

Subpart 45.3 - Authorizing the Use and Rental of Government Property

Parent topic: [Part 45 - Government Property](#)

45.301 Use and rental.

This subpart prescribes policies and procedures for contractor use and rental of Government property.

(a) Government property *shall* normally be provided on a rent-free basis in performance of the contract under which it is accountable or otherwise authorized.

(b) 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 *shall* apply to that portion of property or its capacity used for non-government commercial purposes or otherwise authorized for use.

(c) The *contracting officer* cognizant of the Government property *may* authorize the rent-free use of property in the possession of nonprofit organizations when used for research, development, or educational work and-

(1) The use of the property is in the national interest;

(2) The property will not be used for the direct benefit of a profit-making organization; and

(3) The Government receives some direct benefit, such as rights to use the results of the work without charge, from its use.

(d) In exchange for consideration as determined by the cognizant *contracting officer(s)*, the contractor *may* use Government property under fixed-price contracts other than the contract to which it is accountable. When, after contract award, a contractor requests the use of Government property, the *contracting officer* *shall* obtain a fair rental or other adequate consideration if use is authorized.

(e) The cognizant *contracting officer(s)* *may* authorize the use of Government property on a rent-free basis on a cost type Government contract other than the contract to which it is accountable.

(f) In exchange for consideration as determined by the cognizant *contracting officer*, the contractor *may* use Government property for commercial use. Prior approval of the *Head of the Contracting Activity* is required where non-Government use is expected to exceed 25 percent of the total use of Government and commercial work performed.

45.302 Contracts with foreign governments or international

organizations.

Requests by, or for the benefit of, foreign Governments or international organizations to use Government property *shall* be processed in accordance with agency procedures.

45.303 Use of Government property on independent research and development programs.

The *contracting officer* may authorize a contractor to use the property on an independent research and development (IR&D) program, if-

- (a) Such use will not conflict with the primary use of the property or enable the contractor to retain property that could otherwise be released;
- (b) The contractor agrees not to *claim* reimbursement against any Government contract for the rental value of the property; and
- (c) A rental charge for the portion of the contractor's IR&D program cost allocated to commercial work is deducted from the *claim* for reimbursement of any agreed-upon Government share of the contractor's IR&D costs.