**[*Insert* COMPANY XYZ]**

**PURCHASE ORDER TERMS AND CONDITIONS**

**(PROPERTY MANAGEMENT)**

1. **TITLE**.
   1. The Buyer, Buyer’s Customer or the U.S. Government (referred to herein as “Customer”) shall retain title to all Customer furnished property, as applicable.
   2. Title vests in the Customer for all property acquired or fabricated by the Seller in accordance with the financing provisions or other specific requirements for passage of title in this Order. In the absence of financing provisions or other specific requirements for passage of title in the Order, title to all property purchased by Seller, for which Seller is entitled to be reimbursed as a direct item in a deliverable line item in this Order, shall pass to and vest in the Customer upon Seller’s delivery of such property; and.
   3. Title to all other property, the cost of which is reimbursable to Seller, shall pass to and vest in the Customer upon: 
      1. Issuance of property for use in performance of this Order; or
      2. Commencement of, processing of, or the use of property in performance of this Order; or
      3. Reimbursement of the cost of the property by Buyer, whichever occurs first
   4. Title to Customer furnished property shall not be affected by its incorporation into or attachment to any property not owned by Customer.
2. **PROCESSES AND PROCEDURES**

Seller shall establish and maintain property processes and procedures to control, use, inventory, and protect property in its possession in accordance with FAR 52.245-1 and shall notify Buyer of any significant procedural changes that materially impact control of customer property under this purchase order. Seller shall make property management plan or procedures available for review by Buyer personnel as required to perform routine audit, assessment, review, or surveillance of the Buyer’s property management system.

1. **OVERSIGHT**

Seller will designate a point of contact that enables communication for matters of property management, as required. Buyer conducts a risk assessment to determine oversight level which may include: Adequacy of Seller’s documented property plan, procedures or self-assessments (Seller shall make such documents available for review if requested); Seller/Buyer history; Seller’s Property Management System reviews; and Seller’s ability to provide Buyer timely and accurate inventory and property reports.

1. **SPECIAL TOOLING, SPECIAL TEST EQUIPMENT AND EQUIPMENT**

Any special tooling, special test equipment, or equipment to be acquired/fabricated in the performance of or charged to this order, which is not contained in the contract, purchase order, or statement of work, will be brought to the Buyer’s immediate attention and as required, may be covered by a separate Order, and will become accountable property at such time. Seller shall not modify any Buyer or Customer property without written approval from the Buyer. Any authorized acquisitions of special tooling, special test equipment, or equipment must be identified and recorded upon receipt and reported to the Buyer, in writing, as directed in the contract/purchase order. Seller is responsible for scheduled maintenance and calibration in accordance with manufacturer specifications, unless otherwise specified below or in the purchase order.

1. **RECORDS**

Seller shall have an acceptable system to enter all required data elements for property accountability in accordance with FAR 52.245-1. Any additional required elements will be identified in the purchase order.

1. **IDENTIFICATION AND TAGGING**

Seller shall ensure proper identification/ tagging for ownership and control purposes in accordance with FAR 52.245-1. Buyer shall provide any additional identification requirements below.

1. **EXCESS AND RESIDUAL PROPERTY**

Seller shall report to the Buyer any excess property no longer required for performance on contracts/purchase orders with the Buyer. Seller shall retain all excess or residual property intact pending disposition instructions from the Buyer and shall be accountable and responsible for the property until final disposition is concluded or other arrangements are negotiated. Seller shall be responsible for carrying out the disposition instructions provided. Property may not be used for other Seller activities unless authorization has been received from the Buyer.

1. **REPORTING**

The Seller shall have a process to create and provide to Buyer, on request, the following reports related to property:

* 1. Discrepancies incident to shipment and receipt;
  2. Periodic physical inventory of property on hand reports and related discrepancies to be submitted in accordance with Seller’s procedures;
  3. U.S. Government written notification of System Adequacy (summary of findings) or Inadequacy System Rating and Corrective Actions, if applicable;
  4. Listings of excess property (Buyer will provide template when required);
  5. Any specific reports as identified in the contract;
  6. If a Loss report is required for Customer property, the Buyer shall be notified in writing within a reasonable period of time with a preliminary report or as soon as the facts become known, a formal Loss report will be submitted to the Buyer in accordance with FAR 52.245-1 (1)(vi)(B);
  7. IUID reporting requirements to the Buyer as specified in the Order

1. **ACCESS**

The Buyer shall have the right, at all reasonable times, to visit the Seller’s premises, for the purpose of verification or determining continued adequacy of the Seller’s Property Management System. Buyer shall provide prior written notice before scheduling any visit.

**NOTE: RISK OF LOSS IS ADDRESSED ON A SEPARATE TERMS AND CONDITIONS FORM OR SPECIFIED IN THE PURCHASE ORDER.**

1. **Additional Buyer Requirements**

Requirements specific to this purchase order are identified below. \**If related to any of the above, please note #. Examples:*

*[6a. Seller will maintain a cross reference listing of Buyer identification numbers provided to Seller, price may be negotiated.]*

*[8a. Quarterly reports to be submitted of property on hand on the 5th day of the following month, price may be negotiated]* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Revision History**

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| **Date** | **Version** | **Change** | **Reason** |
| **7/26/2013** | **1.0.0** |  | **Initial Release** |
| **4/20/2015** | **1.0.1** | **Added risk assessment** | **Minor edits for clarification** |
| **6/17/2015** | **1.0.2** | **Added Revision History and Disclaimer** | **Required** |
| **7/12/16** | **1.0.3** | **Changed AIA to NDIA** | **Committee under NDIA umbrella** |

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