IDAHO ENVIRONMENTAL COALITION, LLC

SUPPLEMENTAL PROVISIONS
MANAGEMENT OF GOVERNMENT PROPERTY

1. **Definitions** – See General Provisions
2. **Order of Precedence -** See General Provisions
3. **General Intent**

These supplemental provisions are requirements when Government Property is provided in accomplishing the Work under this Subcontract with the care and custody being consistent with the Prime Contract Flowdown Clauses Federal Acquisition Regulations (FAR) 52.245-1 Government Property (Jan 2017), DEAR 952.245-5 Government Property (Dec 2012), and 41 CFR Chapter 102 Federal Management Regulation, and 41 CFR Chapter 109 Department of Energy Property Management Regulations.

4. **Clauses Incorporated by Reference - FAR 52.252-2 (Feb 1998)**

This Subcontract/Purchase Order (collectively "Orders") incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Company will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:

https://www.acquisition.gov
http://energy.gov/managementacquisition-regulation

5. **Subcontractor's Responsibilities**

5.1 Government or Company property shall be used only for the performance of this Subcontract. Such property is stored appropriately to minimize potential for loss, damage, destruction, or theft.

5.2 The Subcontractor shall not dispose of Contractor or Government property unless directed otherwise by the Company. If disposal is required, Subcontractor shall comply with FAR 52.245-1(j) or other directives by the Government or Company.

5.3 The Subcontractor shall take all reasonable precautions, and such other actions as may be directed by the Company's SA, or in the absence of such direction, in accordance with sound business practice, to safeguard and protect Government property in the Subcontractor's possession or custody.

5.4 In addition, the Subcontractor shall ensure that adequate safeguards are in place, and adhered to, for the handling, control, and disposition of high-risk property and classified materials throughout the life cycle of the property and materials consistent with the policies, practices, and procedures for property management.

5.5 High-risk property is property, the loss, destruction, damage to, or the unintended or premature transfer of which could pose risks to the public, the environment, or the national security interests of the United States. High-risk property includes proliferation sensitive, nuclear related dual use, export controlled, chemically or radioactively contaminated, hazardous, and specially designed and prepared property, including property on the militarily critical technologies list.

6. **Management of Subcontractor held Government Property**

6.1 The Company reserves the right to furnish any property or services required for the performance of the Work under this Subcontract.

6.2 Title to Government property shall neither be affected by the incorporation of the property into or the attachment to any property not owned by the Government, nor shall such Government property or any part, be or become a fixture or lose its identity by reason of affixation to any realty.

6.3 To the extent directed by the Company's SA, the Subcontractor shall identify Government property coming into the Subcontractor's possession or custody, by marking and segregating in such a way, satisfactory to the Company, as shall indicate its ownership by the Government.

6.4 The Subcontractor shall make such disposition of Government property which has come into the possession or custody of the Subcontractor under this Subcontract as the Company's SA or STR may direct during the progress of the Work or upon completion or termination of this Subcontract.

6.5 Upon completion of the Work or the termination of this Subcontract, the Subcontractor shall render an accounting, as prescribed by the Company's SA, of all Government property which had come into the possession or custody of the Subcontractor.

7. Control of Company Furnished Property, Materials, and Equipment*

7.1 Property, materials, and equipment furnished by Company shall be received by Subcontractor in the presence of Company's authorized representative and quantities thereof shall be checked jointly by Subcontractor and Company.

7.2 The delivery and acceptance of all such materials and equipment shall be recorded in writing, and Subcontractor shall evidence receipt and acceptance of such materials and equipment by signing forms satisfactory to Company. The Subcontractor shall carefully note any visible damage to Company furnished materials and equipment prior to Subcontractor's acceptance of delivery.

7.3 After the Subcontractor has accepted delivery of such property, materials, and equipment, the Subcontractor shall assume full responsibility for any loss of or damage to such materials and equipment. The Subcontractor shall notify Company of any materials and equipment supplied to Subcontractor by Company which are surplus and, without additional compensation, shall cooperate with Company and DOE in the disposition of such surplus as directed by Company.

7.4 The Subcontractor shall notify Company of any lack of, or requirement for, materials and equipment required under this Subcontract to be supplied by Company in sufficient time for Company to furnish said materials or equipment in advance of Subcontractor's need.

7.5 In the event of misfit of the Company furnished property, materials, or equipment, the Subcontractor shall promptly notify the Company's SA of such misfit. The Subcontractor shall take all reasonable steps to avoid standby time due to such misfit or lack of Company furnished materials or equipment and to continue progress of other portions of Work pending correction of such misfit and/or the furnishing of materials or equipment.

8. Use of Company-Operated Government Owned Property

8.1 If not identified elsewhere in the Subcontract, Subcontractor shall submit to Company STR a written request for usage of Company-operated government-owned facilities, utilities, and equipment, which shall include a description of the proposed usage and any pertinent information or explanation, such as the type of operation, maximum loading, and anticipated period of use.

8.2 Operation of equipment shall be in accordance with the manufacturer's instructions and all pre-operational checks, adjustments and maintenance requirements shall have been completed prior to operation.

8.3 All operational features such as overload protection, automatic controls, safety devices, and all other permanent features shall be installed and operable.

8.4 After using any Government-owned items or facilities, Subcontractor shall restore them to the original condition (like-for-like) the items or facilities were in when Subcontractor received them, including painting, cleaning, and lubrication.

8.5 Acceptance of the return of a government-owned item or facility by Company is subject to

Subcontractor's observation and compliance with the foregoing.

8.6 **Cold Weather Activities/Maintaining Conditions:** Temporary heat and cold weather protection (e.g., enclosures) shall be provided by Subcontractor as necessary to establish minimum conditions for freeze protection. Failure to maintain minimum conditions shall be cause for correction or replacement by Subcontractor of government-owned facilities, utilities, and equipment.

9. Property Management and Classified Materials*

The Subcontractor shall ensure that adequate safeguards are in place, and adhered to, for the handling, control, and disposition of high-risk property and classified materials throughout the life cycle of the property and materials consistent with the policies, practices, and procedures for property management contained in Company's Personal Property Management System, Prime Contract Flowdown Clauses, the Federal Property Management Regulations (41 CFR chapter 101), the DOE Property Management Regulations (41 CFR chapter 109), and other applicable regulations.

10. FAR 52.245-1(b) Property Management

(1) The [Subcontractor] shall have a system of internal controls to manage (control, use, preserve, protect, repair, and maintain) Government property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, the [Subcontractor] shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective and efficient control of Government property. The [Subcontractor] shall disclose any significant changes to its property management system to the Property Administrator prior to implementation of the changes. The [Subcontractor] may employ customary commercial practices, voluntary consensus standards, or industry-leading practices and standards that provide effective and efficient Government property management that are necessary and appropriate for the performance of this [Subcontract] (except where inconsistent with law or regulation).

(2) The [Subcontractor's] responsibility extends from the initial acquisition and receipt of property, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, sale (as surplus property), or other disposition, or via a completed investigation, evaluation, and final determination for lost property. This requirement applies to all Government property under the [Subcontractor's] accountability, stewardship, possession, or control, including its vendors or subcontractors […].

(3) The [Subcontractor] shall include the requirements of this clause in all [Lower-tier Subcontracts] under which Government property is acquired or furnished for [Subcontract] performance.

(4) The [Subcontractor] shall establish and maintain procedures necessary to assess its property management system effectiveness and shall perform periodic internal reviews, surveillances, self-assessments, or audits. Significant findings or results of such reviews and audits pertaining to Government property shall be made available to the [Company].

11. Risk of Loss of Government or Company Property

11.1 The Subcontractor shall be liable for the loss or destruction of, or damage to, Government property if it was caused by any of the following:

(1) Willful misconduct or lack of good faith on the part of the Subcontractor's managerial personnel;

(2) Failure of the Subcontractor's managerial personnel to take all reasonable steps to comply with any appropriate written direction of the Company to safeguard such property under this provision; or

(3) Failures of the Subcontractor managerial personnel to establish, administer, or properly maintain an approved property management system in accordance with this provision.

(4) The risk is covered by insurance, or the Subcontractor is otherwise reimbursed (to the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in accordance with Federal Acquisition Regulations (FAR) 31.205-19.

11.2 If, after an initial review of the facts, the Company's SA informs the Subcontractor that there is reason to believe that the loss, destruction of, or damage to the Government property results from conduct falling within one of the categories set forth above, the burden of proof shall be upon the Subcontractor to show that the Subcontractor should not be required to compensate the Company for the loss, destruction, or damage.

11.3 In the event that the Subcontractor is determined liable for the loss, destruction or damage to Government or Company property in accordance with this provision, the Subcontractor's compensation to the Company shall be determined as follows:

(1) For damaged property, the compensation shall be the cost of repairing such damaged property, plus any costs incurred for temporary replacement of the damaged property. However, the value of repair costs shall not exceed the fair market value of the damaged property. If a fair market value of the property does not exist, the Company's SA shall determine the value of such property, consistent with all relevant facts and circumstances.

(2) For destroyed or lost property, the compensation shall be the fair market value of such property at the time of such loss or destruction, plus any costs incurred for temporary replacement and costs associated with the disposition of destroyed property. If a fair market value of the property does not exist, the Company's SA shall determine the value of such property, consistent with all relevant facts and circumstances.

(3) The Subcontractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance or of any reserve covering risk of loss or destruction of, or damage to, Government or Company property, except to the extent that the Company's SA may have expressly required the Subcontractor to carry such insurance under another provision of this Subcontract.

END OF SUPPLEMENTAL PROVISIONS – MANAGEMENT OF GOVERNMENT PROPERTY