SPECIAL PROVISIONS

ARTICLE \_\_\_\_\_\_\_\_\_\_\_, CONTROL OF GOVERNMENT PROPERTY IN THE POSSESSION OF SUPPLIER

1. Pursuant to special contract requirements, Section H, entitled “Government Property” of the Buyer’s Prime Contract, Seller agrees to comply with the provisions of Part 45/245 Defense Acquisition Regulation (DFAR) in effect on the date of the Prime Contract Award.
2. The following relate to the items defined in the purchase order as Government Property. The items may either be provided to the Seller, obtained by the Seller, or fabricated by the Seller to be used in producing the deliverable end product.
3. Upon receipt of Government Property, the Seller shall check the items received to ensure they are the correct items and to identify any damage, defects, or overages/shortages. Testing shall be performed, when applicable, to ensure there are no deficiencies. All deficiencies/discrepancies shall immediately be reported to the Buyer. The Seller shall provide a list of material received or Seller provided that is being utilized and indicate on the list the items that will be used for incorporation into the deliverable product within 90 days of receipt.
4. For material not being incorporated into the deliverable product within 90 days of receipt and for Special Tooling and Special Test Equipment, the Seller’s property control system must provide the following information for each item of Government property:
   1. Contract number or equivalent code designation
   2. Nomenclature or description of the item
   3. Part Number (NSN when known)
   4. Price
   5. Quantity received
   6. Quantity issued
   7. Balance on hand
   8. Posting reference and date of transaction
   9. Location of material
   10. Disposition of material (at completion of deliverable items)
5. The Seller shall establish and maintain a locator system for all Government Property in his possession. The property shall be stored in such a manner as to provide adequate environmental protection and to prevent damage. The necessary preventive maintenance shall be scheduled and performed in order to prevent deterioration and to detect and correct minor discrepancies so that the material is kept in an “as required” condition.
6. Upon completion of work, residual and scrap raw material remaining shall be reported to the Buyer. As the situation occurs, components or equipment that is damaged beyond use shall be reported to the Buyer. When use of Special Tooling or Special Test Equipment is complete, it shall be reported to the Buyer. The Buyer shall provide disposition instructions to the Seller for residual/scrap material, damaged material and Special Tooling or Special Test Equipment.
7. Government Property records shall be retained for three years, or as specified in the purchase order.