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# Property Management Guidance for Subcontractors

<i>Title</i>	Property Management Guidance for Subcontractors
<i>Subject</i>	Process for controlling equipment that is furnished, acquired, rented, or leased in the performance of a subcontract.
<i>Overview</i>	This document provides general responsibilities of subcontractors for managing government furnished property and contractor property acquired using subcontract funds.
<i>Objective</i>	Enables protection of government property and compliance with the property management program of Brookhaven Science Associates, LLC. (BSA).

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## Guidance:

Brookhaven Science Associates, LLC (BSA), as manager of Brookhaven National Laboratory (BNL), is required to control property and/or equipment that is furnished, acquired, rented, or leased in the performance of a subcontract, and to which the Government has title or the right to take title under the terms of the subcontract.

## Applicability:

Who must comply with this guidance?

This guidance applies to all subcontractors to BSA. Please contact your Authorized Contractual Representative if you have questions on this guidance or its applicability.

Is everything I buy or fabricate covered by this guidance?

No, this guidance does not apply to materials and supplies, generally defined as small components and raw materials that do not constitute a stand-alone item of equipment that independently performs a function. Examples include, but are not limited to microwave components, compressed gases, cryogenics, glassware, coaxial cabling, conductive epoxy, and other related raw materials, hardware, and components, silicon, and sapphire carrier wafers, annealing tubes and supplies, laser diodes and optical components and filters. Contact your Authorized Contractual Representative if you have questions.

U. S. Government property that is incorporated into an item which is not titled to the government and is unable to be removed at the conclusion of the contract, become the property of the U.S. Government, in its entirety.

## Definitions:

**Government** - U.S. Federal Government

**Subcontractors** – means all agencies, companies, and university collaborators who are party to a subcontract with BSA.

**Subcontractor-Acquired Government Property** - property purchased or fabricated by the subcontractor using government funds.

**Authorized Contractual Representative** – the contractual or procurement representative listed in the contract that has authority in contractual matters on behalf of BSA. Not to be confused with the Technical Representative, who is only authorized to address technical matters of the contract.

**Equipment** - a tangible item that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a subcontract. Equipment does not lose its identity or become a component part of another article when put into use.

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**Capital Equipment** - property having an acquisition cost of \$500,000.00 or more, and an anticipated service life of two (2) years or more.

**Sensitive Property** – Aircraft (drones), Bar Code Scanner, Computer Stick, Desktop Personal Computer (includes Workstations), High Risk Property, Laptop Personal Computer, Mobile Two-Way Radio, Portable Two-Way Radio, Tablet/E Reader (iPad), Servers, and Precious Metals, which are defined as gold, silver, platinum, palladium, rhodium, iridium, ruthenium, and osmium.

**Computer equipment and peripherals**– This includes, but is not limited to, desktops, tablets, laptops, servers, and computer peripherals (i.e., monitors, external hard drives, etc.) are trackable equipment and are required to be reported, controlled, and dispositioned back to BSA.

**High Risk Property** – property that is itself, or contains, items determined to be covered by applicable Export or Customs laws or regulations.

**Special Test Equipment** - means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in the performance of a subcontract.

**Tooling** - means jigs, dies, fixtures, molds, patterns, taps, gauges and other special fabrication equipment and all components of that equipment, which are of such a specialized nature that their use is limited to single purpose functions without substantial modifications.

## Title to Property:

If I buy property with Government funding, who owns it?

In general, the Government. Title to any subcontractor-acquired property will be vested with the government when using government funds. See specific property clauses in your subcontract, for timing of title vesting. Authorization must be received prior to any government funding being used to supplement the capability of an item of property owned by the university or another entity.

## General Responsibilities:

What do I need to do with ANY property I buy using government funding?

- *Any property you plan on purchasing with government funding, that was not identified in your proposal must be approved in advance by the BSA Authorized Contractual Representative, as stated in your Subcontract.*
- Submit a written description of your organization's property management system to the Authorized Contractual Representative. The Property Management office will review your

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system description to ensure that adequate safeguards are employed to protect and account for the government property acquired under the terms of the sub-contact.

- Submit an updated property management system description every three (3) years.
- Check with your organization's Export Control Officer or Legal Counsel to determine if any equipment you plan to purchase or fabricate is, itself, or contains, items subject to export control or Customs regulations, if any.
- Identify, and record all property in a listing or log. The listing must include the asset description, acquisition date and cost, manufacturer, model, and serial number for each item of property (See Figure 1 in "Property Identification").
- Mark all property as "Property of the U.S. Government" using a label or tag and maintain that identification for as long as the equipment remains in your possession.
- Conduct and submit a written inventory annually of Government Property in your possession. You will receive a request annually from BSA to submit your full listing of assets that have been provided by BNL, or acquired/purchased with contract funds, to date. This request will also require picture proof to meet the latest DOE requirements regarding accounting for inventory.
- Maintain required records and account for all Government Property until relieved of that responsibility by subcontract modification. Protect the property from loss, theft, or damage. You will be held liable for loss, damage, or improper use of the property. The extent of your organization's liability in each instance will depend upon all the circumstances surrounding the particular case and will be determined in accordance with the terms and conditions of the subcontract.

What do I need to do if I don't need the property anymore for my work, or if it is malfunctioning and beyond repair?

- Contact the Authorized Contractual Representative for direction based on the situation.
- **DO NOT** dispose of the property yourself (e.g., returning a defective laptop to the vendor or store from which it was purchased.). The BSA Property Manager and DOE approval, which should be obtained by contacting your Authorized Contractual Representative, is needed for **any** disposition of government property at **any** time during the term of the subcontract and typically BSA will require sending the item back for BSA to handle the disposition.

## Additional Responsibilities by Category of Property:

**Capital Equipment** – for items with an acquisition cost of over \$500,000.00, there are no additional requirements **for you**. However, BSA Property Management staff may conduct a physical inventory of the item(s) at your location.

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**Sensitive Property** – if you plan to use or store sensitive property as part of your work under the subcontract, contact the Authorized Contractual Representative to discuss the situation. BSA requires strict protection and inventory protocols for sensitive property.

**High Risk (Export-Controlled) Property** – if your organization’s Export Control staff determine that an item of property you are planning to purchase or fabricate is itself, or contains, export-controlled property, they will instruct you in the requirements for protecting the item in compliance with the applicable laws and regulations. Each subcontractor is responsible for export control compliance.

## Property Identification:

As per the Government Property Clauses FAR 52.245-1/DEAR 970.5245-1, of your subcontract, title to government-furnished or contractor-acquired property in your custody and used in the performance of the subcontract, becomes the property of the U.S. Government. Acquisition of the property should be listed as an attachment during invoicing submission identifying all government property purchased and/or acquired to date under this subcontract. (See Figure 1):

**Figure 1: Government Property in Contractor Possession for Contract No.**

Item No.	Item Description	Manufacturer	Model No.	Serial Number	Acquisition Cost	Date Purchased.

Upon completion of the subcontract, you are required to submit an inventory of all government owned property not consumed or delivered in the performance of the subcontract. **Government property may not be disposed of at any time and must be returned to BSA, unless advance written authorization is received from BSA’s Property Manager and approved by the U.S. Department of Energy.**

## Compliance:

This guidance is intended to provide practical information to assist collaborators, affiliates, and their staff, working as part of a BSA Subcontract, to implement BSA requirements. All subcontractors and their personnel remain responsible to fully comply with all terms and conditions of their BSA subcontract. Subcontract terms and conditions shall take precedence in all matters.

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