

(C) Specify the destination and means of shipment for property to be returned to the Government.

(2) *Government supply sources.* When a contractor will be responsible for preparing requisitioning documentation to acquire Government-furnished property from Government supply sources, include in the contract the requirement to prepare the documentation in accordance with DoD 4000.25–1–M, Military Standard Requisitioning and Issue Procedures (MILSTRIP). Copies are available from the address cited at PGI 251.102.

(3) *Acquisition and management of industrial resources.* See Subpart 237.75 for policy relating to facilities projects.

245.105 Contractor’s property management system compliance.

The assigned property administrator shall perform property administration in accordance with department or agency procedures.

245.107–70 Contract clause.

Use the clause at 252.245–7000, Government-Furnished Mapping, Charting, and Geodesy Property, in solicitations and contracts when mapping, charting, and geodesy property is to be furnished.

Subpart 245.3—Authorizing the Use and Rental of Government Property

SOURCE: 74 FR 37647, July 29, 2009, unless otherwise noted.

245.302 Contracts with foreign governments or international organizations.

(1) *General.*

(i) *Approval.* A contractor may use Government property on work for foreign governments and international organizations only when approved in writing by the contracting officer having cognizance of the property. The contracting officer may grant approval, provided—

(A) The use will not interfere with foreseeable requirements of the United States;

(B) The work is undertaken as a DoD foreign military sale; or

(C) For a direct commercial sale, the foreign country or international organization would be authorized to contract with the department concerned under the Arms Export Control Act.

(ii) *Use charges.*

(A) The Use and Charges clause is applicable on direct commercial sales to foreign governments or international organizations.

(B) When a particular foreign government or international organization has funded the acquisition of property, do not assess the foreign government or international organization rental charges or nonrecurring recoupments for the use of such property.

(2) *Special tooling and special test equipment.*

(i) DoD normally recovers a fair share of nonrecurring costs of special tooling and special test equipment by including these costs in its calculation of the nonrecurring cost recoupment charge when major defense equipment is sold by foreign military sales or direct commercial sales to foreign governments or international organizations. “Major defense equipment” is defined in DoD Directive 2140.2, Recoupment of Nonrecurring Costs on Sales of U.S. Items, as any item of significant military equipment on the United States Munitions List having a nonrecurring research, development, test, and evaluation cost of more than \$50 million or a total production cost of more than \$200 million.

(ii) When the cost thresholds in paragraph (2)(i) of this section are not met, the contracting officer shall assess rental charges for use of special tooling and special test equipment pursuant to the Use and Charges clause if administratively practicable.

(3) *Waivers.*

(i) Rental charges for use of U.S. production and research property on commercial sales transactions to the Government of Canada are waived for all commercial contracts. This waiver is based on an understanding wherein the Government of Canada has agreed to waive its rental charges.

(ii) Requests for waiver or reduction of charges for the use of Government property on work for foreign governments or international organizations shall be submitted to the contracting

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

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

245.601 Definitions.

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

245.603 Disposal methods.

245.603-70 Contractor performance of plant clearance duties.

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

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