

LIABILITY FOR GOVERNMENT PROPERTY FURNISHED FOR REPAIR OR OTHER SERVICES

[FP –NR&D, FP – R&D, CIS, LH/T&M – 09/04] [NFS 1852.245-72 – 03/89]

- (a) The provisions of this Article shall govern with respect to any Government property furnished to the Subcontractor for repair or other services, and which is to be returned to JPL. Such property is hereinafter referred to as "Government property furnished for repair or servicing" and shall not be subject to the provisions of any Article of this Subcontract entitled "Government Property."
- (b) The official accountable record keeping and financial control and reporting of the property subject to this Article shall be retained by JPL. The Subcontractor shall maintain adequate records and procedures to assure that the Government property furnished for repair or servicing may be readily accounted for and identified at all times while in its custody or possession or in the custody or possession of any First-tier Subcontractor.
- (c) The Subcontractor shall be liable for any loss or destruction of or damage to the Government property furnished for repair or servicing (i) caused by the Subcontractor's failure to exercise such care and diligence as a reasonable prudent owner of similar property would exercise under similar circumstances; or (ii) sustained while the property is being worked upon and directly resulting therefrom, including, but not limited to, any repairing, adjusting, inspecting, servicing, or maintenance operation. The Subcontractor shall not be liable for loss or destruction of or damage to Government property furnished for repair or servicing resulting from any other cause except to the extent that such loss, destruction, or damage is covered by insurance (including self-insurance funds or reserves).
- (d) In addition to any insurance (including self-insurance funds or reserves) carried by the Subcontractor and in effect on the date of this Subcontract affording protection in whole or in part against loss or destruction of or damage to such Government property furnished for repair or servicing, the amount and coverage of which the Subcontractor agrees to maintain, the Subcontractor agrees to obtain such additional insurance covering loss or destruction of or damage to Government property furnished to the Subcontractor for repair or servicing as may, from time to time, be required by JPL. The requirements for such additional insurance shall be effected under the procedures established by the "Changes" Article of this Subcontract.
- (e) The Subcontractor shall hold the Government and the Institute harmless and shall indemnify the Government and the Institute against all claims for injury to persons or damage to property of the Subcontractor or others arising from the Subcontractor's possession or use of the Government property furnished for repair or servicing or arising from the presence of said property on the premises or property of the Subcontractor.