



Aurora Flight Sciences

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Purchase Order Supplier Quality Requirements (SQR) and Commodity Code Tables

Commodity Codes	SQR Codes
CH	1, 3, 4, 7, 8, 9, 10, 11, 12, 13, 15, 16, 18, 19, 20, 21, 22, 29, 41
CO	1, 3, 4, 6, 7, 9, 10, 11, 12, 13, 15, 18, 19, 20, 21, 22, 29, 41, 44
FCO	1, 3, 4, 6, 7, 9, 10, 11, 12, 13, 15, 18, 19, 20, 21, 22, 29, 41, 44
CRDT	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 18, 19, 20, 21, 22, 29, 33, 40, 41, 43, 44, 47
EL	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 18, 20, 21, 22, 41, 42, 44
FB	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 18, 19, 20, 21, 22, 29, 33, 40, 41, 43, 44, 47, 48
FS	1, 3, 4, 8, 9, 10, 11, 15, 18, 19, 20, 21, 22, 41, 43, 44, 45, 46
HW	1, 3, 4, 8, 9, 10, 11, 15, 18, 19, 20, 21, 22, 41, 43, 44, 45, 46
ME	1, 3, 4, 6, 7, 8, 9, 10, 11, 13, 15, 18, 20, 21, 22, 24, 26, 27, 28, 29, 32, 33, 41
SF	1, 2, 4, 16, 19, 20, 21, 22
SP	1, 2, 4, 16, 19, 20, 21, 22
TL	1, 3, 4, 5, 9, 10, 15, 18, 20, 21, 22, 37, 39, 41
OT	1, 2, 4, 20, 21, 22, 23, 25

Commodity Codes	Definitions of Codes
CH	Chemicals, paints, and adhesives
CO	Composite and plastic materials
FCO	Frozen Composite and Plastic Materials
CRDT	Fabricated Core Details
EL	Electrical
FB	Fabricated hardware
FS	Fasteners
HW	Off-the-shelf hardware, purchased
ME	Metallic raw materials
SF	Safety items
SP	Shop supplies and consumables
TL	Tooling and fixtures
OT	Other



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1	<p>SUPPLIER'S QUALITY SYSTEM: The supplier shall implement and maintain a quality management system and process controls that satisfy Aurora Flight Sciences' purchase order requirements. Suppliers that provide product to Aurora Flight Sciences shall be compliant to all applicable ISO 9001:2015 requirements, except for pass-thru distributors unless restricted by contract. Calibration suppliers shall be compliant to ANSI/NCSS Z540-1 or ISO/IEC 17025.</p> <p>Note1: Sikorsky Aircraft Contracts: All Suppliers that provide product or services on purchase orders that state for "Sikorsky Aircraft End Use" shall be compliant to all applicable AS/EN/JISQ 9100 and SSQR-01 common and unique requirements. Stockist Distributors and organizations that carry out the purchase, storage, splitting and sale of product without affecting product conformance may be AS/EN/JISQ 9120 compliant in lieu of AS/EN/JISQ 9100.</p> <p>Note 2: Deviation from these requirements shall be requested in writing by the buyer and approved by the Quality Assurance Department for Aurora Flight Sciences prior to use. Sub-tier Suppliers whose Quality System meets the above requirements and have been approved for limited use by the Quality Assurance Department require SQR 3 on all purchase orders and 100% inspection at Quality Receiving Inspection, SQR 2 is prohibited.</p>
2	<p>DOCK TO STOCK: Material is to be handled as "dock to stock". (Clause internal to Aurora – No effect on supplier). This SQR is delegated for material that is deemed "Acceptance by data review." Aurora will review supplier-furnished data, as specified by the purchase order.</p>
3	<p>RECEIVING INSPECTION: Material will be inspected in quality receiving inspection when received from supplier. (Clause internal to Aurora, no effect on supplier).</p>
4	<p>CUSTOMER ACCESS: During performance of this order, supplier's quality/inspection system, manufacturing processes, inventory control and lot traceability are subject to review, verification and analysis by an authorized Aurora/Aurora customer representative and/or applicable regulatory agency. In addition, Aurora Buyer must be notified of process or material changes and any non-conformance prior to shipment of product. Release of shipment is not required unless supplier is otherwise notified. This clause also applies to the supplier's sub-tier contractors.</p>
5	<p>FIRST LOT SOURCE INSPECTION: Aurora reserves the right to perform/witness verification of sub-tier supplier's processes, procedures, equipment, personnel qualification and final inspection/test on the first lot of products manufactured on this order at the sub-tier supplier's facility prior to shipment.</p>
6	<p>IN-PROCESS SOURCE INSPECTION: Aurora's material quality reserves the right to witness in-process testing at the supplier's facility. The inspection will be performed concurrently and will not interrupt the manufacturing personnel.</p>
7	<p>SPECIAL PROCESS AUDITS: Aurora reserves the right to perform periodic assessments for any special processes identified in the purchase order or specifications. These reviews are intended to ensure suppliers are performing processes to their internal procedures and requirements.</p>



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8	<p>SUPPLIER DATA RETENTION: When clause 10, 11, 12, 13, 14 or 25 is specified in conjunction with this clause on the purchase order, supplier records are to be retained as follows: (a) Critical/Safety of Flight parts require the supplier to retain records for ten (10) years from completion of the purchase order; (b) Off-the-shelf industry standard parts (e.g., AN, AS, MS) require the supplier to retain records for seven (7) years from completion of the purchase order; and (c) All other parts require the supplier to retain records for ten (10) years from completion of the purchase order. In addition, when Clause 25 is implemented, records of calibration shall be retained for a minimum of 10 years from completion of the purchase order.</p>
9	<p>DELIVERY OF DOCUMENTATION: When clause 10, 11, 12, 13, or 14 is specified in conjunction with this clause on the purchase order, the supplier shall deliver with product, the appropriate documentation meeting all specified parametric/environmental requirements.</p>
10	<p>CERTIFICATE OF COMPLIANCE: The document shall be authenticated by signature, controlled stamp, or electronic signature. The document shall identify the product by part number and description, serial numbers for serialized parts, and lot/sub-lot numbers for items identified by lot/sub-lot numbers. The document shall also state conformance to and contain the applicable Aurora purchase order number and when specified, governing product specification(s), including revision level and amendment(s)/deviation(s) thereto.</p>
11	<p>CERTIFICATION OF ANALYSIS/TEST REPORT(S): Certification of actual results of chemical/physical/electrical tests conducted on materials/parts submitted must be provided. Reports shall identify product test specifications including revisions used, tests conducted and actual results of tests traceable to tested product.</p>
12	<p>CERTIFICATION OF AGE OR TEMPERATURE SENSITIVE MATERIAL: The certification shall include the cure date, manufacture date, expiration date, special storage temperature, and handling requirements, when applicable. 75% of the shelf life shall remain on age or temperature sensitive material upon receipt at Aurora. The buyer may in special cases, such as small or emergency orders reduce the shelf life requirement as required to support production delivery for shelf life remaining by purchase order amendment. Shelf life that does not meet purchase order requirements shall be subject to rejection and return at supplier's expense.</p>
13	<p>CERTIFICATION OF STANDARD PROCESSES: Certification that standard processes were performed in accordance with specification/purchase order requirements shall be documented as part of the product traceability. Supplier may utilize internal supplier processes, unless otherwise noted on the purchase order. Special process suppliers must comply with specification and revision control as described by the prime contractor flow down requirements and shall be adhered to where SQR Code 29 is applied in conjunction with this SQR.</p>



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14	<p>FIRST ARTICLE: First Article Inspection (FAI) is required. One piece from the first production lot shall be designated as First Article by the Supplier. Inspection reports shall have the recorded values for the drawing/model and certification for all drawing/model notes and fixturing. First Article Inspection (FAI) shall be performed per the requirements of AS9102 and any additional Prime Contractor requirements flowed down through the purchase order (PO). If the Supplier already has completed FAI documentation on file that meets the intent of AS9102, submit these documents to Aurora Quality through the Buyer to determine if new FAI is required.</p> <p>Note 1: Sikorsky Aircraft Contracts: All Suppliers that provide follow-on parts after FAI completion shall provide a completed Inspection Checklist (ICL) for all subsequent parts per Sikorsky Aircraft SSQR-01. ICLs do not require actual dimensioning to be completed; ACCEPT or REJECT plus quantity is acceptable with one exception. Product weight shall always be entered as variable data. ICLs do require inspection reports based on drawing/models, CMM reports as applicable, original special process certification and material certifications as required with FAIs.</p> <p>Note 2: Partial or Re-accomplishment of FAI: Subsequent lots for the same part number shall not require an FAI unless previous FAI part was found non-conforming or as required by AS9102, section 5.3.</p>
15	<p>FAILURE ANALYSIS/CORRECTIVE ACTION: Failure analysis and corrective action reports are required within 30 days from date of origination as indicated on the Corrective Action Request.</p>
16	<p>RESTRICTED HAZARDOUS MATERIALS: Supplier shall certify that restricted hazardous materials (listed below) are not contained in any delivered hardware and shall not be used in design, manufacture, operation, or test of a system, subsystem, item or component. Should a requirement exist that specifies the use of a restricted hazardous material, the supplier shall provide written notification of this requirement to Aurora.</p> <ol style="list-style-type: none"> 1. Asbestos 2. Carbon Tetrachloride 3. CFC's - 11, 12, 13, 111, 113, 114, 115, 211, 212, 214, 215, 216, and 217 and blends R-500, R-501, R-502 and R-503. 4. Halon's - 1011, 1202, 1211, 1301, 2401, 2402 5. Hydrazine 6. Methyl Bromide 7. Polychlorinated Biphenyl (PCB's) 8. Methylenedianiline (MDA)
17	<p>CUSTOMER FURNISHED EQUIPMENT: Responsibility for compliance of material to applicable specifications furnished to Aurora is that of the customer as applicable. Material furnished shall be identified to applicable documentation, quantity and reviewed for shipping damage prior to movement to stores. Aurora believes material furnished to be in compliance to customer's applicable specification(s).</p>



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18	DOCK TO STOCK PROHIBITED: <i>SQR 2 Prohibited</i> – This product will not be subjected to the dock-to-stock process. Product will continue to be inspected until changed by the appropriate engineer.
19	HAZARDOUS MATERIAL IDENTIFICATION: The supplier shall submit to Aurora a listing of any hazardous materials delivered as part of the product manufactured. Material safety data sheets (MSDS) for each material shall be included. Hazardous material includes any material defined under the latest version of Federal Standard 313 (FED-STD-313) and OSHA 29CFR 1910.
20	PRODUCT PACKAGING: The supplier is responsible for ensuring that product is packaged in a manner to prevent damage during shipment. Packaging shall not contain Loose Litter packing materials such as shredded paper or foam peanuts. Unless directed by the purchase order or specifications, each contract item must be packaged and identified separately. Markings on primary packaging must include the part number, nomenclature and quantity. If applicable, include serial number, Lot number and cure date. Do not combine items from different purchase orders in the same shipping container.
21	DOCUMENTATION EFFECTIVITY: Applicable specified MIL-SPEC and/or buyer process specification/Process bulletins or buyer engineering drawings shall be current issue or revision level in effect on the date of issuance of this purchase order, unless otherwise specified.
22	SUPPLIER CONTROL: The seller shall flow down to sub-tier suppliers applicable requirements of the drawing, specifications, key characteristics as applicable, and this purchase order.
23	N/C PROGRAM GEOMETRY: Upon prove out of the N/C program geometry by Aurora Flight Sciences, the supplier shall assign a revision control letter to the program. A copy of this program, with the revision letter, will be furnished to Aurora Flight Sciences at no additional cost. Any subsequent revisions shall only be made with prior written authorization from Engineering and Quality at Aurora Flight Sciences. Revisions of feeds, speeds and tool lengths may be made without written authorization.
24	ALUMINUM CLAD MATERIAL: All clad material shall have a protective plastic coating applied to the clad surface(s) to preclude scratches, gouges, dents and dings. All clad surfaces must be free from these defects. In addition to those, surface defects resulting from first cut operations shall be cause for rejection.



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25	<p>CALIBRATION: Equipment calibration shall be performed to meet the requirements of ANSI/NC SL Z540.1 or ISO/IEC 17025.</p> <p>. Calibration range and accuracy, at a minimum, shall be performed to OEM applicable specification and tolerances. Detailed notes provided within or as an attachment to the purchase order that define/identify specific calibration requirements/intervals are mandatory and shall be complied with as part of the equipment calibration. Calibration certificates shall be compliant to ANSI/NC SL Z540.1 or ISO/IEC 17025, Section 13, and must also include:</p> <ul style="list-style-type: none"> • Temperature and Relative Humidity during calibration • Manufacturer and Model of item calibrated • Operating Range of item calibrated if other than full scale • Serial Number / Asset Number of Items calibrated • Date calibration performed and recall due date in month, day, year (MM/DD/YYYY). • Nomenclature of National Institute of Standards & Technology (NIST) traceable standards used to perform the calibration, serial/asset number and recall date. • Standard Points of Measurements. These points must include, as near as possible, the lowest and highest points in the range of operation for which the unit will be used and recorded on the calibration certificate. Items with only one tolerance to verify shall be recorded as required and state Pass/Fail. (For example: Pin Gage 0.1000 Tolerance +/- .0005, Results 0.1001, Pass) • Thermocouple/Instrument correction factor, if applicable • Standard's known value, if applicable • As Found Condition • After Adjustment/As Left Condition • Items submitted for calibration that are identified as having an "Out of Tolerance" (OOT) condition shall be documented as the "As Received" condition and reported to the originator in writing prior to adjustment. Additional calibration data points may be requested for OOT conditions to assist in determining if product impact has occurred. Calibration adjustments to bring a unit into specification shall not be performed until Aurora Quality Department has reviewed the OOT condition and released the equipment for adjustment and return to service. • Calibration houses and services shall adhere to the requirements set forth in SSQR-01 section 6.2.2 and section 7.6.
26	<p>SHEET/PLATE RAW MATERIAL: All Sheet/Plate supplied product shall not have scratches, gouges or any other surface imperfections that exceed 2%, in depth, of the specified material thickness and shall be cause for rejection if present. Not applicable to clad material. See SQR 24 for clad material.</p>
27	<p>HARDNESS READINGS reported on certifications shall have the actual hardness value and the scale used. Converted hardness values and scales shall only appear in <i>addition</i> to the actual hardness value and scale. When a ball indenter is used, the scale designation is followed by the letter "S" to indicate the use of a steel ball or the letter "W" to indicate the use of a tungsten carbide ball. Converted hardness values and scales, when recorded, shall only appear in parentheses, <i>i.e.</i>, (35 HRC).</p>



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28	<p>HARDNESS/CONDUCTIVITY CERTIFICATIONS shall include the applicable specification range in addition to the data required in SQR 27.</p> <p>NOTE: For fabricated parts, supplier shall perform 100% conductivity testing after fabrication, but prior to finishing.</p>
29	<p>SUBCONTRACTED SPECIAL PROCESSES: When this clause is specified, an “Approved Special Process Supplier” list exists. The supplier shall follow specific requirements addressed in the purchase order for compliance to Aurora’s primary customer flow down. Contact buyer for clarification and/or purchase order amendment if these requirements are not clear. Customer approved special process supplier lists and list links are located on the Aurora Onyx Supplier Portal: https://auroraflightsciencescorp.sharepoint.com/sites/onyx Contact buyer for access to ONYX Supplier Portal.</p>
30	PURPOSEFULLY LEFT BLANK
31	PURPOSEFULLY LEFT BLANK
32	<p>CUT SIZE MATERIAL: When Raw Metallic Material is ordered “cut to size” and that size is 6” x 6” or larger, material supplier shall furnish a coupon measuring 2” x 2” for each lot number delivered. The coupon shall be identified, per the applicable specification, as the cut to size material. Example, manufacturer, mill lot number, material type/temper, and applicable specification.</p>
33	<p><u>NO FOREIGN SPECIALTY METALS PERMITTED.</u> When verifying raw material certifications, assure specialty metals as defined in DFAR 252.225-7008 and DFAR 252.225-7009 are not of foreign origin. Those countries exempt from this requirement are the following:</p> <p>Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Israel, Italy, Japan, Latvia, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland,</p>
34	PURPOSEFULLY LEFT BLANK
35	PURPOSEFULLY LEFT BLANK
36	PURPOSEFULLY LEFT BLANK
37	<p>TOOL PART MARK REQUIRED: <u>Tool part mark/data plate installation shall be per purchase order flow down requirements.</u> If tool identification and tool markings are not defined in purchase order or flow down contact buyer for PO amendment prior to identification.</p>
38	PURPOSEFULLY LEFT BLANK



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39	<p>TOOL FABRICATION QUALITY REQUIREMENTS: Supplier shall conduct a 100% tool inspection and <u>supply all actual inspection data</u> in a logical manner. The method of inspection and tooling used shall be submitted to Aurora Flight Sciences for approval prior to shipment. Tool calibration shall be performed to the requirements of ANSI-NCSL Z540.1 or ISO/IEC 17025. The degree of accuracy and precision of the measuring tools must be 4 to 1 or better than the tolerance of the characteristic being inspected, documented and included with the package. All design changes shall be submitted with supporting data for approval prior to initiating any change in fabrication.</p>
40	<p>PART TRACEABILITY AND WHEN APPLICABLE SERIALIZATION SHALL BE MAINTAINED BY SUPPLIERS performing further processing. It is the supplier's sole responsibility to maintain the physical part traceability and/or serialization on <u>each part, through all secondary-processing operations</u>. Loss of traceability and/or serialization during these processes will result in the scrap replacement costs being the responsibility of the supplier.</p>
41	<p>FAR 52.246-2: When Govt Contracts apply: The Government has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The Government shall perform inspections and tests in a manner that will not unduly delay the work. The Government assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in this contract.</p> <p>If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the Government shall bear the expense of Government inspections or tests made at other than the Contractor's or subcontractor's premises, provided, that in case of rejection, the Government shall not be liable for any reduction in the value of inspection or test samples.</p>
42	<p>ELECTROSTATIC DISCHARGE SENSITIVE PARTS, COMPONENTS OR ASSEMBLIES: Suppliers shall ensure all detail parts, components and assemblies that contain electromagnetic sensitive parts or components are properly packaged, labeled and identified per ANSI/ESD S 20.20-1999. In addition, the exterior of the package shall be identified as follows: "ESD SENSITIVE MATERIAL CONTAINED IN THIS PACKAGE"</p>
43	<p>DFAR252.225-7008, DFAR 252.225-7009 & DFAR 252.225-7016: Preference for domestic specialty metals & Restriction on Acquisition of Ball and Roller Bearings</p> <p>Note: Applicable to any Order and all lower-tier subcontracts if Product supplied contains ball or roller bearings.</p>
44	<p>All electrical, electronic and electro-mechanical parts delivered and/or used in the manufacture of deliverable products shall be from the Original Component Manufacturer (OCM)/ Original Equipment Manufacturer (OEM) or their franchised distributor. Companies that procure non-electrical standard parts need to have a counterfeit parts program plan to ensure it does not receive counterfeit parts into inventory, use them in manufacturing, or inadvertently sell them to other parties. The supplier shall have a counterfeit detection process that is similar to, and meets the requirements of, SAE standard AS5553 and DFARS 252-246-7007. The Sub-tier shall flow down this requirement to all sub-tier levels.</p>



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45	<p>CERTIFICATE OF CONFORMANCE: A Certificate of Compliance from the manufacturer and each supply chain distribution point is required with this Order. Seller shall provide a copy of the manufacturer's certification that material/articles delivered under this Order conform to the applicable drawing and/or specifications. A certificate of conformance from each supply chain distribution point shall be included with delivery. Buyer's Order number must be included on the documentation provided by the procurement source.</p> <p>Manufacturer Certificate of Compliance must contain the following:</p> <ul style="list-style-type: none"> • Drawings/engineering orders and specifications, with revisions, as specified on Buyer's Order • Part number, as specified on Buyer's Order • Manufacturer's lot, heat or melt number, batch, date code and/or serial number, as required • Manufacturer's name and date manufacturer
46	<p>THREADED FASTENER REQUIREMENTS:</p> <p>For each item on this Order, Seller shall submit a copy of the manufacturer's certification for hardware supplied. The certification must contain:</p> <ul style="list-style-type: none"> • Statement that the hardware supplied was manufactured and acceptance tested in accordance with the applicable specifications. • Listing of both the ordering and procurement specifications, including revision levels as specified on Buyer's Order. • Annotation of the fastener's lot number on the shipper, certification, or packing list; any one of the three will be acceptable. • Seller name and date. <p>Seller shall submit with each shipment one reproducible record of actual chemical analysis and actual physical test results for hardware shipped. The record must have identification by heat, lot, or melt number.</p> <p>Seller shall submit data with each shipment, providing objective evidence that all processing, treatment, testing, and inspection as required by the applicable ordering specification and related procurement specifications have been satisfactorily completed. Data shall include, but is not limited to, ultimate tensile, ultimate shear, hardness, dye penetrant, and magnetic particle results when required by applicable specification.</p> <p>Seller's Quality Control organization shall be responsible for ensuring that items of this Order are packaged in such a manner that the dimensional integrity is preserved, contamination and corrosion are prevented, and no physical damage occurs to the threads during shipment. For externally threaded fasteners, the preferred method, when size permits, will be to individually sleeve the threaded portion of the fastener. Any method used shall insure that threads remain undamaged during shipment. Bulk packaging of unprotected threads is prohibited. Exception: Fasteners smaller than ¼ inch diameter may be bulk packaged up to 100 counts per container.</p>



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47	<p>FABRICATED PARTS DATA PACKAGE DELIVERY REQUIREMENTS: Details of the data package required for submittal with delivery of fabricated parts is as follows;</p> <ol style="list-style-type: none"> 1. Certificate of conformance. 2. Certificate of functional or electrical test results. 3. First article and/or inspection checklist as applicable per purchase order requirements. 4. Manufacturer’s certification for incorporated raw material and electrical or mechanical hardware. 5. Processors certifications for special and subcontracted processes. 6. Electronic inspection media reports for each part verified by CMM or similar approved inspection media. Reports shall cover all characteristics identified as inspected by electronic inspection media on the first article and/or inspection checklist. Sampling is prohibited.
48	<p>METALLIC SHEET, PLATE AND BAR:</p> <p>FABRICATED PARTS SUPPLIERS:</p> <ol style="list-style-type: none"> 1. There shall be no deviation from the stock size mill thickness as identified on the engineering parts list, notes list or applicable Customer alternate materials lists. 2. Material that has been cut, ground or chemically milled from larger stock thickness shall be rejected unless specifically approved on the purchase order or parts list. Supplier to request an engineering update and Purchase Order change where larger stock sizes are required.



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SUPPLIER REQUIREMENTS FOR BUYER/GOVERNMENT/CUSTOMER PROPERTY MANAGEMENT

Definitions:

Buyer Provided Property is defined as: Buyer, U.S. Government or Customer-owned Special Tooling, Special Test Equipment, Equipment and Material that is:

- a. Currently in the possession of Seller; or
- b. Furnished to Seller under this Contract; or
- c. Acquired or fabricated by Seller under this Contract; or
- d. Deliverable line items shipped in-place for use by Seller on this Contract; or
- e. Items physically removed from Provided Property/Material

This clause does not apply to:

- a. Perishable or Hand Tools
- b. Shop Aids / Manufacturing Aids which are consumed during manufacturing process
- c. Material that has or may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item as defined in FAR 45.101.

1. General Requirements

- a. Seller shall establish and implement plans, systems, and procedures, which are subject to audit by Buyer, to ensure the effective management of Buyer Provided Property in accordance with this clause and FAR 52.245-1. Seller will provide Buyer and U.S. Government (USG) with access to all locations where property accountable to this contract resides, including sub-tiers, for the purpose of said audit.
- b. Seller assumes all risk of loss, destruction or damage of Buyer Provided Property while in Seller's possession, custody or control, including any transfer to Seller's subcontractors.
- c. If Buyer Provided Property is owned by U.S. Government, the terms of the prime contract for which the property is accountable determines liability provisions per FAR 52.245-1. Seller may review the Customer Contract Requirements (CCR) for liability provisions of the accountable prime contract.
- d. Seller agrees Buyer may incorporate Clause E017 (Government Property – Risk of Loss) if:
 - i. Seller does not meet the requirements of this clause, or
 - ii. Seller's property management system is reviewed by the United States Government (USG) and the Government rescinds limitation of liability.



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- e. If Seller's property management system is reviewed by the USG, Seller shall provide Buyer a copy of Seller's US Government system status letter indicating current status of Seller's property-control system and any supporting documentation if applicable. Seller will provide subsequent property system review letters as released to Seller. If Seller's property management system has not been reviewed by the USG, Seller shall provide Buyer with property control procedures for review and approval.
- f. Seller will perform periodic internal reviews, surveillances, self-assessments or audits to assess compliance of Seller's property management system. Seller will notify Buyer in writing of any significant findings or issues that potentially impact or jeopardize the adequacy of Seller's property management system.
- g. Seller will perform periodic reviews, surveillances, assessments or audits to assess compliance of Seller's subcontractors and Seller's alternate locations. Seller will notify Buyer in writing of any significant findings or issues.



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- h. In the event Buyer or Seller identify a significant deficiency or Seller's property management system is rated inadequate by the USG, Seller will submit to Buyer a corrective action plan acceptable to Buyer.
- i. Seller will have adequate security processes and procedures in place to protect Buyer Provided Property and will limit access to authorized personnel.
- j. Seller will include the substance of this clause in all subcontracts at all tiers in which Buyer Provided Property is acquired or furnished.
- k. The Seller's responsibility and liability for Buyer Provided Property extends from the initial acquisition and receipt of property, through stewardship, custody, and use until relieved of responsibility by Buyer in writing.

2. Process Outcome Requirements

A. Acquisition

- 1. Upon submission of the invoice, Seller will submit a property list to Buyer's Authorized Procurement Representative.
- 2. In the event Buyer Provided Property is not delivered to Seller by the dates stated in this Contract or property is received in a condition not suitable for its intended use, Seller will promptly notify Buyer in writing.
 - a. In the event Buyer Provided Property is furnished in an "as-is" condition, any repairs, replacement and/or refurbishment shall be at Seller's expense.

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- 3. Buyer may increase, decrease or substitute the amount of Provided Property, in accordance with the Changes article of this Contract.

B. Receipt

- 1. Seller will perform an inspection for count, condition, verification to shipping documentation and damage promptly upon receipt of Provided Property.
- 2. Seller will notify Buyer in writing when property is received in a condition not suitable for its intended use.
- 3. Seller will promptly notify Buyer's Authorized Procurement Representative upon receipt of Buyer Provided Property and provide the information required by paragraph 2.C.1 of this clause.

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4. Seller will physically mark property as directed by Buyer.
5. Seller will ensure that items delivered to the Department of Defense (DoD) conform to UII requirements.
 - a. Seller will notify Buyer if it receives Government property which does not have a UII marking/label and/or a virtual UII annotated on a DD Form 1149 Requisition and Invoice/Shipping Document when applicable.

C. Records

1. Seller will create property records which contain a complete, current, auditable record of all transactions within a timely manner upon receipt or fabrication. The property records will contain the following:
 - a. The nomenclature, part or tool number, serial number, Manufacturer, model number, and National Stock Number (if available)
 - b. Buyer's Property control number (after such number is provided by Buyer)
 - c. Quantity received (or fabricated), issued, and balance-on-hand
 - d. Unit acquisition cost
 - e. Unique-item identifier or equivalent (if available and necessary for individual item tracking)
 - f. Unit of measure
 - g. Accountable contract number or equivalent code designation, (e.g. purchase contract number).
 - h. Location
 - i. Disposition
 - j. Posting reference and date of transaction
 - k. Date placed in service (if required in accordance with the terms and conditions of the contract)



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2. Seller will manage, safeguard and control property records, artifacts, and documentation in accordance with FAR 4.7 or an industry accepted practice.
3. Seller will immediately notify Buyer's Authorized Procurement Representative in writing if the documentation associated with the Buyer Provided Property does not contain the information in paragraph 2.C.1. The required data elements shall be provided to the Seller.

D. Physical Inventory

1. Seller will conduct a physical inventory of Buyer Provided Property, including property in the possession of Seller's subcontractors and interdivision sites, as directed by Buyer. Seller will be required to perform inventories on an annual or triennial basis.
2. Seller will provide Buyer's Authorized Procurement Representative a written report upon their completion of the physical inventory.

E. Utilization

1. Seller will notify Buyer in writing if replacement and/or capital rehabilitation of Buyer Provided Property is required.
2. Seller will notify Buyer's Authorized Procurement Representative, in writing, of provided property in its possession that is excess to Contract requirements.
3. Seller may not cannibalize Buyer Provided Property without written consent from Buyer's Authorized Procurement Representative.

F. Reports/Data Deliverables

1. Seller will submit periodic reports regarding Seller accountable property, according to the schedule in Attachment (1) of this clause.
2. Reports, documents, inventories and correspondence regarding Buyer Provided Property will contain the information identified in paragraph 2.C.1.



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G. Relief of Stewardship Responsibility and Liability

1. In the event of loss, damage, destruction or theft of Buyer Provided Property, including property at subcontractor and alternate locations, Seller will provide the following information regarding such property to Buyer:
 - a. Date of incident
 - b. The data elements required under paragraph 3.c.1 of this clause.
 - c. Accountable purchase contract number
 - d. A statement indicating current or future need
 - e. Estimated repair or replacement costs.
 - f. All known interests in commingled material of which includes Government material.
 - g. Cause and corrective action taken or to be taken to prevent recurrence.
 - h. A statement reflecting whether the Seller has insurance to cover the incident
 - i. Copies of all supporting documentation (as requested by the Buyer)
 - j. Last known location
 - k. A statement that the property did or did not contain sensitive, export controlled, hazardous, or toxic material, and that the appropriate agencies and authorities were notified
2. Seller will submit any documentation / forms required by Buyer related to the loss, damage, destruction or theft of Buyer property, provide a corrective action acceptable to Buyer for each incident, and provide assistance to resolve and/or participate with investigations required.
3. Seller will dispose of Buyer Provided Property as directed by Buyer or the U.S. Government. Seller will notify Buyer's Authorized Procurement Representative in writing of any such direction by the U.S. Government.

H. Shipment of Buyer Provided Property

1. Seller will promptly comply with Buyer's direction to prepare and ship Buyer Provided Property.
2. Seller will pack Buyer Provided Property to prevent damage and deterioration and will comply with Buyer packaging specifications, if any.



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