

Management of Government Property in the Possession of Subcontractors

A. Purpose

This document prescribes the minimum requirements Subcontractors and lower-tier Subcontractors (hereinafter referred to as Subcontractors) must meet in establishing and maintaining control over Government property. If there is any inconsistency between this document and the terms of the Subcontract, the terms of the Subcontract shall govern. Government property is generally not provided to Subcontractors. The decision to provide Government property to Subcontractors (whether Government-furnished or Subcontractor-acquired) shall be made only after careful consideration of all relevant facts.

B. References

Federal Acquisition Regulation (FAR) Section 45 Government Property (specifically 45.1, 45.4 and 45.6), Section 52 Solicitation Provisions and Contract Clauses (specifically 52.245-1, 52.245-2 and 52.245-9), and the NASA FAR Supplement 1845 Government Property, supplement this document and provide additional information.

C. Subcontractor Responsibility

The JPL Subcontractor is directly responsible and accountable for all Government property in accordance with the provisions of the Subcontract. The Subcontractor's system shall be adequate to control, protect, preserve, and maintain all Government property, including residual and scrap material. The Subcontractor shall maintain and make available all records required by this document and account for all Government property until relieved of that responsibility.

D. Definitions

Government Property: All property owned by or leased to the Government or acquired by the Government under the terms of the Subcontract. It includes Facilities, Real Property, Plant Equipment (EQUIP), Material, including Work in Process (WIP), Special Tooling (ST), and Special Test Equipment (STE).

Tagged Property: Plant Equipment, Special Test Equipment including Components, Special Tooling, and Non-flight Space Property that is:

- Commercially available and used as a separate item or component of a system; and
- Identifiable by a manufacturer and model number.

(Contract) Work in Process (WIP): Consists of property items under development (not complete) and includes the costs of all WIP regardless of value for all categories of property or intended end use. The costs of WIP for assets destined for permanent operation in space such as satellites and space probes and their components should NOT be reported.

E. 10 Outcomes/Functions of Managing Government Property

The Subcontractor shall ensure they are following the 10 Outcome/Functions listed below:

- Acquisition
- Receipt
 - Identification
- Records
- Physical Inventory
- Subcontract Control
- Reports
- Relief of Stewardship
- Utilization
 - Movement
 - Storage
 - Consumption
- Maintenance
- Property Closeout
 - Disposition

F. Inventory

- Any items \$100k or greater shall be inventoried annually
- Inventory Random Sampling: JPL will request Subcontractor's objective verifiable evidence-of; or, JPL will conduct, random sampling per [DoD 4161.2M](#) (Appendix 2) on subcontracts whose internal approved property management plan allows for bi-annual or tri-annual inventory cycles.

G. Subcontractor Reporting

(to be sent to the designated JPL Property Administrator)

Monthly Report (Reference FAR 45.6): The Subcontractor shall provide a completed Contractor-Held Asset Tracking System (CHATS) Report (template available in the "Supporting Documents" Folder under Property Related at <https://acquisition.jpl.nasa.gov/tc/>), to JPL on the 3rd business day of each month if the following reporting criteria are met:

- Tagged property (EQUIP, ST, and STE) over \$500K; or
- Material and WIP regardless of value.

Annual JPL 1018 – “NASA Property in the Custody of Subcontractors” (Reference FAR 45.6): The Subcontractor shall submit a completed version of JPL’s NASA Form 1018 - NASA Property in the Custody of Subcontractors, accompanied with a detailed property listing (NASA FAR 1845.7101). (Template available in the “Supporting Documents” Folder under Property Related at <https://acquisition.jpl.nasa.gov/tc/>).

Annual Results of Inventories Conducted: The Subcontractor shall submit the following to JPL promptly after completing a physical inventory per their inventory approved process cycle:

- (1) A listing identifying all discrepancies disclosed during the physical inventory;
- (2) A signed statement that physical inventory of all or certain classes of Government property (EQUIP, ST, and STE) was completed on a given date; and,
- (3) Certification that subcontractor’s official property records were found to be in agreement with JPL’s and their records except for any discrepancies reported per the Subcontractor’s own Loss, Theft, Damage or Destruction (LTDD) Report.
- (4) Inventory loss shall be submitted during the inventory cycle:
Subcontractor shall use the provided Physical Inventory Results report (JPL form 7499)

Annual NASA Form (NF) 1019 - Reporting to JPL of your Property Management System Analysis (PMSA) Status (Reference FAR 45.105 and 45.6):

Annually (each Government fiscal year (FY)) the subcontractor will receive a formal request from the assigned JPL Subcontract Property Administrator (SPA) to complete a NASA Form (NF) 1019 within 60 days of the request. The NF 1019 asks a series of questions, and requires supporting documentation to certain responses, allowing assessment of the subcontractor’s Property Management System status. For those organizations that have undergone a Defense Contract Management Agency (DCMA) PMSA within the same FY as the JPL request, the subcontractor may submit that PMSA result in place of completing the NF 1019 for the requested FY period only.

Excess Government Property (Reference FAR 45.6): The Subcontractor shall report excess Government property to JPL, utilizing the attached NASA DISPOSAL reporting template unless specifically directed to utilize the Plant Clearance Automated Reutilization Screening System (PCARSS) or the Inventory Disposal Schedule (template available in the “Supporting Documents” Folder under Property <https://acquisition.jpl.nasa.gov/tc/>) (in lieu of Standard Form (SF) 1428) when the property is no longer required on the Subcontract. See FAR 45.6 for additional clarification.

Loss, Theft, Damage or Destruction of Property (Reference FAR 45.104): Loss, theft, damage, or destruction *LTDD) of Government property in the Subcontractor's possession must be reported as soon as the facts are known. Within 10 days of discovery, a request for relief of accountability and a detailed root cause and corrective action plan must be submitted. The subcontractor shall utilize the provided LTDD format (JPL 7505 template available in the "Supporting Documents" Folder under Property at <https://acquisition.jpl.nasa.gov/tc/>).

H. Acquiring and Tagging Government Property

JPL Subcontractor Property & Vesting Authorization Form (Form 7112), or equivalent shall be prepared for each item of Tagged Property (as defined in Paragraph D above), to be acquired by the Subcontractor for JPL's approval **30 days in advance** of purchase. Instructions for preparation of the JPL Subcontractor Property & Vesting Authorization Form (template available in the "Supporting Documents" Folder under Property <https://acquisition.jpl.nasa.gov/tc/>) If use of the DD 1419 is preferred, instructions for preparing the DD 1419 are contained in [NASA FAR Supplement \(NFS\) 1845.7102](#).

Title Vesting: (*For Educational Institutions and Not-For-Profit Organizations subcontracts only*). The JPL Subcontractor Property & Vesting Authorization Form is required for all items specifically approved by JPL in writing and purchased with funds available for research. The University or Not-For-Profit Organization shall request title as soon as acquisition of item(s) is contemplated. JPL Form 7112 may be used in lieu of the DD1419.

Sensitive Item List: The sensitive items list available in the "Supporting Documents" Folder under Property <https://acquisition.jpl.nasa.gov/terms-conditions/> These items are considered sensitive or easily-pilfered and require a NEMS tag.

Tagging Property: Property Tags must be requested *within 30 calendar days of receipt of property* by the Subcontractor.

- Tags shall be affixed to property of any value as directed by JPL. Alternative methods of tag application may apply with written permission/direction from JPL.
- Include the following information to JPL when requesting a tag using the JPL ADI Template **or equivalent**. JPL ADI Template (template available in the "Supporting Documents" Folder under Property at <https://acquisition.jpl.nasa.gov/tc/>)
 - Description
 - Manufacturer
 - Model Number
 - Serial Number
 - FSC

- Cost
- Subcontract Number
- Date in Service
- Property Type

All **NASA/Government ID** markings shall be removed or obliterated when Government property is sold, scrapped, or donated.

At the time of receipt (within 10 business days), the Subcontractor shall report to JPL, in writing, all cases of overages or shortages.

The Subcontractor's maintenance program shall provide for disclosing and reporting the need for major repair, replacement, and other capital rehabilitation work for Government property in its possession or control.

I. Disposition of Government Property

Shipment of Government Property: Adequate descriptions of property and accurate dollar values, including "Requisition and Invoice/Shipping Document" Form DD1149 (template available in the "Supporting Documents" Folder under Property at <https://acquisition.jpl.nasa.gov/tc/>) shall be included with the shipment and a copy forwarded to the JPL Property Administrator.

Property Closeout: A Property Closeout Certificate, JPL Form 0948, shall be signed by the Subcontractor's authorized representative and returned to JPL prior to final payment. See the template available in the "Supporting Documents" Folder under Property at <https://acquisition.jpl.nasa.gov/tc/>

The removal of Government property to storage, or its contemplated transfer, does not relieve the Subcontractor of these responsibilities.