



PURCHASE ORDER ATTACHMENT QF-7513-001
PROPERTY IN POSSESSION OF SELLER
CONTROL OF JCM/GOVERNMENT-FURNISHED PROPERTY

1. The provisions of **FAR 52.245-1 or FAR 52.245-5**, as applicable and identified in the Purchase Order, are hereby incorporated by reference. The requirements set forth in this attachment shall not be construed to limit or relieve the Seller of any obligations contained in, or incorporated into, the applicable JCM Engineering Corporation Purchase Order, of which this attachment forms a part.
 - a. This attachment applies to all property, including, but not limited to, production material, raw material, Special Tooling, and Special Test Equipment in the possession of the Seller (or any subcontractor or supplier of the Seller at any tier), that is furnished to, acquired by, or fabricated by the Seller (or any subcontractor or supplier at any tier), and to which title is or becomes vested in JCM Engineering Corporation or the U.S. Government. For purposes of this Purchase Order, such property shall be referred to as JCM/Government-furnished property.
 - b. In the event the provisions of JCM Engineering Corporation's prime contract with the U.S. Government require that title to Special Tooling or Special Test Equipment vest in the Government, title to such property shall vest in the Government upon acquisition by the Seller. Title shall immediately and directly pass to the Government and shall not, at any time, vest in JCM Engineering Corporation.
2. The Seller shall establish, implement, and maintain an effective **Property Control System** to ensure the identification, protection, maintenance, preservation, calibration (where applicable), accountability, and control of all **JCM/Government-furnished property**.

The Seller's Property Control System shall comply with all applicable contractual and regulatory requirements and shall be maintained throughout the period during which JCM/Government-furnished property is in the Seller's possession or control.

JCM reserves the right, at any reasonable time and at no additional cost to JCM, to audit or conduct surveillance of the Seller's Property Control System, related records, and facilities to verify compliance with the requirements of this attachment and the applicable Purchase Order.
3. Seller shall, commencing with its receipt and during its custody or use of any JCM/Government-furnished property, accomplish not less than the following:
 - a. Examine the property upon receipt to detect damage incurred during transit.
 - b. Verify the contents of the shipment against the packing sheet for completeness and accuracy. If no discrepancy is reported within five (5) working days, the property shall be deemed to have been received in acceptable condition and as listed on the accompanying packing sheet. The Seller shall immediately notify JCM in writing of any shortages, discrepancies, damage, loss, or nonconforming condition identified during receiving inspection.

- c. Unless otherwise specified, perform functional testing prior to further processing or installation to verify satisfactory operation.
 - d. Establish and maintain complete property records in accordance with applicable FAR requirements and make such records available to JCM upon request.
 - e. Provide the necessary precautions to protect JCM/Government-furnished property from damage due to handling, contamination, corrosion, moisture, Foreign Object Debris (FOD), electrostatic discharge (ESD), where applicable, and deterioration during storage.
 - f. Perform periodic inspections to ensure the adequacy of storage conditions and verify that JCM/Government-furnished property remains properly identified, adequately protected, and free from damage, deterioration, contamination, corrosion, moisture, and Foreign Object Debris (FOD), where applicable.
 - g. Ensure that JCM/Government-furnished property is used only for the performance of this Purchase Order unless otherwise authorized in writing by JCM or approved by the cognizant contracting officer.
 - h. Ensure that personnel responsible for handling JCM/Government-furnished property understand their responsibilities for product conformity, product safety, ethical behavior, and the prevention of property damage or loss.
4. As partial fulfillment of the requirements of the applicable Government Property clause, the Seller shall, at no additional cost to JCM, perform a physical inventory of all JCM/Government-furnished property in its possession at least once every two (2) years, or more frequently if directed by JCM or required by contract.

Within thirty (30) days after completion of the inventory, the Seller shall submit a written inventory report to JCM, including all JCM/Government-furnished property located at the facilities of the Seller's subcontractors or suppliers at any tier, and shall certify the accuracy and completeness of the physical inventory.

The Seller shall assist JCM, at no additional cost, in resolving any discrepancies identified between the Seller's inventory records and JCM's inventory records.

Inventory records shall be retained in accordance with the record retention requirements specified in the applicable JCM Purchase Order.

5. The Seller shall not modify, alter, add to, repair, or replace any JCM/Government-furnished property without the prior written authorization of JCM. Any modification, alteration, addition, repair, or replacement performed without such authorization shall be at the Seller's sole risk and expense.

Modifications, additions, or replacements required after the original acquisition or fabrication of the property to achieve the required production rate capability, serviceability, or life expectancy, as specifically required by the applicable Purchase Order, shall be performed at no additional cost to JCM.

Title to any additional or modified property required to achieve production rate capability or life expectancy shall vest in the Government, when applicable, in accordance with the terms of the applicable Purchase Order.

- a. The Seller shall immediately notify JCM's Purchasing Representative in writing of any loss, theft, damage, malfunction, deterioration, or condition that renders JCM/Government-furnished property unsuitable for its intended use. The Seller shall investigate and report the probable cause of the condition and recommend whether the property should be removed from service pending disposition by JCM.
 - b. The Seller shall, at no additional cost to JCM, properly store, preserve, protect, and maintain all JCM/Government-furnished property in a serviceable condition while in the possession of the Seller or the Seller's subcontractors. Where applicable, the Seller shall perform required calibration, preventive maintenance, and periodic inspections in accordance with applicable specifications and manufacturers' recommendations. Maintenance, calibration, and inspection records shall be maintained and made available to JCM upon request.
6. Immediately upon termination or completion of this purchase order, the Seller shall perform a physical inventory, adequate for accountability and disposition purposes, of all JCM/Government-furnished property applicable to such terminated or completed purchase order and shall cause its subcontracts and suppliers at every tier to do likewise.
 - a. Upon completion of this purchase order, if scrap or excess property in the value of \$100.00 or more results from the use of any JCM/Government furnished property, Seller shall execute JCM's Scrap and Excess Property Warranty Form and return it to the JCM.
 - b. Seller shall ensure all JCM/Government-furnished property is returned clean, properly identified, adequately protected from damage, and accompanied by all applicable inventory documentation.
7. Seller agrees that in placing any lower-tier subcontracts or purchase orders under this purchase order which involve the use of JCM/Government-furnished property, Seller shall include appropriate provisions to obtain rights comparable to those granted to JCM or the Government by the "Government Property" clause contained in the General Terms and Conditions of Purchase, Suppl. 1, and this attachment, and agrees that it shall exercise rights for the benefit of the JCM and the Government, as JCM may direct. Seller shall ensure all applicable requirements of this attachment are flowed down to lower-tier suppliers and periodically verify compliance.
8. Seller shall retain all records associated with JCM/Government-furnished property, including receiving records, inventory records, maintenance records, calibration records, inspection records, repair records, and disposition documentation for a minimum of ten (10) years after completion of the Purchase Order unless otherwise specified by contract.
9. Seller shall establish and maintain a Foreign Object Debris/Damage (FOD) prevention program to prevent contamination or damage to JCM/Government-furnished property during receipt, storage, maintenance, handling, transportation, and use.