

**PADD REGULATION REFERENCE TEXT  
SEQUENCE: REGREF CLAUSE TEXT**

PCN: P10C9154R  
PRINT DATE: 10/15/2004  
PAGE: 1

REGULATION  
CODE: MS7021

REGULATION  
REFERENCE: 52.215-4011

DATE: 01/01/1993

**TITLE:** EVALUATION PROCEDURES TO ELIMINATE COMPETITIVE ADVANTAGES FROM RENT-FREE USE OF GOVERNMENT-OWNED PRODUCTION AND RESEARCH PROPERTY (USAAMCOM)

**TEXT**

(Reference Section L provision 52.245-4003, "Procedures to be Followed in Obtaining Permission to Use Government-Owned Production Property (USAAMCOM).")

(a) Offerors must indicate the total amount of rent which would otherwise be charged for the Government-owned production and research property (hereinafter called Government Property or property or personal property) authorized for use, computed in accordance with (IAW) the following:

(1) For machinery and production equipment of the type covered by Federal Supply Classification Code 3405, 3408, 3410 and 3411 through 3419 (machine tools) and 3441 through 3449 (secondary metal forming and cutting machinery), multiply the applicable rate set forth below times the Government's acquisition cost times the number of months that the property will be used.

<u>AGE OF EQUIPMENT</u>	<u>MONTHLY RENTAL RATE</u>
0-2 years	3%
2-3 years	2%
3-6 years	1.5% \$ _____
	TOTAL
6-10 years	1%
over 10 years	.75%

(2) For all other personal property, a rental shall be established at not less than the prevailing commercial rate, if any; or in the absence of such rate, not less than two percent (2%) per month for electronic test equipment and automotive equipment; and not less than one percent (1%) per month for any other personal property.

(3) For real property and improvements:

(i) 5% per year of the Government's acquisition cost of real property divided by 12 and the result multiplied by the period of \_\_\_\_\_ months. \$ \_\_\_\_\_

(ii) 8% per year of the Government's acquisition costs of improvements (buildings, roads, utilities, etc.) divided by 12 and the result multiplied by a period of \_\_\_\_\_ months. \$ \_\_\_\_\_

(iii) The total of the rents listed above will be verified by the Government and added as the evaluation factor to the offeror's offer.

(b) Any subcontractor or vendor that has available in its plant, Government property for which the Government either has title or has the right to acquire title, will be expected to quote to any prospective prime contractor who requests a quotation. Offerors are requested to notify the Government immediately of any refusal by a subcontractor possessing Government property to furnish a quote including, if known, any information on tooling, its location, and any government contracts it may be held under.

"(c) If a contractor desires rent-free use of government property presently held under existing facilities or use contracts which provide for formulas or methods of computing rent IAW FAR 52.245-9, offerors may, in lieu of providing individual equipment details, submit a rental calculation based on said facilities/use contracts. Said amount will be verified/reviewed by the government in its evaluation. Offerors desiring this method of determining rental factors MUST submit the following:

(1) A proposed rental figure: \$ \_\_\_\_\_

(2) The contract/agreement numbers of all such documents: \_\_\_\_\_

(3) Name, address, and telephone number of cognizant ACO or PCO managing such contracts/agreements:

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

**PADDS REGULATION REFERENCE TEXT  
SEQUENCE: REGREF CLAUSE TEXT**

**PCN:** P10C9154R  
**PRINT DATE:** 10/15/2004  
**PAGE:** 2

**REGULATION  
CODE:** MS7021

**REGULATION  
REFERENCE:** 52.215-4011

**DATE:** 01/01/1993

**TITLE:** EVALUATION PROCEDURES TO ELIMINATE COMPETITIVE ADVANTAGES FROM RENT-FREE USE OF GOVERNMENT-OWNED PRODUCTION AND RESEARCH PROPERTY (USAAMCOM)

**TEXT**

In sealed bid procurements, if the bidder states that its bid is based on rent-free use but fails to submit any element of (1), (2), or (3), the bid will be considered to be nonresponsive. In negotiated procurements, if the offeror states that its proposal or quotation is based on rent-free use, but fails to submit any element of (1), (2), or (3) and the issue is not resolved during negotiations, the Contracting Officer may decide to consider the offer only upon the payment of rent. In this event, any resulting contract will be so noted and, thereafter, rent-free use will only be authorized upon payment of consideration to the Government. In accordance with FAR 45.201(a), a rental equivalent factor will not be applied to negotiated procurements when application of the factor would not affect the choice of contractors.

(End of provision)