



**TEXAS A&M ENGINEERING
EXPERIMENT STATION**

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GOVERNMENT FURNISHED PROPERTY MANUAL

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SECTION 1: PURPOSE

Texas A&M Engineering Experiment Station is committed to providing total support for acquiring, receiving, identifying, protecting, tracking, reporting, redistributing, and disposing of government property. Although Principle Investigators have the ultimate responsibility for government property, a property control system has been established to assist Principle Investigators with continuously improving their business practices. Consistent with that goal and philosophy, this property manual is designed with the ultimate objective of promoting an efficient and effective property control system.

This manual establishes the government property system, policies, and procedures of Texas A&M Engineering Experiment Station to control, protect, preserve and maintain all government property in compliance with the Federal Acquisition Regulation, Part 45.5.

This manual is officially referred to as the Texas A&M Engineering Experiment Station Government Furnished Property Manual, and sets forth the basic policy for procuring, use and management, reporting, redistributing, and disposing of government property. This procedure applies to property administration based on Subpart 45.5 of the Federal Acquisition Regulation entitled "Management of Government Property in the Possession of Contractors." If there is an inconsistency between these procedures and the terms of the contract under which property was provided or acquired the contract terms and conditions will prevail.

SECTION 2: DEFINITIONS

As used herein, the following definitions apply:

Agency-Peculiar Property (APP):

Government-owned personal property that is peculiar to the mission of one agency (e.g., military or space property). It excludes government material, special test equipment, special tooling, and facilities.

Contracting Officer (CO):

A government representative who has the authority to enter into, administer, and/or terminate contracts, as well as make related determinations and other findings.

Contract Administrator (CA):

A representative of the office of Sponsored Research Services (SRS) who is responsible for reviewing, administering and closing prime contracts.

Government Property:

All property owned by or leased to the government or acquired by the government under the terms of the contract. It includes both Government-Furnished Property and Contractor-Acquired Property as defined in this section. See the Contract Administrator for each individual prime contract-specific property requirements. As

a general rule, all cost reimbursable-type contracts entitle the government to all property purchased under the contract, whereas in fixed-price contracts, the government does not gain title to property purchased under the contract unless the property becomes an integrated part of an end-item deliverable.

Government-Furnished Property (GFP) - Property in the possession of or directly acquired by the government and subsequently made available to the contractor for use in performance of the contract.

Contractor-Acquired Property (CAP) - Property acquired or otherwise provided by the contractor for performance of the contract and to which TEES has title unless the terms and conditions of the contract specify otherwise.

Government Property Administrator (GPA):

An authorized representative of the contracting officer assigned to administer the contract requirements and obligations relating to government property.

Lost, Damaged, and Destroyed (LDD):

A report that is required to be submitted to the Contracting Officer or his/her designee when government property excluding material, is lost, damaged, or destroyed in the performance of the contract (see Section Five).

Materials:

Property that may be incorporated into or attached to a deliverable end item, or that may be consumed or expended during contract performance. It includes raw and processed materials, parts, components, assemblies, supplies, and small tools that may be consumed during contract performance. When provided by the government, these items will be maintained and identified on the inventory until consumed within the scope of the project. Once consumed, the Principle Investigator will notify the Property Management Office for removal from the inventory.

Plant Clearance Officer:

An authorized representative of the contracting officer assigned responsibility for plant clearance.

Plant Equipment:

Personal property of a capital nature (including equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items) for use in manufacturing supplies, performing services, or for any administrative/general plant purposes. It does not include special tooling or special test equipment.

Purchasing Manager:

The representative of TEES authorized to perform procurement functions. This person is involved in the approval process for purchasing property valued in excess of \$10,000.00 and subcontractor property issues.

Principle Investigator (PI):

The representative of TEES responsible for ensuring the prime contract is managed and completed to the client's satisfaction and all the contractual terms and applicable government regulations are fulfilled.

Property:

All property – both real and personal equipment. It includes facilities, material, special tooling, special test equipment, and agency-peculiar property.

Property Management Officer (PMO):

The representative of TEES responsible for performing the requirements set forth in this policy.

Real Property:

Land and land rights, ground improvements, utility distribution systems, and buildings or other structures. It does not include foundations and other work necessary for installing special tooling, special test equipment, or plant equipment.

Receipt Issue & Use:

The contractor, if authorized by the Government Property Administrator, may maintain in lieu of stock records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of government-provided material that is issued for immediate consumption and is not entered in the inventory record as a matter of sound business practice.

Salvage:

Property that has no reasonable prospect of sale or use as serviceable property without major repairs, because of its worn, damaged, deteriorated, or incomplete condition or specialized nature, but has some value in excess of its scrap value.

Scrap:

Property that has no value, except for its basic material content.

Sensitive Items:

Those items of property that are susceptible to being appropriated for personal use or that can be readily converted to cash. Examples are firearms, photographic equipment, binoculars, tape recorders, calculators, and power tools.

Special Test Equipment:

Either single or multi-purpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in the performance of the contract. It consists of items or assemblies of equipment that are interconnected and interdependent so as to become a new functional entity for special testing purposes. It does not include material, special tooling, facilities (except foundations and similar improvements necessary for the installation of special test equipment), and equipment items used for general testing purposes.

Special Tooling:

Jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, which are of such a specialized nature that without a substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof or the performance of particular services. It does not include material, special test equipment,

facilities (except foundations and similar improvements necessary for the installation of special tooling), general or special machine tools, or similar capital items.

Subcontract:

An agreement between a vendor and TEES requiring special terms and conditions to limit the company’s liability, and under which a significant part of the services or goods procured (i.e., surveying, waste disposal, any purchase requiring breaking ground, assemblies, components, processed materials, etc.) are for eventual use in or are in direct support of requirements in the prime contract, or subcontract in support of a prime contract.

SECTION 3: INTERNAL RESPONSIBILITIES AND CONTROL

3.1 POLICY

The responsibility for maintaining and communicating the contents of this manual to all PIs and staff who work with government property rests with the TEES PMO. The office of Sponsored Research Services (SRS), through administrative procedures, approves financial transactions prior to their addition to the inventory. SRS will ensure GFP is identified in the applicable contract and/or supplements/ modifications and addressed to the PMO for addition to the inventory. The PI will accept responsibility for assets received or returned and added or deleted from/to the property control system.

3.2 PROCEDURE

Responsibilities of the office of Sponsored Research Services:

- SRS will provide the initial information required to establish the contract and updates consisting of supplements and/or modifications.
- SRS is responsible for identifying property deliverables for annual and final reports.
- SRS will notify the PMO of contracts containing GFP.
- SRS is responsible for preparing and forwarding annual and final inventory reports (property deliverables) as required by the CO and applicable directives.

Responsibilities of the Property Management Office:

- The PMO is responsible for monitoring and assuring compliance with the procedures and controls set forth herein and for establishing interface with government representatives with property matters.

- The PMO is responsible for preparing new directives for future practices when mandated by federal regulations.
- The PMO will incorporate the annual inventory of GFP with the annual inventory certification of assets acquired by TEES.

Responsibilities of the Principal Investigator:

- The PI is responsible for the safety, security and maintenance of all GFP in their possession under contract. In accordance with the Texas State Property Accounting Manual and The Texas A&M University Systems Equipment Management Manual the Department/Division Head will verify acceptance of responsibility by signing the following statement:

I understand that I am under financial liability for the loss or damage to this (these) item(s) if the loss or damage results from my negligence, intentional act, or failure to exercise reasonable care to safeguard, maintain, and service it (them).

- The PI or representative is responsible for performing an annual inventory certification of GFP.
- The PI or representative will immediately notify the PMO of receipt or shipment of GFP received from or shipped to the sponsor or a subcontractor.
- The PI understands failure to maintain GFP in accordance with these procedures reflects poorly upon TEES and may jeopardize future contracts with government agencies.

3.3 ADMINISTERING PROPERTY UPON CONTRACT COMPLETION

Upon completion of the contract, the PI will conduct a final inventory and request final disposition instructions through the office of SRS. The request may include the following options:

- Return shipment to the sponsor or a destination of the sponsor's choosing.
- Transfer of assets to another federal contract.
- Abandonment in place and transfer of title of equipment to TEES.
- Destruction and/or surplus of remaining parts/materials, etc.

3.4 SUBCONTRACTS

Subcontractors of TEES are not to be given nor are they to acquire any government property unless so authorized by the subcontract. If the subcontract authorizes the subcontractor to receive or acquire government property, TEES will require the subcontractor to care for and record property and equipment as specified in FAR 45.5. If not stipulated within the subcontract, title for assets acquired under the subcontract remains with TEES.

SECTION 4: PROPERTY PROCEDURES REVIEW

4.1 POLICY

A committee will be formed within TEES consisting of representatives from the Controller's Office, Property Management Office and SRS to review and update the policy and procedures governing GFP when mandated by Federal Acquisition Regulation or as otherwise deemed necessary by TEES.

4.2 PROCEDURES

Periodically, the committee will review and update property control procedures affecting GFP in its possession.

4.3 CORRECTIVE ACTIONS

If property system deficiencies are identified by the GPA during an annual or periodic review, a corrective action will be coordinated with the GPA.

SECTION 5: ACQUISITIONS

5.1 POLICY

Acquisition of CAP is specifically addressed in TEES Equipment Management Manual. TEES is responsible for GFP upon its documented delivery into our custody and control.

5.2 PROCEDURE

GFP is most commonly acquired through shipment of assets from the sponsor. These assets should be individually listed and identified in the original contract or through supplements and/or modifications.

GFP is recorded upon its documented delivery into our custody or control. In most cases delivery will be made directly to a destination determined by the PI. It is therefore, incumbent upon the PI to immediately notify the PMO of deliveries accepted. (See Section 6 for receiving details.)

A complete review of items reflected on the shipping document must be conducted by the PI or departmental representative to determine the quantity, condition, and identification of assets shipped versus assets received. Any discrepancies occurring during shipment must be reported to the sponsor and the PMO before entry onto the property control system.

5.3 CLASSIFICATION

All GFP may be identified within one of the categories in the Federal Supply Class List, in accordance with the definitions of FAR 45. Useful life is determined by its corresponding Federal Supply Class.

SECTION 6: RECEIVING

6.1 POLICY

TEES is responsible for GFP received into our custody or control. All receipts must be forwarded to the PMO within ten working days of delivery. Assets should not be actively placed into use until the receiving and identification processes are completed. Assets should not be removed from the primary location or moved to the field for use until these processes are completed.

6.2 PROCEDURE

All GFP will be inspected and checked at the time of receipt. Any visible or other external evidence of damage or error in quantity should be noted on the receiving document with the signature of the carrier's agent and TEES's employee, and date of occurrence. If documentation is not received with the GFP the PI will notify the PMO, or other appropriate party, of the receipt of the GFP and request disposition.

6.3 RECEIVING

The receiving process, to include documentation, must be accomplished within ten working days of receipt of shipment. When damage in shipment is expected, an asset may be temporarily placed into service to determine the condition or serviceability of the asset. At no other time will assets be placed into use prior to completion of this process without written consent from the PMO.

Assets will not be removed from the initial location (shipping destination) or forwarded to the field for use prior to completion of the inspection, receiving and identification process.

The PMO may require equipment placed into use prior to receipt and identification be promptly disconnected from experimental or laboratory equipment for inspection, receipt and identification.

The TEES inventory information sheet will be completed by the PI or representative during the receiving process. Ensure the following information is recorded to allow proper identification of the assets. One inventory information sheet is required per individual asset. This provides the tools necessary to establish inventory records for each item. Indicative data required:

- Sponsor's inventory number (if applicable)
- Description (use description on contract when available)
- Manufacturer (fabricated equipment is exempt)
- Model number
- Serial number
- Acquired date
- Account number
- Owner (Sponsor's name)
- Location Information
- PI responsible (students may not be assigned this responsibility)
- Class Code

- Condition
- Restriction

The receiving process is accomplished by the PI or qualified representative. The receiving process as described by this manual facilitates the inspection and review of documentation created prior to the shipment. Contracts, supplements, and modifications should be reviewed by the requestor of the property to ensure all GFP requested was received and in the condition expected at the time of request.

Whenever possible, damage to received items will be confirmed and brought to the attention of the carrier at time of delivery. TEES will exercise sound business practices in resolving any damages or discrepancies.

6.4 INSPECTION

The inspection process occurs in two instances. At the time of receipt the receiver should visually inspect the container or shipping material for visual damage. Regardless of the seriousness of damage, if any damage to the container is noticed list the damage on the shipping document and have the carrier sign and date the document. This damage is reported to the PMO.

Secondly, once the container is open, view the packing materials for liquid damage or exposure of materials. Dependent upon the equipment or items being shipped, even minor damage could result in the item being received unserviceable. During the inspection process highly sensitive or calibrated equipment may be put into operation to determine their condition at the time of receipt.

6.5 IDENTIFICATION

The individual inventory information sheets completed during the receiving process are used to create the initial inventory record. The PMO will provide a bar coded label indicating the TEES property number to the PI. Labels should be attached to inventory items immediately upon receipt. All TEES property numbers for GFP will consist of seven or ten alpha/numeric digits assigned sequentially. The bar-coded label will indicate "TEES" and a separate label will be provided indicating government ownership. In addition to the bar-coded label being placed on the item, a permanent marker or other instrument may be used to write the inventory number on the asset. These identifying marks should be located in an area easily viewed during the inventory process. Do not create the need to disconnect equipment during use to facilitate the inventory process.

It is important to remember GFP is not titled to TEES. Remain vigilant of these assets and ensure they are easily identified during the inventory process. These items are particularly susceptible to the random sample inventory during audits by federal agencies.

SECTION 7: RECORDS

7.1 POLICY

TEES will maintain adequate control records and accounts for all GFP. The property control records shall be complete, current, and auditable for all property transactions. These records are used to track location and status of property from acquisition/receipt through disposition.

7.2 PROCEDURE

TEES is responsible for establishing and maintaining adequate property control records for all GFP. Records are maintained electronically and include all item specific (indicative) data to include changes in location and PI Responsible. The system provides a report capability for annual inventory certifications and project specific inventory lists.

7.3 PROPERTY CONTROL RECORDS

Automated property records will be maintained electronically. The indicative data maintained within the system include the following as a minimum:

- TEES inventory identification number
- Sponsor's inventory number (if applicable)
- Description (use description on contract when available)
- Manufacturer (fabricated equipment is exempt)
- Model number
- Serial number
- Acquired date
- Account number
- Owner (Sponsor's name)
- Location Information
- PI responsible (students may not be assigned this responsibility)
- Class code
- Condition
- Restriction

Each asset is provided with a unique inventory identification number.

SECTION 8: MOVEMENT

8.1 POLICY

TEES will maintain adequate records to illustrate the movement of property. As government property leaves the PI's possession or moves from one facility to another on a single campus (change of location) the PI is required to request an update to the electronic property record.

8.2 PROCEDURE

Individuals transporting government property will be held strictly accountable for the property. TEES will exercise sound business and safety practices when moving government property.

8.3 AUTHORIZATION

Items of government property will not be removed from any facility without proper authorization. Authorization consists of equipment loan forms that lists specific equipment items and ID tag numbers (where applicable), and the description and quantity of item(s) to be moved, or the appropriate government form such as a DD1149. When equipment is moved, the PI or his/her designee will notify the PMO for update of the property records noting the new location. If the equipment is being transferred for use on another TEES contract, another government contractor, or returned as surplus, CO consent will be requested as required. At that time, the appropriate documentation will be completed by the PI or his/her designee and both the property records and the contract will be updated or modified as required.

SECTION 9: STORAGE

9.1 POLICY

The PI will be responsible for security and adequate storage of all GFP while in their possession and under their control.

9.2 PROCEDURE

GFP shall be segregated from TEES's property to the maximum extent possible. Physical security and protection are provided for GFP by limiting access to work areas to appropriate personnel. Assets remaining in storage for a period exceeding twelve months should be reported to the PMO. These items will be considered for use on other government contracts or disposition instructions will be requested for return to the government agency. Laboratory space is extremely limited and must be utilized efficiently. Storage of assets for possible future use restricts other active projects and minimizes space utilization.

9.3 CARE AND PROTECTION

The PI will be responsible for care and protection of GFP during movement and storage, including corrosion prevention and physical security. Property will be protected from damage or deterioration and stored so that it can be readily located for use. Adequate protection must be taken for hazardous materials, precious metals, and sensitive items. Any damage shall be reported as soon as it is known. The appropriate documentation, as required, will be submitted to the CO or his/her designee.

9.4 PHYSICAL SECURITY OF PROPERTY

GFP under the control of TEES for the purpose of the contract will be maintained in a secure environment.

SECTION 10: PHYSICAL INVENTORIES

10.1 POLICY

TEES will annually require a physical inventory of the government property in its possession and any property held by subcontractors, as contractually obligated.

10.2 ANNUAL INVENTORY

The PI or departmental representative will perform an annual inventory of all government property in the custody and/or control of TEES by September 1 of each year. The inventory will consist of sighting and physically verifying identification numbers, and verifying the inventory records of materials on hand. The PMO will include a detailed list of all GFP to each Department Head. This document will include the financial liability statement for all listed assets. Signature is required annually. A written report of the inventory results will be submitted to the Government Property Administrator not later than 15 October each year. If any discrepancies are noted, the appropriate documentation will be submitted, such as a request for relief of accountability of consumed material or an LDD. Subcontractors will be required to perform annual inventories when the subcontract is a cost-type contract or the subcontractor is in the possession of GFP.

10.3 CONTRACT COMPLETION/TERMINATION

A final inventory will be performed upon termination or completion of a contract. The report will include all government property in the possession of TEES and any subcontractor. The appropriate inventory schedules will be completed and disposition instructions requested. If the property was authorized for use on a follow-on contract the inventory list will be used to incorporate the property into the new or follow-on contract.

Subcontractors are responsible to perform and report inventories to TEES in the same manner as described above.

SECTION 11: REPORTS

11.1 POLICY

SRS will complete and submit all reports as contractually obligated or specified. Copies of these reports will be forwarded for placement into the contract file and available for audit.

11.2 SUBMISSION

Required reports will be submitted in the format directed by the specifications of the contract.

11.3 ACCURACY AND COMPLETION

Reports will be based upon current and accurate data and forwarded in a timely manner.

11.4 LOSS, DAMAGE, OR DESTRUCTION

TEES will report to the government any loss, damage, or destruction of government property in its possession or control, including the facts and circumstances of the individual case. The CO or his/her designee will be notified immediately of the case and a formal written report will follow.

The LDD documentation will generally consist of the following:

- Date of incident
- Description of property that includes applicable part number or serial number
- Property control number
- Contract number
- Acquisition cost or cost estimate
- Narrative of incident (the who, what, where, and when)
- Root cause and corrective action to be taken
- Estimates of scrap proceeds when applicable
- Direct labor and material costs when applicable for repairs
- Copies of supporting documentation
- Contract provision under which relief of responsibility is sought
- Date of report

When government property is lost, damaged, destroyed, or consumed in excess of that normally anticipated in a manufacturing process or process operation, TEES may request “relief from accountability” from the CO. The CO or his/her designee will make a determination as to TEES’s liability.

TEES is relieved of responsibility for government property when the property is:

- Consumed or expended in contract performance.
- Removed from TEES possession, when removal is requested by the client.
- Retained by TEES, with approval from the client, and for which the client has received adequate consideration.

Reasonable physical protection of the government property will be provided, recognizing the value of the property, to prevent loss, theft, or unauthorized movement of government property from the premises on which such property is located. Controls will include memorandum records, identification markings, and other typical procedures.

SECTION 12: CONSUMPTION

12.1 POLICY

Only that quantity of material estimated to be required for contract performance will be issued to or acquired for that contract. Documentation shall be maintained to keep an account of material consumption for each project. Those items of government-owned property that are subject to shelf-life or age limitations will be issued in a first in/first out basis.

12.2 REASONABLE CONSUMPTION

Consumption is defined as the process of incorporating material into an end item or otherwise expending it in the performance of the contract. The quantity of material acquired/issued is based on the allowances provided by the contract and/or the bill of material and must be used only for purposes authorized by that contract.

12.3 MATERIAL SUPPLY

TEES shall maintain sufficient records of material provided by the sponsor as GFP to facilitate the use and expenditure of these materials during the performance of the contract. Once the full quantity of materials has been consumed within the experiment, the PI will notify the PMO. The PMO may then request relief from responsibility for these materials through the CO.

12.4 IDENTIFICATION OF EXCESS

Government property determined excess to contractual needs will be declared excess and annually reported to the CO or his/her designee for disposition.

SECTION 13: UTILIZATION

13.1 POLICY

The PI shall be responsible for ensuring GFP is used only for those purposes authorized by the contract, or as otherwise authorized by the CO. All efforts will be made to ensure maximum utilization of authorized equipment and materials to achieve the most economical and efficient operations.

13.2 UTILIZATION DATA

The PI shall maintain utilization data as required by FAR Part 45.509-2 and provide this data to the CO for review. As individual pieces of equipment within a category fall below the minimum utilization criteria the CO shall review the entire category to equalize use through rotation, pooling of assets, or other management techniques. A justification to retain under-utilized equipment shall be maintained by the PI.

13.3 USAGE REVIEW

A review of GFP utilization will be conducted during the annual inventory. Authorization will be obtained from the CO to use GFP for other than its original purpose as necessary. When government property is no longer required for contract performance the PI will notify the PMO. The PMO will report the items to the CO or his/her designee as excess and await disposition instructions.

SECTION 14: MAINTENANCE

14.1 POLICY

The PI will provide reasonable care and maintenance over the GFP in his/her possession or control.

14.2 PROCEDURE

TEES's maintenance program shall be consistent with the sound economic industrial practice, the manufacturer's recommendation, and the terms of the contract. Records of preventive maintenance, as well as repairs, are maintained by the PI.

14.3 PREVENTIVE MAINTENANCE

Preventive maintenance is generally performed on a regularly-scheduled basis in order to detect and correct unfavorable conditions or defects before they result in breakdowns and to maximize the useful life of the equipment. An effective preventive maintenance program shall consist of, but will not be limited to:

- Inspection of equipment at periodic intervals to detect maladjustment, wear, or impending breakdown.
- Adjustments for wear, or replacement of work or damaged parts and elimination of causes of deterioration.
- Proper storage and preservation of accessories and special tools furnished with an item of equipment but not regularly used with it.

14.4 RECORDS

The PI will report to the PMO the need for major repairs, replacement, and other rehabilitation work on government property in possession or control of TEES. The PI will keep records sufficient to disclose the maintenance and repair work performed and associated cost.

14.5 CALIBRATION

When government property requires calibration, the process will be followed according to sound industrial business practice, the manufacturer's recommendations, and/or frequency of use. Calibration records will be established for each piece of GFP requiring calibration.

SECTION 15: SUBCONTRACTORS

15.1 POLICY

TEES is responsible to ensure subcontractors maintain GFP in its possession in accordance with the requirements and provisions of FAR 45.5. This will be stated in all subcontract agreements and evidenced by the applicable flow-down clauses from the prime contract. In addition, any appropriate FAR clauses will be added to the subcontract agreement as necessary.

15.2 SUBCONTRACTOR'S RESPONSIBILITY

Subcontractors provided GFP will be required to comply with the provisions of FAR 45.5. At the direction of the prime contract, or the discretion of TEES, any subcontractor may be required to submit their property policies and procedures for prior approval. TEES will require subcontractors to submit all necessary property forms every year. Risk of loss of GFP will be assigned to the subcontractor except where prior approval of the CO relieves the subcontractor from such liability. Unless otherwise authorized by the CO, the subcontractor is required to return GFP in the same conditions as when received, except for reasonable wear and tear and use in accordance with the subcontract.

Subcontractors are responsible to perform and report inventories to TEES in the same manner as described above.

15.3 PRIME CONTRACTOR RESPONSIBILITIES

Any subcontract issued by TEES that releases GFP to lower tier subcontractors or vendors will clearly and specifically identify the property as government-owned and are subject to full liability for the property provided, unless authorized otherwise by the CO. All material and supplies acquired by TEES's subcontractors against cost-type prime contracts are government property and will be controlled in accordance with this procedure or in accordance with subcontractors approved government property control system. Subcontracts will be reviewed prior to closing to verify that government property has been consumed or properly dispositioned.

15.4 MONITORING/SUPPORT DELEGATION

TEES will either monitor subcontractors' authorized GFP to ensure compliance with the applicable government property clause(s), or will request support for property administration for those subcontractors whose property control system is subject to oversight by the government. TEES will determine, on the basis of quantity, dollar value, sensitivity, and criticality of property, the frequency and type of surveillance necessary to adequately protect the government's interest.

SECTION 16: DISPOSITION

16.1 POLICY

TEES will dispose of GFP as provided for in the contract or as directed in writing by the CO. Documentation in support of disposition will be complete and auditable stating authority, reflecting disposal action, disposal date, and will be noted on the official record of the item.

16.2 DISPOSITION

The disposition process includes requesting disposition instructions and disposing of GFP in accordance with the applicable directives within each contract. If it is determined an item or group of items is no longer required in the performance of the contract the PMO will coordinate with SRS to contact the sponsor and request disposition instructions. At the end of screening (see FAR 45.608), the sponsor's Plant Clearance Officer will send a letter advising the steps necessary to dispose of the excess inventory/property.

If TEES desires to retain the property at less than full acquisition cost a bid (offer) on the item may be made on the inventory schedule.

16.3 FINAL INVENTORY

At the end of the contract the PI will conduct a final inventory. Relief will be requested for any loss, damage, or destruction of government property and will be reported on an LDD. Any excess government property will be reported on the appropriate government forms and submitted promptly to the client.

16.4 DISPOSAL METHODS

The language in FAR 45.603 provides for the following disposal methods if the government agency does not exercise its rights to require delivery back to the government:

- Purchase of retention at cost by prime contractor or subcontractor of Contractor-Acquired Property (see FAR 45.605-1).
- Use within the government through the use of prescribed screening procedures (see FAR 45.608).
- Donation to an eligible Donee (see FAR 45.609).
- Sale, including purchase of retention at less than cost by the prime contractor or subcontractor (see FAR 45.610).
- Abandonment or destruction (see FAR 45.611).

16.5 TERMINATION

When a contract or subcontract is terminated an inventory of all material acquired, in process or completed but not shipped, will be reported. The reported inventory will support the amounts set forth on the settlement proposal. The termination CO or his designee will review the inventory and provide disposition instructions. No item may be disposed of without proper authority.

SECTION 17: CLOSEOUT

17.1 POLICY

TEES is responsible for closeout of contracts in a timely manner.

17.2 RELIEF FROM RESPONSIBILITY

SRS will monitor government contracts to ensure that as the contract nears completion, closeout actions (i.e., physical inventory performance, internal screening of idle/excess property reporting and disposition) are initiated and accomplished in a timely manner.

17.3 FINAL CONTRACT REVIEW

A contract is considered final at such time as all tasks have been physically completed, all property has been disposed of, property records have been zero balanced, and no credits or open charges are due the government.