45.104 Responsibility and liability for Government property.

(a) Generally, contractors are not held liable for *loss of Government property* under the following types of contracts:

(1) Cost-reimbursement contracts.

(2) Time-and-*material* contracts.

(3) Labor-hour contracts.

(4) Fixed-price contracts awarded on the basis of submission of *certified cost or pricing data*.

(b) The *contracting officer may* revoke the Government's assumption of risk when the *property administrator* determines that the contractor's *property* management practices are noncompliant with contract requirements.

(c) A prime contractor that *provides Government property* to a subcontractor *shall* not be relieved of any responsibility to the Government that the prime contractor *may* have under the terms of the prime contract.

(d) With respect to *loss of Government property*, the *contracting officer*, in consultation with the *property administrator*, *shall* determine-

(1) The extent, if any, of contractor liability based upon the amount of damages corresponding to the associated *property* loss; and

(2) The appropriate form and method of Government recovery (*may* include repair, replacement, or other restitution).

(e) Any monies received as financial restitution *shall* be credited to the Treasury of the *United States* as miscellaneous receipts, unless otherwise authorized by statute (31 U.S.C. 3302(b)).

Parent topic: Subpart 45.1 - General