

PURCHASE ORDER ATTACHMENT PT-001

PROPERTY IN POSSESSION OF SELLER

I. The provisions of FAR Part 45 (Government Property), as applicable, are hereby incorporated into the Purchase Order. The requirements set forth in this attachment shall not be construed to limit or relieve Seller of any of its obligations set forth or incorporated into Buyer's Purchase Order of which this is a part.

- a. This attachment applies to all property, including but not limited to, production and raw material, Special Tooling, Special Test Equipment, Agency Peculiar Property and Equipment in possession of Seller (and any subcontractor or supplier of Seller at any tier) which is furnished to, acquired by, or fabricated by Seller (or any subcontractor or supplier at any tier), title to which is or becomes vested in the Buyer or the Government. For the purpose of this Purchase Order, such property is referred to as Buyer/Government Property.
- b. In the event the provisions of Buyer's prime contract from the U.S. Government require that title to Special Tooling, Special Test Equipment, Agency Peculiar Property and Equipment shall vest in the Government, title to such property shall vest in the Government upon acquisition by the Seller. Title to such property shall at that time immediately and directly pass to the Government so that title shall not at any time vest in the Buyer.

II. Seller shall maintain a system to ensure the adequate control and protection of Buyer/Government Property. Upon receipt of notification from the Buyer, the Seller shall complete and return within fifteen (15) working days a Property System Certification describing the system that will be used to control Buyer/Government Property. Additionally, the Buyer's Representative may, at its option and at no additional cost to this Purchase Order or the Buyer, conduct surveillance at a reasonable time of the Seller's or the Seller's Subcontractor's Property Control System as the Buyer deems necessary to assure compliance with the Terms and Conditions of Buyer's Purchase Order.

III. Seller shall, commencing with its receipt and during its custody of use of any Buyer/Government Property, accomplish not less than the following:

- a. examine upon receipt to detect damage in transit;
- b. verify the contents of the shipment against the packing sheet as to the completeness and content and return a signed copy promptly to Buyer. If no discrepancy is reported within five (5) working days, the property shall be deemed to have been received in acceptable condition and to be as listed and described on the accompanying packing sheet;
- c. unless otherwise specified, perform functional testing prior to further processing or installation to determine satisfactory operation. If item(s) is/are not suitable for use, Seller is to report immediately to Buyer.
- d. establish and maintain records to satisfy the requirement of FAR 45 and make such records available for review upon Buyer's request;
- e. provide the necessary precautions to guard against damage from handling and

deterioration during storage;

f. perform periodic inspection to assure adequacy of storage conditions; and

g. ensure that Buyer/Government Property is used only for performing this Purchase Order, unless otherwise provided in this order or approved in writing by the cognizant Government Contracting Officer.

IV. As partial fulfillment of the requirements of FAR Part 45, the Seller shall, at no additional cost to this Purchase Order or the Buyer, perform a physical inventory, at no less than a biennial basis, or as detailed in the prime contract, or per the direction of the Buyer, of all Buyer/Government Property in the possession of the Seller. Within sixty (60) days after the completion of the inventory, Seller shall report the results, including all such property located at the facilities of any of Seller's Subcontractor's at any tier, and shall certify to the Buyer the accuracy and completeness of such physical inventory. Seller shall assist Buyer, at no additional cost to this Purchase Order or the Buyer, in resolving all discrepancies related to either Seller's, Seller's Sub-tiers, or Buyer's inventory results.

V. Seller shall not modify, add-on, or replace any Buyer/Government Property without Buyer's written authorization. Any such modification, addition, or replacement made by Seller without such authorization, is the sole responsibility of the Seller and is accomplished at Seller's expense. Modification, addition, or replacement subsequent to the original acquisition or fabrication or property which is necessary in order to reach full-rate capability and/or life expectancy as specifically required under the provisions of the applicable Purchase Order shall be made at no cost to Buyer. Title to any such additional or modified property required for rate capability or life expectancy shall vest in the Government in accordance with the provisions of the applicable Purchase Order relating to title to all additional or modified property.

a. The Seller shall be held accountable and financially liable for loss, damage, or destruction of Buyer/Government Property, except for normal wear and tear. Seller shall immediately report to the Buyer's Purchasing Representative and/or Property Administrator the loss of any Buyer Government Property or any such property found damaged, malfunctioning, destroyed or otherwise unsuitable for use. The Seller shall determine and report the probable cause and all pertinent facts as soon as they become known, and the necessity for withholding such property from use, and corrective action to prevent reoccurrence.

b. Seller agrees, at no additional cost to this Purchase Order or the Buyer, to store and maintain in serviceable condition, including the performance of calibration and preventative maintenance, all Buyer/Government Property in possession of the Seller's or Seller's Sub-tier Suppliers.

VI. Immediately upon termination or completion of this Purchase Order/Contract, the Seller shall perform a physical inventory, adequate for accountability and disposition purposes, and, if Buyer/Government Property is applicable to such terminated or completed Purchase Order/Contract, shall cause its sub-tiers and suppliers at every tier to do likewise.

a. Pursuant to Privity of Contract considerations, the Buyer will coordinate the disposition of Government-Owned Property with the Government on behalf of the Seller. Scrap and excess Government Property is subject to proper Government disposition instructions.

- b. Seller shall execute Buyer's direction for disposition of Raytheon-Owned Property deemed to be scrap and return Buyer's Scrap Warranty. Seller shall also complete Buyer's direction to disposition Raytheon-Owned Excess Property.
- c. Seller shall prepare inventory schedules using Government Inventory Schedule Form 1428 or equivalent of all the Buyer/Government Property in the possession of the Seller, or its subcontractors at any tier. The Inventory Schedule Forms shall be in such detail as acceptable to the Buyer. Pending written disposition instructions by the Buyer, all Buyer/Government Property, at Buyer's option, may remain in Seller's possession and control and shall be maintained in accordance with the provisions referenced in the paragraph entitled "Property Administration" contained in the "Government Property" clause of the General Terms and Conditions of Purchase, Supplement 1, at no additional expense or cost to either the Government or the Buyer.
- d. The responsibility and liability for the decontamination of excess or scrap property shall be based on the following:
 - 1. Government Owned – the Government is responsible for funding the cost to decontaminate any Government Owned Property. The Seller shall negotiate, with the Government to obtain decontamination and removal costs for contaminated property. If the contamination occurs as a "part of doing business", or if contaminant is introduced as part of the Seller's process, the Seller will be responsible for decontamination costs at no cost to the Purchase Order/Contract or Buyer.
 - 2. Raytheon Owned – if the contamination occurs as a "part of doing business," or if contaminant is introduced as part of the Seller's process, the Seller will be responsible for decontamination costs at no cost to the Purchase Order/Contract or Buyer.
 - 3. RTT (if the Government takes title) – the Government is responsible for funding the decontamination for any Government Owned Property. The Seller shall negotiate with the Government to obtain decontamination and removal costs for contaminated property. If the contamination occurs as a "part of doing business", or if contaminant is introduced as part of the Seller's process, the Seller will be responsible for decontamination costs at no cost to the Purchase Order/Contract or Buyer.
 - 4. RTT (if the Government does not take title) – if the contamination occurs as a "part of doing business," or if contaminant is introduced as part of the Seller's process, the Seller will be responsible for decontamination costs at no cost to the Purchase Order/Contract or Buyer.

Definition: RTT (Right to Title): the Government retains title to Government-Owned Special Tooling and option to take title to all Special Tooling subject to FAR Part 45 until such time as title or option to take title is relinquished by the Contracting Officer.

VII. Seller agrees that in placing any Lower-Tier Subcontracts or Purchase Orders under this Purchase Order which involve the use of Buyer/Government Property, Seller shall include appropriate provisions to obtain rights comparable to those granted to Buyer or the Government by the "Government Property" clause contained in the General Terms and Conditions of Purchase, Supplement 1, and this attachment, and agrees that it shall exercise rights for the benefit of the Buyer and the Government, as Buyer may direct.

VIII. If Buyer's Purchase Order authorizes the use of Government-Owned Facilities in the performance of this Purchase Order, Seller is authorized to use the Government-Owned Facilities set forth in the accountability orders listed in the body of this Purchase Order on a no-charge basis; provided, such accountability orders authorize such no-charge use and all conditions and restrictions in such orders are first fully complied with. Any change in the amount of Government-Owned Facilities furnished pursuant to this Purchase Order is subject to the Changes clause of the General Terms and Conditions of Purchase, Supplement 1. Seller agrees that it will not directly or indirectly, through overhead charges or otherwise, include in the price of this Purchase Order, or seek reimbursement under this order for, any rental charge paid by Seller for the use on other contracts of the facilities referred to herein.

END OF DOCUMENT