

Contract Administration

Activity 48: Administering Special Terms and Conditions

Procedures for ensuring contractor compliance with special contract terms and conditions.

Related Flow Charts: [Flow Chart 48](#)

Part A: Miscellaneous Terms and Conditions

Tasks	FAR Reference(s)	Additional Information
1. Investigate reports or complaints of contractor failure to comply with contract labor law requirements.	FAR Part 22 Application of labor laws to government acquisitions.	Identify and interpret the applicable policies in FAR Part 22 and the requirements of related clauses in the contract, such as: <ul style="list-style-type: none">• Notice to the Government of Labor Disputes (FAR 52.222-1);• Convict Labor (FAR 52.222-3);• Contract Work Hours and Safety Standards-Overtime Compensation (FAR 52.222-4);• Contracts for Materials, Supplies, Articles, and Equipment Exceeding, \$15,000 (FAR 52.222-20);• Equal Opportunity (52.222-26);• Equal Opportunity for Veterans (FAR 52.222-35);• Affirmative action for workers with disabilities (FAR 52.222-36);• Employment Reports on Veterans (FAR 52.222-37);• Service Contract Labor Standards (FAR 52.222-41); and• Fair Labor Standards Act and Service Contract Labor Standards – Price Adjustment (FAR 52.222-44).• Paid Sick Leave Under Executive Order 13706 (FAR

		<ul style="list-style-type: none"> • 52.222-62.
<p>2. Respond to contractor requests and resolve problems with respect to the payment of overtime premiums.</p>	<p>FAR Subpart 22.3 Contract Work Hours and Safety Standards Act. FAR 52.222-2 Payment for Overtime Premiums.</p>	<p>Identify and interpret the applicable policies in FAR Subpart 22.3 and the requirements of related clauses in the contract (e.g., Payment for Overtime Premiums (52.222-2)).</p>
<p>3. Investigate complaints and other reports of noncompliance with clauses on protecting the environment, maintaining a drug-free workplace, and protection of individual privacy.</p>	<p>FAR Subpart 23.3 Hazardous material identification and material safety data. FAR Subpart 23.5 Drug-free workplace. FAR Subpart 24.1 Protection of individual privacy.</p>	<p>Identify and interpret the applicable policies on:</p> <ul style="list-style-type: none"> • Protecting the environment as well as the requirements of related clauses in the contract, such as: <ul style="list-style-type: none"> ○ Printed or Copied Double-Sided on Postconsumer Fiber Content Paper (FAR 52.204-4); ○ Hazardous Material Identification and Material Safety Data (FAR 52.223-3); or • Protection of Government Buildings, Equipment, and Vegetation (FAR 52.237-2); • Maintaining a drug-free workplace in FAR 23.506, as well as the requirements of related clauses in the contract (e.g., Drug-Free Workplace (FAR 52.223-6)); or • Protection of individual privacy in FAR Subpart 24.1, as well as the requirements of related clauses in the contract, such as: <ul style="list-style-type: none"> ○ Privacy Act Notification (FAR 52.224-1); or ☒ ○ Privacy Act (FAR 52.224-2).
<p>4. Review and approve or disapprove contractor insurance plans and proposed changes thereto; investigate and resolve problems with insurance coverage.</p>	<p>FAR Subpart 28.3 Insurance.</p>	<p>Identify and interpret the applicable policies in FAR 28.301, 28.302, 28.303, 28.304, 28.307, and 28.308 and the requirements of related clauses in the contract, such as:</p> <ul style="list-style-type: none"> • Insurance – Work on a Government Installation (FAR 52.228-5); or • Insurance – Liability to Third Persons (FAR 52.228-7).

5. Investigate and resolve problems with security.	FAR 52.204-2 Security Requirements.	Interpret FAR clause 52.204-2, Security Requirements, including Alternate I or II (when applicable).
6. Execute documents to provide for duty-free entry of contract-related shipments of supplies.	FAR Subpart 25.9 Customs and duties.	Identify and interpret the applicable policies in FAR Subpart 25.9 the requirements of related clauses in the contract (e.g., Duty-Free Entry (FAR 52.225-8)).

Part B: Government Property

Tasks	FAR Reference(s)	Additional Information
1. Conduct an analysis of the contractor's property management policies, procedures, practices, and systems.	FAR 45.105(a) Contractors' property management system compliance.	This analysis should be accomplished as frequently as conditions warrant.
2. Notify the contractor if the contractor's property management system does not comply with contractual requirements.	FAR 45.105(b) Contractors' property management system compliance.	Request prompt correction of deficiencies and a corrective action plan, including a schedule for correction of deficiencies.
3. Notify the contractor, in writing, that failure to take the required corrective action may result in consequences.	FAR 45.105(b) Contractors' property management system compliance.	<p>Actions for failing to take corrective action include:</p> <ul style="list-style-type: none"> ● Revocation of the Government's assumption of risk for loss of Government property; and/or ● The exercise of other rights or remedies available to the contracting officer.
4. Modify the contract when Government property is transferred from one contract to another.	FAR 45.106 Transferring accountability [government property].	Government property may be transferred from one contract to another only when firm requirements exist under the gaining contract (see FAR 45.102). Such transfers must be documented by modifications to both gaining and losing contracts. Once transferred, all property must be considered Government furnished property to the gaining contract. The warranties of suitability of use and timely delivery of Government furnished property do not apply to property acquired or fabricated by the contractor as contractor-acquired property that is subsequently transferred to another contract with the same contractor.

<p>5. Monitor delivery of the Government property as stipulated in the contract.</p>	<p>FAR 45.402 Title to contractor-acquired property.</p>	<p>Title vests in the Government for all property acquired or fabricated by the contractor in accordance with the financing provisions or other specific requirements for passage of title in the contract.</p> <p>Under fixed-price type contracts, in the absence of financing provisions or other specific requirements for passage of title in the contract, the contractor retains title to all property acquired by the contractor for use on the contract, except for property identified as a deliverable end item. If a deliverable item is to be retained by the contractor for use after inspection and acceptance by the Government, it must be made accountable to the contract through a contract modification listing the item as Government-furnished property.</p> <p>Under cost type and time-and material contracts, the Government acquires title to all property to which the contractor is entitled to reimbursement, in accordance with paragraph (e)(3) of clause FAR 52.245-1.</p>
<p>6. Ensure receipt of report of any loss or otherwise unaccounted for property from plant clearance officer.</p>	<p>FAR 45.605 Inventory disposal reports [government property].</p>	<p>The plant clearance officer will prepare an SF 1424 Inventory Disposal Report, following disposition of the property identified on an inventory disposal schedule and the crediting of any related proceeds, and give a copy of the report to the contracting officer.</p>
<p>7. Collect rents or assess penalties under the Use and Charges clause of the contract.</p>	<p>Far 45.301 Use and rental [authorizing the use and rental of government property].</p>	<p>Rental charges, to the extent authorized do not apply to Government property that is left in place or installed on contractor-owned property for mobilization or future Government production purposes; however, rental charges must apply to that portion of property or its capacity used for nongovernment commercial purposes or otherwise authorized for use.</p>

Part C: Intellectual Property

Tasks	FAR Reference(s)	Additional Information
<p>1. Identify, investigate, and resolve patent-related problems.</p>	<p>FAR Part 27 Patents, Data, and Copyrights.</p>	<p>Identify and resolve problems related to:</p>

- Reporting requirements;
- Patent infringements arising out of or resulting from contracts for supplies or services;
- Titles to patents under Government contracts;
- Licenses to use patented inventions (by the Government when the contractor has title; by the contractor when the Government acquires title);
- Lack of progress by the contractor or assignee in utilizing patents (i.e., potential need to exercise march-in rights);
- Preferences for U.S. industry when granting rights to use the invention in the U.S.;
- Preferences for small business concerns;
- Publication or release of invention disclosures;
- Patent Rights—Ownership by the Government (FAR 52.227-13); or
- Contractor appeals under patent clauses.

Follow the guidelines provided in FAR Subparts 27.1, 27.2, and 27.3, and/or agency regulations, as well as the requirements of related clauses in the contract, such as:

- Authorization and Consent (FAR 52.227-1);
- Notice and Assistance Regarding Patent and Copyright Infringement (FAR 52.227-2);
- Patent Indemnity (FAR 52.227-3);
- Filing of Patent Applications – Classified Subject Matter (FAR 52.227-10);
- Patent Rights – Ownership by the Contractor (FAR 52.227-11); and
- Patent Rights – Ownership by the Government (FAR 52.227-13).

2. Identify, investigate, and resolve problems with data rights.

FAR 27.2 and FAR 27.4.

Identify and resolve problems related to:

- Copyrighting of data first produced in the performance of a contract;
- Use of copyrighted data not first produced in the performance of the contract;
- Release, publication and use of data.
- Unauthorized marking of data;
- Omitted or incorrect notices;
- Inspection of data at the Contractor's facility; or
- The acquisition of data.

Follow the guidelines provided in FAR 27.1, 27.4, and/or agency regulations, as well as the requirements of related clauses in the contract, such as:

- Rights in Data – General (FAR 52.227-14);
- Additional Data Requirements (FAR 52.227-16);
- Rights in Data – Special Works (FAR 52.227-17);
- Rights in Data – Existing Works (FAR 52.227-18);
- Commercial Computer Software License (FAR 52.227-19); and
- Rights in Data – SBIR Program (FAR 52.227-20).