



RIX INDUSTRIES

PURCHASING/MATERIALS PROCEDURE

PURCHASE ORDER TERMS AND CONDITIONS

This document is controlled electronically. When printed, this document is UNCONTROLLED.

1.0 ACCEPTANCE OF CONTRACT.

Buyer shall not be bound by this order until Seller executes an acknowledgment of this order and unless Buyer receives same within seven (7) days after Seller has received this order. Seller shall be bound by this order and its terms and conditions when it executes and returns the acknowledgment or when it proceeds with performance hereunder. No contract shall exist except as herein above provided.

2.0 ORDER OF PRECEDENCE

- The Purchase Order
- These Terms and Conditions
- Any Attached Supplemental Terms and Conditions
- Drawings and Technical Specifications

3.0 AMENDMENTS.

No modifications, alterations or changes in this Purchase Order shall be binding upon the Buyer unless in writing and signed by Buyer. All specifications, drawings, and data submitted to Seller with this order are hereby incorporated herein and made a part hereof.

The Buyer may at any time, by a written order, and without notice to the sureties, if any, make changes within the general scope of the order including, but not limited to quantities, drawings, specifications, delivery schedules and/or methods of shipment and packaging. If any such changes cause an increase or decrease in the estimated costs of or the time required for performance of this order, or otherwise affects such order, an equitable adjustment shall be made and the order shall be modified in writing accordingly. Any claim by the Seller for adjustment under this clause shall be deemed waived unless asserted within thirty (30) days from the date of the receipt by the Seller, or the change.

4.0 PROPERTY FURNISHED TO SELLER BY BUYER.

Unless otherwise agreed in writing, all special dies, molds, patterns, jigs, fixtures, and any other property furnished to the Seller by the Buyer, or specifically paid for by the Buyer, for use in the performance of this contract, shall be and remain the property of the Buyer, shall be subject to removal upon Buyer's instruction, shall be used only in filling orders from the Buyer, shall be held at the Seller's risk for loss or damage, and shall be kept insured by the Seller at the Seller's expense while in its custody or control in an amount equal to the replacement cost thereof, with loss payable to the Buyer. Copies of policies or certificates of such insurance will be furnished to Buyer on demand. Seller shall reimburse Buyer or replace any Buyer-furnished castings damaged beyond use by improper machining or other conditions.

When Buyer furnishes materials, parts, tooling and/or other property, Seller's shipper and final invoice must contain the statement: "All materials, parts, tooling or other property furnished and/or acquired on this Purchase Order (except that which is normal industrial waste or was replaced at Seller's expense) have been returned in the form of parts, unused material and/or tooling." If Buyer furnished any material for fabrication hereunder, Seller agrees not to use any other material in such fabrication without Buyer's written consent. Buyer reserves the right to retain 10% of the total amount of Seller's invoices until all requirements of this clause have been fulfilled.

5.0 EXTRAS.

No charges will be allowed for licenses or permits, taxes, transportation, boxing, packing or returnable containers unless stated. All sales, use, excise, or similar taxes to be paid by Buyer must be itemized separately hereon and on invoices. All shipments must be packaged in a manner that will provide for efficient handling and preclude the possibility of damage to the articles. In addition, shipments tendered to common carriers for delivery must conform to the packaging requirements of the rail or motor carrier freight classification. No extras are allowed under any circumstances unless authorized in writing.

6.0 WARRANTY.

Seller warrants all articles and services furnished hereunder to comply with all plans and specifications which are a part of this order as well as published catalog data, performance curves, etc. If Buyer's order refers to plans and specifications of a third party, it shall be the Seller's obligation to familiarize itself therewith and this warranty shall extend to compliance therewith. Seller also guarantees the goods against defective design, workmanship or materials. Buyer has informed Seller of the particular purpose for which the goods are required and Buyer is relying entirely on Seller's skill and judgment to select and furnish suitable goods. Seller warrants that the goods will be fit for Buyer's particular purpose. This warranty is in addition to any and all warranties of Seller arising by operation of law and nothing contained herein shall be construed as limiting or restricting such warranties. Seller warrants and represents that all products and each and every part thereof to be delivered hereunder to be new and unused. Any goods found defective shall upon Buyer's request be replaced by Seller at Seller's expense. The warranties of Seller, together with its service warranties and guarantees, shall run to Buyer and/or its customers. Said warranties shall remain in effect as to each item or material and as to each item assembled, furnished, serviced and/or repaired hereunder for a period of one (1) year after it is applied to a use for which it was intended. Acceptance by any inspector shall not affect Seller's obligation under this warranty.

7.0 CERTIFICATE OF CONFORMANCE IS REQUIRED.

Certificates of conformance shall accompany each shipment. Seller's statements of quality and/or statements of finding shall be statements of fact pertaining to the quality of the product or service based on observations, measurements, processes, or tests which can be fully verified. The certificate of conformance as a minimum shall contain reference to RIX P.O.#

and state that items delivered meet all P.O. requirements. An example of an acceptable certificate is available from RIX QC Department.

8.0 INSPECTION AND TESTS.

Materials or equipment purchased hereunder are subject to inspection and approval at the Buyer's destination. Buyer reserves the right to reject and refuse acceptance of items which are not in accordance with the instructions, specifications, drawings, and data or Seller's warranty (express or implied). Buyer will charge Seller for the cost of inspecting merchandise rejected. Items not accepted will be returned to Seller at Seller's expense. Payment for any article hereunder shall not be deemed an acceptance thereof.

The Buyer reserves the right to use sampling plan(s) for the acceptance or rejection of incoming material. If a lot is rejected by the sampling procedure, the entire lot may be returned to Seller for screening at Seller's expense, or, at the option of Buyer, the rejected lot may be screened by the Buyer, at Seller's expense.

9.0 NOTICE OF CRITICAL/CLOSE TOLERANCE EQUIPMENT.

Tolerances, noted on applicable drawings, must be maintained. All parts are subject to 100 percent inspection at RIX plant. Final acceptability of parts will be dependent upon satisfactory inspection results.

10.0 SPECIAL NOTICE FOR USE OF RIX SUPPLIED CASTING/MATERIALS.

If a defective RIX supplied casting or other material is noted during a machining, or manufacturing operation, the work on that piece shall be stopped, the casting set aside, and labor hours expended on it noted. Seller shall invoice RIX separately for any labor spent on defective castings. Should a repetition of defective castings be noted, RIX shall be immediately notified and work on all similar items held in abeyance pending further instructions. RIX will not be responsible for costs incurred by the vendor if the requirements of this paragraph are not met.

11.0 SOURCE INSPECTION ACCESS:

During the performance on this order, your quality control and manufacturing processes are subject to review, verification, and analysis by authorized representative of RIX's Customer and/or the Government. Inspection or release of product prior to shipment is not required unless you are otherwise notified.

12.0 DRAWING RETURN:

Drawings stamped with "Released for Manufacture". This drawing MUST be returned with the final shipment of parts, along with packing list, inside container.

13.0 SHelf LIFE OF MATERIAL:

If the materials being ordered has shelf life requirements or limitations, the following data shall be furnished by the Seller with each shipment:

- Cure Date
- Batch or lot number
- Shelf life limitations (i.e. recommended shelf life and/or use by date in years or expiration date by "Quarter Year").

14.0 PACKAGING:

All items shall be packed and/or crated for ease of handling and in such a manner as to assure their adequate protection in shipment and storage and arrival at destination in an undamaged condition. Prices set forth in this order include all charges for Seller's packing and crating and for transportation to the F.O.B. point. All prices for goods are F.O.B. destination unless otherwise noted. A Packing List showing items and quantity and the RIX Purchase Order number shall be included in or with the container.

15.0 HAZARDOUS MATERIALS:

Mercury. The material supplied under this order shall contain no metallic mercury and shall be free from mercury contamination. Mercury bearing instruments and/or equipment, which might cause contamination, shall not be used in the manufacture, fabrication, assembly, or testing of any material furnished.

Polychlorinated Biphenyls Prohibition. Seller shall not employ equipment or use material that is known or suspected of containing polychlorinated biphenyls.

Toxic Substances/Hazardous Material. Purchaser will not accept, store or dispose of any toxic substances or hazardous material except as and to the extent, if at all, expressly provided for in this Purchase Order. In particular, paints or primers on products required by this Purchase Order which contain the following components shall not be shipped without prior written approval by the Purchaser: arsenic, mercury, lead, chromates, or organo-metallic material. Materials containing asbestos shall not be provided without Purchaser's prior written permission. If invoked specifications and standards permit other materials, they shall be used in lieu of asbestos.

"Hazardous material" means any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of this Purchase Order). Seller must notify Purchaser in writing within 30 days of this order of any hazardous material to be delivered under this Purchase Order. The Seller shall identify hazardous material and include any applicable identification number, such as National Stock Number or Special Item Number. Seller shall update this notice whenever Seller determines that any other material to be delivered is hazardous. Seller shall include this information on a Material Safety Data Sheet meeting the requirements of 29 CFR 1910.1200(g), which Seller shall submit at least 30 days prior to any shipment containing hazardous material, and as otherwise required by Federal Standard 313, regardless of whether Seller is the actual manufacturer of the items. Neither the requirements of this paragraph, nor any act or failure to act by Purchaser, shall relieve Seller of any responsibility



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or liability for the safety of any person or property, or of any obligation to comply with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

16.0 QUALITY SYSTEM

The Seller shall provide and maintain an inspection system acceptable to RIX covering supplies under this Purchase Order. Seller is responsible for performing or having performed all inspections and tests necessary to substantiate that the supplies or services under this contract conform to the requirements. When indicated in the Purchase Order, higher level Quality Requirements apply.

If a subcontractor maintains a Quality System conforming to one of the following system specifications, he shall unless otherwise specified in the body of the Purchase Order, use that system, as a minimum, in the performance of this order.

- ISO-9001:1994 or ISO-9001:2000 or AS9100
- ISO-9002: 1994 or ISO-9001:2000 or AS9100
- ISO-9003: 1994 or ISO-9003: 2000
- MIL-Q-9858A
- MIL-I-45208A

17.0 MEASURING AND TEST EQUIPMENT

The Seller shall provide and maintain gauges and other measuring and testing devices to assure that supplies conform to the technical requirements. In order to assure continued accuracy, these devices shall be calibrated at established intervals against certified standards, which have known valid relationship to national standards. Calibration of inspection equipment shall be documented. When a quality system requirement is specified, the calibration system shall comply with the requirements of the specified system.

18.0 ELECTROSTATIC DISCHARGE SENSITIVE COMPONENTS

Electrostatic sensitive devices (ESD) must be processed, protected and identified in accordance with MIL-STD-1686 and DOD-HDBK-263, or as specified on the RIX drawings.

19.0 HYDROSTATIC TESTING

For commercial components or where not otherwise specified, hydrostatic testing of pressure bearing components shall be accomplished by the supplier at a pressure at least 1-1/2 times the rated working pressure of the part or component. Hydrostatic test records shall be maintained by the supplier and provided to RIX upon request.

When specified in the drawings or on the order, hydrostatic testing shall be accomplished in accordance with the requirements of the RIX drawing and RIX drawing A5858-11. In this case, hydrostatic test records shall be provided by the vendor with the appropriate certifications.

20.0 PERFORMANCE

Time is of the essence in this contract and if delivery of items or rendering of services is not completed by the time promised, the Buyer reserves the right, in addition to its other rights and remedies, to terminate this contract by written notice to Seller, and to purchase substitute items or services elsewhere and charge the Seller with any additional costs incurred. Any provisions herein for delivery of articles or the rendering of services by installment shall not be construed as making the obligations of Seller severable. Shipments sent C.O.D. without Buyer's written consent will not be accepted and will be at Seller's risk.

Seller shall notify Buyer immediately of any events which will delay the Seller's performance of this order.

If this order refers to any third party contract, plans and/or specifications, any delay in delivery by Seller which shall subject Buyer to damages for delay to such third party shall be the obligation of Seller (including liquidated damage amounts if provided) and Seller shall hold Buyer harmless in that behalf.

Seller shall immediately notify the Buyer of any delivery problems. Earlier deliveries are acceptable, however payment terms will be considered from the delivery date as specified on the order.

21.0 TERMINATION.

The performance of work under this order may be terminated by the Buyer in whole or in part by written or telegraphic notice, or verbal notice confirmed in writing. After receipt of notice of termination the Seller shall stop all work and terminate all orders. If termination is occasioned by Seller's breach of any condition herein, Buyer shall have against Seller all remedies provided by law and equity and Buyer may procure the items in default from any available source and the Seller is liable for all costs above the amount of the original order herein.

If the Purchase Order is so terminated then, within ten (10) days following Seller's receipt of said termination notice, Seller shall be entitled to submit a claim for equitable adjustment, which claim shall document the basis for Seller's claim. Failure of the parties to agree to an adjustment shall be considered a dispute under the "Disputes" clause of these terms and conditions, and shall be addressed in accordance therewith. Buyer shall be obliged to pay only for Work performed or Supplies ordered prior to the termination date.

22.0 DAMAGES.

Seller agrees to indemnify Buyer for any damages assessed Buyer by his customer and which are attributable to Seller's failure to comply with all terms and conditions of this Purchase Order.

23.0 REMEDIES.

The remedies herein reserved shall be cumulative, and additional to any other remedies in law or equity. No waiver of a breach of any provision of the Purchase Order shall constitute a waiver of any other breach, or of such provision.

24.0 DISPUTES

(a) Disputes arising out of, or relating to, the performance of this Purchase Order or letter contract shall be resolved at the lowest practicable level. If a dispute arises, the designated representatives of the Buyer and Seller will attempt to resolve the dispute. If Buyer's and Seller's representatives cannot resolve the dispute, they will refer the matter in dispute to the appropriate level of their respective managements. If the Buyer and Seller cannot then resolve the dispute, each party reserves all its rights and remedies available at law.

(b) Pending the resolution of any dispute, Seller shall proceed diligently with the performance of this order.

25.0 EFFECT OF INVALIDITY.

The invalidity in whole or in part of any condition of this Purchase Order shall not effect the validity or other conditions.

26.0 PRICING.

If this order is not priced, it shall NOT be filled at prices higher than those last quoted or charged the Buyer, unless such increased prices shall have been authorized in writing by the Buyer. Buyer shall not be billed at prices higher than stated on this Purchase Order unless authorized by a writing signed by Buyer.

27.0 INSURANCE.

The Seller shall maintain adequate insurance to hold the Buyer harmless in the event of any third person claims involving any liability claim or Workmen's Compensation claims with respect to performance under this contract.

28.0 PATENT INDEMNITY.

Seller agrees to defend at Seller's own expense, all suits, actions or proceedings in which Buyer, its successors, assigns, users, distributors or dealers are made defendants for actual or alleged infringement of any U.S. or foreign letter patents or trademarks resulting from the manufacture, use or disposition of any of the items purchased hereunder and Seller further agrees to indemnify each and all of said persons against loss, damage, or liability, including costs and expenses, which may be incurred on account of any suit, claim, judgment or demand involving said actual or alleged infringement.

29.0 INTELLECTUAL PROPERTY

If this order calls or provides for payment of any research or development work, the Buyer shall be granted a non-exclusive, royalty-free license to manufacture, use and sell any patent, patent application, invention, improvement or discovery (whether or not patentable) conceived or first actually reduced to practice, either in the performance of the work called for by this order or in the performance of any work relating to the subject matter of the order.

30.0 INFORMATION OF BUYER

Information provided by Buyer to Seller remains the property of the Buyer. Seller shall comply with the terms of any non-disclosure and non-use agreement between Buyer and Seller and with all proprietary information markings and restrictive legends applied by Buyer to anything provided to Seller under this Purchase Order. In the absence of a non-disclosure agreement between the parties, Seller shall not use any information of Buyer or Buyer's Customer whether relating to the Purchase Order, and Work performed or Supplies delivered hereunder, or to the business and affairs of the Buyer or Buyer's Customer, for any purpose except to perform the Purchase Order and shall not disclose such information to third parties without the prior written consent of Buyer, which such consent may be withheld by Buyer in its sole discretion.

31.0 ASSIGNMENT.

No assignment of this contract by the Seller shall be made without the expressed written approval of the Buyer.

32.0 RELEASE OF INFORMATION.

Release or publication of any information or data relating to material covered by this order is not permitted unless prior authorization in writing for release or publication has been obtained from the Buyer.

33.0 DPAS PRIORITY RATING

When Priority Rating is invoked, material is Certified for National Defense use under DPAS Regulation 1. Seller is required to follow all the provisions of the Defense Priorities and Allocations System regulations (15 CFR 700). The U.S. Department of Commerce, may render assistance in obtaining controlled materials and other products and materials needed to fill the order.

34.0 COMPLIANCE WITH LAWS.

In accepting this order, Seller represents that it has and will continue during the performance of this order to comply with the provisions of all federal, state and local laws and regulations.

35.0 FORCE MAJURE.

Neither party hereto shall be liable to the other for default or delay in performing its obligations hereunder if caused by fire, riot, war, Act of God and/or similar or different occurrence beyond the reasonable control and without the fault or negligence of the party so defaulting or delaying.

36.0 INVOICES

One invoice, in duplicate, shall be submitted for each delivery, with the packing slip number indicated thereon. All invoices are subject to review by government auditors.



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37.0 DISCOUNT PERIOD.

It shall be understood that any cash discount period will date from the RECEIPT of the INVOICE or the date the material is received, whichever is later, and not from the date of the invoice.

38.0 VENDOR EEO COMPLIANCE:

Vendor certifies that he does not maintain segregated facilities and that he complies with the EEO clause as set for in Executive Order 11246. Written certifications, in accordance with FAR 52.222, may be required and must be executed and returned to RIX Industries Purchasing Department if specified in, or attached to, this order.

39.0 SMALL BUSINESS CERTIFICATIONS

Small Business Administration certifications required for compliance with prime contract are enclosed where applicable.

40.0 EXPORT CONTROL

- (a) Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C.2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 D.F.R. part 120 et seq; and the Export Administration Act, 50 U.S.C. 2401-2420, including the Export Administration Regulations, 15 CFR part 730-774, including, the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Seller agrees it will not transfer any export controlled item, data or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier subcontractors or suppliers, without the authority of an export license, agreement, or applicable exemption or exception.
- (b) Seller agrees to notify Buyer if any deliverable under the Purchase Order is restricted by export control laws or regulations.
- (c) Seller shall immediately notify Buyer if Seller is, or becomes, listed in any Denied Persons List issued by the United States Bureau of Security and Industry (or any successor agency) from time to time of if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any Government entity or agency.
- (d) If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents and warrants that: (i) it is registered with the Office of Defense Trade Controls, as required by the ITAR, and (ii) it maintains an effective export/import compliance program in accordance with ITAR.
- (e) Where Seller is a signatory under a Buyer export license or export agreement, Seller shall provide prompt notification to Buyer in the event of changed circumstances, including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation of existence of the Government investigation, that could affect Seller's performance under the Purchase Order.

41.0 GOVERNING LAW

This order shall be governed by the laws of the State of California, except that any provision of the Order that is (i) incorporated in full text or by reference from the Federal Acquisition

Regulation ("FAR"), or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR, or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, Boards of Contract Appeals, and quasi-judicial agencies of the federal Government.

42.0 GOVERNMENT CONTRACTS.

If this order is related to a government contract, Seller shall be deemed to have specifically agreed to abide by all applicable laws, rules, and regulations affecting this transaction, together with any requirements or conditions of the government contract itself relating to the items or services covered by said Purchase Order. Seller agrees to provide Buyer necessary Quality Control and Certification of Materials documents at no extra cost to Buyer if and when required by any said government contract. A copy of applicable portions of said government contract will be made available for Seller's inspection upon request.

43.0 FAR/DFAR FLOW DOWN CLAUSES

If this Order shows on its face that it is placed in support of a U.S. Government funded prime contract or subcontract, or if the Buyer otherwise notifies the Seller that this Order is placed under a U.S. Government prime contract or subcontract, the following clauses of the Federal Acquisition Regulations (FAR), and the Department of Defense Federal Acquisition Regulation Supplement (DFARS) apply and are incorporated herein by reference to the extent they are incorporated into RIX's Prime or Subcontract with the same force and effect as if set forth below in full text. These clauses apply to all firm-fixed price (FP), cost reimbursable (CR), and time & material/labor hour (TM/LH) Purchase Orders, as appropriate.

Full text versions of these clauses can be made available upon Seller's request to the Buyer's authorized representative. Additionally, full text versions of these clauses are available from the U.S. Government in searchable form on the World Wide Web (WWW) portion of the Internet. The sites to be contacted are: (1) For the FAR-<http://www.acquisition.gov/comp/far/index.html>; and (2) For the DFARS- <http://www.acq.osd.mil/dpap/dars/dfars/index.htm>.

Except as noted below, the following changes to the FAR and DFARS clauses are made for incorporation of these clauses into this Order:

- "Contractor" or "prime contractor" shall mean "Seller."
- "Government" shall mean "Buyer."
- "Contracting Officer" shall mean "Buyer's Purchasing Representative."
- "Contract" or "Schedule" shall mean this "Order."

Seller agrees to flow-down, as required, all applicable FAR and DFARS clauses to its lower-tier suppliers. Seller further agrees that all notifications and other communications required by these clauses shall be made through the Buyer's Purchasing Representative, unless this Order specifically provides otherwise.

FAR/DFAR Reference	Title/Applicability
52.202-1	Definitions (Jul 2004)
52.203-3	Gratuities (Apr 1984)
52.203-5	Covenant Against Contingent Fees (Apr 1984)
52.203-6	Restrictions on Subcontractor Sales to The Government (Jul 1995) This clause applies if this Order exceeds \$100,000.
52.203-7	Anti-Kickback Procedures (Jul 1995) This clause applies if this Order exceeds \$100,000, except that paragraph (c)(1) of FAR 52.203-7 is not included in this Order. Paragraph (c)(4) is revised by deleting "The Contracting Officer may" and inserting "To the extent the Contracting Officer has effected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may..."
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997) For Orders exceeding the simplified acquisition threshold identified in FAR Part 13.
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sep 2005) For Orders exceeding \$100,000.
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Sep 2005) For Orders exceeding \$100,000.
52.204-2	Security Requirements (Aug 1996) This clause (but excluding any references to the "Changes" clause) is included in all Orders that involve access to classified information. "Government" in paragraph (c) does not change to "Buyer".
52.204-4	Printing/Copying Double Sided on Recycled Paper (Aug 2000) For Orders exceeding the simplified acquisition threshold identified in FAR Part 13.

FAR/DFAR Reference	Title/Applicability
52.209-5	Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters (Dec 2001) For Orders exceeding the simplified acquisition threshold identified in FAR Part 13.
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Jan 2005) For Orders with a value over \$25,000.
52.211-5	Material Requirements (Aug 2000)
52.211-15	Defense Priority and Allocation Requirements (Sep 1990)
52.214-26	Audit and Records -- Sealed Bidding (Oct 1997) This clause applies if the prime contract was awarded by sealed bidding. The clause is mandatory if the Order is expected to exceed the threshold in FAR 15.403-4(a)(1) for submission of cost or pricing data, currently set at \$550,000. In paragraph (b) of the clause, the term "Contracting Officer" does not change.
52.214-27	Price Reduction for Defective Cost or Pricing Data - Modifications - Sealed Bidding (Oct 1997) This clause applies if the prime contract was awarded by sealed bidding. In paragraph (d), the term "Contracting Officer" does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.804-4. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.
52.214-28	Subcontract Cost or Pricing Data - Modifications - Sealed Bidding (Oct 1997) This clause applies if the prime contract was awarded by sealed bidding. This clause applies if at the time the Order was entered into, it exceeded the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1).



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52.215-2	Audit and Records -- Negotiations (Jun 1999) This clause applies if this Order exceeds the simplified acquisition threshold in FAR Part 13 and this Order is one for which cost or pricing data is required. This clause, however, does not authorize the Buyer to examine or audit the Seller's cost records. Accordingly, "Contracting Officer" in paragraphs (b), (c) and (e) is not changed to "Buyer's Purchasing Representative."
52.215-10	Price Reduction for Defective Cost or Pricing Data (Oct 1997) In paragraph (c) the term "Contracting Officer" does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.403-4. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.
52.215-11	Price Reduction for Defective Cost or Pricing Data -- Modifications (Oct 1997) As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.403-4. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.
52.215-12	Subcontractor Cost or Pricing Data (Oct 1997) This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this Order.
52.215-13	Subcontractor Cost or Pricing Data - Modifications (Oct 1997) This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this Order.
52.215-14	Integrity of Unit Prices (Oct 1997) Paragraph (b) of FAR 52.215-14 is not included in this Order.
52.215-15	Pension Adjustments and Asset Reversions (Oct 2004) This clause applies if certified cost or pricing data is furnished by the Seller.
52.215-18	Reversion of Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (Jul 2005) This clause applies to Orders where it is anticipated that cost or pricing data will be required or for which any preaward or postaward cost determination will be subject to Part 31 of the FAR.
52.215-19	Notification of Ownership Changes (Oct 1997) This clause applies to Orders where it is anticipated that cost or pricing data will be required or for which any preaward or postaward cost determination will be subject to Part 31 of the FAR.
52.216-7	Allowable Cost and Payment (Dec 2002) This clause applies only to CR or TMLH type Orders.
52.216-8	Fixed Fee (Mar 1997) This clause applies only to CR or TMLH type Orders to the extent the parties have agreed to a fixed fee in the Order.
52.216-24	Limitation of Government Liability (Apr 1984) This clause applies only to undefinitized (letter) Orders.
52.216-25 & Alt. I	Contract Definitization (Including Alternate I) (Oct 1997) This clause applies only to undefinitized (letter) Orders.
52.216-26	Payment of Allowable Costs Before Definitization (Dec 2002) This clause applies to those actions where a CR definitive Order is contemplated.
52.219-8	Utilization of Small Business Concerns (May 2004) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.222-1	Notice to Government of Labor Disputes (Feb 1997)
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (Jul 2005) For Orders exceeding the simplified acquisition threshold at FAR 2.101. In addition, Buyer may withhold or recover from Seller any sums the Contracting Officer withholds from Buyer because of a violation of a provision of this clause by the Seller or Seller's supplier.
52.222-20	Walsh-Healey Public Contracts Act (Dec 1996) This clause applies if this Order exceeds \$10,000.
52.222-21	Prohibition of Segregated Facilities (Feb 1999) This clause applies if this Order exceeds \$10,000.

FAR/DFAR Reference	Title/Applicability
52.222-26	Equal Opportunity (Apr 2002) Subparagraph (b)(1) through (11) of FAR 52.222-26 only is included in this Order.
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) This clause applies if the Order is for \$25,000 or more.
52.222-36	Affirmative Action for Workers with Disabilities (Jun 1998) This clause applies if the Order exceeds \$10,000. Paragraph (b)(2) is revised to delete "and provided by or through the Contracting Officer" and insert "and provided upon request by the Contracting Officer through the Buyer's Purchasing Representative."
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) This clause applies if this Order exceeds \$25,000.
52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.223-3	Hazardous Material Identification and Material Safety Data (Jan 1997)
52.223-11	Ozone Depleting Substances (May 2001)
52.223-14	Toxic Chemical Release Reporting (Aug 2003) This clause applies if this Order is for non-commercial items and exceeds \$100,000 (including any options). Delete paragraph (e) in its entirety.
52.225-1	Buy American Act - Supplies (Jun 2003)
52.225-3	Buy American Act -- Free Trade Agreements -- Israeli Trade Act (Apr 2006)
52.225-5	Trade Agreements (Apr 2006)
52.225-7	Waiver of Buy American Act for Civil Aircraft and Related Articles (Feb 2000)
52.225-8	Duty-free Entry (Feb 2000) This clause applies if supplies identified in the Order as supplies to be accorded duty free entry are to be imported or if other foreign supplies in excess of \$10,000 may be imported into a custom territory of the United States. In paragraph (c)(1), "20 days" is changed to "30 days." In paragraph (c)(2) "10 days" is changed to "20 days." The terms "Government" and "Contracting Officer" in paragraph (e) do not change.
52.225-13	Restrictions on Certain Foreign Purchases Feb 2006)
52.227-1	Authorization and Consent (Jul 1995) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (Aug 1996) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.227-9	Refund of Royalties (Apr 1984) This clause applies if the amount of royalties reported during negotiations of the Order Exceeds \$250.
52.227-10	Filing of Patent Applications -- Classified Subject Matter (Apr 1984) This clause applies if the Order covers or is likely to cover classified subject matter.
52.227-14	Right in Data - General (Jun 1987) In paragraph (b) Allocation of Rights, the term "Government" does not change and the term "Contractor" changes to "Seller" rather than "Buyer." The term "Contracting Officer" does not change in the first sentence of paragraph (c)(1) and in paragraph (e).
52.229-3	Federal, State, and Local Taxes (Apr 2003) In this clause, "Order date," means the effective date of this Order or modification thereto.
52.230-2	Cost Accounting Standards (Apr 1998) This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause does not apply to this Order if Seller is exempt under 48 CFR 9903.201-1.
52.230-3	Disclosure and Consistency of Cost Accounting Practices (Apr 1998) This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause does not apply to this Order if Seller is exempt under 48 CFR 9903.201-1.
52.230-6	Administration of Cost Accounting Standards (Apr 2005) This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause does not apply to this Order if Seller is exempt under 48 CFR 9903.201-1.



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52.232-17	Interest (Jun 1996)
52.233-3	Protest After Award (Aug 1996) Under paragraph (f) of this clause, the Buyer may withhold or recover from Seller any sums that the Contracting Officer withholds from Buyer because of a misstatement, misrepresentation or miscertification of the Seller, which results in bid protest being sustained.
52.242-1	Notice of Intent to Disallow Costs (Apr 1984) This clause applies only to CR or TMLH type Orders, or any Order where reimbursement is to be based upon allowable/allocable costs in accordance with FAR Part 31.
52.242-13	Bankruptcy (Jul 1995) For Orders exceeding the simplified acquisition threshold identified in FAR Part 13.
52.242-15	Stop Work Order (Aug 1989)
52.242-17	Government Delay of Work (Apr 1984)
52.243-1	Changes - Fixed-Price (Aug 1987) Refer to paragraph (c) of this clause and note that the period for assertion of the equitable adjustment is changed from "30 days" to "20 days".
52.243-3	Changes -- Time & Materials or Labor-Hours (Sep 2000) This clause applies only to TMLH Orders.
52.244-5	Competition in Subcontracting (Dec1996) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.244-6	Subcontracts for Commercial Items (Feb 2006)
52.245-2	Government Property (Fixed-price Contracts) (May 2004)
52.245-5	Government Property - Cost Reimbursement, Time & Material or Labor-Hour Contracts (May 2004) This clause applies only to CR, TMLH type Orders.
52.245-17	Special Tooling (May 2004)
52.245-18	Special Test Equipment (Feb 1993)
52.246-2	Inspection of Supplies - Fixed Price (Aug 1996)
52.246-6	Inspection - Time & Material and Labor-Hour (May 2001) This clause applies to TMLH Orders only.
52.246-16	Responsibility For Supplies (Apr 1984)
52.247-63	Preference for U.S. Flag Air Carriers (Jun 2003)
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels (Feb 2006)
52.248-1	Value Engineering (Feb 2000) This clause is required if this Order is valued at \$100,000 or more, and is discretionary (if identified by the Buyer within the Purchase Order schedule) if this Order is valued at less than \$100,000.
52.249-1	Termination for Convenience of the Government (Fixed-Price) (Short Form) (Apr 1984) This clause applies if this Order is under \$100,000.
52.249-2	Termination for Convenience of the Government (Fixed-Price) (May 2004) This clause is revised as follows: (1) Paragraph (c): Change 120 days to 30 days. (2) Paragraph (d): Plant clearance procedures are omitted. (3) Paragraph (e): The time for submission of the final termination settlement proposal is changed from "1 year" to "3 months" from the effective date of the termination. (4) Paragraph (k): The time for submission of a proposal for an equitable adjustment after a partial termination is changed from "90 days" to "30 days" from the effective date of the termination.
52.249-6 & Alt IV	Termination (Cost-Reimbursement) & Alternate IV (May 2004) This clause and the alternate version, apply to CR and TMLH Orders respectively.
52.249-8	Default (Fixed-Price Supply and Services) (Apr 1984) This clause is revised as follows: (1) Paragraph (a)- Change the cure period from "10 days" to "7 days."
52.249-14	Excusable Delays (Apr 1984) This clause applies only to CR and TMLH type Orders.

FAR/DFAR Reference	Title/Applicability
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (Dec 2004) This clause applies to first tier subcontractors only if the Order exceeds \$100,000. "Government" is not changed in this clause. Additionally, the following changes to this clause apply: (1) A new paragraph (f) has been added as follows "Seller shall not employ or allow to serve, as a director or consultant of Seller, any person in contravention of paragraph (b)."; (2) Existing paragraph (f) is changed to (g), and the flowdown provision at 252.203-7001(g) has been deleted.
252.204-7000	Disclosure of Information (Dec 1991)
252.211-7000	Acquisition Streamlining (Dec 1991) This clause is applicable to all subcontracts in excess of \$1 million under systems acquisition Prime Contracts. Government is not changed in this clause.
252.211-7003	Item Identification and Evaluation (Jun 2005) This clause is applicable if subassemblies, components or parts embedded within subcontract deliverables are identified as requiring DoD unique item identification, as specified, within this Order, its exhibits or SDRL item number.
252.215-7002	Cost Estimating System Requirements (Oct 1998) This clause applies to Orders awarded on the basis of certified cost or pricing data.
252.219-7003	Small, Small Disadvantaged and Woman-Owned Small Business Subcontracting Plan (Apr 1996) This clause is applicable when FAR 52.219-9 applies.
252.223-7001	Hazard Warning Labels (Dec 1991)
252.223-7004	Drug -Free Work Force (Sep 1988)
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (Apr 1993)
252.225-7001	Buy American Act and Balance of Payments Program (Jun 2005) "Government" is not changed in this clause.
252.225-7006	Quarterly Reporting of Actual Contract Performance Outside the United States (Jun 2005) This clause applies to first tier subcontracts over \$550,000. Paragraph (f) is deleted.
252.225-7013	Duty-Free Entry -- (Jun 2005) This clause applies to subcontracts involving supplies to be accorded duty-free entry under the prime contract. It applies to Department of Defense contracts in lieu of FAR 52.225-8. Paragraph (d) is modified to read, "The Buyer will obtain from the Government duty-free entry certificates and afford such assistance as appropriate to obtain the duty-free entry of supplies for which the shipping documents bear the notation specified in paragraph (e) of this clause." No change to "Contracting Officer," "Government," "contractor," or "prime contract: in paragraphs (b), (c), (e) or (h).
252.225-7014 & Alt. I	Preference for Domestic Specialty Metals (Jun 2005) (Including Alternate I (Apr 2003))
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (Mar 2006)
252.225-7021	Trade Agreements (Feb 2006)
252.225-7005	Restriction on Acquisition of Forgings (Jun 2005)
252.225-7036	Buy American Act - Free Trade Agreements - Balance of Payments Program (Jun 2005)
252.226-7001	Utilization of Indian Organizations, Indian-owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sep 2004) This clause applies if the Order exceeds \$550,000, and further subcontracting opportunities may exist.
252.227-7013	Rights in Technical Data -- Noncommercial Items (Nov 1995) This clause is applicable when technical data, but not software, will be delivered to the Government by the prime contractor from the subcontractor. "[T]o the Contractor" has been deleted from (b)(1)(vi) and "contract or" and "thereunder" have been deleted from (b)(1)(ix). "Buyer or" is added before "Government" in (c) and (l). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.



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252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Jun 1995) This clause is applicable when software and software documentation will be delivered to the Government by the prime contractor from the subcontractor. "To the Contractor" has been deleted from (b)(1)(ii) and "contract or" and "thereunder" have been deleted from (b)(1)(vi). "Buyer or" is added before "Government" in (i). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.
252.227-7015	Technical Data -- Commercial Items (Nov 1995) This clause is applicable only when commercial item (as defined in the FAR) technical data is deliverable to the Government by the prime from the subcontractor. No substitutions for "Contracting Officer" or "Government" have been made.
252.227-7016	Rights in Bid or Proposal Information (Jun 1995) This clause applies when DFARS 252.227-7013 is used. No substitutions for "Government" or "Contracting Officer" are made.
252.227-7017	Identification and Assertion of Use, Release, or Disclosure of Restrictions (Jun 1995) This clause applies if either DFARS clauses 252.227-7013 or 252.227-7014 is used.
252.227-7019	Validation of Asserted Restrictions -- Computer Software (Jun 1995) The clause applies when DFARS 252.227-7014 is used. "Buyer's Purchasing Representative" is substituted for "Contracting Officer" in paragraph (b); otherwise no substitutions are made for "Contracting Officer" or "Government." In paragraph (f)(5) and (f)(6), the "prime contract" is substituted for "this contract."
252.227-7025	Limitation on the Use or Disclosure of Government-furnished Information Marked with Restrictive Legends (Jun 1995) This clause applies when either DFARS clauses 252.227-7013 or 252.227-7014 is used. No substitution is made for "Government".
252.227-7030	Technical Data -- Withholding of Payment (Mar 2000) This clause is applicable when DFAR clause 252.227-7013 is used. "Buyer" is substituted for "Contracting Officer" in paragraph (a). In paragraph (b), "or Buyer" is added after "Government."
252.227-7037	Validation of Restrictive Markings on Technical Data (Sep 1999) This clause applies when DFARS clauses 252.227-7013, 252.227-7014, or 252.227-7015 are used. In paragraph (b), "Contractor's" remains in the clause with a lower case "c." In paragraph (c) and (d)(1), "hereunder" is inserted after "subcontract." In paragraphs (f) and (g)(2)(i) change "this contract" to "the prime contract." No substitutions for "Government" or "Contracting Officer" are made.
252.231-7000	Supplemental Cost Principles (Dec 1991)
252.243-7001	Pricing of Contract Modifications (Dec 1991)

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252.243-7002	Requests for Equitable Adjustment (Mar 1998)
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (Nov 2005)
252.246-7001	Warranty of Data (Dec 1991)
252.246-7001 Alt I	Warranty of Data - Alternate I (Dec 1991) This clause applies when DFARS clause 252.227-7013 is used and technical data is deliverable to the Government. The additional liability provisions at paragraph (d)(3) are appropriate only if the Alternate I or II version of the DFARS clause is in the prime contract. Only Alternate I is reflected here because the subcontract flowdown provisions are identical to Alternate II. In paragraph (b) the parenthetical is deleted. In paragraph (d)(1), including (ii), and (d)(2) "Buyer" has been substituted for "Contracting Officer." Paragraphs (d)(3)(i) through (iii) have been modified and deleted to read, "The limit of the Seller's liability shall be ten percent of the total price." In paragraph (d)(3)(iv)B change second "Government" to "Government or Buyer."
252.247-7023	Transportation of Supplies by Sea (May 2002) This clause is applicable to Orders in excess of the simplified acquisition threshold in Part 13 of the FAR. Paragraph (c), first sentence has been modified as to read "The Seller and its subcontractors may request that the Buyer obtain Government authorization for shipment...". In paragraph (d) "Contracting Officer" is changed to "Buyer" in the second sentence. "45" is changed to "60" days in paragraph (d) and "30" to "25" days in paragraph (e). In paragraph (e) "and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, D.C. 20590," is deleted. In paragraph (g) "for the purposes of the Prompt Payment clause of this contract" is deleted.
252.247-7024	Notification of Transportation of Supplies by Sea (Mar 2000) This clause applies to subcontracts when the prime's original response to the solicitation stated that no transportation by sea was contemplated.
252.249-7002	Notification of Anticipated Contract Termination or Reduction (Dec 1996) This clause applies to first tier subcontracts of \$550,000 or more and thereafter to lower tier subcontracts of \$100,000 or more. "Buyer" is substituted for "Contracting Officer" throughout. Paragraph (d)(1) is modified to read "Provide notice of the proposed termination or reduction to each subcontractor with a subcontract of \$100,000 or more under the program...."