



Doc 300

Control and Accountability of Property in the Possession of CONTRACTOR

CONTRACTOR shall comply with this Doc #300 "Special Provisions – Control and Accountability of Property in the Possession of Contractor," for the administration of all Government and/or ULA or its customer's owned or developed property as listed in an attached Exhibit during the performance of this Contract.

The property shall not be modified nor cannibalized by CONTRACTOR without the express written authorization of the Procurement Representative.

ULA shall make every effort to provide the identified Government and/or ULA Furnished Property on or before the dates indicated. However, in the event ULA experiences unforeseeable delays, the CONTRACTOR shall exert its best effort to work around schedule delays. CONTRACTOR shall use all reasonable means to avoid schedule impacts or claims for adjustment on Contract price. In the event ULA should make Government Property or material unavailable or unsuitable for use under this Contract and such action causes an increase in the cost of, or the time required for, performance of this Contract, the CONTRACTOR shall notify the Procurement Representative within twenty (20) days of the CONTRACTOR'S determination of said unavailability or unsuitability for use.

I. GOVERNMENT PROPERTY

The clauses in this section apply if the CONTRACTOR possesses Government Property within the meaning of FAR Part 45. The following clause of the Federal Acquisition Regulation (FAR) is incorporated herein by reference, with the same force and effect as if it was given in full text, and is applicable during the performance of this Contract. The full text of a clause may be accessed electronically at the following address: <http://www.arnet.gov/far>

52.245-9 USE AND CHARGES (JUN 2007) (Communication with the Government under this clause will be made through ULA.)

RIGHT TO MODIFY AND/OR CONSUME

The CONTRACTOR is authorized to modify and/or consume, at no increase in Contract value, any item of Government Property/Material identified as accountable under this Contract, provided such authority is given by the Procurement Representative. Modification of Government Property accountable to this Contract shall be revertible to the condition of the property as of the effective date of this Contract, except for Government Property/Material which is consumed or cannibalized pursuant to the requirements of this Contract.

Modification shall be effected with the understanding that the CONTRACTOR shall make no claim for delay in delivery or any other equitable adjustment predicated upon the impact the modification may have on the suitability of the equipment to fulfill its intended purpose prior to modification. At the Procurement Representative's request, the CONTRACTOR agrees to restore the modified property to a condition suitable to accomplish its original intended purpose at no change in Contract value. However, CONTRACTOR is not required to replace any Government Property/Material that is consumed during the performance of this Contract.

RIGHT-TO-USE OF GOVERNMENT PROPERTY

In the performance of Work under this Contract, the CONTRACTOR is authorized to use any of the Government Property, Special Tooling, Test Equipment and Material provided under, or for which a right to use has been granted for, any ULA Air Force prime contract. For Work under this Contract in support of any other ULA prime contract to include commercial missions under the Commercial Space Launch Act, 49 U.S.C. §70101, *et seq*, such right-to-use shall be on a rent-free, right-to-use basis. Utilization of all Government Property shall be on a non-interference basis.

II. ULA OR NON-US GOVERNMENT CUSTOMER PROPERTY

The clauses in this section apply if the CONTRACTOR possesses ULA or customer property other than Government property ("ULA Property").

I. INTRODUCTION

It is the policy of ULA to ensure that all ULA property is appropriately controlled and managed to the applicable regulatory and ULA requirements.

II. PURPOSE

ULA is responsible for assuring CONTRACTOR compliance. These Special Provisions indicate the requirements for the control and accountability of all ULA owned property in the possession of the CONTRACTOR, whether furnished to, acquired by, or fabricated at the CONTRACTOR's facility in the performance of this Contract.

III. SCOPE

These provisions are provided to ensure compliance with the ULA Policy and any applicable regulations. They are to ensure any ULA property is appropriately managed through the entire lifecycle flow to include property management, acquisition, use, and disposal including contract completion and/or termination. The Contractor's property control system shall be consistent with their submitted property management plan to ensure the ULA requirements are appropriately met.

IV. CONTRACTOR PROPERTY CONTROL SYSTEM

A. In order to assure CONTRACTOR compliance with the ULA requirements relative to property, the ULA requires that all property accountable to a ULA Contract is controlled by a property control system which is periodically reviewed and assessed through internal reviews and/or metrics. The results of such a review will be forwarded to the Procurement Representative. If the CONTRACTOR has a property control system which is not internally reviewed and assessed, the CONTRACTOR will be provided a ULA Property Assessment for completion and submission to ULA. ULA may, at its discretion, notify a CONTRACTOR of a deficiency in the CONTRACTOR's property control system and require corrective action. The CONTRACTOR shall respond to the notification and shall implement and maintain the necessary corrective action within an agreed upon timeframe.

B. Property accountable to ULA will be subject to inspections and reviews by ULA to verify compliance with the CONTRACTOR's property control system. The frequency of these inspections and reviews will be determined by individual circumstances and may take place at any time during the performance of the Contract, upon completion or termination of the Contract or at any time thereafter during the period the CONTRACTOR is required to retain property records. The CONTRACTOR will make all such records, including correspondence related thereto, available to ULA. The Contractor shall ensure ULA access to CONTRACTOR premises and all ULA property, at reasonable times, for the purpose of reviewing, inspecting and evaluating a CONTRACTOR's property management plan, systems, procedures, records, and supporting documentation that pertains to ULA property.

C. The CONTRACTOR assumes the risk of, and shall be responsible for, any loss, damage, destruction, or theft of ULA property upon its delivery to the CONTRACTOR as ULA furnished property. However, the CONTRACTOR is not responsible for reasonable wear and tear to ULA property or for ULA property properly consumed in performing this Contract.

V. PROPERTY MANAGEMENT

A. MANAGEMENT

The CONTRACTOR shall have a system to manage (control, use, preserve, protect, repair and maintain) all property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, the CONTRACTOR shall initiate and maintain the processes, systems, procedures, records and methodologies necessary for effective control of property, consistent with voluntary consensus standards and/or industry-leading practices and standards for property management except where inconsistent with law or regulation. During the period of performance, the CONTRACTOR shall disclose any significant changes to their property management system to ULA.

B. RECORDS

Records shall be created and maintained of all ULA property accountable to the Contract that will ensure a complete, current, auditable record of all transactions.

C. PHYSICAL INVENTORY

The CONTRACTOR shall periodically perform, record and disclose physical inventory results. A final physical inventory may required to be performed upon Contract completion or termination.

D. REPORTS

The CONTRACTOR shall have a process to create and provide report of discrepancies; loss, damage, destruction, or theft; physical inventory results; audits and self-assessment; corrective actions; and other property related reports as direct by the Procurement Representative.

E. SUBCONTRACTOR CONTROL

1. The CONTRACTOR shall award subcontracts that clearly identify any ULA assets to be provided and shall ensure appropriate flow down of Contract terms and conditions (*e.g.*, extent of liability for loss, damage, destruction or theft of ULA property).
2. The CONTRACTOR shall assure its subcontracts are properly administered and reviews are periodically performed to determine the adequacy of the subcontractor's property management system.

VI. ACQUIRE

A. ACQUISITION

The CONTRACTOR is required to furnish all property necessary to perform this contract. ULA will provide property to the contractor only when it is clearly demonstrated*:

1. To be in the best interest of ULA or its prime contractor
2. That the overall benefit to the acquisition significantly outweighs the increased cost of administration, including ultimate property disposal
3. That providing the property does not substantially increase ULA's assumption of risk; and
4. That ULA requirements cannot otherwise be met

The CONTRACTOR's inability or unwillingness to supply its own resources is not sufficient reason for the furnishing or acquisition of property.

* Property provided to the CONTRACTOR for repair or overhaul is not subject to above requirements.

B. RECEIVING AND IDENTIFICATION

The CONTRACTOR shall receive ULA property (document the receipt), document the information necessary to maintain a record, identify and mark as ULA owned in a manner appropriate to the type of property, and manage any discrepancies incident to shipment.

VII. USE (Movement, Storage, Consumption, Utilization and Maintenance)

- A. The CONTRACTOR shall utilize, consume, move and store all ULA property only as authorized under this Contract.
- B. The CONTRACTOR shall promptly disclose and report any ULA property that is excess to Contract performance.
- C. The CONTRACTOR shall properly maintain all ULA property. The CONTRACTOR's maintenance program shall disclose and report to the ULA the need for replacement and/or capital rehabilitation.

VIII. DISPOSAL

- A. The CONTRACTOR shall promptly perform and report to ULA Contract property closeout or termination information, to include reporting, investigating and securing closure of all loss, damage, destruction, or theft cases; physically

inventorying all property upon termination or completion of this Contract; and disposing of items at the time they are determined to be excess to contractual needs.

B. Except as otherwise provided for in this Contract, the CONTRACTOR shall not dispose of ULA property until authorized to do so by ULA.