

PALMDALE - GOVERNMENT PROPERTY CONTROL SPECIAL INSTRUCTION FLOWDOWNS

I. INSTRUCTIONS FOR ACQUIRED PROPERTY

At the time that title of Special Tooling (ST) and Special Test Equipment (STE) is transferred to Buyer, the seller will produce a Vendor Receiving Certificate (VRC) containing the following information for each item:

1. Buyer or manufacturer part number or model
2. Description of item
3. National Stock Number (if applicable)
4. Serial Number
5. Seller's Part Number, if different from Buyer's Part Number
6. Unit Price

Accountability of ST/STE shall be transferred to Buyer's accountability purchase order upon acceptance of a VRC when property is remaining at Seller's facility.

II. MODIFICATION- REPAIR- REPLACEMENT

In the event modification, repair or replacement is required to existing ST/STE controlled under this Purchase Order, the Seller shall submit a written request for Buyer approval containing part number, description and Contractor Internal Control Number (CICN), if applicable, of ST/STE; also, the estimated repair or modification cost.

II. ADDITIONAL ST/STE

In the event additional ST/STE is required, the Seller shall submit a written proposal for Buyer's approval containing the following:

1. Justification
2. Task to be performed
3. Item to be tested, repaired or produced
4. Previous method of accomplishing task
5. Impact on program if not obtained
6. Cost data

II. OBSOLETE OR SCRAP ST/STE

When property is deemed obsolete or in scrap condition, Seller shall request disposition instructions in writing to Buyer stating reason(s) for such conditions.
(FAR 45.607-1, FAR52.245-2 and FAR52.245-5)

PURCHASE ORDER CLAUSES

VENDOR RECEIVING CERTIFICATES

CODE CFA

Vendor Receiving Certificates (VRCs) (Form 109) are being forwarded to you under separate cover. VRCs are used as verification to the Buyer of delivery or retention of items at a location other than the Buyer's facility, as indicated below.

1. Delivery by Seller (primary vendor) to Buyer's secondary vendor

2. Delivery "in-place" by Seller of completed material to be retained at its facility and which Buyer specifically ordered on a purchase order (e.g., bonded stock)
3. Delivery "in-place" by Seller of other items/material/equipment/ etc. to be retained at its facility and which Buyer specifically ordered on a purchase order (e.g., special tooling (ST), special test equipment (STE), plant equipment, etc.)

Seller shall complete all applicable portions of the VRC in accordance with the applicable instructions on the face of the form and those contained herein. Seller shall retain the "Originator's Copy" and forward the other copies as indicated in the applicable instructions below.

Payment to Seller is contingent upon submittal of properly completed VRC/ accompanying documentation to Buyer.

INSTRUCTIONS- TWO OR MORE VENDORS

1. At the time items are shipped to a secondary vendor, the primary vendor shall:
 - A. Complete the appropriate portions of the VRC
 - B. Include the applicable purchase order number
 - C. Provide appropriate details such as part number(s), description, quantity (ies), and, where applicable, serial number(s) and unit price(s) of items being shipped.
 - D. Accomplish necessary inspection requirements, executed by responsible inspector.
 - E. Include the remaining copies of the VRC in the shipment to the secondary vendor, together with the packing sheets and signed bill of lading.
2. The secondary vendor or receiving vendor shall:
 - A. Sign the VRC in the appropriate place, acknowledging receipt of items
 - B. Retain "Receiver's Copy"
 - C. Forward the remaining copies of the VRC to the Buyer's authorized procurement representative or as otherwise instructed

INSTRUCTIONS- TOOLING/TEST EQUIPMENT/ITEMS SHIPPED- IN- PLACE

Upon completion of tools or test equipment, evidence that they satisfy requirements and are adequate for the use intended, and that acceptable parts utilizing said tools or test equipment have been delivered and accepted by the Buyer; or upon completion of other items (e.g., bonded stock) for shipment- in- place (retention at Seller's facility), Seller shall:

1. Complete the appropriate portions of the VRC.
2. Include both the PO number against which the item was ordered and the controlling PO number (e.g., Government Property Control or Bonded Stock, as applicable) to which the property is being transferred for accountability.
3. Include item/tool/test equipment part number (include Buyer's part number if different from Seller's), quantity, nomenclature /description and, as applicable, identified signifying Government property, serial number(s) and unit cost(s).
4. Obtain inspection, as required, and so reflect on the form.

5. For tooling or test equipment, provide the following for each item:
 - A. Certification as indicated on the VRC.
 - B. A photographic record of one (1) photograph (positive print) of three (3) views (i.e., top, side front) with one of the positive prints clearly displaying part number and, if applicable, serial number. Photographic record shall indicate size (i.e., via inclusion of a ruler or other appropriate scale).
6. Forward the remaining copies of the VRC to the Buyer's authorized procurement representative or as otherwise instructed.

INVENTORY CERTIFICATION-BAILED ST/STE

CODE ATN

Seller shall make an annual physical inventory of all Special Tooling (ST) and Test Equipment (STE) bailed by Buyer. Upon request by Buyer, Seller shall execute a certification confirming that its property control system is in compliance with FAR Part or DFARS Part 245 and the implementing contract clauses, as applicable, including appropriate controls and records on acquisition, receiving, storage, movement, consumption, utilization, maintenance and disposition. The certification shall also verify that all ST/STE identified thereon has been physically inventoried and inspected within the past year and determined to be in good operable condition unless otherwise noted.

TOOLING- LOAN TO SELLER

CODE ATD

Above described tooling shall be furnished by Buyer and used by Seller exclusively for the fabrication of parts under Lockheed Martin purchase orders. Seller shall notify Buyer when such tooling is no longer required. These instructions do not apply to separate instructions received by Seller from the Government as to ST and STE to which the Government has title or vested interest or data rights thereto.

**SELLER CONTROLLED TOOLING
LOCKHEED/GOVERNMENT OWNED**

CODE ATR

In acknowledging this notice, Seller shall state whether or not it holds any tools or manufacturing aids belonging to Buyer or U.S. Government used by Seller in the manufacture of the articles canceled by this notice which will not be required by Seller in the manufacture of other articles for Buyer under any open order. Seller shall not ship such tooling or manufacturing aids until instructed to do so by Buyer.

GOVERNMENT PROPERTY

CODE TTA

This purchase order is for the acquisition and/or bailment of Government property.

EXCLUSIVE USE TOOLING

CODE TTD

Seller to retain tooling associated with the purchase order for exclusive use on Buyer requirements and that of its Customer or assignee. Title for such tooling is to remain with the Buyer. Use of tooling other than described above must be authorized in writing by the Buyer.

LOST OR IRREPARABLY DAMAGED ST/STE

CODE TTG

Seller shall immediately notify Buyer in writing of any item of bailed ST/STE on this purchase order which has been lost or irreparably damaged, together with the circumstances surrounding such loss or damage and the measures taken to prevent a recurrence.

GOVERNMENT PROPERTY IDENTIFICATION

CODE TZX

Seller shall provide permanent identification