
CHAPTER 8. CONTRACTOR/GRANTEE USE OF GOVERNMENT
PROPERTY

8-1 POLICY. All personal property in possession of a contractor/grantee which was furnished by HUD or which was purchased with HUD funds under a cost reimbursement contract or grant must be accounted for and disposed of in accordance with applicable regulations and the requirements of this Chapter. The regulations and/or standards applicable to contracts and grants are specified in paragraph 8-4 below.

8-2 DEFINITIONS.

- A. Contract means a mutually binding legal relationship governed by the Federal Acquisition Regulation (FAR) which obligates the seller to furnish the supplies or services (including construction) and the buyer to pay for them.
- B. Contractor Inventory means:
1. Any property acquired by and in the possession of a contractor or subcontractor under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire contract;
 2. Any property that the Government is obligated or has the option to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and,
 3. Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.
- C. Government-Furnished Property means personal property in the possession of, or directly acquired by the Federal Government and subsequently made available to a contractor or grantee.
- D. Grant means an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible recipient (i.e., grantee).
- E. Grant Administrator means the HUD official responsible for the post-award administration of a grant. Responsibilities include oversight of grantee performance, monitoring compliance with grant terms and conditions, approving/monitoring payments, preparing necessary grant amendments, and handling close-out matters upon grant completion. This individual may be a program office representative, an OPC representative, or an RCO.
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- F. Grantee Inventory means any property acquired by and in the possession of a grantee (including Government-furnished property).
- G. Personal Property means property of any kind or any interest therein, except real property.
 - 1. Excess Personal Property means any personal property under the control of any Federal agency which is not required for its needs or the discharge of its responsibilities, as determined by the Departmental Property Management Officer. (DPMO).
 - 2. Salvage means personal property that has some value in excess of its basic material content but which is in such condition that it has no reasonable prospect of use for any purpose as a unit (either by the holding or other Federal agency), and its repair or rehabilitation for use as a unit is clearly impracticable. Repairs or rehabilitation estimated to cost in excess of 65 percent of acquisition cost would be considered "clearly impracticable" for purpose of this definition.
 - 3. Scrap means personal property that has no value except its basic material content.
- H. Executive Agency means any executive department or independent establishment in the executive branch of the Government, including any wholly-owned Government corporation.
- I. Federal Agency means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol, and any activities under his/her direction).

8-3 RESPONSIBILITIES.

- A. The Director, Facilities Operations Division (FOD), Office of Administrative and Management Services, is responsible for:
 - 1. Assisting the contracting officer or grant administrator by recommending controls to safeguard against the loss, damage or theft of Government-furnished property (GFP) assigned to contractors or grantees;
 - 2. Assisting contracting officers and grant administrators in furnishing disposition instructions for GFP to contractors/grantees; and,
 - 3. Preparing the Department's annual report to the General Services Administration (GSA) as required by Federal Property Management Regulation (FPMR) 101-43.4701(c). (See paragraph 8-5B. below.)

- B. The Director, Office of Procurement and Contracts (OPC) is responsible for ensuring that each contract or grant administered by that Office includes a current inventory of GFP, when applicable. Specific responsibilities rest with:
1. Contracting Officers shall ensure that GFP is identified in each contract or grant, which applicable, upon award or in a subsequent modification/amendment. Inventories shall be kept current and disposition of any GFP shall be coordinated with the Government Technical Representative and the DPMO or, in the case of Regional Contracting Officers, the Regional Director, Administrative Services Division (ASD/AMSD). Contracting Officers shall also ensure that GFP is inventoried and controlled in accordance with applicable requirements (see paragraph 8-4 below).
 2. Government Technical Representatives (GTRs) shall ensure that GFP to be assigned to a contractor/grantee is identified in Requests for Services for contract/grant awards or modifications/amendments. GTRs shall monitor contractor/grantee inventories of GFP and furnish a copy to the appropriate Contracting Officer. Disposition of GFP shall be coordinated with the Contracting Officer and DPMO, or in the Field, the Director, ASD/AMSD. GTRs shall ensure that all changes to current inventories of GFP are coordinated with the Contracting Officer and are authorized by a modification/amendment to the contract/grant.
- C. Program Assistant Secretaries who are responsible for managing grant programs shall ensure that:
1. GFP assigned to grantees is inventoried and controlled in accordance with applicable requirements (see 8-4B below).
 2. GFP assigned to a grantee is identified in the applicable grant document; and,
 3. Disposition of GFP is coordinated with the appropriate property management official:
 - a. the DPMO for grants administered in Headquarters; or,
 - b. the Director, ASD/AMSD for grants administered in the Field.
 4. Grant administrators monitor and control GFP assigned to grantees, obtain annual inventory listing, and provide the necessary information to the appropriate property management official as indicated above to complete the report of excess personal property (see paragraph 8-5A below.)

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2. assist contractors and grantees in establishing maintenance procedures to keep GFP in good condition;
 3. when the contractor/grantee is authorized or required to sell GFP or personal property acquired with Federal funds, ensure that proper sales procedures are established to provide competition to the greatest extent practical and result in the highest possible sales return; and,
 4. upon notification, ensure that any loss, theft, or damage to GFP is investigated and fully documented and the procedures in Chapter 9, Property Survey Boards, are followed; and,
 5. upon request, assist Contracting Officers and grant administrators in furnishing disposition instructions to contractors/grantees.

8-5 REPORTING REQUIREMENTS.

A. Regional Reports.

1. Responsibility. The Director, ASD/AMSD shall coordinate with grant administrators and the RCO and prepare a report covering contracts and grants administered in his/her Region. The report shall be submitted to the Director, FOD within 45 days after the close of each fiscal year.
2. Report Content. The report shall be prepared in memorandum format and reference FPMR 101-43.4701(c). The report must only address personal property furnished to a non-Federal recipient during the fiscal year reported. This includes any item of personal property for which HUD is transferring title from the Federal Government to a contractor or grantee. It does not include GFP still required for performance of the contract or grant. For each item of personal property meeting these conditions, the report shall contain:
 - a. The name and address of each recipient;
 - b. The status of each recipient, i.e., cost-reimbursement contractor, fixed-price contractor, grantee, etc. If the recipient has acquired such Federal property under two or more of these agreement types (e.g., cost-reimbursement contract and grant) each one shall be identified in the report; and,
 - c. A description of each item of personal property, its original acquisition cost, and the applicable Federal Supply Classification Group Number.

- B. HUD's Annual Report to GSA. The Director, FOD shall consolidate the Regional reports, incorporate information resulting from Headquarters disposition actions taken during the year, and prepare and submit HUD's annual report to GSA within 90 days after the close of the fiscal year as required by FPMR 101-43-4701(c).
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