



**THE CALIFORNIA INSTITUTE OF TECHNOLOGY
JET PROPULSION LABORATORY
SUBCONTRACT FORMS SET**

(for all subcontract types, as indicated below)
(this document located at: <https://acquisition.jpl.nasa.gov/tc/>)

This document is hereby incorporated into the subject subcontract and is made a material part thereof. The below entitled Sections are applicable in accordance with the specified subcontract types.

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*Table's subcontract type acronyms represent the following:

A&E: Architect & Engineering

CIS: Commercial Items or Services

CR: Cost Reimbursable

CREI: Cost Reimbursement with an Educational Institution

FPC: Fixed-Price Construction

FPEI: Fixed Price with an Educational Institution

FP-NR&D: Fixed-Price Non-Research & Development

FP-R&D: Fixed-Price Research & Development

LH/T&M: Labor-Hour/Time & Material

REL: Real Estate Lease

RSA: Research Support Agreement

T&MC: Time & Material Construction

Section 1: 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 organization 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.

Section 2: Notice of Potential Tax Withholding

JPL is legally obligated to withhold federal and/or state income tax from certain subcontractor and consultant payments when required by law. Withholding may be required under the following circumstances:

1. Nonresident Independent Subcontractor/Consultant State Source Income Tax

Pursuant to CA Revenue and Taxation Code 18662 and CA Franchise Tax Board FTB Pub. 1023, Payments made to California nonresident subcontractors or consultants, including sole proprietors, corporations, limited liability companies, and partnerships, that do not have a permanent place of business in CA, or that are not registered to do business in California, are subject to a seven percent state income tax withholding for services performed in California. No withholding is required on payments for goods, or for services performed outside California. See State Tax Form 587 (Nonresident Income Allocation Worksheet) and Form 590 (Withholding Exemption Certificate).

2. Nonresident (and Resident) Alien Federal Income Tax

Pursuant to Internal Revenue Code 1441, payments made to nonresident alien subcontractors/consultants are subject to a thirty percent federal income tax withholding for services performed in the U.S. unless an exception applies. A nonresident alien from a country with an income tax treaty with the United States may be exempt from tax under the Self-employment Article of the treaty if the individual satisfies the conditions of the treaty article. A nonresident alien from a non-treaty country may claim a daily personal exemption amount. Such nonresident aliens who have a U.S. taxpayer identification number(TIN) – either a U.S. Social Security Number or Individual Taxpayer Identification Number – can submit Federal Tax Form 8233 (Exemption From

Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual) to claim a withholding reduction or exemption. No exemption is available for nonresident aliens who lack a TIN. Nonresident aliens not claiming such an exemption should submit Federal Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding). For more information, refer to IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities. Resident aliens should complete Federal Form W-9 (Payer's Request for Taxpayer Identification Number and Certification) to submit a U.S. taxpayer identification number. Resident aliens with no U.S. taxpayer identification number will be subject to back-up withholding, currently at a rate of twenty-five percent.

3. **Federal or State Tax Liens or Levies**

JPL may be required to withhold payments in an amount necessary to satisfy tax liens or levies or judgments duly issued against subcontractors or consultants by cognizant tax or judicial authorities.

***Disclaimer:** JPL is not liable for amounts incorrectly withheld. However, if JPL determines that amounts have been incorrectly withheld, and provided that such amounts have not been remitted to tax authorities, JPL shall refund such amounts to the subcontractor/consultant.*

Section 3: Notification to Prospective Subcontractors of JPL's Ethics and Anti-Kickback Policies

JPL is committed to conducting its business in accordance with the highest standards of ethics and integrity. In this regard, we have an onboarding and training program to assure that every JPL employee is aware of this commitment and their individual responsibility for compliance. We must rely on the personal integrity of our employees and the integrity and cooperation of our suppliers and subcontractors to make sure that these high standards are maintained.

The policies that implement our standards of business conduct state clearly that no employee may solicit or accept any "kickback," gift, gratuity, entertainment, compensation, or favors of any kind from any supplier/subcontractor or prospective supplier/subcontractor to JPL. Our policies make it clear that these standards not only apply to procurement personnel but also to employees in all functions and at all levels.

The purpose of this provision is to make sure that subcontractor personnel are aware of JPL policies, compliance with law and that all parties achieve and maintain excellence in the conduct of business relationships.

In the unlikely event that any party offers or solicits a "kickback" in connection with a procurement action, please notify JPL immediately. JPL has established an Ethics Help Line number, **1-818-354-9999 or 1-888-405-7536 (toll-free)**. Please feel free to call these numbers to report any potential ethics violation or "kickback" concern. The information provided will be handled with confidentiality, investigated thoroughly, and appropriate action taken.

Thank you for your cooperation and support in this important matter.

Section 4: Release of Information

This Subcontract with the Jet Propulsion Laboratory (JPL) constitutes a subcontract under the Prime Contract between the California Institute of Technology (Caltech) and the National Aeronautics and Space Administration (NASA). It is NASA's policy to provide the widest practical dissemination of information on all of its activities. Since 90% of NASA's research and development effort is performed by private industry, subcontractors have played a large role in this process.

In accordance with this policy, the Subcontractor may want to issue press releases or plan publicity and advertising from time to time, and the Subcontractor will be expected to respond to queries from information media.

Close coordination in all of these matters is required, and JPL requires that all materials (e.g., news and photo releases, exhibit copy, motion picture scripts, and advertising copy) directly related to Subcontractor's work with and for JPL be reviewed by JPL for technical accuracy and potential endorsement concerns prior to issuance or use.

To expedite this review, the Subcontractor shall send the materials to the Institutional Communications Office, email instcomm@jpl.nasa.gov, stating Subcontractor's deadlines and referencing the subcontract number. For general guidelines on appropriate vendor promotional materials, please visit <https://acquisition.jpl.nasa.gov/>

In the event this Subcontract is a cost-reimbursement subcontract, review by JPL shall not constitute approval for reimbursement of expenditures made in connection with publicity or advertising releases. Any such expenditure remains subject to applicable cost principles.

Nothing contained herein shall be deemed to change existing requirements relating to the release of classified information.

Guidelines for Vendors on News Releases and Other Marketing

What can and can't you say about your business relationship with JPL? Here are 5 tips.

1. *Get it approved.* Vendor news releases and other promotional materials (blogs, videos, commercials etc.) must be reviewed and approved by JPL. Send draft content with at least a week's lead time to instcomm@jpl.nasa.gov.
2. *Yes, you can shout it from the rooftops.* Vendors are free to state that JPL is one of their customers, and to describe factually the services and products they provide. Identify JPL on first reference as "NASA's Jet Propulsion Laboratory."
3. *No, you can't speak for JPL.* As a research and development center funded by the nation's taxpayers, JPL must always avoid the appearance of favoritism toward any private entity. JPL employees are not permitted to provide quotes for vendor news releases. Vendors may not attribute any statements or opinions to JPL (i.e. "JPL was thrilled with the performance of our ACME widget.")

4. *No logos or photo shoots.* Vendor promotional materials may not include the logos of JPL, NASA or Caltech, and may not include images taken on Lab. Publicly available images may be used, subject to the [JPL Image Use Policy](#).
5. *No partnerships.* JPL does not issue joint releases with vendors, and the word “partnership,” which has a specific legal meaning for JPL, may not be used.