

## 46.505 Transfer of title and risk of loss.

(a) Title to *supplies* shall pass to the Government upon formal acceptance, regardless of when or where the Government takes physical possession, unless the contract specifically provides for earlier passage of title.

(b) Unless the contract specifically provides otherwise, risk of loss of or damage to *supplies* shall remain with the contractor until, and *shall* pass to the Government upon-

(1) Delivery of the *supplies* to a carrier if transportation is f.o.b. origin; or

(2) Acceptance by the Government or delivery of the *supplies* to the Government at the destination specified in the contract, whichever is later, if transportation is f.o.b. destination.

(c) Paragraph (b) of this section *shall* not apply to *supplies* that so fail to conform to contract requirements as to give a right of rejection. The risk of loss of or damage to such nonconforming *supplies* remains with the contractor until cure or acceptance. After cure or acceptance, paragraph (b) of this section *shall* apply.

(d) Under paragraph (b) of this section, the contractor *shall* not be liable for loss of or damage to *supplies* caused by the negligence of officers, agents, or employees of the Government acting within the scope of their employment.

(e) The policy expressed in (a) through (d) of this section is specified in the clause at [52.246-16](#), Responsibility for *Supplies*, which is prescribed in [46.316](#).

**Parent topic:** [Subpart 46.5 - Acceptance](#)