

**PURCHASE ORDER ATTACHMENT GL-23**  
**TIME-AND-MATERIAL OR LABOR-HOUR**  
**PURCHASE ORDER GENERAL PROVISIONS**  
**AND SHIPPING INSTRUCTIONS**

**SHIPPING INSTRUCTIONS**

1. **TARIFF PROVISIONS:** All shipments shall be made in strict conformity with governing tariff rules and regulations and packaging specifications, except where otherwise specifically required by provisions of this Order or military regulations.
2. **CLASSIFIED SHIPMENTS:** Classified shipments must be handled in conformance with specific instructions made part of this Order as well as the requirements of the "Industrial Security Manual for Safeguarding Classified Information" (DoD 5220.22-M).
3. **ROUTING INSTRUCTIONS:**
  - (a) Freight shipments are to be routed via Order instructions or as authorized by Buyer. Seller will request prior routing instructions for delicate equipment, emergency shipments, or shipments exceeding 10,000 pounds gross weight.
  - (b) **Freight Charges:** Shipments are to be made "Freight Collect" on FOB source shipments, unless otherwise specified herein. United Parcel Service shipments are to have freight charges prepaid and added to the goods invoice. Attach copies of paid freight bills to any invoice that includes transportation charges.
  - (c) **Insurance: DO NOT DECLARE ANY VALUE FOR CARRIAGE OR INSURANCE.** Shipments shall be released to minimum value of governing classification or tariff, or insured for minimum value for traceability. No shipment exceeding \$10,000 shall be sent Parcel Post. No shipment exceeding \$50,000 shall be sent via courier service. Seller will provide advance notice to Buyer of shipments exceeding \$1,000,000.
  - (d) **Consolidation:** Except where limited by Clause 3(c) above, consolidate all shipments to the delivery point specified herein, for any one day, on one bill of lading.
  - (e) Purchase Order Number(s) must appear on all correspondence; shipping labels; invoices; and shipping documents, including Packing Sheets, Bills of Lading, and Airbills.
  - (f) **Packing Sheets:** Seller is to provide two (2) copies of each packing sheet with the shipment.
4. **HAZARDOUS MATERIAL PACKING, LABELING, AND SHIPPING:** Seller shall comply with Provision 9 below.
5. **PACKING AND PACKAGING:** Seller shall use best commercial practice for packing and packaging of items to be delivered under this Order, unless otherwise specified herein.

**ETHICAL STANDARDS OF CONDUCT**

By the acceptance of this Order, Seller represents that it has neither received or given any gifts or gratuities, nor participated in any other unethical conduct in connection with this Order. If, at any time, Buyer determines that Seller is in violation due to the foregoing representation, Buyer may cancel this Order upon written notice to Seller and Buyer shall have no further obligation to Seller.

**PURCHASE ORDER GENERAL PROVISIONS**

1. **WARRANTIES:** Seller warrants to Buyer and its customers that all items delivered and all services rendered hereunder will conform to the requirements hereof and will be free from defects. In addition to other remedies which may be available at law or in equity, Buyer, at its option, may return to Seller any nonconforming or defective items, or require correction or replacement of the item, all at Seller's risk and expense. If Buyer does not require correction or replacement of nonconforming or defective items, Seller shall repay such portion of the contract price or such additional amount as is equitable under the circumstances. These rights of Buyer are in addition to and shall not be limited by Seller's standard warranties. Inspection and acceptance of items by Buyer or its customer, or payment therefor, shall not relieve Seller of its responsibilities hereunder.
2. **CHANGES:** By written order, Buyer may, from time to time, order work suspension or make changes in the quantity of work, drawings, designs, specifications, place of delivery or delivery schedules, method of shipment or packaging, and property or services furnished by Buyer. If any such change requires an increase or decrease in any hourly rate provided for in this purchase order, or in the time required for the performance of any part of the work under this purchase order, whether changed or not changed by any such order, or otherwise affects any other provision of this order, an equitable adjustment shall be made in the (i) hourly rates, (ii) delivery schedule, and (iii) in such other provisions of the order as may be so affected, and the purchase order shall be modified in writing accordingly. However, there shall be no adjustment to the ceiling price except upon written mutual agreement between Buyer and Seller. Seller shall promptly notify Buyer and submit its proposal for adjustment within twenty (20) days from the date of receipt by Seller of the notification of Change. Nothing in this clause shall excuse Seller from proceeding immediately with the purchase order as changed. Whether made pursuant to this clause or by mutual agreement, changes shall not be binding upon Buyer except when confirmed in writing by a member of Buyer's Purchasing Department. 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 a member of Buyer's Purchasing Department and which expressly states that it constitutes an amendment or change to this Order.
3. **INFRINGEMENT INDEMNITY:**

*THE TEXT OF THIS DOCUMENT SHALL NOT BE CHANGED EXCEPT BY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER*

**PURCHASE ORDER ATTACHMENT GL-23 (continued)**

- (a) In lieu of any other warranty by Buyer or Seller against infringement, statutory or otherwise, it is agreed that Seller shall defend at its expense any suit against Buyer or its customers based on a claim that any item furnished under this Order or the normal use or sale thereof infringes any U.S. Letters Patent or copyright, other than claims under Letters Patent covering combinations of such items not furnished by Seller, and shall pay costs and damages finally awarded in any such suit, provided that Seller is notified in writing of the suit and given authority, information, and assistance at Seller's expense for the defense of same. If the use or sale of said item is enjoined as a result of such suit, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item or shall substitute an equivalent item acceptable to Buyer and extend this patent indemnity thereto.
  - (b) Notwithstanding the foregoing provision, when this Order is performed under the authorization and consent of the U.S. Government to infringe U.S. Patents, Seller's liability for infringement of such Patents in such performance shall be limited to the extent of the obligation of the Buyer to indemnify the U.S. Government.
4. SELLER'S DATA:
- (a) Seller agrees that all information, including but not limited to technical data, computer software and documentation, tapes, photo prints, and other information, furnished with items or required to be furnished by this Order, together with any information furnished orally, shall be free from proprietary restriction except if elsewhere authorized in this Order. Subject to Provision 4(b) below, Seller's data, for which a restrictive use marking is authorized by the DFARS or elsewhere in this order, may be duplicated, modified, distributed or otherwise used by Buyer in performance of its customer contracts. Such usage includes, as a minimum, preparation of logistics and instructional information and delivery thereof as required by such customer's contract. Any other specific rights, not inconsistent with these minimum rights, shall be listed or described in a license or agreement and made a part of this Order. Seller also grants to the Buyer the same rights granted above to the Government for use by Buyer in performance of its higher tier contracts.
  - (b) Except as to data available to Buyer without restriction from other sources or independently developed by Buyer or released by Seller without restriction, Seller's data subject to a restrictive use marking shall not without Seller's permission be: (1) used by Buyer for procurement from other than Seller, (2) used by Buyer for manufacture of items described by such data, or (3) disclosed outside Buyer or its customers.
  - (c) (1) To the extent that Seller establishes a claim to statutory copyright in any data first produced and furnished in the performance of this Order, Seller grants the Buyer a royalty-free, nonexclusive, irrevocable, world-wide license to publish, distribute, translate, duplicate, exhibit, or perform any such data copyrighted by the Seller with the right to grant sublicenses.  
(2) The Seller further agrees not to knowingly include any material copyrighted by others in technical data delivered under this Order without first obtaining, at no additional cost and for the benefit of the Buyer, a license therein of the same scope as set forth in Provision 4(c)(1).
5. BUYER'S PROPRIETARY RIGHTS, AND DISCLOSURE:
- (a) Seller shall not use or disclose, without Buyer's prior written consent, and agrees that Buyer owns all intellectual property rights in any tools or other items or drawings, specifications, technical information, or other data which have been specifically designed for Buyer in connection with this Order or furnished by Buyer, provided, however, that if the U.S. Government has the right to authorize the use of such tools, items, drawings, specifications, technical information or data Seller may, to the extent of such right use them as authorized by the U.S. Government; provided, further that, Seller gives Buyer notice of such authorization prior to such use. This paragraph shall not apply to technical data generated by Seller in which the Government has unlimited rights.
  - (b) Seller agrees that it will not publicize this Order or disclose, confirm, or deny any details thereof to third parties, or use Buyer's name in connection with Seller's sales promotion or publicity without prior written approval from Buyer.
  - (c) Nothing in this Provision 5, however, shall restrict Seller's right to use or disclose drawings, specifications, technical information, and other data which either (1) are or become generally known to the public without breach of this Provision by the Seller or (2) are rightfully obtained from other sources.
6. DEFAULT:
- (a) Buyer may terminate this Order for Seller's default, or for Buyer's convenience without Seller's default, in accordance with FAR 52.249-6 together with Alternate IV or Alternate V if the order is awarded to an agency of the U.S. Government or with state, local or foreign governments or their agencies upon occurrence of any circumstance set forth therein. Seller's termination claim shall be submitted to Buyer promptly and in no event later than six (6) months from the effective date of termination. Requests for extension, if any, shall be made in writing by Seller to Buyer within such six (6) month period pursuant to FAR 52.249-6 as modified below. Buyer may also terminate this order for Seller's default if Seller becomes insolvent, fails to pay its debts as they become due, or makes or proposes an assignment for the benefit of creditors. Buyer shall have such additional remedies for default as may be available at law or in equity whether or not it terminates this order. The FAR clauses incorporated above are subject to the definitions provisions set forth in Clause 15 herein.
  - (b) (1) If at any time it appears that the Seller has not or will not meet this Order's delivery schedule, or any extension thereof, the Buyer shall have the right to require the Seller to submit a revised delivery schedule together with adequate documentation to support the reasonableness of the revised schedule. The revised schedule shall provide a specific date for the delivery of each deliverable item under this Order and shall not be submitted subject to any contingencies.  
(2) Such request shall not be deemed a waiver of any existing delivery schedule or any other rights of Buyer under this order.

**THE TEXT OF THIS DOCUMENT SHALL NOT BE CHANGED EXCEPT BY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER**

**PURCHASE ORDER ATTACHMENT GL-23 (continued)**

- (3) If the Seller fails to submit a revised delivery schedule as specified above, or any extension thereof granted by the Buyer, the Seller shall be deemed to have failed to make delivery within the meaning of the "Default" clause of this Order and this Order shall be subject to termination.
- (c) FAR 52.249-6 is modified as follows for the purposes of this Order and is subject to the Definitions Provision herein: "Contracting Officer" means Buyer's Purchasing Representative, and "Government" means Buyer.
7. ASSIGNMENTS AND SUBCONTRACTING:
- (a) Neither this Order nor any interest herein nor claim hereunder may be assigned or delegated by Seller; nor may all or substantially all of this Order be further subcontracted by Seller without the prior written consent of Buyer. Buyer's consent shall not be deemed to relieve Seller of its obligations to comply fully with the requirements hereof.
- (b) Notwithstanding the above, Seller may, without Buyer's consent, assign monies due or to become due hereunder provided Buyer shall continue to have the right to exercise any and all of its rights hereunder, settle any and all claims arising out of, and enter into amendments to this Order without notice to or consent of the assignee. Buyer shall be given notice of any assignment and all invoices shall refer to the assignment.
8. PRICES:
- (a) Invoices in duplicate shall be mailed to Buyer's Accounts Payable Department when items are shipped. The time for payment shall not commence before Buyer's actual or scheduled receipt, whichever is later, of items at their destination or before performance by Seller in accordance with the requirements of this Order. Without limiting Buyer's other remedies, if data are deficient or are not furnished when scheduled, Buyer may withhold remaining payments (or such portion thereof as Buyer may deem equitable) until such deficiency or delinquency is cured. All shipping costs and all Federal manufacturers' and retailers' excise and state or local sales or use taxes, when applicable, must be billed as separate items on Seller's invoices. Any and all tax exemption certificates shall be accepted by Seller. Such invoice presented shall contain the following certification: "Seller hereby certifies that these goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the U.S. Department of Labor issued under Section 14 thereof."
- (b) In addition to any other remedies that may be available at law or in equity, Buyer shall have the right to recover from Seller, by offset or otherwise, the price of any items returned to Seller under the terms of this Order.
9. INVOICES:
- (a) Seller shall package, label, transport, and ship hazardous material or items containing hazardous materials in accordance with all applicable Federal, state, and local laws and regulations, including but not limited to current published issues of tariffs and regulations reflecting 49 CFR Articles 100-199, FAR 52.223-3, DFARS 252.223-7001, the Explosive Safety Manual AFM 127-100, and Federal Aviation Regulation 103, as amended (e.g., the current Hazardous Materials Regulations of the Department of Transportation; the Official Air Transport Restricted Articles Tariff; Packaging and Handling of Dangerous Materials for Transportation by Military Aircraft, Joint Manual AFM 71-4; and subsequent reissues thereof) and, if applicable, to furnish appropriate Material Safety Data Sheets in accordance with California Hazardous Substances Information and Training Act. Seller, prior to each hazardous material shipment, shall notify Buyer of its nature and shipment date by such means of communications as will allow for proper preparation for acceptance of delivery by the carrier of the material and shall identify same on all shipping documents.
- (b) The 1990 Clean Air Act Amendments and implementing regulations established labeling requirements for products manufactured with, containers of, and products containing specific ozone depleting substances. This label must be "clear and conspicuous". There is no requirement that suppliers label directly on the hardware. Because labeling hardware may not conform with requirements contained in the technical data package (if any), pertinent to this Purchase Order, Buyer prefers that the hardware deliveries under this purchase order not be labeled, and that alternative labeling be used. The EPA regulation provides for the use of alternative labeling. Supplemental printed material may also be appropriate, i.e., where the statement would be as conspicuous on printed material as it would be on the product. For specific requirements and options on labeling regulations, refer to 40 CFR 82.
10. HAZARDOUS MATERIAL PACKAGING, LABELING, AND SHIPPING:
- (a) Seller shall package, label, transport, and ship hazardous material or items containing hazardous materials in accordance with all applicable Federal, state, and local laws and regulations, including but not limited to current published issues of tariffs and regulations reflecting 49 CFR Articles 100-199, FAR 52.223-3, DFARS 252.223-7001, the Explosive Safety Manual AFM 127-100, and Federal Aviation Regulation 103, as amended (e.g., the current Hazardous Materials Regulations of the Department of Transportation; the Official Air Transport Restricted Articles Tariff; Packaging and Handling of Dangerous Materials for Transportation by Military Aircraft, Joint Manual AFM 71-4; and subsequent reissues thereof) and, if applicable, to furnish appropriate Material Safety Data Sheets in accordance with California Hazardous Substances Information and Training Act. Seller, prior to each hazardous material shipment, shall notify Buyer of its nature and shipment date by such means of communications as will allow for proper preparation for acceptance of delivery by the carrier of the material and shall identify same on all shipping documents.
- (b) Seller, upon the request of Buyer, shall negotiate amendments to this Order to incorporate additional provisions herein or to change provisions hereof as Buyer may reasonably deem necessary in order to comply with the provisions of the contract between Buyer and its customer or with the provisions of amendments to such contract. If such amendments to this purchase order cause an increase or decrease in any hourly rate provided for in this purchase order, or the time required for the performance of work under this purchase order, an equitable adjustment will be made in the (i) hourly rates, (ii) delivery schedule, and (iii) other provisions of the order as may be so affected.

**THE TEXT OF THIS DOCUMENT SHALL NOT BE CHANGED EXCEPT BY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER**

**PURCHASE ORDER ATTACHMENT GL-23 (continued)**

11. DISPUTES:

Buyer and Seller agree to make a good faith attempt to settle any dispute arising under or related to this Order without resort to legal action. If such good faith efforts fail, the Buyer, at its option, may submit the dispute to mediation and/or binding arbitration in the State and County in which the Order was issued. The selection of an independent and neutral mediator shall be at the mutual agreement of the parties. Buyer reserves the right to abandon arbitration and pursue all available legal and equitable remedies in the event Seller does not comply with a demand for arbitration within sixty days of notice. The cost of mediation and arbitration, including the fees of the mediator(s) or arbitrator(s) shall be divided equally by the parties unless the award provides otherwise. Each party shall bear its own cost of preparing and presenting its case. Pending resolution of any dispute arising hereunder, Seller shall proceed diligently with the performance of this Order in accordance with Buyer's direction concerning the subject matter of such dispute. Irrespective of the place of performance, this Order will be construed and interpreted according to the laws of the state from which Buyer's Order is issued without resort to said state's Conflicts of Law rules.

12. GENERAL:

This Order and the attachments and documents incorporated herein constitute the complete and exclusive statement of the terms of this agreement between Buyer and Seller and supersede all prior representations, understandings, and communications relating hereto. The invalidity in whole or in part of any provision of this Order shall not affect the validity of other provisions. Buyer's failure to insist, in any one or more instances, upon the performance of any term of this Order, shall not be construed as a waiver or relinquishment of Buyer's right to such performance or to future performance of such a term or terms, and Seller's obligation in respect thereto shall continue in full force and effect. Time shall be of the essence hereunder. Seller shall perform work and make deliveries hereunder no earlier than and only to the minimum extent consistent with delivery schedules and other requirements.

13. PRECEDENCE:

Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence: (1) typed provisions set forth in this Order, (2) Buyer's Purchase Order Attachments and Exhibits, (3) the preprinted portion of this Order, (4) statement of work, and (5) specifications attached or incorporated by reference. Buyer's specifications shall prevail over those of an agency of the U.S. Government, and both shall prevail over those of Seller.

14. SUBCONTRACTS

- (a) *(Applicable only when specifically required by Buyer elsewhere in this order).* No subcontract shall be made, and no purchase order shall be issued, by Seller for the furnishing of any of the work herein contracted for without the written approval of Buyer. For the purpose of this Clause 14, purchase of raw material or commercial stock items shall not be considered work.
- (b) Seller agrees that no subcontract or purchase order placed under this order shall provide for payment on a cost-plus-percentage-of-cost basis."

15. DEFINITIONS FOR FAR/DFARS CLAUSES

The following definitions shall apply to this Order except as otherwise herein provided. The date of the FAR/DFARS clauses shall be the same as the date of the FAR/DFARS clauses in Buyer's prime contract, unless otherwise stated in the body of the Order.

"Buyer" – the legal entity issuing this Order.

"Contract" – this contractual instrument, including changes.

"Contractor" – Seller.

"Contracting Officer" – the Government Contracting Officer for the prime contract, or authorized representative.

"DFARS" – Department of Defense, Federal Acquisition Regulation Supplement.

"FAR" – Federal Acquisition Regulation.

"Government" – the Government of the United States.

"Prime Contract" – the Government contract under which this Order is issued.

"Purchasing Representative" – Buyer's authorized representative.

"Seller" – the legal entity which contracts with the Buyer.

"Subcontractor" – Seller's subcontractors.

"This Order" – this contractual instrument, including changes.

16. FAR CLAUSES APPLICABLE TO ALL ORDERS: The text of clauses identified herein by FAR reference number are incorporated herein by this reference, subject to the Definitions provision herein and to the modifications indicated and all matters hereunder with respect to the reasonableness, allowability, or allocability of costs, or the allocability of credits shall be determined in accordance with FAR Part 31.

**52.210-5 New Material**, in which "Contracting Officer" means Buyer's Purchasing Representative and "Government" means Buyer in the last two sentences of the clause.

**52.222-1 Notice to the Government of Labor Disputes**, in which "Contracting Officer" means Buyer's Purchasing Representative.

**52.232-7 Payments Under Time-and-Material and Labor Hour Contracts** to the extent set forth in Clause 18 herein and except that "Schedule" means this order, "Voucher(s)" means invoice(s), "Government" means Buyer, and "Contracting Officer" means Buyer's Purchasing Representative.

**52.245-5 Government Property (Cost-Reimbursement, Time-and Material, or Labor-Hour Contracts)**, in which:

- o "Contracting Officer" means Buyer's Purchasing Representative.
- o "Government" means Government or Buyer.
- o The fourth sentence of paragraph (h) is changed to read: "Neither the Government nor the Buyer shall be liable..."

**THE TEXT OF THIS DOCUMENT SHALL NOT BE CHANGED EXCEPT BY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER**

**PURCHASE ORDER ATTACHMENT GL-23 (continued)**

o Paragraph (g) is deleted in its entirety and the following substituted in lieu thereof: "...(g) Seller shall return all Government-furnished property in as good condition as when received, except for reasonable wear and tear or by reason of utilization of such property in accordance with the provisions hereof."

**52.246-16 Responsibility for Supplies**, in which "Contractor" means Seller and "Government" means Buyer, except in paragraph (d) where "Government" means Government or Buyer.

**52.249-6 Termination (Cost Reimbursement) and FAR 52.249-6 (Alternate IV), or FAR 52.249-6 (Alternate V) if order is awarded to an agency of the U.S. Government or with state, local or foreign governments or their agencies**, in which "Government" means Buyer, and "Contracting Officer" means Buyer's Purchasing Representative. The term "15 days" and "45 days" in paragraph (d) are changed to "30 days" and "90 days", respectively and the term "one year" in paragraph (e) is changed to "6 months."

17. FAR/DFARS CLAUSES APPLICABLE TO ALL GOVERNMENT WORK: If it is noted on the face of this Order that U.S. Government work is involved, the following FAR and DFARS clauses are incorporated herein by this reference, subject to the Definitions provision herein and to the modifications indicated, unless indicated otherwise in the typed provisions of this Order:

(a) All Orders include the following:

**52.204-2 Security Requirements.**

**52.208-1 Required Sources for Jewel Bearings and Related Items.** Communication required under this clause from Seller to Contracting Officer shall be through Buyer's Purchasing Representative.

**52.211-7 Other Than New Material, Residual Inventory, and Former Government Surplus Property.**

**52.211-15 Defense Priority and Allocation Requirements.**

**52.215-26 Integrity of Unit Prices (Alternate 1).**

**52.223-3 Hazardous Material Identification and Material Safety Data**, in which "Government" means Government or Buyer.

**52.225-10 Duty-Free Entry**, in which "Contracting Officer" means Buyer's Purchasing Representative. In the last sentence of paragraph (h) "the contract" means prime contract.

**52.225-11 Restrictions on Certain Foreign Purchases.**

**52.227-1 Authorization and Consent.**

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

**52.227-11 Patent Rights-Retention by the Contractor (Short Form)**, if Seller is a small business or nonprofit organization.

**52.227-12 Patent Rights - Retention by the Contractor (Long Form)**, if Seller is other than a small business or nonprofit organization and if this Order requires the performance of research, experimental, or development work.

**52.229-3 Federal, State, and Local Taxes**, in which "Government" means Buyer and "Contracting Officer" means Buyer's Purchasing Representative.

**52.244-6 Subcontracts for Commercial Items and Commercial Components.** If this award is for a commercial item, as defined in FAR 52.202-1, with respect to Article 17 of these Purchase Order General Provisions, only those FAR and DFARS clauses identified in subparagraph (c) of FAR 52.244-6 and DFARS 252.244-7000 apply.

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

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

**252.223-7002 Safety Precautions for Ammunition and Explosives**, in which "Contracting Officer" means Buyer or Contracting Officer. "Government" shall not mean Buyer except in paragraph (c) where it means Buyer or Government. Seller shall send simultaneously to Buyer a copy of each notification and report sent to the Contracting Officer.

**252.225-7009 Duty-Free Entry - Qualifying Country End Products and Supplies**, in which "Contracting Officer" means Buyer's Purchasing Representative acting pursuant to authorization of the Contracting Officer. In paragraph (k), "this contract" means the prime contract.

**252.225-7010 Duty Free Entry -- Additional Provisions.**

**252.225-7014 Preference for Domestic Specialty Metals (Alternate 1).**

**252.225-7025 Foreign Source Restrictions**, in which "Contracting Officer" shall also mean Buyer's Purchasing Representative in paragraph (f).

**252.227-7013 Rights in Technical Data-Noncommercial Items.**

**252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation.**

**252.227-7015 Technical Data-Commercial items.**

**252.227-7016 Rights in Bid or Proposal Information.**

**252.227-7017 Identification and Assertion of Restrictions.**

**252.227-7019 Validation of Asserted Restrictions-Computer Software.**

**252.227-7027 Deferred Ordering of Technical Data or Computer Software**, provided, however, that this right is solely for the purpose and only to the extent necessary to fulfill obligations to the Government in the prime contract under which this Order is issued. The word "Government" shall mean the Buyer or the Government except in the last sentence.

**252.227-7037 Validation of Restrictive Markings on Technical Data.**

**252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles**, in which

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**PURCHASE ORDER ATTACHMENT GL-23 (continued)**

"Administrative Contracting Officer" means Buyer and Administrative Contracting Officer, and "Government" means Buyer or Government.

**252.231-7000 Supplemental Cost Principles.** In paragraph (a), "this contract" means the Buyer's prime contract supported by this order.

**252.244-7000 Subcontracts for Commercial Items and Commercial Components.** If this award is for a commercial item, as defined in FAR 52.202-1, with respect to Article 17 of these Purchase Order General Provisions, only those FAR and DFARS clauses identified in subparagraph (c) of FAR 52.244-6 and DFARS 252.244-7000 apply.

**252.247-7024 Notification of Transportation of Supplies by Sea.** In paragraph (a), the first sentence and the word "however" in the second sentence are deleted.

(b) Orders exceeding \$2,500 also include:

**52.222-36 Affirmative Action for Handicapped Workers.** (41 CFR 60)

(c) Orders exceeding \$10,000 also include:

**52.222-20 Walsh-Healey Public Contracts Act.**

**52.222-26 (b) Equal Opportunity.** (41 CFR Ch 60 )

**52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans.** (41 CFR Ch 60 )

**52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era.**

(d) Orders exceeding \$100,000 also include:

**52.203-6 Restrictions on Subcontractor Sales to the Government.**

**52.203-7 Anti-Kickback Procedures.**

**52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions.**

**52.203-12 Limitations on Payments to Influence Certain Federal Transactions.**

**52.215-2 Audit and Records Negotiation.** If the Government is unable or unwilling in a timely manner to conduct any audit of Seller's books or records, an audit may be conducted by a mutually acceptable independent certified public accounting firm.

**52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns.**

**52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation.** Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.

**52.223-2 Clean Air and Water.**

**52.223-13 Certification of Toxic Chemical Release Reporting.**

**52.223-14 Toxic Chemical Release Reporting.**

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

**52.244-5 Competition in Subcontracting.**

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

**52.247-64 Preference for Privately Owned U.S. Flag Commercial Vessels (Alternate 1).**

**252.203-7001 Special Prohibition on Employment.**

**252.209-7000 Acquisition from Subcontractors Subject to On-site Inspection Under the INF Treaty.**

**252.225-7026 Reporting of Contract Performance Outside the United States.** (first tier only)

**252.247-7023 Transportation of Supplies by Sea.**

**252.249-7002 Notification of Proposed Program Termination or Reduction.**

(e) Orders exceeding \$500,000 also include:

**52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan,** in which "Contracting Officer" means Buyer's Purchasing Representative in the first sentence of subparagraph (c).

**18. PAYMENTS:**

Seller shall be paid upon the submission of invoices in a form approved by Buyer. Invoices may be submitted once each month during the term of the order unless different intervals are set forth in the order. Such payments shall be governed by the paragraphs of FAR 52.232-7 "Payments Under Time-and-Materials and Labor Hour Contracts," subject to the provisions set forth in Clauses 15 and 16 herein and as modified below:

"(a) Payment at Hourly Rate, or Rates shall be in accordance with paragraph (a) of FAR 52.232-7;

"(b) Payments for Materials and Subcontracts shall be in accordance with paragraph (b) of FAR 52.232-7, except delete subparagraph (b) (2) and substitute the following:

"(2) The costs of subcontracts which are authorized pursuant to the "Subcontracts" clause hereof shall be reimbursable costs, provided such costs are consistent with subparagraph (b)(3) below. Reimbursable cost in connection with subcontracts shall be limited to the amounts paid by Seller to the subcontractor and shall not include any costs arising from the letting, administration, or supervision of performance of the subcontract."; and

add as subparagraph (b) (4) the following:

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**PURCHASE ORDER ATTACHMENT GL-23 (continued)**

"(4) This subparagraph (4) shall apply only if specifically incorporated by reference in the body of the purchase order. When the nature of the work to be performed requires Seller to furnish material which is regularly sold to the general public in the normal course of business by Seller, the price to be paid for such material, notwithstanding the provisions of subparagraphs (b)(1) above, shall be as set forth in the body of the purchase order or, if not so set forth, on the basis of an established catalog or list price in effect when the material is furnished, less all applicable discounts; provided that, whether or not a price has been set forth in the body of the purchase order, in no event shall such price be in excess of Seller's sales price to its most favored customer for the same item in like quantity, or the current market price, whichever is lower.";

"(c) Any and all payments shall be subject to the following additional provisions:

- "(i) Paragraph (c) of FAR 52.232-7 except that the term "thirty (30) days" is changed to "sixty (60) days";
- "(ii) Paragraph (d) of FAR 52.232-7;
- "(iii) Paragraph (e) of FAR 52.232-7, except in the first line, immediately after the word "before", insert "expiration of three (3) years after....," and in the last sentence the words, "...one (1) year (or such longer period as the Contracting Officer may, at his discretion, approve in writing)....," shall be deleted and the following substituted, "...sixty (60) days...";
- "(iv) Delete paragraphs (f) and (g) of FAR 52.232-7 in their entirety and substitute the following:
  - "(f) Adjustments. If an audit permitted under paragraph (e) above discloses that any of the rates specified herein are excessive because of a failure of Seller to pay labor rates as represented by Seller or because of the inclusion of costs in the rates which are not allowable in accordance with FAR Subpart 31.2, then Buyer may set aside the rates established herein and retroactively establish new rates in recognition of the difference in direct labor costs and indirect charges. In establishing the new rates, Buyer will give due consideration to Seller's efficiency, economy, and ingenuity during performance. If as a result of such excessive rates or otherwise Buyer has overpaid Seller, Seller shall immediately refund the amount of overpayment.
  - "(g) Assignment. Seller and each assignee under any assignment entered into under this order and in effect at the time of final payment under this order and in effect at the time of final payment under this order, shall execute and deliver an assignment and release substantially identical to that set forth in Exhibit A hereto, subject to such amendments as Buyer may find advisable in order to make such form appropriate to this order. Buyer shall not be required to make final payment until Seller and its assignees execute a complete release of all claims arising or which may arise under this order.
  - "(h) Refunds. Seller agrees that any refunds, rebates, or credits (including any interest) accruing to or received by Seller or any assignee, which arise under the materials portion of this order and for which Seller has received reimbursement, shall be paid by Seller to Buyer."

**19. INSPECTION**

- (a) All materials furnished and services performed by Seller shall be subject to inspection and test by Buyer to the extent practicable at all times (including the period of performance) and places, and in any event prior to acceptance. Buyer may inspect the plant(s) of Seller or any of its subcontractors engaged in performance of this order. If any inspection or test is made by Buyer on the premises of Seller or a subcontractor, Seller shall provide and shall require the subcontractor to provide all reasonable facilities and assistance for the safety and convenience of Buyer's inspectors in the performance of their duties. All inspections and tests by Buyer shall be performed in such a manner as will not unduly delay the work.
- "(b) Seller shall provide and maintain an inspection system acceptable to Buyer covering the material, fabricating methods, and the work and services hereunder. Records of all inspection work by Seller shall be complete and available to Buyer at all reasonable times during performance of this purchase order and for such longer period as may be specified herein.
- "(c) The term "Buyer" as used in this Inspection Clause shall mean Buyer or Government if this order involves Government work."

**20. SPECIAL PROVISIONS:**

- (a) Jigs and Fixtures: In manufacture of items to be supplied hereunder, Seller shall use jigs, fixtures, and/or other devices or appliances, in all processes where such use is conducive to interchangeability for uniformity of the product, of such character as will reduce the need for selective assembly.
- (b) Indemnification:
  - (1) Seller hereby agrees to indemnify and to hold Buyer harmless from any and all violations of import/export laws and regulations of the United States which result either directly or indirectly from Seller's acts or omissions to act.
  - (2) By acceptance of this purchase order, Seller hereby agrees to indemnify, hold harmless, and exonerate Buyer for any losses or damages, resulting from any claim, action, proceeding or suit relating to the Seller's violation of the provisions of Subsection 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), Procurement Integrity. In addition to any other remedies that Buyer may have, Seller shall defend, at its expense, any such claim, action, proceeding or suit against Buyer or its Customers and shall pay all costs and damages incurred either through judgment or settlement. Seller further agrees to provide Buyer with any certifications of compliance required by the provisions of the Act if requested to do so.

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**EXHIBIT "A" to PO ATTACHMENT GL-23  
ASSIGNMENT AND RELEASE**

Pursuant to the requirements of Raytheon Systems Company ("Buyer") Purchase Order Number \_\_\_\_\_, the undersigned, \_\_\_\_\_ ("Seller"), does hereby assign to Buyer all refunds, rebates, credits, and other amounts (including any interest thereon) properly allocable to costs for which Seller has been reimbursed by Buyer under the aforesaid purchase order and does hereby release and discharge Buyer, its officers, agents, and employees, from all liabilities, obligations, and claims arising out of or under the aforesaid purchase order, subject only to the following exceptions:

- (1) The following specified claims in the amounts stated or (where amounts are not susceptible of exact statement by Seller) in estimated amounts as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (2) Claims, together with reasonable expenses incidental thereto, based upon the liabilities of Seller to third parties arising out of performance of the aforesaid purchase order, which are not known to Seller on the date of the execution of this instrument, and of which Seller gives notice in writing to Buyer not more than five (5) years after the date of this instrument or the date of any notice to Seller that Buyer is prepared to make final payment, whichever is earlier; and
- (3) Claims for reimbursement of costs (other than expenses of Seller by reason of its indemnification of Buyer or the U.S. Government against patent liability), including reasonable incidental expenses, incurred by Seller under the provisions of the aforesaid purchase order relating to patents.

IN WITNESS WHEREOF, this Assignment and Release has been executed this \_\_\_\_day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
Seller  
  
By \_\_\_\_\_  
Typed Name/Title

**END OF DOCUMENT**