

Additional Terms And Conditions
Metamaterials-based Anti-jam GPS Antenna
(Prime Contract No. FA8650-09-C-1641)

All of the additional terms and conditions set forth below are incorporated in and made part of this Purchase Order. Any conflict between any of the conditions contained in this form and those appearing on Northrop Grumman Purchase Order Terms and Conditions shall be resolved in favor of the conditions in this form.

I. Changes to Terms and Conditions

A. The November 1995 version of the DoD FAR Supplement 252.227-7013 clause applies to this Order.

B. The following changes are made to the clause entitled, "FAR and DFARS Provisions/Clauses":

1. Add the following FAR clauses:

52.222-50 COMBATING TRAFFICKING IN PERSONS
52.222-50 COMBATING TRAFFICKING IN PERSONS – ALTERNATE I

2. Add the following DOD FAR Supplement clause:

252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED
OR CONTROLLED BY THE GOVERNMENT OF A
TERRORIST COUNTRY

3. Delete the following FAR clause:

52.245-2 GOVERNMENT PROPERTY (FIXED PRICE CONTRACTS)

II. ADDITIONAL CONDITIONS

1. ACKNOWLEDGEMENT OF SPONSORSHIP

(a) The Subcontractor agrees that in the release of information relating to this order such release shall include a statement to the effect that the project or effort depicted was or is sponsored by the Air Force Research Laboratory (AFRL).

(b) For the purpose of this clause, "information" includes but is not limited to material presented in news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, presentations, meetings, conferences, symposia, etc.

(c) Nothing in the foregoing shall affect compliance with the requirements of the clause (if applicable) of this contract entitled "Security Requirements".

(d) The Subcontractor further agrees to include this provision in any lower-tier subcontracts awarded as a result of this order.

2. 52.245-01 GOVERNMENT PROPERTY (DEVIATION) (JUN 2007)

(a) Definitions. As used in this clause—

“Acquisition cost” means the cost to acquire a tangible capital asset including the purchase price of the asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use

include the cost of placing the asset in location and bringing the asset to a condition necessary for normal or expected use.

“Cannibalize” means to remove serviceable parts from one item of equipment in order to install them on another item of equipment.

“Contractor (or Subcontractor)-acquired property” means property acquired, fabricated, or otherwise provided by the Contractor (or Subcontractor) for performing a contract, and to which the Government has title.

“Contractor (or Subcontractor) inventory” means—

(1) Any property acquired by and in the possession of a Contractor (or subcontractor) under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire contract;

(2) Any property that the Government is obligated or has the option to take over under any type of contract, e.g., as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and

(3) Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.

“Contractor's (or Subcontractor's) managerial personnel” means the Contractor's (or Subcontractor's) directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of—

(1) All or substantially all of the Contractor's (or Subcontractor's) business;

(2) All or substantially all of the Contractor's (or Subcontractor's) operation at any one plant or separate location; or

(3) A separate and complete major industrial operation.

“Demilitarization” means rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used.

“Discrepancies incident to shipment” means any differences (e.g., count or condition) between the items documented to have been shipped and items actually received.

“Equipment” means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

“Government-furnished property” means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor (or Subcontractor) for performance of a contract.

“Government property” means all property owned or leased by the Government. Government property includes both Government-furnished and Contractor (or Subcontractor)-acquired property.

“Material” means property that 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. Material does not include equipment, special tooling and special test equipment.

“Nonseverable” means property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed.

“Precious metals” means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

“Property” means all tangible property, both real and personal.

“Property Administrator” means an authorized representative of the Buyer’s Customer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a Contractor (or Subcontractor).

“Provide” means to furnish, as in Government-furnished property, or to acquire, as in contractor (subcontractor)-acquired property.

“Real property” means land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing personal property.

“Sensitive property” means property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

“Surplus property” means excess personal property not required by any Federal agency as determined by the Administrator of the General Services Administration (GSA).

(b) Property management.

(1) The Subcontractor shall have a system to manage (control, use, preserve, protect, repair and maintain) Government property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, the Subcontractor shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective control of Government property, consistent with voluntary consensus standards and/or industry-leading practices and standards for Government property management except where inconsistent with law or regulation. During the period of performance, the Subcontractor shall disclose any significant changes to their property management system to the Property Administrator prior to implementation.

(2) The Subcontractor's responsibility extends from the initial acquisition and receipt of property, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, disposition, or via a completed investigation, evaluation, and final determination for lost, damaged, destroyed, or stolen property. This requirement applies to all Government property under the Subcontractor's accountability, stewardship, possession or control, including its vendors or lower-tier subcontractors (see paragraph (f)(1)(v) of this clause).

(3) The Subcontractor shall include the requirements of this clause in all lower-tier subcontracts under which Government property is acquired or furnished for subcontract performance.

(c) Use of Government property. The Subcontractor shall use Government property, either furnished or acquired under this order, only for performing this order, unless otherwise provided for in this order or approved by the Buyer. The Subcontractor shall not modify, cannibalize, or make alterations to Government property unless this order specifically identifies the modifications, alterations or improvements as work to be performed.

(d) Government-furnished property.

1) The Government shall deliver to the Contractor the Government-furnished property described in this contract. The Government shall furnish related data and information needed for the intended use of the property. The warranties of suitability of use and timely delivery of Government-furnished property do not apply to property acquired or fabricated by the Contractor

as contractor-acquired property and subsequently transferred to another contract with this Contractor.

2) The delivery and/or performance dates specified in this order are based upon the expectation that the Government-furnished property will be suitable for contract performance and will be delivered to the Subcontractor by the dates stated in the order.

(i) If the property is not delivered to the Subcontractor by the dates stated in the order, the Buyer's Customer shall, upon the Buyer's timely written request, consider an equitable adjustment to the order.

(ii) In the event property is received by the Subcontractor, or for Government-furnished property after receipt and installation, in a condition not suitable for its intended use, the Buyer shall, upon the Subcontractor's timely written request, advise the Subcontractor on a course of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or otherwise disposing of the property at the Government's expense. Upon completion of the required action(s), the Buyer shall consider an equitable adjustment to the order (see also paragraph (f)(1)(ii)(A) of this clause).

(iii) The Government may, at its option, furnish property in an "as-is" condition. The Subcontractor will be given the opportunity to inspect such property prior to the property being provided. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the Subcontractor's expense.

(3)(i) The Buyer's Customer may by written notice, at any time—

(A) Increase or decrease the amount of Government-furnished property under this order;

(B) Substitute other Government-furnished property for the property previously furnished, to be furnished, or to be acquired by the Subcontractor for the Government under this order; or

(C) Withdraw authority to use property.

(ii) Upon completion of any action(s) under paragraph (d)(3)(i) of this clause, and the Subcontractor's timely written request, the Buyer shall consider an equitable adjustment to the order.

(e) Title to Government property.

(1) The Government shall retain title to all Government-furnished property. Title to

Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(2) Fixed-price contracts.

(i) All Government-furnished property and all property acquired by the Subcontractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause.

(ii) Title to each item of equipment, special test equipment and special tooling acquired by the Subcontractor for the Government under this contract shall pass to and vest in the Government when its use in performing this order commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(iii) If this order contains a provision directing the Subcontractor to purchase material for which the Government will reimburse the Subcontractor as a direct item of cost under this order —

(A) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(B) Title to all other material shall pass to and vest in the Government upon—

(1) Issuance of the material for use in contract performance;

(2) Commencement of processing of the material or its use in contract performance; or

(3) Reimbursement of the cost of the material by the Government, whichever occurs first.

(3) Title under Cost-Reimbursement or Time-and-Material Contracts or Cost-Reimbursable contract line items under Fixed-Price contracts.

(i) Title to all property purchased by the Subcontractor for which the Subcontractor is entitled to be reimbursed as a direct item of cost under this order shall pass to and vest in the Government upon the vendor's delivery of such property.

(ii) Title to all other property, the cost of which is reimbursable to the Subcontractor, shall pass to and vest in the Government upon—

(A) Issuance of the property for use in contract performance;

(B) Commencement of processing of the property for use in contract performance; or

(C) Reimbursement of the cost of the property by the Government, whichever occurs first.

(iii) All Government-furnished property and all property acquired by the Subcontractor, title to which vests in the Government under this paragraph (e)(3)(iii) (collectively referred to as "Government property)", are subject to the provisions of this clause.

(f) Subcontractor plans and systems.

(1) Subcontractors shall establish and implement property management plans, systems, and procedures at the contract, program, site or entity level to enable the following outcomes:

(i) Acquisition of Property. The Subcontractor shall document that all property was acquired consistent with its engineering, production planning, and material control operations.

(ii) Receipt of Government Property. The Subcontractor shall receive Government property (document the receipt), record the information necessary to meet the record requirements of paragraph (f)(1)(iii)(A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any discrepancies incident to shipment.

(A) Government-furnished property. The Subcontractor shall furnish a written statement to the Buyer containing all relevant facts, such as cause or condition and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.

(B) Subcontractor-acquired property. The Subcontractor shall take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt, in shipment of Subcontractor-acquired property from a vendor or lower-tier supplier, so as to ensure the proper allocability and allowability of associated costs.

(iii) Records of Government property. The Subcontractor shall create and maintain records of all Government property accountable to the contract, including Government-furnished and Contractor (or Subcontractor)-acquired property.

(A) Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

(1) The name, part number and description, manufacturer, model number, and National Stock Number (if needed for additional item identification tracking and/or disposition).

(2) Quantity received (or fabricated), issued, and balance-on-hand.

(3) Unit acquisition cost.

(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

(5) Unit of measure.

(6) Accountable contract number or equivalent code designation.

(7) Location.

(8) Disposition.

(9) Posting reference and date of transaction.

(10) Date placed in service.

(B) Use of a Receipt and Issue System for Government Material.

When approved by the Property Administrator, the Subcontractor may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.

(iv) Physical inventory. The Subcontractor shall periodically perform, record, and disclose physical inventory results. A final physical inventory shall be performed upon contract completion or termination. The Property Administrator may waive this final inventory requirement, depending on the circumstances (e.g., overall reliability of the Subcontractor's system or the property is to be transferred to a follow-on contract).

(v) Subcontractor control.

(A) The Subcontractor shall award lower-tier subcontracts that clearly identify assets to be provided and shall ensure appropriate flow down of contract terms and conditions (e.g., extent of liability for loss, damage, destruction or theft of Government property).

(B) The Subcontractor shall assure its lower-tier subcontracts are properly administered and reviews are periodically performed to determine the adequacy of the lower-tier subcontractor's property management system.

(vi) Reports. The Subcontractor shall have a process to create and provide reports of discrepancies; loss, damage, destruction, or theft; physical inventory results; audits and self assessments; corrective actions; and other property related reports as directed by the Buyer.

(A) Loss, damage, destruction, or theft. Unless otherwise directed by the Buyer, the Subcontractor shall investigate and promptly furnish a written narrative of all incidents of loss, damage, destruction, or theft to the Buyer as soon as the facts become known or when requested by the Government.

(B) Such reports shall, at a minimum, contain the following information:

- (1) Date of incident (if known).
- (2) The name, commercial description, manufacturer, model number, and National Stock Number (if applicable).
- (3) Quantity.
- (4) Unique Item Identifier (if available).
- (5) Accountable Contract number.
- (6) A statement indicating current or future need.
- (7) Acquisition cost, or if applicable, estimated scrap proceeds, estimated repair or replacement costs.
- (8) All known interests in commingled property of which the Government property is a part.
- (9) Cause and corrective action taken or to be taken to prevent recurrence.
- (10) A statement that the Government will receive any reimbursement covering the loss, damage, destruction, or theft, in the event the Subcontractor was or will be reimbursed or compensated.
- (11) Copies of all supporting documentation.
- (12) Last known location.
- (13) A statement that the property did or did not contain sensitive or hazardous material, and if so, that the appropriate agencies were notified.

(vii) Relief of stewardship responsibility. Unless the order provides otherwise, the Subcontractor shall be relieved of stewardship responsibility for Government property when such property is—

(A) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the order, including reasonable inventory adjustments of material as determined by the Buyer; or a Buyer granted relief of responsibility for loss, damage, destruction or theft of Government property;

(B) Delivered or shipped from the Subcontractor's plant, under Government instructions, except when shipment is to a lower-tier subcontractor or other location of the Subcontractor; or

(C) Disposed of in accordance with paragraphs (j) and (k) of this clause.

(viii) Utilizing Government property.

(A) The Subcontractor shall utilize, consume, move, and store Government Property only as authorized under this order. The Subcontractor shall promptly disclose and report Government property in its possession that is excess to contract performance.

(B) Unless otherwise authorized in this order or by the Buyer the Subcontractor shall not commingle Government property with property not owned by the Government.

(ix) Maintenance. The Subcontractor shall properly maintain Government property. The Subcontractor's maintenance program shall enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Subcontractor shall disclose and report to the Buyer the need for replacement and/or capital rehabilitation.

(x) Property closeout. The Subcontractor shall promptly perform and report to the Buyer contract property closeout, to include reporting, investigating and securing closure of all loss, damage, destruction, or theft cases; physically inventorying all property upon termination or completion of this order; and disposing of items at the time they are determined to be excess to contractual needs.

(2) The Subcontractor shall establish and maintain Government accounting source data, as may be required by this order, particularly in the areas of recognition of acquisitions and dispositions of material and equipment.

(3) The Subcontractor shall establish and maintain procedures necessary to assess its property management system effectiveness, and shall perform periodic internal reviews and audits.

Significant findings and/or results of such reviews and audits pertaining to Government property shall be made available to the Buyer.

(g) Systems analysis.

(1) The Government shall have access to the Subcontractor's premises and all Government property, at reasonable times, for the purposes of reviewing, inspecting and evaluating the Subcontractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(2) Records of Government property shall be readily available to authorized Government personnel and shall be safeguarded from tampering or destruction.

(3) Should it be determined by the Government that the Subcontractor's property management practices are inadequate or not acceptable for the effective management and/or control of Government property under this contract, and/or present an undue risk to the Government, the Subcontractor shall immediately take all necessary corrective actions as directed by the Buyer.

(4) The Subcontractor shall ensure Government access to lower-tier subcontractor premises, and all Government property located at lower-tier subcontractor premises, for the purposes of reviewing, inspecting and evaluating the Subcontractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(h) Subcontractor Liability for Government Property.

(1) Unless otherwise provided for in the order, the Subcontractor shall not be liable for loss, damage, destruction, or theft to the Government property furnished or acquired under this order, except when any one of the following applies—

(i) The risk is covered by insurance or the Subcontractor is otherwise reimbursed (to the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in accordance with 31.205-19.

(ii) The loss, damage, destruction, or theft is the result of willful misconduct or lack of good faith on the part of the Subcontractor's managerial personnel. Subcontractor's managerial personnel, in this clause, means the Subcontractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of all or substantially all of the Subcontractor's business; all or substantially all of the Subcontractor's operation at any one plant or separate location; or a separate and complete major industrial operation.

(iii) The Buyer's Customer has, in writing, revoked the Government's assumption of risk for loss, damage, destruction, or theft, due to a determination under paragraph (g) of this clause that the Subcontractor's property management practices are inadequate, and/or present an undue risk to the Government, and the Subcontractor failed to take timely corrective

action. If the Subcontractor can establish by clear and convincing evidence that the loss, damage, destruction, or theft of Government property occurred while the Subcontractor had adequate property management practices or the loss, damage, destruction, or theft of Government property did not result from the Subcontractor's failure to maintain adequate property management practices, the Subcontractor shall not be held liable.

(2) The Subcontractor shall take all reasonable actions necessary to protect the Government property from further loss, damage, destruction, or theft. The Subcontractor shall separate the damaged and undamaged Government property, place all the affected Government property in the best possible order, and take such other action as the Buyer directs.

(3) The Subcontractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss, damage, destruction, or theft of Government property.

(4) Upon the request of the Buyer's Customer, the Subcontractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation, including the prosecution of suit and the execution of instruments of assignment in favor of the Government in obtaining recovery.

(i) Equitable adjustment. Equitable adjustments under this clause shall be made in accordance with the procedures of the Changes clause. The right to an equitable adjustment shall be the Subcontractor's exclusive remedy and the Government shall not be liable to suit for breach of contract for the following:

(1) Any delay in delivery of Government-furnished property.

(2) Delivery of Government-furnished property in a condition not suitable for its intended use.

(3) An increase, decrease, or substitution of Government-furnished property.

(4) Failure to repair or replace Government property for which the Government is responsible.

(j) Subcontractor inventory disposal. Except as otherwise provided for in this order, the Subcontractor shall not dispose of Subcontractor inventory until authorized to do so by the Plant Clearance Officer.

(1) Scrap to which the Government has obtained title under paragraph (e) of this clause.

(i) Subcontractor with an approved scrap procedure.

(A) The Subcontractor may dispose of scrap resulting from production or testing under this order without Government approval. However, if the scrap requires

demilitarization or is sensitive property, the Subcontractor shall submit the scrap on an inventory disposal schedule.

(B) For scrap from other than production or testing the Subcontractor may prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the approved scrap procedures), except that inventory disposal schedules shall be submitted for scrap aircraft or aircraft parts and scrap that—

- (1) Requires demilitarization;
- (2) Is a classified item;
- (3) Is generated from classified items;
- (4) Contains hazardous materials or hazardous wastes;
- (5) Contains precious metals; or
- (6) Is dangerous to the public health, safety, or welfare.

(ii) Subcontractor without an approved scrap procedure. The Subcontractor shall submit an inventory disposal schedule for all scrap. The Subcontractor may not dispose of scrap resulting from production or testing under this contract without Government approval.

(2) Predisposal requirements.

(i) Once the Subcontractor determines that Subcontractor-acquired property is no longer needed for contract performance, the Subcontractor in the following order of priority—

(A) May contact the Buyer if use of the property in the performance of other Government contracts is practical;

(B) May purchase the property at the acquisition cost; or

(C) Shall make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable, a reasonable restocking fee that is consistent with the supplier's customary practices).

(ii) The Subcontractor shall list, on Standard Form 1428, Inventory Disposal Schedule, property that was not used in the performance of other Government contracts under paragraph (j)(2)(i)(A) of this clause, property that was not purchased under paragraph (j)(2)(i)(B) of this clause, and property that could not be returned to a supplier under paragraph (j)(2)(i)(C) of this clause.

(3) Inventory disposal schedules.

(i) The Subcontractor shall use Standard Form 1428, Inventory Disposal Schedule, to identify—

(A) Government-furnished property that is no longer required for performance of this contract, provided the terms of another Government contract do not require the Government to furnish that property for performance of this contract;

(B) Subcontractor-acquired property, to which the Government has obtained title under paragraph (e) of this clause, which is no longer required for performance of that contract; and

(C) Termination inventory.

(ii) The Subcontractor may annotate inventory disposal schedules to identify property the Subcontractor wishes to purchase from the Government.

(iii) Unless the Plant Clearance Officer has agreed otherwise, or the contract requires electronic submission of inventory disposal schedules, the Subcontractor shall prepare separate inventory disposal schedules for—

(A) Special test equipment with commercial components;

(B) Special test equipment without commercial components;

(C) Printing equipment;

(D) Information technology (e.g., computers, computer components, peripheral equipment, and related equipment);

(E) Precious metals;

(F) Mononuclear hazardous materials or hazardous wastes; or

(G) Nuclear materials or nuclear wastes.

(iv) The Subcontractor shall describe the property in sufficient detail to permit an understanding of its intended use. Property with the same description, condition code, and reporting location may be grouped in a single line item.

(4) Submission requirements. The Subcontractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than—

(i) 30-days following the Subcontractor's determination that a Government property item is no longer required for performance of this contract;

(ii) 60 days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(iii) 120 days, or such longer period as may be approved by the Termination Contracting Officer following contract termination in whole or in part.

(5) Corrections. The Plant Clearance Officer may—

(i) Reject a schedule for cause (e.g., contains errors, determined to be inaccurate); and

(ii) Require the Subcontractor to correct an inventory disposal schedule.

(6) Postsubmission adjustments. The Subcontractor shall notify the Plant Clearance Officer at least 10 working days in advance of its intent to remove an item from an approved inventory disposal schedule. Upon approval of the Plant Clearance Officer, or upon expiration of the notice period, the Subcontractor may make the necessary adjustments to the inventory schedule.

(7) Storage.

(i) The Subcontractor shall store the property identified on an inventory disposal schedule pending receipt of disposal instructions. The Government's failure to furnish disposal instructions within 120 days following acceptance of an inventory disposal schedule may entitle the Subcontractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Subcontractor shall obtain the Plant Clearance Officer's approval to remove Government property from the premises where the property is currently located prior to receipt of final disposition instructions. If approval is granted, any costs incurred by the Subcontractor to transport or store the property shall not increase the price or fee of any Government contract. The storage facility shall be appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve the Subcontractor of any liability for such property under this order.

(8) Disposition instructions.

(i) If the Government does not furnish disposition instructions to the Subcontractor within 45 days following acceptance of a scrap list, the Subcontractor may dispose of the listed scrap in accordance with the Subcontractor's approved scrap procedures.

(ii) The Subcontractor shall prepare for shipment, deliver F.O.B. Origin, or dispose of Subcontractor inventory as directed by the Plant Clearance Officer. If not returned to the Government, the Subcontractor shall remove and destroy any markings identifying the property as U.S. Government-owned property prior to its disposal.

(iii) The Buyer's Customer may require the Buyer to demilitarize the property prior to shipment or disposal. In such cases, the Subcontractor may be entitled to an equitable adjustment under paragraph (i) of this clause.

(9) Disposal proceeds. As directed by the Buyer's Customer, the Subcontractor shall credit the net proceeds from the disposal of Subcontractor inventory to the order, or to the Treasury of the United States as miscellaneous receipts.

(10) Lower-tier subcontractor inventory disposal schedules. The Subcontractor shall require its lower-tier subcontractors to submit inventory disposal schedules to the Subcontractor in accordance with the requirements of paragraph (j)(4) of this clause.

(k) Abandonment of Government property.

(1) The Government shall not abandon sensitive Government property or termination inventory without the Subcontractor's written consent.

(2) The Government, upon notice to the Subcontractor, may abandon any non-sensitive Government property in place, at which time all obligations of the Government regarding such property shall cease.

(3) The Government has no obligation to restore or rehabilitate the Subcontractor's premises under any circumstances; however, if Government-furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (i) of this clause may properly include restoration or rehabilitation costs.

(l) Communication. All communications under this clause shall be in writing.

(m) Contracts outside the United States. If this contract is to be performed outside of the United States and its outlying areas, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

3. COMPLIANCE WITH PREFERENCE FOR DOMESTIC SPECIALTY METALS CLAUSE

Seller shall comply with DFARS 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (DEVIATION) (JUN 2005) which applies to this order and shall include DFARS 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (DEVIATION) (JUN 2005) in all lower tier subcontracts and purchase orders. Seller and its lower-tier Suppliers must deliver hardware that is compliant with this order.

252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS

(DEVIATION) (JUN 2005)

(a) Definitions. As used in this clause-

(1) "Produce" means the application of forces or processes to a specialty metal to create desired physical properties through quenching or tempering of steel plate, or gas atomization or sputtering of titanium.

(2) "Specialty metals" means any of the following:

(i) Steel--

(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, molybdenum, nickel, niobium (columbium), titanium, tungsten, or vanadium;

(ii) Metal alloys consisting of

(A) Nickel or iron-nickel alloys that contain a total of alloying metals or other than nickel and iron in excess of 10 percent; or

(B) Cobalt alloys that contain a total of alloying metals other than cobalt and iron in excess of 10 percent;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium alloys.

(b) Any specialty metal delivered under this contract shall be melted or produced in the United States or its outlying areas.

4. 5352.235-9001 KEY POSITIONS AND MINIMUM QUALIFICATIONS (AFMC) (JUL 1997) (TAILORED)

(a) Subcontractor personnel holding the position titles and having the qualifications listed below are considered essential to the work being performed under this order:

Key Positions:	Minimum Qualifications:
(list by job title)	(list minimum qualifications in terms of education and/or experience)

Those individuals identified in paragraph 2.4 of the contractor's "Metamaterial-based Anti-jam GPS Antenna" Technical/Management Proposal dated 15 May 2009

Dr. David R. Smith Duke University
Dr. Anthony Starr SensorMetrix
Mr. Ronald Rudish EDO/AIL-Systems

(b) The Subcontractor shall notify the Buyer before the departure of any individual in a key position and identify the proposed substitution. Any proposed personnel substitution that does not meet the minimum qualification requirements described above requires the prior written approval of the Buyer.

5. TERMS AND CONDITIONS ARE SUBJECT TO CHANGE

Subcontractor understands and agrees that the terms and conditions contained herein are subject to change as a result of definitization of the prime contract. Subcontractor agrees to negotiate same with the Buyer promptly and in good faith.