



Purchase Order Requirements

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General Purchase Order Terms and Conditions

Version: May 2014

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I. Definitions

The following definitions apply to this Order and to any supplemental terms and conditions attached to and/or referenced in this Order unless otherwise specifically stated:

- A. Buyer: The legal entity issuing this Order.
- B. Buyer's Purchasing Representative: Buyer's designated purchasing representative responsible for issuing this Order and any amendments or changes thereto.
- C. Seller: The legal entity that contracts with Buyer under this Order.
- D. Order: The contractual instrument of which these terms and conditions are a part.
- E. Government: The United States of America, acting in its contractual capacity.
- F. Prime Contract: The contract under which this Order is issued, if applicable.
- G. FAR: The Federal Acquisition Regulation, if applicable.
- H. DFARS: The Department of Defense Federal Acquisition Regulation Supplement, if applicable.
- I. Contracting Officer: The Government official authorized to commit the Government contractually under a Government Prime Contract.
- J. Days: Means calendar days (unless specified otherwise).

II. Acceptance of this Order

Seller's written acknowledgement of the Order, its commencement of any performance under the Order (including, but not limited to, providing any goods and/or services hereunder), or acceptance of any payment under the Order, shall each constitute Seller's unqualified and irrevocable acceptance of this Order subject solely to these terms and conditions. In the event that this Order does not state price or delivery terms, Buyer will not be bound to any prices or delivery terms to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions contained in this Order shall be void and of no effect unless specifically agreed to in writing by Buyer's Purchasing Representative, regardless of whether or not such terms and conditions materially alter this Order and irrespective of any payment by Buyer hereunder.

III. Acceptance of Goods and Services

A. All goods and/or services provided by Seller under this Order shall be in accordance with the requirements of this Order, including all applicable exhibits and attachments, and shall be subject to rejection if such goods and/or services are nonconforming. No inspection or evaluation performed by Buyer (and/or Buyer's customer, if applicable) shall in any way relieve Seller or its suppliers of their obligation to furnish all required goods and/or services in strict accordance with the requirements of this Order. If any of the goods and/or services provided hereunder do not conform with the requirements of this Order, Buyer may require Seller to promptly correct or replace the goods or perform the work and/or services again in conformity with the applicable requirements at no cost to Buyer.

B. At Buyer's sole option, any rejected items may be returned for credit or replacement at Seller's risk and expense, and all handling and transportation expenses, both ways, shall be assumed by Seller. No items returned as defective shall be replaced without written authorization from Buyer.

C. Unless otherwise stated in the Order, the acceptance of any goods and/or services will be made by Buyer in writing. It is expressly agreed that payment by Buyer to Seller for goods and/or services provided under this Order shall not constitute acceptance. It is further agreed that nothing in this Order shall require Buyer to accept any goods and/or services prior to acceptance thereof by Buyer's customer, if applicable.

D. Acceptance shall be conclusive, except for latent defects, fraud, or gross mistakes amounting to fraud.

IV. Independent Contractor

Seller is an independent contractor and the employees, agents, or representatives of Seller are not employees, agents, or representatives of Buyer for any purpose including, but not limited to, federal, state, and local tax obligations, unemployment and worker's compensation obligations, social security, and any and all other benefits.

V. Invoices and Payment

- A. Seller's invoices or vouchers shall contain all certifications required by Buyer and shall include the invoice date, the Order number, as well as a complete breakout of the prices by line item for the goods and/or services encompassed by the invoice or voucher.
- B. Unless otherwise stated in the Order, the price for all goods and/or services provided by Seller is all-inclusive and encompasses any and all federal, state, local or foreign taxes and duties that may be applicable, and all installation, testing, debugging, warranty charges, any and all license or use fees, and any other cost of every kind and description associated with Seller's work.
- C. Buyer shall pay Seller after receipt of Seller's proper invoices or vouchers for goods and/or services delivered and accepted, less any deductions provided for in this Order. Unless otherwise agreed in writing and stated on the face of the Order, payment terms are net forty-five (45) days from (i) delivery of the goods or completion of the services, or (ii) receipt of invoice, whichever is later.
- D. If the Order is of a Labor Hour or Time-and-Materials (T&M) type, the Seller shall provide reconciliations of billed and paid amounts on a quarterly basis. This report shall be provided to the Buyer's Purchasing Representative unless otherwise noted.
- E. If the Order is of a Labor Hour, T&M, or cost reimbursement type and contains labor category descriptions, each invoice shall contain the following certification signed by the Seller's authorized representative:

"This is to certify to the best of my knowledge that the qualifications of the individuals whose labor is being invoiced herein were performed during the period stated and meet the minimum labor category qualifications stated in the Order, including but not limited to any education or experience requirements, for the specific labor category in which their respective hours are being billed."

VI. Shipping, Packing, and Marking

A. Except as otherwise provided on the face of this Order, transportation charges on goods sold f.o.b. shipping point must be prepaid and invoiced to Seller. Transportation charges on goods sold f.o.b. destination must be prepaid in all cases. No insurance or premium transportation costs will be allowed unless authorized in writing by Buyer's Purchasing Representative. Risk of loss to goods ordered hereunder, regardless of cause, shall be Seller's responsibility until the goods have been delivered in compliance with terms of transportation required by this Order. If Seller does not comply with the stated delivery schedule, Buyer may, in addition to any other rights which it may have at law or in equity, require delivery by the most expeditious way, and any charges resulting from the premium transportation shall be fully prepaid and absorbed by Seller. Title to all goods passes at Buyer's dock unless otherwise specified in this Order.

B. Seller shall pack, mark and ship all goods in accordance with the requirements of this Order and in compliance with all applicable transportation regulations and good commercial practice for protection against damage from weather and shipment, including any applicable federal, state and local laws and regulations for the packaging, labeling, transportation and shipping of hazardous materials. Seller shall secure the most advantageous transportation services and rates consistent therewith. No separate or additional charge shall be payable by Buyer for containers, crating, boxing, handling, storage or any other services unless specifically stated in this Order or otherwise agreed to by Buyer in writing. Seller shall mark each container with the number of this Order and shall enclose a packing slip with this Order number in an envelope attached to each container. Damage resulting from improper packing or shipping will be charged to Seller.

C. Acceleration of delivery is not authorized unless specified in writing by the Buyer's Purchasing Representative.

D. Buyer reserves the right to refuse or return at Seller's risk and expense any shipments made in excess of the quantities stipulated in the Order or received in advance of the required delivery schedule, or to keep the goods received in advance of the required delivery schedule and defer payment as if the delivery was made per the required delivery schedule.

VII. Non-US Origin Shipments

The Order is issued with the expectation that Seller will ship any goods to Buyer from a location within the United States. Any shipments originating outside the customs territory of the United States will import under the terms of sale DDP Buyer facility Incoterms 2010. Seller shall communicate its customs clearance instructions to its international third-party supplier prior to arrival into the United States to avoid any delays in delivery to Buyer. Under no circumstances shall Buyer be listed as the importer of record (or consignee for shipments delivered via courier) on customs documents for any Orders shipped directly to Buyer from a foreign location and Seller expressly agrees to accept all liability associated with said customs entries for any such Orders.

VIII. Schedule

Seller shall strictly comply with the delivery or performance schedule specified in the Order. No acts of Buyer, including without limitation modifications of this Order or acceptance of late deliveries or performance, shall constitute a waiver of this provision. Seller shall immediately notify Buyer in writing of any actual or potential delay in the deliveries or performance of this Order and such notice shall include the actions being taken to overcome or minimize the delay and a revised schedule using the Seller's best efforts; provided, however, that Buyer's receipt of such notice shall not constitute a waiver of Buyer's rights to timely deliveries and performance and remedies for any late deliveries or performance. Buyer reserves the right to cancel this Order without incurring any liability to Seller and without waiving any other remedies available if delivery or performance, as specified in the Order or on Buyer's written shipping authorizations, is not affected.

IX. Inspection

Buyer (and Buyer's customer, if applicable) through any authorized representatives, has the right at all reasonable times and places to inspect and test the goods and/or services being supplied under this Order, including those provided by Seller's suppliers. Buyer assumes no contractual obligation to perform any inspection or test unless otherwise specifically set forth in the Order. Buyer's failure to inspect or test any goods and/or services shall not relieve Seller from responsibility for any defective or nonconforming goods and/or services. If any inspection or evaluation is made by Buyer or its customer on the premises of Seller or any of Seller's suppliers, Seller or its suppliers shall provide at no additional charge reasonable access to facilities and assistance for the safety and convenience of the personnel conducting any inspection or test.

X. Warranty

A. Seller warrants to Buyer, its successors and assigns, that all goods provided hereunder shall be (i) merchantable, (ii) free from defects in material and workmanship, (iii) free from defects in design (unless the goods are provided in accordance with Buyer's design specifications), (iv) suitable for the purposes intended, (v) in compliance with all applicable specifications, drawings, and performance requirements, and, for any software provided with the goods, (vi) free from any viruses, malicious codes, worm, time bomb, self-help code, or other software code or routine designed to damage, destroy or alter any software, hardware or data, disable any computer automatically, or permit any unauthorized access to any software or hardware; and that all services provided hereunder shall be (i) free from defects in workmanship, (ii) suitable for the purposes intended, (iii) performed in a professional and workmanlike manner, and (iv) in compliance with all applicable specifications, drawings, and performance requirements.

B. If any nonconformity under this warranty appears within one (1) year after final acceptance of the goods and/or services, Seller shall, at Buyer's option, either (i) promptly and diligently repair, replace or correct (by re-performance or otherwise) such nonconformity at no cost to Buyer (including any transportation costs associated therewith), or, for goods only, (ii) accept return of the goods for credit or refund. If any repair, replacement or correction is not made in a timely manner to Buyer's satisfaction, then the Buyer may, at its election and in addition to any other remedies available to Buyer at law or in equity, correct or have corrected such nonconformity at Seller's expense.

XI. Counterfeit Electronic Parts

A. For purposes of this Article, the term “electronic part” means an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode) or a circuit assembly and includes any embedded software or firmware. The term “counterfeit electronic part” means an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used electronic parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

B. Seller shall only purchase electronic parts to be delivered or incorporated in the goods to Buyer directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) or through an OCM/OEM authorized distribution chain. Seller shall not acquire any electronic parts from independent distributors or brokers without the Buyer’s prior written approval. Seller shall promptly notify Buyer in writing with all relevant information if Seller becomes aware or suspects that it has furnished any counterfeit electronic parts under the Order. When requested by Buyer, the Seller shall provide all relevant OCM/OEM documentation that authenticates the traceability of the affected items to the applicable OCM/OEM.

C. The Seller shall establish and maintain an acceptable counterfeit electronic part detection and avoidance system.

D. This Article applies in addition to any quality provision, specification, statement of work or other provision included in or incorporated into this Order addressing the authenticity of the electronic part. To the extent any such provisions conflict with this Article, this Article prevails.

E. If any counterfeit electronic part is delivered or incorporated in the goods under this Order, the Seller shall, at its expense, promptly replace such counterfeit electronic parts with electronic parts conforming to the requirements of this Order. Notwithstanding any other provisions in this Order, the Seller shall be liable for all costs relating to or associated with such counterfeit electronic parts including, without limitation, the Buyer’s costs of removing any counterfeit electronic parts, of installing replacement electronic parts and of any testing necessitated by the reinstallation of electronic parts after the counterfeit electronic parts have been replaced. The remedies contained in this Article are in addition to any remedies available to Buyer at law, in equity or under any other provision of this Order.

F. Seller shall include this Article or an equivalent provision in any purchase orders or lower-tier subcontracts for the delivery of electronic parts that will be included in or incorporated in the goods provided to Buyer hereunder.

XII. Conflict Minerals

- A. Consistent with the U.S. public policy underlying the enactment of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), the Seller recognizes the significant risks associated with sourcing tin, tantalum, tungsten and gold (hereinafter the “Conflict Minerals”) from the Democratic Republic of the Congo and adjoining countries (the “Conflict Region”).
- B. Seller shall not knowingly provide any goods containing Conflict Minerals from the Conflict Region.
- C. Seller shall adopt (or already have in place) policies and processes to (i) conduct a reasonable inquiry into the country of origin of any Conflict Minerals incorporated into any goods provided under the Order, (ii) conduct due diligence of its supply chain, as necessary, to determine if any Conflict Minerals from the Conflict Region are incorporated into any goods provided under the Order, and (iii) promptly notify Buyer if any Conflict Minerals from the Conflict Region are incorporated into any goods provided under the Order. The Seller shall fully cooperate (at no cost to Buyer) with any inquiries conducted by Buyer or its customers to ensure compliance with this Article including, but not limited to, completing any applicable disclosure forms or surveys.

XIII. Proprietary Information

- A. All specifications, information, data, drawings, software and other items furnished by Seller under the Order that are clearly marked with a restrictive or proprietary designation shall be handled by Buyer on a proprietary basis, but may be used and/or disclosed by Buyer solely for the purposes of Buyer’s contract with its customer. Seller agrees to promptly notify Buyer in writing of any pre-existing patents or any other similar form of protection which Seller may hold or know of which relates to the goods and/or services to be provided under this Order.
- B. If any pre-existing patents, inventions, copyrights, technology, designs, works of authorship, mask works, technical information, software, or other information or data of Seller (hereinafter “Seller’s Intellectual Property”) are used, included, or contained in the goods and/or services provided hereunder, Seller grants Buyer an irrevocable, transferable, non- exclusive, worldwide, royalty-free license to use Seller’s Intellectual Property with such goods and/or services.
- C. Unless otherwise expressly agreed in writing to the contrary, all specifications, information, data, drawings, software and other items which are (i) supplied to Seller by Buyer or (ii) obtained or developed by Seller and paid for by Buyer under this Order, shall be the exclusive property of Buyer, shall be maintained by Seller as proprietary to Buyer, shall be used only for purposes of providing goods and/or services to Buyer pursuant to this Order, and shall not be disclosed to any third party without Buyer’s prior written consent. All such items supplied by Buyer shall be promptly returned to Buyer on request or upon completion or earlier termination of this Order.

XIV. Buyer Property

- A. All information, such as specifications and designs, as well as all drawings, tools, jigs, dies, fixtures, materials, and other items supplied or paid for by Buyer (hereinafter the “Buyer’s Property”) shall be and remain the sole property of Buyer, and Buyer shall have the right to enter Seller’s premises on a non-interference basis and remove any such property and Seller’s records with respect thereto at any time without being liable for trespass or for damages of any sort.
- B. Unless the Buyer otherwise consents in writing, the Buyer’s Property shall be used only in the performance of this Order and Seller may not use the Buyer’s Property to provide any goods or services to any third party.
- C. Seller shall protect and maintain the Buyer’s Property in its possession or control and shall be responsible for all loss or damage thereto, except for normal wear and tear.

XV. Release of Information

Seller shall not publish any information developed under this Order nor distribute it nor make any news release about the existence or subject matter of this Order without Buyer’s prior written consent.

XVI. Changes

A. Buyer shall have the right at any time to (i) suspend all or any portion of Seller's work for a period up to ninety (90) Days, and/or (ii) make changes within the general scope of this Order that affect any one or more of the following:

1. drawings, designs, specifications or quantities of goods and/or services to be provided hereunder;
2. statement of work or description of services;
3. method of shipment or packing;
4. time or place of performance, inspection, delivery, or acceptance of goods and/or services; and
5. amount of any Buyer-furnished or customer-furnished property or facilities.

B. If any such suspension or change causes a change in the cost of, and/or the time required for, performance of this Order, an equitable adjustment shall be made in the price or delivery schedule or both, and this Order shall be modified in writing accordingly. Any claim by Seller for such an adjustment must be made in writing within twenty (20) Days from the date of receipt of a written order from Buyer's Purchasing Representative directing such a suspension or change.

C. Nothing in this clause, including any disagreement with Buyer as to any equitable adjustment, shall excuse Seller from proceeding with this Order as changed. Any disagreement between the parties arising out of this clause shall be resolved in accordance with the clause entitled "Disputes Under This Order."

D. If this Order is placed under a Government Prime Contract, any equitable adjustment hereunder shall be in accordance with the cost principles enunciated in FAR Part 31 in effect on the date of this Order.

E. No constructive changes: Information, advice, approvals or instructions given by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion only and shall not affect Buyer's and Seller's rights and obligations hereunder unless set forth in a writing which is signed by Buyer's Purchasing Representative and which states that it constitutes an amendment or change to this Order.

XVII. Access To Records

Buyer shall have access to all technical and quality records of Seller's performance hereunder.

XVIII. Termination for Convenience

A. Buyer, by written notice, may terminate this Order at any time, in whole or in part, without cause and/or for Buyer's convenience, prior to final delivery of goods and/or completion of services, and such termination shall not constitute a default. In such event, Buyer shall have all rights and obligations accruing both at law and in equity, including Buyer's rights to title and possession of any goods paid for. Seller shall be reimbursed for any actual, reasonable, substantiated and allowable costs, plus a reasonable profit for work performed to date of termination. Buyer may take immediate possession of all work so performed upon notice of termination.

B. If this Order is terminated as a result of the termination for convenience of Buyer's Government Prime Contract, then the rights, duties, and obligations of the parties shall be determined in accordance with the applicable termination for convenience clause incorporated into this Order by the Supplemental Terms and Conditions.

XIX. Termination for Default

A. Buyer may, by written notice of default to Seller, terminate this Order in whole or in part if Seller fails to (i) deliver the goods and/or perform the services within the time specified in this Order or any extension thereof granted by Buyer in writing, (ii) perform any of the other provisions or meet any of the requirements of this Order, or (iii) make progress so as to endanger performance of this Order in accordance with its terms and, in either of the second or third circumstances, does not cure such failure within ten (10) Days after receipt of written notice thereof from Buyer.

B. If Buyer terminates this Order in whole or in part it may acquire, upon such terms as it deems appropriate, goods and/or services similar to those terminated. Seller shall be liable to Buyer for any excess cost for such similar goods and/or services, provided, however, that Seller shall continue performance of this Order to the extent not terminated hereunder and, provided further, that Buyer shall pay the price set forth in this Order for completed goods or services delivered and accepted.

C. The rights and remedies of Buyer in this Article are in addition to any other rights and remedies provided by law or in equity, or under this Order.

XX. Set-Off

Buyer shall be entitled at all times to set-off any amount owing at any time from Seller to Buyer, or to any of Buyer's affiliated companies, against any amount payable at any time by Buyer, or by any of its affiliated companies, to Seller.

XXI. Governing Law

This Order shall be enforced and interpreted in accordance with the laws of the State of New York, without regard to the conflict of law rules thereof. This Order excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.

XXII. Disputes Under this Order

The parties shall attempt to amicably resolve all disputes arising from or related to this Order. If the parties are unable to resolve such a dispute within a reasonable time, then the parties may agree upon alternate dispute resolution, or the dispute shall be adjudicated exclusively in a court of competent jurisdiction in the State where Buyer is located, applying the governing law as stated in Article 22. Pending resolution or settlement of any dispute hereunder, the Seller shall proceed diligently as directed by Buyer with the performance of this Order.

XXIII. Disputes Under a Government Prime Contract

A. If the Contracting Officer of Buyer's Government Prime Contract by a final decision interprets any provision or requirement of Buyer's Prime Contract, and the same or substantially similar provision or requirement is contained in this Order, such interpretation shall be binding between Buyer and Seller, provided that Buyer affords Seller the opportunity to appeal such decision in Buyer's name, and provided further that Seller provides to Buyer any and all information requested by Buyer to justify Buyer's verifying, supporting, or providing any and all certifications required by the Contract Disputes Act of 1978, 41 U.S.C. § 601 et seq. Any such appeal brought by Seller shall be at the sole expense of Seller, who shall be solely responsible for the prosecution of such appeal. If Seller so appeals, Seller shall, upon Buyer's written request, provide Buyer with advance copies of papers to be filed in such appeal and such other information, consultation, and opportunity to participate in the appeal as Buyer may request. As used in this provision, the term "appeal" shall include any and all proceedings taken by Seller under this provision before any board of contract appeals or federal courts.

B. If Seller asserts a claim against Buyer for either damages or an equitable adjustment in a situation where the facts constituting such claim would also support a claim by Buyer against Buyer's customer, prior to initiating any action or suit on such claim against Buyer in any court, if Buyer so authorizes, Seller shall pursue, to exhaustion of its administrative and judicial remedies, such claim in Buyer's name and at Seller's cost against Buyer's customer.

C. Any reference to the "Disputes" clause in any applicable FAR or DFARS clause incorporated into this Order shall mean this Article 24.

XXIV. Indemnification

In addition to any other indemnification provision of this Order, Seller shall indemnify, defend and hold harmless Buyer, its officers, directors, and employees, from any and all claims, liabilities, losses, damages, costs, and expenses, including attorneys' fees --

1. for actual or alleged (a) injury to any person, (b) damage to any property, or (c) violation of any law, ordinance, or regulation, arising from or related to Seller's (or Seller's subcontractors') performance of work in connection with this Order; or
2. for any negligent, reckless or willful act or omission hereunder; or
3. for Seller's breach of any warranty or representation hereunder; or
4. for any civil or criminal penalty or fine incurred by Buyer which is caused to any degree or any extent by Seller, its employees, agents, representatives, suppliers, or subcontractors.

XXV. Design Changes

During performance of this Order, Seller shall not make any changes in the design of goods to be furnished by Seller under this Order without the Buyer's prior written approval. This applies whether or not there is a cost impact associated with the change and regardless of the type of change involved, including product improvements.

XXVI. Export Control

A. Seller agrees to comply fully with all applicable laws and regulations of Seller's country and of the United States pertaining to the export of any hardware, software, defense service, information or technical data provided by, through, or with the cooperation of the Buyer in the performance of this Order, whether in the United States or abroad. This Order may involve information or items that are subject to the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR) and that may not be released to Foreign Persons inside or outside the United States without the proper export authority.

B. The ITAR defines a "Foreign Person" as any person who is not a U.S. citizen, a lawful permanent resident as defined by 8 USC 1101(a)(20), or a protected individual as defined by 8 USC 1324b(a)(3). Foreign Person is also defined as a corporation, a business, an association, a partnership, or any other entity that is not incorporated or organized to do business in the United States and as international organizations, foreign governments, and any agency or subdivision of foreign governments (e.g., diplomatic missions).

C. Seller further agrees that it will not export or re-export, directly or indirectly, any hardware, software, defense service, information or technical data provided by, through, or with the cooperation of the Buyer to any Foreign Person, including persons employed by or associated with, or under contract with the Seller or Seller's lower-tier suppliers without the prior written consent of the Buyer and without first obtaining any required export license or other approval.

D. In addition, should Seller participate in the performance of this Order at Buyer's facilities, Seller shall inform Buyer in advance in writing of the country of citizenship (or countries, in the case of dual citizenship) of each Foreign Person employee, agent, or representative of Seller or of Seller's suppliers prior to such person being allowed access to Buyer's facilities. Seller's and Seller's suppliers' Foreign Person employees, agents, or representatives shall not participate in the performance of this Order at Buyer's facilities without Buyer's prior written consent.

E. Seller shall comply with the registration requirements of the ITAR at 22 CFR §122.1, as applicable.

F. Seller represents that neither Seller nor any parent, subsidiary or affiliate of Seller is included on any of the restricted party lists maintained by the U.S. Government. Seller shall promptly notify Buyer in writing if Seller is, or becomes, listed in any Restricted or Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any Governmental authority.

G. Seller shall include paragraphs A through G or equivalent provisions in all lower tier subcontracts for any items that will be included in or delivered as goods to Buyer.

H. Seller shall indemnify and hold Buyer harmless for all claims, demands, damages, costs, fines, penalties, attorneys' fees and other expenses arising or resulting from Seller's failure to comply with this clause.

XXVII. Compliance with Laws

Seller shall comply with the applicable provisions of all federal, state, and local laws and ordinances and all lawful orders, rules, and regulations thereunder, and such compliance shall be a material requirement of this Order. If the Buyer incurs any costs, damages or penalties as a

result of a violation of any applicable laws or regulations by Seller, its directors, officers, employees, agents, suppliers or subcontractors at any tier, Buyer may, in addition to any rights or remedies available at law or in equity, make a corresponding reduction of any amounts due under this Order or demand payment thereof from Seller.

XXVIII. Equal Employment Opportunity; Notification of Employee Rights Under Federal Labor Laws

A. As applicable, the provisions of the Equal Opportunity Clauses pursuant to Section 202 of Executive Order 11246, as amended, and 41 CFR Section 60-1.40; as well as 29 CFR Part 471, Appendix A to Subpart A, are herein incorporated by reference. Further, if Seller (1) is not otherwise exempt as provided by 41 CFR 60-1.5, (2) has 50 or more employees, and (3) has a contract, subcontract or purchase order amounting to \$50,000 that is necessary to the completion of a covered federal contract or subcontract is hereby notified of its obligations to file EEO Standard Form 100 and to prepare an affirmative action plan(s) as required under the regulations set forth above.

B. The Buyer and Seller shall abide by the requirements of 41 CFR §§ 60- 300.5(a) and 60741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

XXIX. Duty to Proceed

Except as expressly authorized in writing by Buyer, the failure of Buyer and Seller to reach agreement with respect to any dispute relating to or arising under this Order shall not excuse Seller from proceeding diligently with the performance of the work required by this Order.

XXX. Incorporation of Supplemental Terms and Conditions

If this Order is placed under a Government Prime Contract, then the clauses set forth by citation in the Supplemental Terms and Conditions, attached as Supplement 1 and, if applicable, Supplement 2, are incorporated by reference into this Order with the same force and effect as though set out in full text herein.

XXXI. Order of Precedence

A. In the event of any inconsistency or conflict between or among the provisions of this Order, such inconsistency or conflict shall be resolved by the following descending order of precedence: (i) Typed provisions set forth in this Order; (ii) Documents incorporated by reference on the face page(s) of this Order; (iii) These standard terms and conditions, and any supplemental terms and conditions as referenced herein and/or set forth on the reverse side of the Order; (iv) The Statement of Work; and (v) Specifications attached to this Order or incorporated by reference. Buyer's specifications shall prevail over any specifications of Seller.

B. In the event of conflict between specifications, drawings, samples, designated type, part number, or catalog description, the specifications shall govern over drawings, drawings over samples (whether or not approved by Buyer), and samples over designated type, part number, or catalog description. In cases of ambiguity in the specifications, drawings, or other requirements of this Order, Seller shall, before proceeding, consult Buyer, whose written interpretation shall be final and binding on the parties.

XXXII. Assignment

Seller shall not sell, assign, or in any manner transfer this Order or its rights, duties, and obligations under this Order without first obtaining the written consent of Buyer. Any attempted assignment without such consent shall be void. The foregoing shall not apply to an assignment to any successor entity in the event Seller changes its name. Notwithstanding the foregoing, in the event of an approved sale, assignment or transfer as provided hereunder, Seller shall remain liable, jointly and severally, to Buyer for all obligations arising under or resulting from this Order.

XXXIII. Notices

All notices required or permitted to be sent by either party shall be deemed sufficiently given when delivered by hand delivery or sent by fax (which is confirmed), recognized overnight courier service or certified mail, return receipt requested, to the parties at the addresses shown on the first page of this Order for each party and to the attention of the individual who executes this Order on behalf of the party to whom the notice is sent. All notices shall be deemed given (i) on the date of delivery if delivered by hand or sent by fax, (ii) on the next business day if sent by recognized overnight courier service and (iii) on the third business day following the date sent by certified mail, return receipt requested. Either party may designate, in writing, a different manner of address for notices under this Order.

XXXIV. Survival

Each party's rights and obligations under the Warranty, Counterfeit Electronic Parts, Conflict Minerals, Proprietary Information, Buyer's Property, Intellectual Property, Access to Records, Set-Off, Governing Law, Disputes, Indemnification and Waiver, Severability and Remedies provisions of this Order shall survive completion or any earlier termination of this Order.

XXXV. Force Majeure

Neither Buyer nor Seller shall be liable for failure to perform under this Order if such failure is due to events which are beyond the reasonable control and without the fault or negligence of such party, and which intervene after the execution of this Order and impede its performance, provided such failure to perform shall only be excused for the duration of such intervening event and shall be subject to the Buyer's right to terminate this Order pursuant to Article 19. Examples of such Force Majeure events include, but are not limited to: a strike or labor dispute, war or act of war (whether or not an actual declaration thereof is made), insurrection, riot or civil commotion, act of public enemy, fire, flood, or other act of God, or any act of a governmental authority (including export restrictions). The party wishing to claim relief by reason of any of the said circumstances shall notify the other party in writing without delay on the intervention and cessation thereof.

XXXVI. Waiver, Severability and Remedies

A. The failure or delay of either party to insist on performance of any provision of this Order, or to exercise any right or remedy available hereunder, shall not be construed as a waiver of that provision, right, or remedy in any later instance. Further, if any provision of this Order is or becomes void or unenforceable by operation of law, the remaining provisions shall be valid and enforceable.

B. Unless otherwise expressly stated herein, the rights and remedies of both parties hereunder shall be in addition to their rights and remedies available at law or in equity; provided, however, that in no event shall Buyer be liable to Seller for any anticipatory profits or for any special (including multiple or punitive), indirect, incidental, or consequential damages howsoever arising.

XXXVII. Entire Agreement

This Order, including any attachments and documents incorporated by reference, constitutes the entire agreement between the Buyer and Seller, and supersedes all prior representations, agreements, understandings, and communications between Buyer and Seller related to the subject matter of this Order, whether oral or written. No amendment or modification of this Order shall be binding upon either party unless it is set forth in a written instrument signed by authorized representatives of both Buyer and Seller.

**General Terms and Conditions of Purchase Supplement 1 – Federal Acquisition Regulation (FAR)
Government Contract Provisions**

Version August 2014

- I. When the products or services furnished are for use in connection with a U.S. Government prime contract or subcontract, in addition to the DRS General Purchase Order Terms and Conditions, the following provisions shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each Federal Acquisition Regulation (hereinafter "FAR") provision shall be the same version as that which appears in Buyer's prime contract (as amended) or higher tier subcontract (as amended) under which this Purchase Order is a subcontract. For the acquisition of commercial items under Purchase Orders placed in support of, and charged to, a U.S. Government prime contract or subcontract, the only FAR clauses that are required by FAR 52.244-6 are those annotated with * after the FAR provision number. For the definition of a commercial item see FAR 2.101.
- II. In the event of a conflict between these FAR provisions and the General Terms and Conditions of Purchase, the FAR provisions shall control.
- III. Seller shall insert these provisions in selected lower tier subcontracts, either verbatim or in substance, and by incorporation-by-reference or otherwise as appropriate.
- IV. In all clauses listed herein, the terms "Government," "Contracting Officer," and "Contractor" shall be deemed revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. However, clauses identified by ** after the title shall have their original meaning as written in the FAR, and when identified by *** after the title shall not only have their original meaning as written in the FAR, but "Government," "Contracting Officer," and "Contractor" shall also mean Buyer. "Subcontractor," however, shall mean "Seller's Subcontractor" under the Purchase Order.
- V. If any FAR clauses do not apply to a specific Purchase Order, such clauses are considered to be self-deleting.

I. Applicable to all Purchase Orders

52.202-1 Definitions

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity

52.203-15* Whistleblower Protection Under the American Recovery and Reinvestment Act of 2009

52.204-2 Security Requirements**

52.204-9 Personal Identity Verification of Contractor Personnel (applies where Seller will have physical access to a federally-controlled facility or access to a Federal information system)

52.211-5 Material Requirements

52.211-15 Defense Priority and Allocation Requirements

52.212-5 Contract Terms Required to Implement Executive Orders – Commercial Items

52.217-9 Option to Extend the Term of the Contract

52.222-1 Notice to Government of Labor Disputes

52.222-21 Prohibition of Segregated Facilities

52.222-22 Previous Contracts and Compliance Reports

52.222-26* Equal Opportunity

52.222-41 Service Contract Act of 1965, as amended

52.222-50* Combating Trafficking in Persons (include Alternate I if it is included in the prime contract)

52.222-51 Exemption From Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment - Requirements

52.222-53 Exemption From Application of the Service Contract Act to Contracts for Certain Services – Requirements

52.223-3 Hazardous Material Identification and Material Safety Data

52.223-7 Notice of Radioactive Materials***

52.223-11 Ozone-Depleting Substances

52.223-12 Refrigeration Equipment and Air Conditioners

52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving (applies to Purchase Orders over \$3,000)

52.225-1 Buy American Act – Supplies

52.225-8 Duty-Free Entry

52.225-13 Restrictions on Certain Foreign Purchases**

52.225-20 Prohibition on Conducting Restricted Business Operations in Sudan

52.225-26*Contractors Performing Private Security Functions Outside the United States (as applicable in accordance with paragraph (f))

52.227-3 Patent Indemnity***

52.227-9 Refund of Royalties (applies if royalties reported during the negotiation of the Purchase Order exceed \$250)

52.227-10 Filing of Patent Applications – Classified Subject Matter**

52.227-11 Patent Rights – Ownership by the Contractor** (applies to subcontracts for experimental, developmental, or research work performed by a small business concern or domestic non-profit organization; reports required by this clause shall be filed with the agency identified by the Buyer’s Procurement representative on the face of this Purchase Order)

52.227-14 Rights in Data – General (does not apply if DFARS 252.227-7013 applies; certain other exceptions apply – e.g., work is to be performed outside the U.S.)

52.227-19 Commercial Computer Software License (only applies for the acquisition of commercial computer software; does not apply under Department of Defense procurements)

52.228-3 Worker’s Compensation Insurance (Defense Base Act)

52.232-40* Providing Accelerated Payments to Small Business Subcontractors 52.233-3 Protest After Award (in the event Buyer’s Customer has directed Buyer to stop performance of the Work under the Prime Contract under which this Purchase Order is issued pursuant to FAR 33.1, Buyer may, by written order to Seller, direct Seller to stop performance of the work called for by this Purchase Order; in paragraph (b)(2), “30 days” means “20 days”; in paragraph (f), add after “33.104(h)(1)” “and recovers those costs from Buyer”; the first reference to “Government” shall mean “Government”)

52.234-1 Industrial Resources Developed Under Defense Production Act Title III

52.236-13 Accident Prevention

52.242-15 Stop Work Order (the words “ninety (90) days” are changed to “one hundred (100) days” and the words “thirty (30) days” are changed to “twenty (20) days” whenever they appear)

52.243-1 Changes – Fixed Price (Alternative I applies if the Purchase Order is only for services; Alternative II applies if the Purchase Order is for supplies and services)

52.244-5 Competition in Subcontracting

52.244-6 Subcontracts for Commercial Items

52.245-1 Government Property (“Contracting Officer” means “Buyer” except in the definition of Property Administrator and in paragraph (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes “Buyer”; “Government” is unchanged in the phrases “Government property” and “Government furnished property” and where elsewhere used except in paragraph (d)(1) where it means “Buyer” and except in paragraphs (d)(2) and (g) where it means “Government and Buyer”; the following is added as paragraph (n): “Seller shall immediately notify Buyer in writing if the government or other customer (i) revokes its assumption of loss under any direct contracts with Seller or (ii) makes a determination that Seller’s property management practices are inadequate, and/or present an undue risk, or that Seller has failed to take corrective action when required”)

52.245-2 Government Property Installation Operation Services (“Government” means “Government” and/or “Buyer” except in the phrase “Government property”)

52.245-9 Use and Changes (“Government” means “Government” and/or “Buyer” except in the phrase “Government property”)

52.246-2 Inspection of Supplies – Fixed Price (“Government” means “Buyer and Government” except in paragraph (b) the second time “Government” appears and in paragraphs (f), (h), (j), and (l))

52.246-4 Inspection of Services – Fixed Price (in paragraphs (b), (c), and (d), “Government” means “Buyer and Government”)

52.246-16 Responsibility for Supplies

52.247-63 Preference for U.S. Flag Air Carriers

52.247-64* Preference for Privately Owned U.S.-Flag Commercial Vessels

52.249-2 Termination for Convenience of the Government (Fixed Price)

(“Government” means “Buyer or Government” the first time it appears in paragraphs (b)(4) and (b)(6), in all of (b)(8), and the second time it appears in (d); in paragraph (n), “Government” means “Buyer and Government”; in paragraph (c), “120” is changed to “60”; in paragraph (d), “15 days” is changed to “30 days” and “45 days” is changed to “60 days”; in paragraph (e), “1 year” is changed to “6 months” and “1-year” is changed to “6-month”; paragraph (j) is deleted; in paragraph (l), “90 days” is changed to “45 days”; settlements and payments under this clause may be subject to Contracting Officer approval)

II. Orders Over \$10,000 Shall Also Include the Following:

52.222-40* Notification of Employee Rights Under the National Labor Relations Act (if Seller is an international contractor, this clause applies only if work under the Purchase Order will be performed in the United States or Seller is recruiting employees in the United States to work on the Purchase Order)

III. Orders Over \$15,000 Shall Also Include the Following:

52.222-20 Walsh-Healy Public Contracts Act

52.222-36* Equal Opportunity for Workers with Disabilities

IV. Orders Over \$25,000 Shall Also Include the Following:

52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (subparagraph (d)(2) does not apply)

V. Orders Over \$100,000 Shall Also Include the Following:

52.222-35* Equal Opportunity for Veterans

52.222-37 Employment Reports on Veterans (applies to contracts containing FAR Clause 52.222-35, except for contracts for commercial items)

52.223-14 Toxic Chemical Release Reporting (paragraph (e) does not apply)

VI. Orders Over \$150,000 Shall Also Include the Following:

52.203-3 Gratuities** (the term “agency head” shall mean “Buyer”)

52.203-5 Covenant Against Contingent Fees

52.203-6 Restrictions on Subcontractor Sales to the Government (for commercial items, Alternate I applies)

52.203-7 Anti-Kickback Procedures (paragraph (c)(1) does not apply)

52.203-12 Limitation on Payments to Influence Certain Federal Transactions**

52.203-16 Preventing Personal Conflicts of Interest

52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights

52.215-2 Audit and Records – Negotiation** (applies if Purchase Order exceeds threshold for submission of cost or pricing data at FAR 15.403-4(a)(1))

52.215-14 Integrity of Unit Prices (paragraph (b) does not apply; does not apply to 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)

52.215-23 Limitations on Pass-Through Changes

52.219-8* Utilization of Small Business Concerns (applies when Purchase Order offers further subcontracting opportunities)

52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (paragraphs (a) through (d) apply only if Purchase Order requires employment of laborers or mechanics)

52.222-54 Employment Eligibility Verification

52.227-1 Authorization and Consent** (applies only if this clause is in the prime contract; use Alternate I for Research and Development solicitations and contracts for which primary purpose is Research and Development work)

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement***

52.228-5 Insurance – Work on a Government Installation (applies only if work on a Government installation)

52.229-3 Federal, State, and Local Taxes

52.229-4 Federal, State, and Local Taxes (State and Local Adjustments)

52.229-6 Taxes – Foreign Fixed-Price Contracts (applies only if the prime contract is to be performed wholly or partly in a foreign country)

52.229-7 Taxes – Fixed-Price Contracts with Foreign Governments (applies only under a prime contract with a foreign government)

52.229-8 Taxes - Foreign Cost-Reimbursement Contracts (applies only if the prime contract is to be performed wholly or partly in a foreign country)

52.229-9 Taxes – Cost-Reimbursement Contracts with Foreign Governments (applies only under a prime contract with a foreign government)

52.232-17 Interest

52.248-1 Value Engineering (in paragraph (c)(5), “Government” means “Buyer and Government”; in paragraph (m), “Government” remains unchanged; “Government” remains unchanged in the phrase “Government costs” throughout)

VII. Orders Over \$650,000 Shall Also Include the Following:

52.219-9 Small Business Subcontracting Plan

52.219-16 Liquidated Damages – Subcontracting Plan

VIII. Orders Over \$700,000 and/or the Applicable Cost or Pricing Data Threshold Shall Also Include the Following:

52.214-26 Audit and Records – Sealed Bidding

52.214-27 Price Reduction for Defective Cost or Pricing Data – Modifications – Sealed Bidding (in paragraph (d), the term “Contracting Officer” does not change; Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in the FAR)

52.214-28 Subcontractor Cost or Pricing Data – Modifications – Sealed Bidding (applicable if this Purchase Order, at the time it was entered into, exceeded the threshold for submission of certified cost or pricing data at FAR 15.4034(a)(1))

52.215-15 Pension Adjustments and Asset Reversions

52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits Other than Pensions

52.215-19 Notification of Ownership Changes

52.215-20 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost of Pricing Data*** (Required for Purchase Orders for commercial items in accordance with FAR 52.244-6(c)(2))

52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications*** (Required for Purchase Order modifications for commercial items in accordance with FAR 52.2446(c)(2))

IX. Unless Otherwise Exempt, Also Include the Following:

52.203-13* Contractor Code of Business Ethics and Conduct (applies to contracts exceeding \$5,000,000 with a period of performance greater than 120 days; disclosures under this clause shall be made directly to the Government entities identified in the clause)

52.203-14 Display of Hotline Posters (applies to contracts exceeding \$5,000,000 except when the contract is (1) for commercial items, or (2) is performed entirely outside the United States)

52.209-6 Protecting Government Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (applies to Purchase Orders exceeding \$30,000)

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (applies if the prime contract was awarded through negotiations and certified cost or pricing data is required; in paragraph (c), the term “Contracting Officer” does not change; Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in the FAR)

52.215-11 Price Reduction for Defective Certified Cost or Pricing Data – Modifications (applies if certified cost or pricing data is required for the pricing of modifications; Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in the FAR)

52.215-12 Subcontracting Certified Cost or Pricing Data (applies if the Purchase Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1), and cost or pricing data is required to be submitted in connection with the award of the Prime Contract; in paragraph (d), the term “Contracting Officer” does not change)

52.215-13 Subcontractor Certified Cost or Pricing Data – Modifications (applies if the Purchase Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1), and when FAR 52.215-11 is included)

52.222-24 Pre-Award On-site Equal Opportunity Compliance Evaluation

52.225-3 Buy American Act – Free Trade Agreements – Israeli Trade Act

52.222-5 Trade Agreements

52.225-19 Contractor Personnel in a Designated Operational Area

52.227-13 Patent Rights – Ownership By the Government** (applies in Purchase Orders for experimental, developmental, or research work where Seller is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government; paragraph (g) is deleted; Seller has all rights and obligations to the Buyer in the clause; reports required by this clause shall be filed with the agency identified by the DRS procurement representative identified on the face of this Order)

52.229-10 State of New Mexico Gross Receipts and Compensating Tax

52.234-4 Earned Value Management System

52.243-6 Change Order Accounting

52.243-7 Notification of Changes

X. Applicable to Cost-Reimbursement, Time and Material, or Labor Hour Purchase Orders:

52.216-7 Allowable Cost and Payment (applies to cost reimbursement and time- and materials Purchase Orders; Seller agrees to execute assignment documents in order to comply with subsection (h))

52.216-8 Fixed-Fee (applies to cost-plus-fixed-fee Purchase Orders)

52.216-10 Incentive Fee (applies to cost-plus-incentive-fee Purchase Orders)

52.216-11 Cost Contract – No Fee (applies to cost-reimbursement no fee Purchase Orders)

52.216-12 Cost Sharing Contract – No Fee (applies to cost-reimbursement Purchase Orders that provide no fee and are not a cost-sharing arrangement)

52.222-2 Payment for Overtime Premiums (insert “0%” in paragraph (a) unless indicated otherwise on the face of the Purchase Order)

52.228-7 Insurance – Liability to Third Persons

52.232-7 Payments Under Time-and-Materials and Labor-Hour Contracts (applies if the prime contract is a labor-hour or time-and-materials contract; the third sentence of paragraph (a)(8) is deleted; in paragraph (f), “120 days” is changed to “60 days” and in paragraph (g)(2), “6 years” is changed to “five years”; paragraph (c) and (i) are deleted)

52.232-20 Limitation of Cost (applies if the Purchase Order is fully funded)

52.232-22 Limitation of Funds (applies if the Purchase Order is incrementally funded) 52.242-1 Notice of Intent to Disallow Costs

52.242-3 Penalties for Unallowable Costs

52.243-2 Changes – Cost Reimbursement

52.243-3 Changes – Time-and-Material or Labor-Hours

52.244-2 Subcontracts (paragraphs (h) and (i) only apply)

52.246-3 Inspection of Supplies – Cost Reimbursement (in paragraphs (b), (c), and (d), “Government” means “Buyer and Government” and in paragraph (k), “Government” means “Government”; in paragraph (e), change “60 days” to “120 days,” and in paragraph (f), change “6 months” to “12 months”)

52.246-5 Inspection of Services – Cost Reimbursement (in paragraphs (b) and (c), “Government” means “Buyer and Government”)

52.246-6 Inspection – Time-and-Material and Labor-Hours (in paragraphs (b), (c), and (d), “Government” means “Buyer and Government”)

52.249-6 Termination (Cost Reimbursement) (in paragraph (d), substitute “90 days” for “120 days” and “90-day” for “120-day”; in paragraph (f), substitute “180 days” for “1 year”; in paragraph (i), “right of appeal,” “timely appeal,” and “on an appeal” shall mean the right to proceed under the “Disputes” clause of this Purchase Order; settlements and payments under this clause may be subject to the approval of the Contracting Officer; Alternative IV applies if this is a time and material or labor hours Purchase Order.)

XI. Certifications

The Seller, by signing its offer, hereby certifies compliance with the following clauses and is therefore eligible for award.

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (applies if Purchase Order exceeds \$150,000)

52.209-5 Certification Regarding Responsibility Matters (applies if Purchase Order exceeds \$150,000)

52.225-2 Buy American Act

52.225-4 Buy American Act – Free trade Agreements – Israeli Trade Act

52.25-6 Trade Agreements

XII. Additional Clauses:

Cost Accounting Standards (Applicable unless otherwise exempt):

52.230-2 Cost Accounting Standards (applies only when referenced in Purchase Order that full CAS coverage applies; “United States” means “United States or Buyer”; delete paragraph (b) of the clause)

52.230-3 Disclosure and Consistency of Cost Accounting Standards (applies only when referenced in Purchase Order that modified CAS coverage applies; “United States” means “United States or Buyer”; delete paragraph (b) of this clause)

52.230-6 Administration of Cost Accounting Standards (applies if FAR 52.230-2, FAR 52.230-3, FAR 52.230-4, or FAR 52.230-5 applies)

Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting FAR 52.230-2 (Cost Accounting Standards) and FAR 52.230-6 (Administration of Cost Accounting Standards), provided Seller shall not be required to disclose to Buyer such communications containing information

that is legally privileged and confidential to Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subject to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2,

52.230-3 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses.

XIII. Truth in Negotiations (Certified Cost or Pricing Data)

Unless exempt, Seller shall submit a FAR Part 15 compliant cost proposal inclusive of any appropriate updates throughout the negotiation process. At the conclusion of negotiations, and regardless of any prior certification, Seller must certify as to the accuracy, currency and completeness of its information in accordance with the FAR required Certificate of Current Cost or Pricing data.

A. Indemnification:

If any cost or price (including profit or fee) negotiated in connection with the prime contract between the Government and Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by Buyer relating to said contract or in connection with this Purchase Order was not accurate, complete, or current, the Seller shall indemnify Buyer in the amount of said reduction. The phrase "cost or pricing data" as used herein shall be deemed to include any such data related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of or in connection with the aforesaid proposal or this Purchase Order in support of its cost estimate.

If any reduction of the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay Buyer at the time such overpayment is repaid:

1. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and
2. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate or non-current.

B. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Purchase Order which involves increases and/or decreases in costs plus applicable profit expected to exceed the threshold for submission of cost or pricing data, Seller shall submit cost or pricing data and shall certify that such data, as defined in Federal Acquisition Regulation 2.101, submitted either actually or by specific identification in writing are accurate, complete and current as of the date of completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the provisions of this Purchase Order, Seller shall obtain such data.

**General Terms and Conditions of Purchase Supplement 2 – Department of Defense FAR Supplement
(DFARS) Government Contract Provisions**

Version May 2014

- I. When the products or services furnished are for use in connection with a U.S. Government Department of Defense prime contract or subcontract, in addition to the DRS General Purchase Order Terms and Conditions and the Supplement 1 FAR provisions, the following provisions shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each Department of Defense FAR Supplement (hereinafter "DFARS") provision shall be the same version as that which appears in Buyer's prime contract (as amended) or higher tier subcontract (as amended) under which this Purchase Order is a subcontract. For the acquisition of commercial items under Purchase Orders placed in support of, and charged to, a U.S. Government Department of Defense prime contract or subcontract, the only DFARS clauses that are flowed down are those required by a particular DFARS provision to be flowed down, and those clauses are annotated with *. For the definition of a commercial item, see FAR 2.101.
- II. In the event of a conflict between these DFARS provisions, or the Supplement 1 FAR provisions, and the General Purchase Order Terms and Conditions, the DFARS provisions shall control.
- III. Seller shall insert these provisions in selected lower tier subcontracts, either verbatim or in substance, and by incorporation-by-reference or otherwise, as appropriate.
- IV. In all clauses listed herein, the terms "Government," "Contracting Officer" and "Contractor" shall be deemed revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. "Subcontractor," however, shall mean "Seller's Subcontractor" under the Purchase Order.
- V. If any DFARS clauses do not apply to a specific Purchase Order, such clauses are considered self-deleting.

XIV. Applicable to All Purchase Orders

252.203-7002* Requirement to Inform Employees of Whistleblower Rights

252.203-7003* Agency Office of the Inspector General (applies when FAR 52.203-13 applies to this Purchase Order)

252.204-7000* Disclosure of Information

252.204-7010* Requirement for Contractor to Notify DoD if the Contractor's Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol (applies if the prime is subject to provisions in U.S. International Atomic Energy Agency Additional Protocol)

252.204-7012* Safeguarding of Unclassified Controlled Technical Information (reports required under (d) shall be made through Buyer's Purchasing Representative; "Contracting Officer" means "Contracting Officer and Buyer")

252.208-7000* Intent to Furnish Precious Metals as Government-Furnished Material

252.211-7003* Item Unique Identification & Valuation (applies if the Purchase Order requires the Work to contain "unique item identification"; items subject to unique item identification are identified

elsewhere in this Purchase Order; all reports required to be submitted under this clause shall be made through Buyer's Purchasing Representative)

252.215-7000 Pricing Adjustments (applies if FAR 52.215-12 or 52.215-13 applies to this Purchase Order)

252.222-7000 Restrictions on Employment of Personnel

252.223-7001* Hazard Warning Labels (applies if this Purchase Order requires delivery, treatment, or disposal of hazardous materials)

252.223-7002* Safety Precautions for Ammunition and Explosives (applies only if the articles furnished under this Purchase Order contain ammunition or explosives, including liquid and solid propellants; "Government" means "Government and Buyer"; any communication to the Contracting Officer shall be through Buyer's Purchasing Representative; delete "prime" in paragraph (g)(1)(ii) and add "and Buyer's Purchasing Representative," and delete "substituting its name for references to the Government")

252.223-7003* Change in Place of Performance – Ammunition and Explosives (applies if DFARS 252.223-7002 applies to this Purchase Order; "Government" shall mean "Government or Buyer")

252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials (applies if Purchase Order requires or permits treatment or disposal of non- Department of Defense-owned toxic or hazardous materials; applicable to subcontracts performed, even partly, on a Department of Defense installation)

252-223-7007* Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (applies if this Purchase Order is for the development, production, manufacture, or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to Seller as Government Furnished Property)

252.223-7008* Prohibition of Hexavalent Chromium

252.225-7001* Buy American and Balance of Payments Program (applies if the Work contains other than domestic components; applies in lieu of FAR 52.225-1)

252.225-7002 Qualifying Country Sources as Subcontractors

252.225-7007* Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (applies if Seller is supplying items on the U.S. Munitions list)

252.225-7012* Preference for Certain Domestic Commodities

252.225-7013 Duty-Free Entry (applies in lieu of FAR 52.225-8; the prime contract number and identity of the Contracting Officer are contained elsewhere in this Purchase Order; if this information is not available, contact Buyer's Purchasing Representative)

252.225-7016 Restriction of Acquisition of Ball and Roller Bearings (applies if Work supplied under this Purchase Order contains ball or roller bearings)

252.225-7019* Restriction on Acquisition of Anchor and Mooring Chain (applies to Purchase Orders for items containing welded shipboard anchor and mooring chain, 4 inches or less in diameter)

252.225-7020 Trade Agreements Certificate (applies in solicitations that include the clause at 252.225-7021, Trade Agreements; does not apply if the Solicitation includes FAR 52.204-7)

252.225-7021* Trade Agreements (applies if the Work contains other than U.S.-made qualifying country, or designated country end products; applies in lieu of FAR 52.225-5)

252.225-7025 Restriction on Acquisition of Forgings (applies to Purchase Orders for forging items)

252.225-7027* Restriction on Contingent Fees for Foreign Military Sales (applies to solicitations and Purchase Order that are for Foreign Military Sales)

252.225-7028* Exclusionary Policies and Practices of Foreign Governments (applies to solicitations and Purchase Orders that are for Foreign Military Sales)

252.225-7030* Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate (applies to solicitations and Purchase Orders that (1) require delivery to the Government of carbon, alloy, or armor steel plate that will be used in a Government-owned facility or (2) require contractors operating in a Government-owned facility or a facility under the control of the Department of Defense to purchase carbon, alloy, or armor steel plate)

252.225-7031* Secondary Arab Boycott of Israel

252.225-7036 Buy American – Free Trade Agreements – Balance of Payments Program 252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (applies where Seller will be performing or traveling outside the U.S. under this Purchase Order; for paragraph (c), see applicable information in DFARS 225-7401)

252.225-7048 Export Controlled Items

252.227-7013* Rights in Technical Data – Noncommercial Items (applies in lieu of FAR 52.227-14)

252.227-7014* Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applies in lieu of FAR 52.227-14)

252.227-7015* Technical Data – Commercial Items (applies whenever any technical data related to commercial items developed in any part at private expense will be provided under this Purchase Order for delivery to the Government)

252.227-7016 Rights in Bid and Proposal information (no substitutions for “Government” or “Contracting Officer” are made)

252.227-7017 Identification and Assertion of Use, Release or Disclosure Restrictions

252.227-7018 Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program

252.227-7019* Validation of Asserted Restrictions – Computer Software

252.227-7020 Rights in Special Works

252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (in paragraph (c), "Government" means "Government and Buyer")

252.227-7026 Deferred Delivery of Technical Data or Computer Software 252.227-7027 Deferred Ordering of Technical Data or Computer Software

252.227-7028 Technical Data or Computer Software Previously Delivered to the Government (the definitions for "contract" and "subcontract" shall not apply herein, except for the first reference to the contract; "Government" means "Government or Buyer")

252.227-7030 Technical Data- Withholding of Payment (in paragraph (b), "Government" means "Government or Buyer")

252.227-7033 Rights in Shop Drawings

252.227-7037* Validation of Restrictive Markings on Technical Data (no substitutions for "Government" or "Contracting Officer" are made)

252.227-7038 Patent Rights - Ownership by Contractor (Large Business) (applies if Seller is not a small business or nonprofit organization subject to FAR 52.227-11 and the Purchase Order is for experimental, developmental, or research work) 252.227-7039 Patents – Reporting of Subject Inventions (applies to solicitations and Purchase Orders that will include FAR 52.227-11)

252.228-7001 Ground and Flight Risk (applies to Purchase Orders for the acquisition, development, production, modification, maintenance, repair, flight, or overhaul of aircraft unless an exception listed at DFARS 228.370(b)(1) applies)

252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (in paragraph (a), communications to the Contracting Officer shall go through Buyer's Purchasing Representative; in paragraph (b), "Government" means "Government and Buyer")

252.229-7004 Status of Contractor as a Direct Contractor (Spain) 252.229-7011 Reporting of Foreign Taxes – US Assistance Programs 252.231-7000 Supplemental Cost Principles

252.235-7003 Frequency Authorization (applies if this Purchase Order requires developing, producing, constructing, testing, or operating a device requiring a radio frequency authorization)

252.236-7013* Requirement for Competition Opportunity for American Steel Producers, Fabricators and Manufacturers (applies only to Purchase Orders that involve the acquisition of steel as a construction material)

252.237-7019* Training for Contractor Personnel Interacting with Detainees (applies only to Purchase Orders that may require Seller's personnel to interact with detainees in the course of their duties)

252.237-7023 Continuation of Essential Contractor Services (for services contracts only)

252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services (applies to all Purchase Orders requiring securing telecommunications)

252.239-7018* Supply Chain Risk (applies if this Purchase Order involves the development or delivery of any information technology, whether acquired as a service or as a supply; “Government” means “Government or Buyer”)

252.243-7001 Pricing of Contract Modifications 252.244-7000* Subcontracts for Commercial Items

252.246-7001 Warranty of Data

252.246-7003* Notification of Potential Safety Issues (applies if this contract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system; Seller shall provide notifications to Buyer and the Contracting Officer identified to Seller)

252.246-7007* Contractor Counterfeit Electronic Part Detection and Avoidance System (applies to Purchase Orders for electronic parts or assemblies containing electronic parts)

252.247-7024* Notification of Transportation of Supplies By Sea

XV. Orders Over \$150,000 Shall Also Include the Following:

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense Contract-Related Felonies (“Government” is not changed throughout this clause; the terms “contract,” “contractor,” and “subcontract” shall not change in meaning in paragraphs (a) and (d); delete paragraph (g); in paragraph (e), the remedies described in subparagraphs (2) and (3) are available to Buyer not the Government; in paragraph (f), communication to the Contracting Officer shall go through Buyer’s Purchasing Representative)

252.225-7008 Restriction on Acquisition of Specialty Metals (applies to Purchase Orders for delivery of specialty metals as end items)

252.225-7009* Restriction on Acquisition of Certain Articles Containing Specialty Metals (applies if aircraft, missile or space systems, ships, tank or automotive items, weapon systems, or ammunition contain specialty metals; paragraph (d) is deleted)

252.225-7010* Commercial Derivative Military Article – Specialty Metals Compliance Certificate (applies to Purchase Orders that contain DFARS Clause 252.225- 7009)

252.247-7023* Transportation of Supplies By Sea (applies in lieu of FAR 52.247-64 in all Purchase Orders for ocean transportation of supplies; in the first sentence of paragraph (g), add a period after “Contractor” and delete the balance of the sentence; paragraph (f) and (g) shall not apply if the Purchase Order is less than or equal to \$150,000)

XVI. Orders Over \$500,000 Shall Also Include the Following:

252.226-7001* Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Buyer shall have no liability to Seller for any incentive payment under this clause unless and until the Government provides said incentive payment to Buyer)

XVII. Orders Over \$650,000 Shall Also Include the Following:

252.219-7003 Small Business Subcontracting Plan (DoD Contracts) (applies if FAR 52.219-9 applies to this Purchase Order; delete paragraph (g))

252.225-7006 Quarterly Reporting of Actual Contract Performance Outside the United States (delete paragraph (f))

252.249-7002* Notification of Anticipated Contract Termination or Reduction (delete paragraph (d)(1) and the first five words of paragraph (d)(2))

XVIII. Orders Over \$700,000 Shall Also Include the Following:

252.215-7008* Only One Offer (applies if Buyer receives notification from the Government that only one offer was received and additional cost or pricing data is required to determine whether the price is fair and reasonable or to comply with the statutory requirements for certified cost or pricing data, unless an exception exists under 215.371-4(a); "Contracting Officer" means "Contracting Officer and Buyer")

XIX. Orders Over \$1,000,000 Shall Also Include the Following:

252.211-7000* Acquisition Streamlining (applies if Purchase Order is greater than \$1,500,000)

252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (the certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors)

252.225-7033 Waiver of United Kingdom Levies (applies if this Purchase Order is with a United Kingdom firm)

XX. Orders Over \$5,000,000 Shall Also Include the Following:

252.203-7004 Display of fraud hotline poster(s) (applies in lieu of FAR 52.203-14; does not apply if performance is entirely outside the United States)

XXI. Orders Performed Outside the United States Shall Also Include the Following:

252.225-7040 Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States



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DRS-Power & Control Technologies, Inc

PURCHASING BULLETIN 55-PP-315, Effective 10/2012

The following Terms & Conditions are whereby included as part of the Purchase Order.

1. SPECIFICATIONS

Products supplied shall be in strict conformance to Purchase Order specifications, including but not limited to the most current revision of Military Specification, if specified or other specifications, processes/procedures, reference documents or requirements that may be required by the Purchase Order. Part substitutions are not authorized unless DRS-PCT and /or DRS-PCT's customers have approved them in writing as evidenced by a formally released DRS-PCT alternate parts document, other document or instruction.

2. QUALITY & INSPECTION SYSTEM

The Seller must maintain, and require its subcontractors to provide and maintain, a Manufacturing/Inspection/Test/Quality System acceptable to the Buyer and the Government or as otherwise invoked in the Purchase Order.

The Seller shall make their facility and Manufacturing /Inspection/Test/Quality System, facility processes and procedures and Purchase Order related processes and procedure or seller's lower tier supplier premises available to the Buyer, Buyer's Customer, the Government or the Government Prime Contractor for review upon at least a ten (10) day notification.

All Sellers are required to maintain an inspection program as defined in FAR 52.246-2, Inspection of Supplies - Fixed Price. The Seller of complex or critical items, as defined by FAR 46.202-4, Higher-Level Contract Quality Requirements (special processes and products), shall maintain a quality management system acceptable to the Buyer. The quality management system shall be compliant with the requirements, tailored appropriately for the Seller, as described in ISO 9001 Quality Management System Requirements. DRS-PCT reserves the right to audit and approve the Seller's quality management system prior to the execution of this purchase order.

Products or services for this purchase order shall be provided in accordance to the Seller's quality management system last approved by DRS-PCT. Any changes to this quality management system must be submitted to DRS-PCT for review and approval prior to implementation in accordance with this purchase order.

Unless otherwise noted on the purchase order, all verification of purchased products will be conducted upon receipt at DRS-PCT per DRS-PCT procedures and documentation.

3. TEST / INSPECTION REPORT DATA

Test/Inspection report data sheets in accordance with the requirements of the purchase order, drawing and / or specifications are required with the product shipped. The data must include the actual measured value and be traceable to the product lot code or serial number.

Test/Inspection records shall be retained for a minimum of seven (7) years, or longer if indicated in the Purchase Order. These records shall be available upon request, to the Buyer, the Government or Government Prime Contractor. Seller must notify Buyer before destruction of quality records. As an alternative to the retention requirement, the Seller may submit test/inspection records with the shipment. Test/Inspection records data must be identified as to the material furnished by Purchase Order number and part number, and signed (including title) by the Seller's authorized representative.

All records submitted are subject to DRS-PCT review and approval prior to acceptance.

4. INSPECTION AT SELLER'S FACILITY

If specified in the Purchase Order, inspection at Seller's facility by Buyer, Government or Government Prime Contractor shall be required prior to shipment. This requirement must not be bypassed without written authorization from the Buyer. Seller shall notify the Buyer at least ten (10) days in advance of the date material is expected to be ready for inspection. Mandatory Hold Points (MHP) may be required. The Buyer may designate MHP defining operations in the Supplier's manufacturing and/or inspection sequence that are to be witnessed by the Buyer, the Government or the Government Prime Contractor prior to completion by the Seller. This activity shall be performed in such a manner to not disrupt normal processing and shall be conducted on a non-interference basis.

If any inspection or test is made by Buyer, Government and/or Government Prime Contractor of Seller or a subcontractor, Seller without additional charge shall provide a safe place to work and reasonable facilities and assistance for the convenience of Buyer, Government and/or the Government Prime Contractor in the performance of their duties. If Buyer, Government and/or Government Prime Contractor inspection or test is made at a point other than the premises of Seller or a subcontractor, it shall be at the expense of the Buyer except as otherwise provided in the Purchase Order; provided that, in case of rejection, Buyer shall not be liable for any reduction in value of samples used in connection with such inspection or test.

The outside packaging of any item source inspected shall be labeled with "SOURCE INSPECTED ITEM ENCLOSED"

5. GOVERNMENT SOURCE INSPECTION

If specified in the Purchase Order, Government Source (G.S.I.) shall be required prior to shipment from Seller's facility. Upon receipt of this order, promptly notify and provide a copy of this purchase order to the Government Representative who normally services the facility so that appropriate planning for Government inspection can be accomplished. In the event the representative cannot be located, Seller shall contact the Buyer's Purchasing Representative.

Unless otherwise agreed to in writing, the Seller shall provide the Government Representative with:

- a. At least ten (10) working days advance notification of readiness for performance or witnessing of government designated inspections or test.

- b. All applicable documents requested and reasonable conditions for conducting or witnessing the inspection or test.

6. BUYER REVIEW AND APPROVAL OF PROCEDURES

When specified in the Purchase Order, the Seller shall submit to the Buyer's Purchasing Representative the procedures listed below prior to use if such procedures are used directly or indirectly in the performance of the supplies being furnished under this Purchase Order:

- Soldering and / or Cleaning
- Welding
- Nondestructive Testing
- Rubber Bonding
- Alloy Identification
- Brazing
- Programming/verification of programmable memory devices
- SS-473 software procedures (other than equipment specific)
- Others as required by contract

If the above Seller procedures, applicable to this Purchase Order have not been previously approved by the Buyer, the Seller shall submit the procedures to the Buyer within fifteen (15) days after receipt of this Purchase Order. The applicable procedures shall not be used by the Seller in performance of this Purchase Order until Buyer has approved the procedures in writing. Changes to any previously approved procedure requires re-submittal, review and approval by the Buyer prior to use by the Seller.

Note 1:

All special processing on DRS-PCT controlled drawings such as anodizing, welding, nondestructive testing, heat treating, plating, etc. and / or special testing must be performed by qualified suppliers. The seller shall maintain evidence of Supplier qualification. All x-ray film, inspection data, test results, heat treat charts and certificates of compliance from the lower-tier supplier must be shipped with the material unless otherwise instructed in this purchase order.

Note 2: The welding and brazing procedure submittals must include the applicable qualification data and reports.

7. MERCURY & ABESTOS NOTIFICATION REQUIREMENTS:

The supplies furnished under this Purchase Order shall not contain functional mercury. Furthermore, external contamination by metallic mercury or mercury compounds shall be cause for rejection of equipment. The Seller shall notify the Buyer prior to proceeding with manufacture or shipment, if the presence of mercury or mercury contamination is suspected. The Seller shall perform a suitable test to verify the suspicion. The deliverable equipment shall not come into direct contact with mercury containing devices employing only a single boundary of containment. A single boundary of containment is one which is not backed by a second seal or barrier to prevent contamination in the event of rupture of the primary seal or barrier. This requirement does not preclude the use of fluorescent lighting fixtures or fixtures employing mercury vapor lamps, which contain no more mercury per lumen than a comparable fluorescent lamp.

**** ASBESTOS WARNING ****

ASBESTOS IS A HUMAN CARCINOGEN WHICH PRESENTS A HAZARD TO PERSONNEL HANDLING OR OTHERWISE WORKING WITH IT. ANY ASBESTOS OR ASBESTOS CONTAINING MATERIAL SUPPLIED ON THIS ORDER MUST BE ANNOTATED ON THE PACKING LIST AND MUST BE IDENTIFIED ACCORDINGLY WITH APPROPRIATE OSHA APPROVED LABELS OR TAGS TO INFORM ALL PERSONNEL WHO HANDLE OR WORK WITH THE MATERIAL OF THE POTENTIAL ASBESTOS HAZARD.

8. IDENTIFICATION, PRESERVATION, PACKAGING and PACKING

The supplier shall accomplish identification, preservation (including any cleaning), packaging and packing in accordance with good commercial practices unless otherwise specified in the purchase order. Damaged articles received by DRS-PCT will be rejected as supplier's responsibility.

9. IDENTIFICATION OF LIMITED LIFE (SHELF LIFE) and TEMPERATURE SENSITIVE MATERIAL

Cure or manufacturing dates, assembly dates, expiration dates, temperature limits, compound number, and manufacturing identification will be recorded on the certifications and shipping documents, as appropriate. Items with less than 80% shelf life remaining shall be cause for rejection unless otherwise specified on the purchase order. For rubber goods, a remaining shelf life of 85% or greater is required unless otherwise specified on the purchase order. The buyer must be contacted in person the day any temperature sensitive materials are shipped from the Suppliers' facility.

10. ELECTROSTATIC SENSITIVE DEVICES

All electrostatic sensitive devices shall be packaged, marked and handled in compliance with ANSI/ESD S20.20.

11. CONTROL OF BUYER / CUSTOMER/ GOVERNMENT FURNISHED MATERIAL / EQUIPMENT

When applicable, raw material supplied by DRS-PCT, DRS-PCT' customer(s), and / or the Government to be used in the Supplier's finished product shall be inspected upon receipt for evidence of acceptance and be maintained throughout the manufacturing process. Equipment, tools, gauges, etc. supplied by DRS-PCT, DRS-PCT' customer(s), and / or the Government to be used while processing the Supplier's finished product shall be inspected upon receipt for evidence of acceptance, calibration, and maintained throughout the manufacturing process. The Supplier must support DRS-PCT during periodic customer / government audits. The contractor shall require subcontractors provided Government property under the prime contract to comply with the requirements of this subpart. Procedures for assuring subcontractor compliance shall be included in the contractor's property control system. Where the property administrator assigned to the contract has requested supporting property administration from another contract administration office, the contractor may accept the system approval of the supporting property administrator instead of performing duplicative actions to assure the subcontractor's compliance.

12. CHEMICAL AND PHYSICAL TEST REPORTS

The Supplier furnishing components or assemblies to DRS-PCT shall maintain a complete set of results of all Chemical and / or Physical Test Reports (i.e., chemical analysis, tension tests, etc.) required by this purchase order or specification for each lot, batch, or heat number of raw material, as applicable. The Supplier must retain any other reports necessary to substantiate that all material used in the manufacture of components or assemblies, whether purchased by the supplier or of supplier manufacture, meet the requirements and / or specifications. The Supplier must furnish copies of the Chemical and Physical Test Reports, including the actual applicable measured values traceable to the lot code or serial number, for approval before manufacturing begins or with the shipment as specified in the purchase order.

13. MATERIAL AND PROCESS CERTIFICATION (Certificate of Compliance)

A Certificate of Compliance (C of C) is required for all Non-Commercial Off the Shelf (COTS) components. The C of C may be part of the packing slip and must include the following information:

- (a) PO Number
- (b) Part Number
- (c) Part Revision
- (d) Quantity
- (e) Statement of Conformance by the supplier declaring the product or service has met all the requirements of the purchase order

including drawings and specifications at the prescribed revision level. An example of an acceptable statement of Certification of

Compliance (Conformance) is as follows: "This is to certify that all items noted are in conformance with the contract, drawings,

specifications, and other applicable documentation that all process certifications, chemical and physical test reports are on file an

this facility and are available for review by DRS-PCT."

(f) Authorized signature and date

If the Supplier is not the original fabricator, processor, or assembly source of the product(s) which makes up the deliverable end item, the Supplier shall obtain and maintain lower-tier supplier / processor Certificates of Compliance documentation on file. Unless specifically required per purchased order, the Supplier's lower-tier supplier / processor Certificates of Compliance shall be made available to DRS-PCT, DRS-PCT's customer, authorized Government Representative, or any other regulatory agency upon request.

14. CONTROL OF LOWER-TIER SUPPLIERS

The Supplier is responsible for control over their lower-tier suppliers and, as such, must notify DRS-PCT in writing of their intention to use lower-tier suppliers for performance of critical processes identified in Purchasing Bulletin Section 6. The Supplier shall flow-down all the applicable DRS-PCT Quality Assurance Requirements to all lower tier suppliers performing work involving this purchase order. DRS-PCT reserves the right to participate in the evaluation and qualification of critical process lower-tier suppliers and to inspect at the source any product or service not manufactured or performed within the primary supplier's facility. The election to participate in these activities will be made by DRS-PCT Quality Assurance.

15. SUPPLIER MATERIAL REVIEW BOARD (MRB) AUTHORITY

Supplier's MRB authority is not authorized on this purchase order. Any nonconformances on final deliverable product to the purchase order, drawings, specifications, or applicable documents must be submitted to DRS-PCT for approval prior to shipment. The Supplier must identify the root cause of the nonconformance and describe the implemented corrective actions(s) taken by the Supplier.

16. SOLDERING PROCESS REQUIREMENTS

Soldering process control shall be in accordance with J-STD-001, unless otherwise approved by DRS-PCT.

17. MOISTURE SENSITIVE COMPONENTS

All moisture sensitive components, as classified by IPC/JEDEC J-STD-020 or other documented procedure, shall be handled in a manner consistent with IPC/JEDEC J-STD-033 or other documented procedure.

18. NAVAL NUCLEAR PROPULSION INFORMATION (applicable only to Purchase Orders supporting the U.S. Naval Nuclear Program)

NN-801 –Control and protection of unclassified Naval Nuclear Propulsion Information,
NN-802 –Control and protection of classified Naval Nuclear Propulsion Information,
NN-817 –Naval Nuclear Propulsion Information (NNPI) Guide

19. COUNTERFEIT PARTS

The Supplier represents and warrants that only new and authentic components, subcomponents, parts, material and supplies are procured, used, incorporated into and/or delivered in performance of this order. No other material, part, or component other than a new and authentic part is to be used unless approved in advance in writing by DRS-PCT. Supplier agrees and shall ensure that counterfeit parts or counterfeit work are not delivered to or incorporated into DRS-PCT or DRS-PCT designee and that the work contains no counterfeit parts or counterfeit work. The intentional or unintentional use, incorporation or delivery of counterfeit parts or counterfeit work is strictly prohibited. This includes it being provided either as an end item deliverable or as a component or subcomponent of an end item deliverable under this purchase order.

The Supplier shall maintain a system or method of item traceability that ensure tracking of the supply chain back to the manufacturer of all electrical, electronic and electromechanical assemblies and sub assemblies being delivered under this purchase order. The Supplier shall immediately notify DRS-PCT in writing if it cannot purchase or acquire authentic components, subcomponents, parts, material and supplies directly from the OCM/OEM or through an OCM/OEM authorized distributor chain. The Supplier shall also immediately notify DRS in writing if it or its subcontractors at any tier cannot maintain tracking of the supply chain back to the OCM/OEM.

PURCHASING BULLETIN 55-PP-315,

Revision Record

Revision	Description	Date	Approved
1	Updated Clause #12 to better fulfill DQP-PD-051 section 6.12 and thus FAR 45.502(d): The contractor shall require subcontractors provided Government property under the prime contract to comply with the requirements of this subpart. Procedures for assuring subcontractor compliance shall be included in the contractor's property control system. Where the property administrator assigned to the contract has requested supporting property administration from another contract administration office, the contractor may accept the system approval of the supporting property administrator instead of performing duplicative actions to assure the subcontractor's compliance.	12/05/06	Paul Drechsler
2	Updated bulletin to conform to the latest FAR and DFARS, clarified applicability of BPFI flowdowns by dollar threshold and added Item 10 in Section A: "Order of Precedence."	7/31/08	Paul Drechsler
3	Per ISO requirements no Revision I is released	8/25/2008	Paul Drechsler
4	Changes to Section C – Quality Assurance and Inspection Requirements: #4 was changed from Mandatory Hold Points to First Article Inspection. Commercial Nuclear Product requirements added to #17 Control of Lower-	8/25/2008	Paul Drechsler

	Tier Suppliers. Notification of Significant Defects and Deficiencies in Supplied Product added to #18 Supplier Material Review Board (MRB) Authority. #21 Certification of Test and Inspection Personnel and #22 Certification of Test Fixtures and Inspection Aides added.		
5	<p>Clause 6:</p> <p>Add the following statement “and provide a copy of this purchase order to” needs to be added after the word “notify” in the first paragraph</p> <p>Clause 12:</p> <p>Add to beginning of first sentence “When applicable,</p> <p>Clause 14:</p> <p>Delete: “If specified by the Purchase order,”</p> <p>Add: For electronic parts (defined as electrical or electronic devices that are not subject to disassembly without destruction or impairment of design use, i.e. resistors, capacitors, diodes, integrated circuits, hybrids, application specific integrated circuits, wound components, and relays) the Supplier shall provide with the shipment a Certificate of Conformance certifying that the item provided is the part being procured on the Purchase order. In cases where the supplier is not the Original Manufacture the Certificate of Conformance must also establish traceability to the Original Manufacture by providing the Original Manufactures certificate for the Lot number being supplied.</p>	1/5/2009	Paul Drechsler
6	Removed the FAR and DFAR Clauses from Section A and Section B. FAR and DRAR Clauses are now included in the DRS PO Terms and Conditions.	3/30/2010	Paul Drechsler
7	Removed Note 18 & 19 from Section 4, and updated Note 14 of Section 4 to eliminate Danbury Reference	6/9/2010	Paul Drechsler
8	<p>Fraud or Falsification Statement: Removed statement</p> <p>Clause 5: Removed “and/or Process”, Clause 10: Removed “1999”, Clause 13: Detailed Certificate of Compliance requirements, Clause 15: Removed commercial nuclear product text, Clause 16 Removed “Revision B or later”.</p> <p>Clause 18: Added clause – Navy Nuclear Propulsion Information</p>	2/16/2012	Paul Drechsler

9	Added clause 6: Counterfeit Parts	10/2/2012	Paul Drechsler
10	Clause 7: added ASBESTOS WARNING and deleted Revision O in the title of the document due to there being a numeric Revision (for example Revision 10)	2/12/15	Jessica McLean