



FAR FACTS
SEASON 2023, EPISODE TWENTY-FOUR
FAR PARTS 45, 46, AND 47

1. As a general rule, contractors are ordinarily required to furnish all property necessary to perform Government contracts. A contractor's inability or unwillingness to supply its own resources is not sufficient reason for the furnishing or acquisition of Government property. **FAR 45.102.**
2. Prime contractors which provide Government property to subcontractors are not relieved of their responsibility to the Government for that property under the terms of the prime contract. That is, liability for such property remains with the prime and does not pass to the subcontractor, even though the subcontractor is the one currently using the property. **FAR 45.104.**
3. The Government retains title to all Government-furnished property until that property is properly disposed of, according to the applicable law or regulation. Property the Government has leased and then furnishes to a contractor for use is considered Government-furnished property under the clause at 52.245-1, Government Property. **FAR 45.401.**
4. As a general rule, under firm fixed price type contracts, the contractor retains title to all property acquired by the contractor for use under the contract, except for property identified as a deliverable. **FAR 45.402(a).**
5. Under cost-type and time-and-materials contracts, the Government acquires title to all property to which the contractor is entitled for reimbursement. **FAR 45.402(b) and FAR 52.245-1.**
6. No contract may preclude the Government from performing inspection, including inspection of subcontractor facilities. **FAR 46.102.**
7. Contracts for commercial items shall rely on a contractor's existing quality assurance system as a substitute for compliance with Government inspection and testing before tender for acceptance, unless in-process inspection is customarily permitted for item being acquired. **FAR 46.102(f) and FAR 46.202-1.**
8. Inspection by the Government may be performed at any time (including any stage or manufacture or performance of service) or place (including subcontractor facilities) as may be necessary to determine that the supplies or services conform to contract requirements. **FAR 46.401. See also FAR Inspection clauses, FAR 52.246-2(c) (fixed price), 52.246-3(c) (cost reimbursement), and 52.246-6(c) (time and materials/labor hour).**

9. The Government must give contractors an opportunity to correct or replace nonconforming supplies or services when this can be accomplished within the delivery schedule. **FAR 46.407.**
10. Under fixed priced contract, contractors cannot charge the Government for the cost or correction or repair on nonconforming supplies or services. **FAR 46.407 and FAR 52.246-2(l).**
11. Under cost reimbursement, time and materials and labor hour contracts, contractors are permitted to charge the Government for the cost of correction or repair on nonconforming supplies or services. Additional fee or profit must be excluded from all corrective or repair work. **See 52.246-3(f) (cost reimbursement) and 52.246-6(f) (time and materials/labor hour).**
12. Under cost reimbursement, time and materials and labor hour contracts, goods or services will be “deemed accepted” if not rejected by the Government within 60 days of the date of delivery of the supply or service. **See 52.246-3(e) (cost reimbursement) and 52.246-6(e) (time and materials/labor hour).**
13. If express warranties are included in a contract (except for commercial item contracts) all implied warranties of merchantability and fitness for a particular purpose are negated and not enforceable. **FAR 46.706(b)(1)(iii).**
14. For shipments within CONUS, solicitations shall provide that offerors may propose f.o.b. origin or f.o.b. destination shipping terms. **FAR 47.304-2.**
15. Unless there are valid reasons to the contrary, acquisition of supplies originating within CONUS for ultimate delivery to destinations outside CONUS shall be made on the basis of f.o.b. origin. **FAR 47.304-3.**
16. Federal employees and various enumerated associated individuals must use U.S.-flag air carriers for Government-financed international air travel and transportation of their personal effects or property, if available. This requirement stands even if traveling on a foreign-flag air carrier would be significantly less expensive or more convenient. **FAR 47.402.**
17. Foreign-owned air carriers, such as Lufthansa, may be deemed U.S.-flag air carriers due to certain air transport agreements or other business arrangements. **FAR 47.403-2.**
18. U.S.-flag vessels are preferred for most ocean transportation, with some significant exceptions, such as for the DoD, which has its own policies and regulations in the DFARS. This preference applies to supplies owned by the Government and in the possession of the Government, a contractor, and a subcontractor at any tier. **FAR 47.502 and FAR 47.503.**