

CUSTOMER CONTRACT REQUIREMENTS
F-22 Lot 3
CUSTOMER CONTRACT F33657-01-C-2095

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below. If this contract is for the procurement of commercial items under a Government prime contract, as defined in FAR Part 2.101, see Section 3 below.

1. The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller.

52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995). This clause applies only if this contract exceeds \$100,000.

52.203-7 Anti-Kickback Procedures (excluding subparagraph (c)(1)) (JUL 1995). Buyer may withhold sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract. This clause applies only if this contract exceeds \$100,000.

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991). By signing and returning its solicitation response, Seller is executing the certification included in this clause. The certification required by this clause applies only if this contract exceeds \$100,000.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 1997). This clause applies only if this Contract exceeds \$100,000. Paragraph (c)(4) is modified to read as follows: "(c)(4) Seller will promptly submit any disclosure required (with written notice to Boeing) directly to the PCO for the prime contract. Boeing will identify the cognizant Government PCO at Seller's request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor.

52.204-2 Security Requirements (AUG 1996). "Changes clause" means the changes clause of this contract. This clause applies only if access to classified material is required.

52.211-5 Material Requirements (AUG 2000). Any notice will be given to Buyer rather than the Contracting Officer.

52.211-15 Defense Priority and Allocation Requirements (SEP 1990). This clause is applicable if a priority rating is noted in this contract.

52.215-2 Audit and Records - Negotiation (JUN 1999). This clause applies only if this contract exceeds \$100,000 and (i) is cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these types: (ii) Seller was required to provide cost or pricing data, or (iii) Seller is required to furnish reports as discussed in paragraph (e) of the referenced clause.

52.215-10 Price Reduction For Defective Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds \$550,000 and is not otherwise exempt. In subparagraph (3) of paragraph (a), insert "of this contract" after "price or cost." In Paragraph (c), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Paragraphs (c)(1), (c)(1)(ii), and (c)(2)(i), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Subparagraph (c)(2)(i)(A), delete "to the Contracting Officer." In Subparagraph (c)(2)(ii)(B), "Government" shall mean "Government or Buyer." In Paragraph (d), "United States" shall mean "United States or Buyer."

52.215-12 Subcontractor Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds \$550,000 and is not otherwise exempt. The certificate required by paragraph (b) of the referenced clause shall be modified as follows: delete "to the Contracting Officer or the Contracting Officer's representative" and substitute in lieu thereof "The Boeing Company or any of its wholly owned subsidiaries."

52.215-14 Integrity of Unit Prices (excluding subparagraph (b)) (OCT 1997). This clause applies except for contracts at or below \$100,000; construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; commercial items; and petroleum products.

52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB) (OCT 1997). This Clause applies to this contract if it meets the requirements of FAR 15.408(j).

52.219-8 Utilization of Small Business Concerns (OCT 2000).

52.219-9 Small Business Subcontracting Plan (JAN 2002). In paragraph (c), "Contracting Officer" shall mean Buyer. This clause applies only if this contract exceeds \$500,000. and Seller is not a small business concern.

52.222-1 Notice to Government of Labor Disputes (FEB 1997). "Contracting Officer" shall mean Buyer.

52.222-20 Walsh-Healy Public Contracts Act (DEC 1996). This clause applies only if this contract exceeds \$10,000.

52.222-21 Prohibition of Segregated Facilities (FEB 1999).

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)) (FEB 1999).

52.222-35 Equal Opportunity for Special Disabled, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds \$25,000.

52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998). This clause applies only if this contract exceeds \$ 10,000.

52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds \$25,000.

52.223-3 Hazardous Material Identification and Material Safety Data (SEP 2002). This clause applies only if Seller delivers hazardous material under this contract.

52.225-8 Duty-free Entry (FEB 2000). This clause applies only if this contract identifies supplies to be afforded duty-free entry or if foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States. For the purposes of this clause, the blanks in paragraph (g)(3) are completed as follows: UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE, Duty-free entry is claimed pursuant Section XXII, Chapter 98, Subchapter VIII, Item No. 9808.00.30 of the Harmonized Tariff Schedule of the United States. Upon arrival of shipment at port of entry, the importer or authorized agent will notify Commander, Defense Contract Management Area Operations (DCMAO, New York, 201 Varick Street, New York, New York, 10014-4811, Attention DCRN-NCT) for execution of Customs Forms 7501, 7501-A, or 7506 and required duty free entry certificates.

52.227-1 Authorization and Consent (JUL 1995).

52.227-1 Alternate I (APR 1984).

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996). A copy of each notice sent to the Government will be sent to Buyer. "Contracting Officer" shall mean "Buyer". This clause applies only if this contract exceeds \$100,000.

52.227-10 Filing of Patent Applications - Classified Subject Matter (APR 1984). This clause applies only if this contract will involve access to classified information.

52.227-12 Patent Rights - Retention by the Contractor (Long Form) (JAN 1997). This clause only applies if this Contract is for experimental, developmental, or research work and Seller is other than a small business firm or nonprofit organization.

52.230-6 Administration of Cost Accounting Standards (NOV 1999). Add "Buyer and the" before "Contracting Officer in paragraph (f). This provision applies if Clause H001, H002 or H004 is included in Buyer's contract.

52.242-15 Stop Work Order (AUG 1989). Change "90 days" and "30 days" to "100 days" and "20 days" respectively. The terms "Contracting Officer" and "Government" shall mean Buyer.

52.244-5 Competition in Subcontracting (DEC 1996)

52.244-6 Subcontracts for Commercial Items (MAY 2002)

52.245-2 Government Property (Fixed Price Contracts) (DEC 1989). This clause is not applicable if this contract incorporates Form GP4. "Government" shall mean Government throughout except the first time it appears in paragraph (f) when "Government" shall mean the Government or the Buyer.

52.247-63 Preference for U.S.-Flag Air Carriers (JAN 1997). This clause only applies if this contract involves international air transportation.

52.248-1 Value Engineering (excluding subparagraph (f)) (FEB 2000). The term "Contracting Officer" means Buyer. This clause applies only if this contract is for \$100,000 or more. If Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant, concurrent and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of the net acquisition savings and collateral savings shall not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.

2. The following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller except as otherwise noted.

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies (excluding paragraph (g)) (MAR 1999). This clause applies only if this contract exceeds \$100,000 and does not apply to the purchase of commercial items or commercial components. "Contractor" and "contract" are not changed in paragraphs (a) and (b). In paragraph (e), "Government" shall mean Government or Buyer. In paragraph (f), "through the Buyer" is inserted after "Contracting Officer".

252.204-7000 Disclosure of Information (DEC 1991). Seller will submit requests for authorization to release through Buyer.

252.209-7000 Acquisition From Subcontractors Subject to On-site Inspection Under the Intermediate-Range Nuclear Forces Treaty (NOV 1995). This clause applies only if this contract exceeds \$100,000 and does not apply to the purchase of commercial items or commercial components.

252.211-7000 Acquisition Streamlining (DEC 1991). This clause applies only if this contract exceeds \$1 million.

252.215-7000 Pricing Adjustments (DEC 1991). This clause applies only if this contract exceeds \$500,000.

252.223-7001 Hazard Warning Labels (DEC 1991). This clause applies only if Seller delivers hazardous material under this contract.

252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (SEP 1999).

252.225-7002 Qualifying Country Sources as Subcontractors (DEC 1991)

252.225-7009 Duty-free Entry — Qualifying Country Supplies (End Products and Components) (AUG 2000).

252.225-7010 Duty-free Entry — Additional Provisions (AUG 2000). This clause applies in addition to FAR 52.225-10. The required information will be provided upon request.

252.225-7012 Preference for Certain Domestic Commodities (APR 2002).

252.225-7014 Preference for Domestic Specialty Metals (MAR 1998), Alternate I (MAR 1998).

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (DEC 2000). This clause does not apply to the purchase of commercial items other than ball or roller bearings or to items which contain no ball or roller bearings.

252.225-7032 Waiver of United Kingdom Levies (OCT 1992). This clause applies if this contract is over \$1,000,000 and is with an United Kingdom firm.

252.227-7013 Rights in Technical Data - Noncommercial Items (NOV 1995). This clause applies only if the delivery of data is required for noncommercial items under this contract.

252.227-7018 Rights in Noncommercial Technical Data and Computer Software - Small Business Innovation Research (SBIR) Program (JUN 1995). This clause applies only if the delivery of noncommercial technical data or computer software to the Government is required under Buyer's prime contract.

252.231-7000 Supplemental Cost Principles (DEC 1991)

252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services (DEC 1991). This clause applies only if this contract requires securing telecommunications.

252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (MAR 2000).

252.245-7001 Reports of Government Property (MAY 1994). Seller will provide information that the Buyer may require to complete Buyer's annual report.

252.246-7001 Warranty of Data (DEC 1991). The warranty period in paragraph (b) is three years from the Government's acceptance of the final items of data under this contract. "Government" and "Contracting Officer" shall mean Buyer.

252.247-7023 Transportation of Supplies by Sea (MAY 2002). This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), "45 days" is changed to "60 days." In paragraph (g) "Government" means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000). "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" mean Buyer. This clause applies only if the supplies being transported are noncommercial items or commercial items that (i) Seller is reselling or distributing to the Government without adding value (generally, Seller does not add value to items that it contracts for f.o.b. destination shipment); (ii) are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or (iii) are commissary or exchange cargoes transported outside the Defense Transportation System in accordance with 10 U.S.C. 2643.

252.249-7002 Notification of Anticipated Contract Terminations or Reduction (DEC 1996). This clause applies only if this contract is \$500,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

252.251-7000 Ordering From Government Supply Sources (MAY 1995). This clause applies only if Seller is notified by Buyer that Seller is authorized to purchase from Government supply sources in the performance of this contract.

3. If goods or services being procured under this contract are commercial items and Clause H203 is set forth in the purchase order, the foregoing Government clauses in Sections 1 and 2 above are deleted and the following FAR/DFARS clauses are inserted in lieu thereof:

52.219-8 Utilization of Small Business Concerns (OCT 2000). Include in all subcontracts that offer further subcontracting opportunities. If a subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), Seller and any lower tier subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)) (FEB 1999).

52.222-35 Equal Opportunity for Special Disabled, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds \$25,000.

52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998). This clause applies only if this contract exceeds \$ 10,000.

252.225-7014, Preference for Domestic Specialty Metals (MAR 1998), Alternate I (MAR 1998).

252.247-7023 Transportation of Supplies by Sea (MAY 2002). This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), "45 days" is changed to "60 days." In paragraph (g) "Government" means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000). "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" mean Buyer. This clause applies only if the supplies being transported are noncommercial items or commercial items that (i) Seller is reselling or distributing to the Government without adding value (generally, Seller does not add value to items that it contracts for f.o.b. destination shipment); (ii) are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or (iii) are commissary or exchange cargoes transported outside the Defense Transportation System in accordance with 10 U.S.C. 2643.

4. Cost Accounting Standards

(1) (Applicable if this contract incorporates clause H001). The version of FAR 52.230-2, Cost Accounting Standards, incorporated by clause H001 is the version dated April 1998.

(2) (Applicable if this contract incorporates clause H002). The version of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, incorporated by clause H002 is the version dated April 1998.

(3) (Applicable if this contract incorporates clause H004). The version of FAR 52.230-5, Cost Accounting Standards – Educational Institution, incorporated by clause H004 is the version dated April 1998.

5. The following prime contract special provisions apply to this purchase order:

A. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

Seller shall provide immediate notice to Buyer in the event of being debarred suspended, or proposed for debarment by any Federal Agency during the performance of this Contract.

B. EXPORT CONTROLLED DATA RESTRICTIONS

(1) For the purpose of this clause,

(A) Foreign person is any person who is not a citizen of the U.S. or lawfully admitted to the U.S. for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, foreign organizations, and foreign governments;

(B) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation, or person; and

(C) Foreign sources are those sources (vendors, subcontractors, and suppliers) owned and controlled by a foreign person.

(2) Seller shall place a clause in subcontracts containing appropriate export control restrictions, set forth in this clause.

(3) Nothing in this clause waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export-controlled data and information.

(4) Equipment and technical data generated or delivered in the performance of this contract are controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128. An export license is required before assigning any foreign source to perform work under this contract or before granting access to foreign persons to any equipment and technical data generated or delivered during performance (see 22 CFR Section 125). Seller shall notify Buyer and obtain the written approval of Buyer prior to assigning or granting access to any work, equipment, or technical data generated or delivered in the performance of this contract to foreign persons or their representatives. This notification shall include the name and country of origin of the foreign person or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign person is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

C. FOREIGN NATIONALS - FOREIGN SOURCES

(1) For the purposes of this clause,

(A) Foreign nationals are those persons not citizens of, not nationals of, or resident/immigrant aliens to, the United States;

(B) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation, or person; and

(C) Foreign sources are those sources (vendors, subcontractors, and suppliers) not owned and controlled by citizens or immigrant aliens of the United States.

(2) Nothing in this clause is intended to waive any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export-controlled data and information.

(3) Seller acknowledges that equipment and technical data generated or delivered in the performance of this contract is controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128, and require an export license before assigning any foreign national to perform work under this contract or before granting access to foreign nationals to any equipment and technical data generated or delivered in performance of this contract (see 22 CFR Section 125). Seller agrees to notify and obtain the written approval of Buyer prior to assigning or granting access to any work, equipment, or technical data generated or delivered in the performance of this contract to foreign nationals or their representatives. This notification will include the name and country of origin of the foreign national or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign national is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

D. REIMBURSEMENT, INTEREST CHARGES, AND PENALTIES FOR OVERPAYMENT

Notwithstanding any other provision of this contract, if the buyer makes any overpayment under this contract subject to 10 U.S. Code 2306(a) and the overpayment was due to contractor submission of inaccurate, incomplete or noncurrent cost or pricing data, the seller shall be liable to the government (i) for interest on the amount of such overpayment to be computed from the date the payment was made to the contractor to the date the Government is repaid at the rate established by the Secretary of the Treasury under Section 6621 of the Internal Revenue Code of 1954 and (2) if such submission was a knowing submission, the contractor shall be liable to the Government for an additional amount equal to the amount of the overpayment.

E. RELEASE OF INFORMATION

(1) "information" includes, but is not limited to, news Releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association meetings, symposia, published professional papers, etc. Authors must submit materials proposed for release to ASC/PA in the following quantities:

- (a) news releases, articles, brochures, advertisements, and professional papers - 3 copies
- (b) videos - 3 copies/transcripts - 3 copies
- (c) briefings, speeches, symposia presentations – 3 copies
- (d) photographs - 1 original and 2 legible photocopies

(2) Send release of information requests to:
ASC/PA
1865 fourth street, suite 15
Wright-Patterson AFB, OH 45433-7129

(3) Sponsored by:
Aeronautical system center
Wright-Patterson AFB, OH 45433-7129

F. REVIEW OF PROPRIETARY DATA

The seller hereby grants its permission to disclose and release any data submitted hereunder marked with a limited, restricted or proprietary rights legend to a support contractor retained by the Government to review the proprietary of such marking; provided that such support contractor shall be prohibited from further releasing, disclosing or otherwise using such data in accordance with a non-disclosure agreement. The seller shall include this clause in all subcontracts hereunder calling for data, with the exception of subcontracts for commercial items.

G. DEFERRED DELIVERY OF TECHNICAL DATA

The seller is to remain responsible through their purchase contract, to maintain the currency of their drawings and Associated lists, provide access to the F-22 team/ Government personnel upon request, and deliver a complete technical data package should the Government order delivery of technical data packages under this contract.

The Government and the Seller agree that the Government's rights in any EMD data described above which is called for delivery under this contract shall be subject to the data rights clauses of the EMD contract (including DFARS 252.227-7013, "Rights In Technical Data - Noncommercial Items").

H. MATERIAL SUPPORT CAPABILITY ASSETS

The seller will replace government property that is reported as lost, damaged or destroyed, immediately upon identification of such. The cost associated with such replacement will be considered allowable and allocable to the extent it would have otherwise been allowable and allocable under this purchase contract.

All property under this clause will be accounted for under the subcontractor's approved property system.

This clause is in effect as long as any subcontractor whose contract contains a similar clause has a Government approved property system. Without an approved Government property system, authorization under this clause will be handled on a case-by-case basis and subject to the contracting officer's approval.

Flowdown this clause to any subcontractor at any tier meeting the criteria described above.

I. KOV-20 ADVANCED AVIONICS CRYPTOGRAPHIC UNIT (AACU)/Z-AXF

KOV-20/Z-AXF Subcontractor.

Potential subcontractors for the production of KOV-20 AACU and Z-AXF MSCU shall be limited to those on the current List of NSA approved COMSEC sources. Contact NSA/V23 for the current list. No other contractors may be solicited for the production versions of the KOV-20 or Z-AXF without prior consent of Boeing and the Government.

Retention Information.

After completion of the contract, the seller shall not retain in its possession (unless specified by the contract document) any classified COMSEC drawings, sketches, prints, reports or other classified COMSEC data developed on the KOV-20 or Z-AXF portions of the contract without written approval of Boeing and the Government.

Requirements Clause For Acquisition of COMSEC Equipment Components and Parts Outside the United States.

No subcontracts or purchase orders which involve design, manufacturer, production, assembly, inspection or test, in a location not in the United States, of classified COMSEC equipment, assemblies, subassemblies, accessories or parts shall be issued for KOV-20 or Z-AXF development or production unless the subcontract or purchase order is with a contractor included in the NSA approved LSI vendor list (available from NSA/V23) or the prior written approval of Boeing and the Government is obtained. Under no circumstances shall any custom classified COMSEC large scale integrated circuit (LSIC) or any likeness thereof be sent outside the United States for any reason.

J. AUTHORIZATION TO USE OTHER THAN NEW MATERIAL

(1) Support as a capability concept: A key aspect of the F-22 support program [Performance-based Agile Logistics Support (PALS)] is the concept of "Support as a Capability." This consists of "support services capability" and "support material capability." Support services capability is performance-based support of the flying hour program (e.g., field service representatives, heavy maintenance capability, support engineering, etc.). Support material capability provides spares as required to meet the flying hour program in a manner that is consistent with specific performance based results. In order to effectively implement this concept, the following authorization to use other than new material shall pertain to all F-22 contracts (see ASC/YFK-H-002).

(2) Authorization to use other than new material: In order to implement the support material capability concept in a manner that ensures maximum flexibility and efficiency, it may become necessary to utilize "other than new" materials in the performance of one or more contracts in the F-22 program. "Other than new" material is defined on the Engineering and Manufacturing Development (EMD) contract (F33657-91-C-0006) under the clauses at FAR 52.210-5, New Material (APR 1984) and FAR 52.210-7, Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property (APR 1984). On the PRTV/PRTV II contract (F33657-97-C-0030) it is defined under the clause at FAR 52.211-5, Material Requirements (OCT 1997), and on the Lot 1 and Lot 2 contracts (F33657-99-C-0036 and F33657-00-C-0020 respectively) it is defined under the clause at FAR 52.211-5, Material Requirements (AUG 2000). These clauses (and any substantially similar clauses in later contracts) require the use of new materials in the performance of the contract requirements, unless the use of "other than new" material is authorized in writing by the Buyer and Contracting Officer. Subject to the conditions referenced in paragraph (c) below, the Buyer and Contracting Officer hereby authorize the use of "other than new" materials in the performance of this contract. To the extent allowed by paragraph (c) below, this authorization includes the use of material previously available to or accepted by the Government and returned to the Seller as Government Furnished Property (GFP).

(3) Conditions on the authorization to use other than new material: The above authorization to use "other than new" material in the performance of this contract is subject to the conditions listed below. Any potential use of "other than new" material that does not meet all the conditions listed below shall be evaluated on a case-by-case basis by the Buyer and Contracting Officer in accordance with the applicable clause(s) referred to in paragraph (2) above.

(a) Suitability for the intended use: The "other than new" material to be used in the performance of this contract must be suitable with respect to form, fit, function, and interface, and may not create limitations to the weapon system performance, supportability, or effectiveness in performance of the assigned mission.

(b) Condition: The "other than new" material to be used in the performance of this contract must be in a serviceable condition without creating additional operational limitations. All Time Change Items (TCIs) to be used as "other than new" material shall have at least 40% or not less than 400 flight hours of useful life remaining, whichever is higher. Parts or components identified as "bad actors" (as defined by Chapter 8, T.O. 00-35D-54) shall not be used.

(c) Safety of flight: The "other than new" material to be used in the performance of this contract must not create a safety of flight risk.

(d) Proper configuration: The "other than new" material to be used in the performance of this contract must conform to the authorized configuration of the end item for which such material is to be used. If a preferred sparing activity applies, the "other than new" material must conform to the preferred configuration.

(4) Asset Management Prioritization: The Seller shall make the day-to-day decisions and authorize the movement of assets in accordance with the Uniform Material Movement and Issue Priority System (UMMIPS) defined by Air Force Manual (AFMAN) 23-110. When the minimum requirements of the production program conflict with those of the field support or test programs (or vice versa), the Seller shall notify the Buyer and Contracting Officer prior to utilizing an asset otherwise needed to fulfill the minimum requirements of the affected program. Deviations from or exceptions to the above priority requirements shall require written direction from the Buyer and Contracting Officer. Any equitable adjustments to the contract(s) price and/or schedule (if appropriate) shall be executed in accordance with the "Changes" clause of this contract. This clause in no way relieves the Seller of any responsibilities or obligations under this or any other contract in the F-22 program.