supply electronic parts or products that include electronic parts, are required to establish and maintain an acceptable counterfeit electronic part detection and avoidance system. Failure to do so may result in disapproval of the purchasing system by the contracting officer and/or withholding of payments (see 252.244-7001, Contractor Purchasing System Administration).

(2) *System criteria.* A counterfeit electronic part detection and avoidance system shall include risk-based policies and procedures that address, at a minimum, the following areas (see the clause at 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System):

(i) The training of personnel.

(ii) The inspection and testing of electronic parts, including criteria for acceptance and rejection.

(iii) Processes to abolish counterfeit parts proliferation.

(iv) Processes for maintaining electronic part traceability.

(v) Use of suppliers in accordance with paragraph (a) of this section.

(vi) The reporting and quarantining of counterfeit electronic parts and suspect counterfeit electronic parts.

(vii) Methodologies to identify suspect counterfeit electronic parts and to rapidly determine if a suspect counterfeit electronic part is, in fact, counterfeit.

(viii) Design, operation, and maintenance of systems to detect and avoid counterfeit electronic parts and suspect counterfeit electronic parts.

(ix) Flow down of counterfeit detection and avoidance requirements.

(x) Process for keeping continually informed of current counterfeiting information and trends.

(xi) Process for screening the Government-Industry Data Exchange Program (GIDEP) reports and other credible sources of counterfeiting information.

(xii) Control of obsolete electronic parts.

[81 FR 50648, Aug. 2, 2016, as amended at 83 FR 19645, May 4, 2018; 87 FR 15818, Mar. 18, 2022]

246.870-3 Contract clauses.

(a)(1) Except as provided in paragraph (a)(2) of this section, use the clause at 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System, in solicitations and contracts when procuring—

(i) Electronic parts;

Pt. 247

(ii) End items, components, parts, or assemblies containing electronic parts; or

(iii) Services, if the contractor will supply electronic parts or components, parts, or assemblies containing electronic parts as part of the service.

(2) Do not use the clause in solicitations and contracts that are set aside for small business.

(b) Use the clause at 252.246-7008, Sources of Electronic Parts, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, when procuring—

(1) Electronic parts;

(2) End items, components, parts, or assemblies containing electronic parts; or

(3) Services, if the contractor will supply electronic parts or components, parts, or assemblies containing electronic parts as part of the service.

[79 FR 26106, May 6, 2014, as amended at 81 FR 50649, Aug. 2, 2016; 88 FR 6588, Jan. 31, 2023]

PART 247—TRANSPORTATION

Sec.

247.001 Definitions.

Subpart 247.1—General

247.101 Policies.

Subpart 247.2—Contracts for Transportation or for Transportation-Related Services

247.200 Scope of subpart.

247.206 Preparation of solicitations and contracts.

247.207 Solicitation provisions, contract clauses, and special requirements.

247.270 Stevedoring contracts.

247.270-1 Definitions.

247.270-2 Technical provisions.

247.270-3 Evaluation of bids and proposals.

247.270-4 Contract clauses.

247.271 Contracts for the preparation of personal property for shipment or storage or for performance of intra-city or intra-area movement.

247.271-1 Policy.

247.271-2 Procedures.

247.271-3 Solicitation provisions, schedule formats, and contract clauses.

48 CFR Ch. 2 (10-1-24 Edition)**Subpart 247.3—Transportation in Supply Contracts**

247.301 General.

247.301-70 Definition.

247.301-71 Evaluation factor or subfactor.

247.305 Solicitation provisions, contract clauses, and transportation factors.

247.305-10 Packing, marking, and consignment instructions.

247.371 DD Form 1384, Transportation Control and Movement Document.

247.372 DD Form 1653, Transportation Data for Solicitations.

247.372 DD Form 1654, Evaluation of Transportation Cost Factors.

Subpart 247.5—Ocean Transportation by U.S.-Flag Vessels

247.570 Scope.

247.571 Definitions.

247.572 Policy.

247.573 General.

247.574 Solicitation provisions and contract clauses.

AUTHORITY: 41 U.S.C. 1303 and 48 CFR chapter 1.

SOURCE: 56 FR 36466, July 31, 1991, unless otherwise noted.

247.001 Definitions.

For definitions of “Civil Reserve Air Fleet” and “Voluntary Intermodal Sealift Agreement,” see Joint Pub 1-02, DoD Dictionary of Military and Associated Terms. See additional information at PGI 247.001 for the Voluntary Intermodal Sealift Agreement program.

[75 FR 51417, ≤Aug. 20, 2010]

Subpart 247.1—General**247.101 Policies.**

(h) *Shipping documents covering f.o.b. origin shipments.*

(i) Procedures for the contractor to obtain bills of lading are in the clause at 252.247-7028, Application for U.S. Government Shipping Documentation/Instructions.

(ii) The term “commercial bills of lading” includes the use of any commercial form or procedure.

[77 FR 39140, June 29, 2012]