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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 at 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.

20. SHIPPING: On time delivery (-0 late/+3 early) is requested unless specified in writing by the Buyer Purchasing Representative.

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 BPMI 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-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.	8/25/2008	Paul Drechsler
5	Clause 6: 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 Clause 12: Add to beginning of first sentence "When applicable, Clause 14: Delete: "If specified by the Purchase order." 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	1/5/2009	Paul Drechsler

	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.		
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	Fraud or Falsification Statement: Removed statement 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". Clause 18: Added clause – Navy Nuclear Propulsion Information	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
11	<ul style="list-style-type: none"> • Added new logo to header • Added Shipping Note, #20 • Changed location for supplier to obtain DRS General Ts & Cs per PO boilerplate. <p>MANDATORY FLOWDOWNS The DRS standard terms and conditions can be reviewed at http://www.drs.com under Suppliers, Terms & Conditions Section. DRS-PCT specific terms are included in Purchasing Bulletin 55-PP-315 and can be reviewed at http://www.drs.com under Suppliers, Business Unit Quality Clauses for DRS-PCT. Purchase Orders issued prior to the effective date of the Ts and Cs listed will be covered under the revision in effect at the time of PO issue. As noted above, questions should be directed to your buyer.</p>	7/28/16	Jessica McLean