

**GENERAL DYNAMICS
ORDNANCE AND TACTICAL SYSTEMS
STANDARD TERMS AND CONDITIONS
FIXED-PRICE SUPPLIES AND SERVICES
NON-COMMERCIAL ITEMS
January 2005
(PTC-TX-01)**

1. DEFINITIONS. Unless otherwise specified, as used herein:

“Government” means the United States Government.

“Buyer” means General Dynamics Ordnance and Tactical Systems

“Buyer’s Contract” means the contract or subcontract, at any tier, entered into by Buyer and Buyer’s customer and under which Buyer has issued this Purchase Order.

“Buyer’s Representative” means the authorized representative of Buyer. Only individuals within Buyer’s Procurement Group can be authorized representatives.

“DFARS” means the DOD FAR Supplement.

“FAR” means the Federal Acquisition Regulation.

“Goods” means the items to be delivered under this Purchase Order.

“Services” means the services to be provided under this Purchase Order.

2. ACCEPTANCE OF PURCHASE ORDER. Acceptance of this Purchase Order by Seller is expressly limited to the terms and conditions contained in this Purchase Order. Any term or condition stated by the Seller in any prior proposal, on Seller’s acknowledgment form, or in otherwise acknowledging or accepting this Purchase Order is deemed by Buyer to be a material alteration of this Purchase Order and is hereby rejected unless Buyer specifically agrees otherwise in writing. Acceptance of the Goods or Services covered by this Purchase Order will not constitute acceptance by Buyer of Seller’s terms and conditions. Any of the following acts by Seller will constitute acceptance of this Purchase Order and all of its terms and conditions: signing and returning a copy of this Purchase Order, delivering any of the Goods or Services ordered, commencing performance or informing the Buyer in any manner of commencement of performance, or returning Seller’s own form of acknowledgment.

3. COMPLIANCE WITH EXPORT LAWS. The information provided by Buyer may be subject to U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR). Seller may not export or re-export any information, technical data, or supplies except in strict compliance with all U.S. export control laws and regulations, including ITAR. Technical data that are controlled by the ITAR shall not be released to foreign nationals, including employees, companies or other entities, whether within or outside of the United States, unless the Seller shall first obtain the written consent of Buyer, and shall obtain the appropriate license or other advance approval from the U.S. Government. Seller’s obligation to adhere to the ITAR shall survive the expiration or termination of this Purchase Order. Seller hereby agrees to defend and indemnify Buyer from and against any liability that Buyer may incur as a result of Seller’s violation of any U.S. export or re-export control law or regulation.

4. PRICE, DELIVERY AND INVOICING. Seller shall furnish the Goods or the Services in accordance with the prices and delivery schedule stated on the face of this Purchase Order.

Prices include all applicable taxes. Sales taxes, if any, are to be identified as to amount and taxing authority but must be included in the price.

Seller warrants that the prices charged for the Goods and Services ordered hereunder will be as low as the lowest prices charged by the Seller to any customers purchasing similar Goods or Services in the same or similar quantities and under like circumstances.

Buyer may return, or store at Seller’s expense, any Goods delivered more than ten (10) days in advance of the delivery date specified for such Goods unless early delivery is authorized in writing by the Buyer.

Time is of the essence in the performance of this Purchase Order. In addition to any other rights and remedies it may have under this Purchase Order or by law, Buyer may charge Seller for Buyer’s premium transportation costs if necessary to meet Buyer’s contract delivery schedules because of any unexcused failure by Seller to meet the delivery schedules of this Purchase Order.

Seller shall invoice in triplicate, with supporting documentation, with each shipment, and shall mail an additional copy (with its support) to the Buyer’s Representative. Payment of invoices shall not constitute acceptance of Goods or Services and shall be subject to appropriate adjustment should Seller fail to meet any requirements of this Purchase Order. Buyer may set off any amount owed by Seller or Seller’s affiliates to Buyer against any amount owed Seller by Buyer under this Purchase Order or any other contract between Buyer and Seller.

5. PACKING AND SHIPPING. No charge shall be made by Seller for packaging or storage unless specified by Buyer on the face of this Purchase Order. Unless otherwise specified, all Goods shall be packaged, marked, and otherwise prepared in accordance with good commercial practices to obtain lowest shipping rates. On containers, Seller shall mark handling and loading instructions, shipping information, Purchase Order number, item and account number, shipment date, and names and addresses of Seller and Buyer, in addition to any other information required by this Purchase Order. An itemized packing list shall accompany each shipment.

6. F.O.B., TITLE AND RISK OF LOSS. The F.O.B. point for the Goods delivered hereunder is designated on the face of this Purchase Order. If terms are F.O.B. Seller’s location, Seller shall bear all risk of loss or damage to the Goods and title shall not shift to Buyer until delivery of the Goods to the carrier. If terms are F.O.B. Buyer’s location, Seller shall bear all risk of loss or damage to the Goods and title shall not shift to Buyer until delivery of the Goods to Buyer’s location. Nothing herein shall be construed to diminish Buyer’s rights in the event of Seller’s breach.

7. INSPECTION.

a. Seller is responsible for performing or having performed all inspections and tests necessary to substantiate that the Goods

conform to Purchase Order requirements. Seller shall tender for acceptance only Goods that have been found by the Seller to be in conformance with the Purchase Order requirements.

b. All Goods may also be inspected and tested by Buyer, its customers, higher tier contractors, and (in the case of Goods purchased for a Government contract or subcontract) the Government, at all reasonable times and places. If such inspection or testing is made on Seller's premises, Seller shall provide without additional charge all reasonable facilities and assistance for such inspections and test. In its internal inspection and testing of the Goods, Seller shall, if required by Buyer, use an inspection system accepted by Buyer in writing. All inspection records relating to the Goods shall be available to Buyer during the performance of this Purchase Order, and for such longer periods as may be specified by Buyer in its acceptance of the inspection system, if any.

c. Final inspection and acceptance by Buyer shall be at destination unless otherwise specified in this Purchase Order. Such inspection shall be in accordance with the stated requirements of this Purchase Order. If rejection of a shipment would result from Buyer's normal inspection level under such procedures, Buyer may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and charge the Seller the reasonable costs thereof. Acceptance of a lot through sampling criteria specified herein shall not preclude Buyer's right to reject, or to exercise any other right or remedy it may have under this Purchase Order or by law with respect to, individual items that fail to comply with any requirement of this Purchase Order.

d. No inspection (including source inspection), tests, approval (including design approval) or acceptance of the Goods shall relieve Seller from responsibility for any defects in the Goods or other failures to meet the requirements of this Purchase Order; for latent defects, fraud, or such gross mistakes as amount to fraud; or for Seller's warranty obligations. If the Goods are defective or otherwise not in conformity with the requirements of this Purchase Order, Buyer may, by written notice to Seller: (i) rescind this Purchase Order as to such Goods; (ii) reject such Goods and require the delivery of replacements; or (iii) accept such Goods at a reduced price. Deliveries of replacements shall be accompanied by a written notice specifying that such Goods are replacements. If Seller fails to deliver required replacements promptly, Buyer may: (i) replace or correct such Goods and charge the Seller the cost occasioned Buyer thereby; or (ii) terminate this Purchase Order for cause, in whole or in part, as provided in Paragraph 19b hereof. Rights granted to Buyer under this Clause are in addition to any rights or remedies provided elsewhere in this Purchase Order or by law.

8. WARRANTIES.

a. Incorporation of warranties – If any warranty clause is incorporated below under Clause 32, SPECIAL U.S. GOVERNMENT PROVISIONS, or in the Special Provisions, such warranty provisions are in addition to the provisions in this clause to the extent to which they are consistent. To the extent its provisions are inconsistent with this clause, the provisions of any warranty incorporated under Clause 32 or in the Special Provisions shall prevail.

b. Warranties – In addition to all other express or implied warranties, Seller warrants that the Goods will be: (i) free from defects in workmanship and materials; (ii) free from defects in design except to the extent that such Goods comply with the detailed designs provided by Buyer; and (iii) in conformity with all the other requirements of this Purchase Order. Seller warrants that it will perform the Services under this Purchase Order with the degree of skill and judgment which is normally exercised by recognized firms with respect to services of a similar nature, and that Services will be provided in a good, competent and

workmanlike manner. These warranties, and all other warranties, express or implied, shall survive delivery, inspection, acceptance, and payment.

In addition to the warranties above, if Seller supplies, or incorporates into Goods supplied under this Purchase Order, goods that are manufactured by a third-party, Buyer shall have the benefit of warranties extended to Seller by the third-party to the extent they exceed Seller's warranties in scope or duration.

c. Further provisions – All warranties shall run to Buyer and to Buyer's customer.

In addition to any other remedies Buyer may have under this Purchase Order or at law, if Goods are found not to be as warranted within a period of 1 year(s) after final acceptance by Buyer, Buyer may return such Goods to Seller at Seller's expense for correction, replacement or credit, as Buyer may direct.

With respect to Goods found not to be as warranted, Seller shall bear the costs, if any, of inspection, disassembly, reassembly, retesting and any other similar costs incurred in connection with, or as a consequence of, correction, repair or replacement of Seller's Goods, including any such costs associated with assemblies into which Goods have been incorporated. Any Goods corrected or furnished in replacement shall, from the date of delivery of such corrected or replacement Goods, be subject to the provisions of this Clause for the same period and to the same extent as Goods initially furnished pursuant to this Purchase Order.

In addition to any other remedies Buyer may have under this Purchase Order or at law, if the Services are found not to be performed as warranted within a period of one (1) year after the conclusion of the performance of the Services by Seller, Seller shall, at Buyer's option, either refund to Buyer the amount paid for the Services, or perform the Services again in a proper manner to the extent necessary to provide Buyer with the result originally contemplated by Buyer.

9. PROPRIETARY INFORMATION. All written information obtained by Seller from Buyer in accordance with this Purchase Order and which is identified as proprietary by Buyer shall be received in confidence and shall remain the property of Buyer, and shall be used and disclosed by Seller only to the extent necessary for the performance of this Purchase Order except that upon prior written notice to Buyer, Seller may use such information in the manufacture of end items for direct sale to the Government to the extent that the Government has the right to authorize such use by Seller, and, provided that Seller, to the extent practicable, prominently identifies such end items as being manufactured by Seller for direct sale to the Government.

Seller shall not provide any proprietary information to Buyer, nor shall Buyer be required to take any steps to protect any information provided by Seller, unless Buyer and Seller have separately executed a written agreement regarding the protection and disclosure of such Seller information.

10. SUBCONTRACTS. Seller shall not subcontract for all or substantially all of this Purchase Order without Buyer's prior written approval.

11. COMPLIANCE WITH LAWS.

(a) General. Seller agrees to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities, whether or not such provisions are referenced elsewhere in this Purchase Order. Such compliance is agreed to be a material element of the performance of this contract.

(b) Specific Areas. Without diminishing Seller's obligations under subparagraph (a), Seller agrees to the treatment of the specific areas of compliance as set forth in the following paragraphs:

(1) Cost or Pricing Data. Seller agrees that:

(i) if cost or pricing data, as defined in the Truth in Negotiations Act and implementing regulations, are required or requested; and

(ii) Seller or its lower-tier subcontractors:

(A) fail to provide current, accurate and complete cost or pricing data;

(B) claim an exception to a requirement or request to provide cost or pricing data and such exception is at any time determined to be inapplicable;

(C) furnish data of any description that were not accurate;

(D) as a prospective contractor, with notice of applicable cutoff dates and at Buyer's request, submit cost or pricing data that are not accurate, current and complete as of the cutoff date on Buyer's Certificate of Current Cost or Pricing Data; or

(E) the Government alleges any of foregoing;

such conduct by Seller or its lower-tier subcontractors shall be treated as a failure to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities and shall be subject to the remedies below.

(2) Approved Chemical Substances. Seller agrees that only chemical substances included in the list of approved chemical substances published by the Environmental Protection Agency pursuant to the Toxic Substances Control Act shall be sold hereunder and that failure to comply with this provision shall be treated as a failure to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities and shall be subject to the remedies below.

(3) Material Safety Data Sheet. Seller agrees to provide a completed Material Safety Data Sheet (OSHA Form 20 or equivalent) for any chemical substances sold hereunder as required by any federal, state or local law, ordinance, rule or regulation and that failure to comply with this provision shall be treated as a failure to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities and shall be subject to the remedies below.

(c) Remedies. In addition to any other remedies provided under this Purchase Order or by law, if:

(1) Seller or its officers, employees, agents, suppliers, or subcontractors at any tier fails to comply with any applicable laws, orders, rules, regulations, and ordinances of government entities and, as a result

(2) Buyer's contract price or fee is reduced, Buyer's costs are determined to be unallowable, Buyer incurs any fines,

penalties or interest costs, or Buyer incurs any other costs, losses, or damages;

then Buyer may reduce the price, or the recoverable costs and fee, of this Purchase Order or of any other contract with Seller, by a corresponding amount or amounts, or may demand payment of such amounts, or both, and Seller shall promptly pay any such amount demanded.

12. LIEN WAIVERS. Seller shall furnish, upon Buyer's request, waivers by Seller and all other persons entitled to assert any lien rights in connection with the performance of this Purchase Order.

13. INDEMNIFICATION AND INSURANCE.

a. Unless Buyer approves in writing a self-insurance program of Seller, the Seller shall maintain at Seller's cost, with insurers of nationally recognized stature, insurance (i) fully covering all furnished property, and (ii) covering, in amounts customary for prudent and conservative businesses, all other liabilities, whether to Buyer or others, that might be incurred in any way related to this Purchase Order. If requested by Buyer, Seller shall cause Buyer and Buyer's customer to be added to Seller's insurance as additional insured. Seller's insurance shall be primary to any insurance coverage procured by Buyer. On Buyer's request, Seller shall furnish Buyer with evidence of Seller's compliance with any aspect of this Clause.

b. Notwithstanding the existence or lack of insurance and as an unrelated matter, Seller shall defend, indemnify, and hold harmless Buyer and Buyer's customer from any losses, claims, demands, or suits (including those from Seller's employees) for bodily injury (including death) or property damage howsoever arising out of Seller's performance of this Purchase Order and irrespective of Buyer's negligence in any degree.

c. All work to be performed on this Purchase Order by Seller is at Seller's risk as to the methods, processes, procedures, and safe conduct of the work. If Seller is to perform work on the premises or within facilities owned or controlled by Buyer, Buyer's customer, or any other entity, Seller shall be solely responsible for the safe conduct of such work and the protection of the premises or facilities, and of any persons on the premises or facilities. Seller shall defend, indemnify, and hold harmless Buyer, its employees, agents, or subcontractors, and invitees for and against all losses, claims, damages or suits, including those suffered or brought by Seller's employees, for bodily injury (including death) or property damage and which arise from performance of the work by Seller, its employees, agents, invitees, or subcontractors, irrespective of Buyer's negligence in any degree.

d. In no event shall Buyer be liable, for any reason or arising from any cause whatsoever, for special, incidental, or consequential damages.

e. Seller, to the extent not covered by the foregoing paragraphs of this Clause, shall defend, indemnify, and save Buyer harmless, against and from any demands, decisions, judgments, orders, awards, costs and expenses, including attorney fees, arising from or incurred in resisting any claim, demand, or asserted right of Buyer's customer based on any act or omission by Seller under or in any way related to this Purchase Order or to any step leading to award of this Purchase Order.

f. To the extent Seller is required by this Purchase Order to insure against loss or damage to property of Buyer or a customer of Buyer, (i) insurance policies of Seller shall disclose the interest of Buyer and Buyer's customer; (ii) those policies shall contain an endorsement that no cancellation or material change in the coverage adversely affecting the interest of Buyer or Buyer's

customer shall be effective unless Seller or the insurer gives written advance notice of cancellation or change, and unless Seller has complied with such other direction as may be given by Buyer or Buyer's customer as applicable.

14. ASSIGNMENT. Seller shall not assign this Purchase Order or any rights under this Purchase Order without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without such written consent.

15. NOTICE OF LABOR DISPUTES. Whenever an actual or potential labor dispute delays, or threatens to delay, the timely performance of this Purchase Order, Seller shall immediately notify Buyer in writing of all relevant information with respect to such dispute.

16. RETENTIONS. In addition to any other rights Buyer has, Buyer may, at its sole option, withhold payment of up to ten percent (10%) of the total value of this Purchase Order or individual invoices until Seller provides all required objective quality evidence, submits required data items, and satisfactorily fulfills all other reporting and documentation requirements.

17. PUBLICITY. Seller shall not make or authorize any news release, advertisement, or other disclosure (except as required by law) that denies or confirms the existence of this Purchase Order without prior written consent of Buyer.

18. CHANGES. This Purchase Order and the terms and conditions herein may not be changed in any respect without written approval or direction of Buyer's representative. Buyer may, at any time, by written change order and without notice to the sureties, if any, suspend performance of this Purchase Order, in whole or in part; make changes in the drawings, designs, specifications, method of shipment of packing, or time or place of inspection, delivery, or acceptance of the Goods; reschedule the Services; or require additional or diminished Goods or Services; and Seller shall proceed diligently with the performance of this Purchase Order as so changed irrespective of whether a price adjustment has been determined as provided by this Clause. If any such change causes an increase or decrease in the cost of or the time required for performance of this Purchase Order and Seller makes a proper and timely request, Buyer shall make an equitable adjustment in the Purchase Order price or delivery dates or both, and this Purchase Order shall be modified in writing accordingly. Any equitable adjustment for suspension or interruption of, or delay in, Seller's performance shall exclude profit.

If Seller deems any instruction or direction by or on behalf of Buyer to be a change to this Purchase Order, it must so notify Buyer in writing within seven (7) days of the receipt of such instruction or direction.

Any claim by Seller for adjustment under this Clause may, at Buyer's option, be deemed to be absolutely and unconditionally waived unless asserted in writing (including the amount of the claim) and delivered to Buyer within thirty (30) days from the date of receipt by Seller of the change order or direction, except where an extension is granted in writing by Buyer.

If the cost of property made obsolete or excess as a result of a change is paid by Buyer, Buyer may prescribe the manner of disposition of such property.

Buyer's engineering and technical personnel are not authorized to change the Goods or Services ordered or any other provision of this Purchase Order. No change order or other modification will be binding on Buyer unless issued by an authorized representative of Buyer's procurement department.

19a. TERMINATION FOR BUYER'S CONVENIENCE

a. Buyer may terminate performance of work under this Purchase Order in whole or, from time to time, in part if Buyer determines that a termination is in Buyer's interest. Buyer's Representative shall terminate by delivering to Seller a Notice of Termination specifying the extent of termination and the effective date.

b. After receipt of a Notice of Termination, and except as directed by Buyer's Representative, Seller shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

- (1) Stop work as specified in the notice.
 - (2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of this Purchase Order.
 - (3) Terminate all subcontracts to the extent they relate to the work terminated.
 - (4) Assign to Buyer, as directed by Buyer's Representative, all right, title, and interest of Seller under the subcontracts terminated, in which case Buyer shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.
 - (5) With approval or ratification to the extent required by Buyer's Representative, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this clause.
 - (6) As directed by Buyer's Representative, transfer title and deliver to Buyer: (i) The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and (ii) The completed or partially completed plans, drawings, information, and other property that, if the Purchase Order had been completed, would be required to be furnished to Buyer.
 - (7) Complete performance of the work not terminated.
 - (8) Take any action that may be necessary, or that Buyer's Representative may direct, for the protection and preservation of the property related to this Purchase Order that is in the possession of Seller and in which Buyer has or may acquire an interest.
 - (9) Use its best efforts to sell, as directed or authorized by Buyer's Representative, any property of the types referred to in paragraph b(6) of this clause; provided, however, that Seller (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, Buyer's Representative. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Buyer under this Purchase Order, credited to the price or cost of the work, or paid in any other manner directed by Buyer's Representative.
- c. Seller shall submit complete termination inventory schedules no later than sixty (60) days from the effective date of termination, unless extended in writing by Buyer's Representative upon written request of Seller within this 60-day period.
- d. After expiration of the plant clearance period as defined in Subpart 45.6 of the Federal Acquisition Regulation, Seller may submit to Buyer's Representative a list, certified as to quantity and quality, of termination inventory not previously disposed of,

excluding items authorized for disposition by Buyer's Representative. Seller may request Buyer to remove those items or enter into an agreement for their storage. Within thirty (30) days, Buyer will accept title to those items and remove them or enter into a storage agreement. Buyer's Representative may verify the list upon removal of the items, or if stored, within sixty (60) days from submission of the list, and shall correct the list, as necessary, before final settlement.

e. After termination, Seller shall submit a final termination settlement proposal to Buyer's Representative in the form and with the certification prescribed by Buyer's Representative. Seller shall submit the proposal promptly, but no later than 6 months from the effective date of termination, unless extended in writing by Buyer's Representative upon written request of Seller within this 6-month period. However, if Buyer's Representative determines that the facts justify it, a termination settlement proposal may be received and acted on after 6 months or any extension. If Seller fails to submit the proposal within the time allowed, Buyer's Representative may determine, on the basis of information available, the amount, if any, due Seller because of the termination and shall pay the amount determined.

f. Subject to paragraph e of this clause, Seller and Buyer's Representative may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph f or paragraph g of this clause, exclusive of costs shown in paragraph g(3) of this clause, may not exceed the total Purchase Order price as reduced by (1) the amount of payments previously made and (2) the Purchase Order price of work not terminated. This Purchase Order shall be modified, and Seller paid the agreed amount. Paragraph g of this clause shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

g. If Seller and Buyer's Representative fail to agree on the whole amount to be paid because of the termination of work, Buyer's Representative shall pay Seller the amounts determined by Buyer's Representative as follows, but without duplication of any amounts agreed on under paragraph f of this clause:

(1) The Purchase Order price for completed Goods or Services accepted by the Buyer (or sold or acquired under paragraph b(9) of this clause) not previously paid for, adjusted for any saving of freight and other charges.

(2) The total of: (i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to Goods or Services paid or to be paid under paragraph g(1) of this clause; (ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the Purchase Order if not included in subdivision g(2)(i) of this clause; and (iii) A sum, as profit on subdivision g(2)(i) of this clause, determined by Buyer's Representative, consistent with 49.202 of the FAR, in effect on the date of Buyer's Contract, to be fair and reasonable; however, if it appears that Seller would have sustained a loss on the entire Purchase Order had it been completed, Buyer's Representative shall allow no profit under this subdivision g(2)(iii) and shall reduce the settlement to reflect the indicated rate of loss.

(3) The reasonable costs of settlement of the work terminated, including: (i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data; (ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and (iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

h. Except for normal spoilage, and except to the extent that Buyer expressly assumed the risk of loss, Buyer's Representative shall exclude from the amounts payable to Seller under paragraph g of this clause, the fair value, as determined by Buyer's Representative, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to Buyer.

i. The cost principles and procedures of Part 31 of the FAR, in effect on the date of Buyer's Contract, shall govern all costs claimed, agreed to, or determined under this clause.

j. In arriving at the amount due Seller under this clause, there shall be deducted: (1) All unliquidated advance or other payments to Seller under the terminated portion of this Purchase Order; (2) Any claim which Buyer has against Seller under this Purchase Order; and (3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by Seller or sold under the provisions of this clause and not recovered by or credited to Buyer.

k. If the termination is partial, Seller may file a proposal with Buyer's Representative for an equitable adjustment of the price(s) of the continued portion of this Purchase Order. Buyer's Representative shall make any equitable adjustment agreed upon. Any proposal by Seller for an equitable adjustment under this clause shall be requested within forty-five (45) days from the effective date of termination unless extended in writing by Buyer's Representative.

l. (1) Buyer may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by Seller for the terminated portion of this Purchase Order, if Buyer's Representative believes the total of these payments will not exceed the amount to which Seller will be entitled. (2) If the total payments exceed the amount finally determined to be due, Seller shall repay the excess to Buyer upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by Seller to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in Seller's termination settlement proposal because of retention or other disposition of termination inventory until ten (10) days after the date of the retention or disposition, or a later date determined by Buyer's Representative because of the circumstances.

m. Unless otherwise provided in this Purchase Order or by statute, Seller shall maintain all records and documents relating to the terminated portion of this Purchase Order for three (3) years after final settlement. This includes all books and other evidence bearing on Seller's costs and expenses under this Purchase Order. Seller shall make these records and documents available to Buyer and the Government, at Seller's office, at all reasonable times, without any direct charge. If approved by Buyer's Representative, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

19b. TERMINATION FOR CAUSE

a. (1) Buyer may, subject to paragraphs c and d of this clause, by written notice of default to Seller, terminate this Purchase Order in whole or in part if Seller fails to: (i) Deliver the Goods or perform the Services within the time specified in this Purchase Order or any extension; (ii) Make progress, so as to endanger performance of this Purchase Order (but see paragraph a(2) of this clause); or (iii) Perform any of the other provisions of this Purchase Order (but see paragraph a(2) of this clause).

(2) Buyer's right to terminate this Purchase Order under subdivisions a(1)(ii) and (1)(iii) of this clause, may be exercised if Seller does not cure such failure within ten (10) days (or more

if authorized in writing by Buyer's Representative) after receipt of the notice from Buyer's Representative specifying the failure.

b. If Buyer terminates this Purchase Order in whole or in part, it may acquire, under the terms and in the manner Buyer's Representative considers appropriate, Goods or Services similar to those terminated, and Seller will be liable to Buyer for any excess costs for those Goods or Services. However, Seller shall continue the work not terminated.

c. Except for defaults of subcontractors at any tier, Seller shall not be liable for any excess costs if the failure to perform this Purchase Order arises from causes beyond the control and without the fault or negligence of Seller. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of Seller.

d. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both Seller and the subcontractor, and without the fault or negligence of either, Seller shall not be liable for any excess costs for failure to perform, unless the subcontracted Goods or Services were obtainable from other sources in sufficient time for Seller to meet the required delivery schedule.

e. If this Purchase Order is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer's Representative, any (1) completed Goods, and (2) partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that Seller has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction of Buyer's Representative, Seller shall also protect and preserve property in its possession in which Buyer or the Government has an interest.

f. Buyer shall pay the Purchase Order price for completed Goods delivered and accepted. Seller and Buyer's Representative shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Claims and Disputes clause. Buyer may withhold from these amounts any sum Buyer's Representative determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.

g. If, after termination, it is determined that Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of Buyer.

h. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Purchase Order.

20. NO WAIVER; SEVERABILITY. The failure of Buyer to insist upon the performance of any provision of this Purchase Order, or to exercise any right or privilege granted to the Buyer under this Purchase Order or by law, shall not be construed as waiving such provision or any other provision of this Purchase Order, and the same shall continue in full force and effect. If any provision of this Purchase Order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this Purchase Order shall not be affected thereby, and shall remain in full force and effect.

21. APPLICABLE LAW. Irrespective of the place of performance, this Purchase Order will 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. To the extent that the federal common law of government contracts is not dispositive, the laws of the State of Texas shall apply, exclusive of its rules concerning conflicts of laws.

22. PROHIBITION OF GRATUITIES.

a. Seller represents and warrants that it and its officers, employees, agents and representatives have not offered or given, and agrees that it and its officers, employees, agents and representatives will not offer or give, any kickbacks or gratuities in the form of entertainment, gifts, or otherwise to any officer or employee of Buyer or Buyer's customer with a view toward securing this or any other Purchase Order, any favorable treatment with respect to the awarding or amending of this or any other Purchase Order, or the making of any determination with respect to Seller's right or duties.

b. For any breach of Seller's obligations under this Clause, Buyer shall have, in addition to any other rights provided by this Purchase Order, the right to terminate any or all Purchase Orders with Seller for cause, and to recover from Seller the amount of any gratuity, plus all reasonable costs (including attorney fees) incurred in seeking such recovery. (Seller is also advised that, if this Purchase Order is issued under a prime contract or subcontract of the Government, any gratuity offered or given in violation of this Clause may also entail liabilities of Seller under applicable statutes, regulations, or other Purchase Order provisions.)

23. PRICING OF ADJUSTMENTS. All adjustments, including but not limited to "equitable adjustments," under this Purchase Order shall be based upon Seller's costs, plus a reasonable profit unless profit is expressly excluded by language of this Purchase Order. Seller's costs shall be those that are reasonable, allowable, and allocable under the standards of Part 31 of the Federal Acquisition Regulation (and, if this Purchase Order is issued under a contract or subcontract with any Department of Defense entity, Part 231 of DFARS) as in effect in Buyer's Contract on the date of this Purchase Order.

24. CLAIMS AND DISPUTES.

a. **Claims for Adjustment.** For any claims seeking an equitable adjustment or other relief in excess of \$100,000 submitted by Seller under this Purchase Order, Seller shall submit to Buyer a signed certificate that states as follows, substituting Seller's legal name where indicated: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the Purchase Order adjustment for which [the Seller] believes General Dynamics Ordnance and Tactical Systems is liable; and that I am duly authorized to certify the claim on behalf of [the Seller]." If requested by Buyer, Seller shall identify the portion of its claim for which it believes the Government is liable and shall execute the certification above, substituting "the Government" for "General Dynamics Ordnance and Tactical Systems" as to such amount.

b. **Government Decisions.** If a final decision is issued by a Contracting Officer for Buyer's Contract (or the Prime Contract under which Buyer's Contract is issued) and the decision relates in any way to this Purchase Order or to the Goods or Services ordered hereunder, said decision, if binding upon the Buyer, shall also be binding upon Buyer and Seller with respect to this Purchase Order. If Buyer appeals or commences an action regarding such decision, any decision upon such appeal or action, if binding upon the Buyer under the Prime Contract, shall be binding upon the Buyer and Seller as it relates to this Purchase Order. If any appeal is taken or an action commenced by Buyer, Seller shall assist Buyer in its prosecution thereof in every

reasonable manner.

If, as a result of any decision or judgment binding upon Buyer, Buyer is unable to obtain reimbursement from the Government (or Buyer's customer) for, or is required to refund or credit to the Government (or Buyer's customer), any amount with respect to which Buyer has paid Seller, Seller shall, on demand, promptly repay such amount to Buyer.

c. Resolution of Other Disputes. Any dispute between Buyer and Seller that is not resolved pursuant to the provisions of this Purchase Order or through discussions between the parties may be resolved through an action in a court of appropriate jurisdiction and venue.

d. Seller to Continue Performance. Seller shall proceed diligently with performance of this Purchase Order pending final resolution of any request for relief, claim, dispute, appeal or action arising under or in connection with this Purchase Order and pending such resolution shall comply with Buyer's written direction, if any, on the matters at issue.

25. INSOLVENCY. Buyer may terminate this Purchase Order for cause if Seller files a voluntary petition under any federal or state bankruptcy act, is adjudicated a bankrupt, Seller becomes insolvent or commits an act of bankruptcy, or engages in any act which reasonably causes Buyer to deem itself insecure.

26. DESIGN, TOOLS, DIES, ETC.

a. Unless otherwise agreed herein, Seller at its sole cost shall supply all material, equipment, designs, drawings, tools and facilities required to perform this Purchase Order.

b. Any materials, equipment, designs, drawings, tools or other property furnished by Buyer or specifically paid for by Buyer shall be Buyer's property, shall be used only in filling orders from Buyer and may on Buyer's demand be removed by Buyer without charge. Seller shall use such property at its own risk and shall be responsible for all loss of or damage to the same or to any person while property is in Seller's custody. Seller shall, at its sole cost, store and maintain all such property and maintain property in good condition and repair. Buyer makes no warranties of any nature with respect to any such property, which is furnished "AS IS."

c. Graphics arts and packaging materials: All film negatives, positives, engravings, electrodes and dies made by Seller for the production of material of this Purchase Order will become the property of Buyer and be delivered to Buyer at the completion of work under this Purchase Order.

d. Notwithstanding anything herein to the contrary, the provisions of this paragraph do not apply to property owned by the Government. Disposition and use of Government property shall be governed by applicable Government regulations.

27. CONSTRUCTION. This Purchase Order shall be construed to have been drafted equally by all parties. The language of all parts of the Purchase Order shall be construed as a whole, according to its fair meaning, and any presumption or other principle that the language herein is to be construed against any party shall not apply. The headings used herein are for reference only and shall not affect the interpretation of the Purchase Order.

28. COMPLETE AGREEMENT. All specifications, drawings, and data submitted to Seller with this Purchase Order are hereby incorporated herein and made a part hereof. This Purchase Order constitutes the entire contract between Buyer and Seller and supercedes any prior offers, counteroffers, negotiations, or agreements concerning the Goods or Services. No revision, addition, or supplement to this Purchase Order or to

any of its terms or conditions shall be effective unless agreed to in writing by Buyer's Representative.

29. SURVIVAL. Seller shall not be relieved of its obligations under the following clauses (or under any applicable Special U.S. Government Provision that, by its nature, requires continuing obligations on Seller to achieve its intended effect) because of the termination, expiration, or completion of this Purchase Order:

- Inspection
- Warranties
- Proprietary Information
- Compliance with Laws
- Lien Waivers
- Indemnification and Insurance
- Publicity
- Changes (as to disposition of property only)
- Applicable Law
- Pricing of Adjustments
- Claims; Disputes
- Designs, Tools, Dies, Etc.
- Compliance with Export Laws

30. ORDER OF PRECEDENCE. Any inconsistency in this Purchase Order shall be resolved by giving precedence in the following order: (a) the face of this Purchase Order; (b) Special Provisions, if any; (c) these Standard Terms and Conditions; (d) Attachments, Exhibits, or Annexes, if any; and (e) the Statement of Work.

31. EXCUSABLE DELAYS.

a. Buyer shall not be liable for any delay or failure to perform if the delay or failure is without the fault or negligence of Buyer including, as examples, any of the enumerated causes listed in Paragraph 19b, subparagraph c.

b. Seller shall not be liable for any delay or failure to perform to the extent such delay or failure to perform is excusable pursuant to Paragraph 19b, subparagraphs c and d, and provided Seller gives written notice to Buyer as soon as any such cause is anticipated (or, if it could not be anticipated, as soon as possible after it occurs). If Buyer believes the failure, delay, or anticipated delay in Seller's performance may impair Buyer's ability to meet Buyer's production or delivery schedules or otherwise interfere with Buyer's operation, Buyer may, at its sole option and without liability to Seller, cancel remaining deliveries in whole or in part.

32. SPECIAL U.S. GOVERNMENT PROVISIONS. The provisions set forth in this Clause shall apply only if this Purchase Order is issued under a Government prime contract or under a subcontract, at any tier, issued to Buyer under a Government prime contract.

a. Audit. Seller agrees that its books and records and its plants or any such part thereof as may be engaged in the performance of this Purchase Order, shall at all reasonable times be subject to inspection and audit by any person designated by the head of any executive department of the Government.

b. Quality Control. Except as otherwise provided in this Purchase Order, Seller's system of Quality Control during the performance of this Purchase Order shall be in accordance with the specifications required by Buyer's Contract.

c. Seller agrees it will negotiate Purchase Order modification(s) in good faith to incorporate additions, deletions, and changes to the clauses set forth below if Buyer deems them necessary to comply with Buyer's Contract or modifications to Buyer's Contract. If any such modification to this Purchase Order causes an increase or decrease in the cost, or the time required for the performance, of any part of the work under this

Purchase Order, an equitable adjustment shall be made pursuant to the "Changes" clause of this Purchase Order.

d. The following clauses of the FAR and DFARS are incorporated herein by reference, and made part hereof with the same force and effect as if they were given in full text, to the extent and with the changes to the clause text specified herein. The date of each clause is specified; however, the clause in effect in the Buyer's Contract on the date of this Purchase Order shall be incorporated by reference and changes, if necessary, to each such clause shall be made to be consistent with the intent of the changes set forth below.

33. REPRESENTATIONS AND CERTIFICATIONS. The following representations and certifications are material representations relied upon by Buyer in making award to Seller. Seller shall notify Buyer of any change of circumstances affecting representations and certifications made by Seller. *The representations and certifications as set forth below omit several choices that appear in the FAR version. By executing this Purchase Order, Seller represents that it has considered the full FAR version of the representations and certifications before executing this Purchase Order and affirms that the representations and certifications below are accurate.*

FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Apr 1991). Applicable only if this Purchase Order exceeds \$100,000.

(a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions, included in this solicitation, are hereby incorporated by reference in paragraph (b) of this certification.

(b) Seller, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989-

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the Seller shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Government Contracting Officer; and

(3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters (Dec 2001).

(a) (1) Seller certifies, to the best of its knowledge and belief, that-

(i) The Seller and/or any of its Principals-

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.

(ii) The Seller has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

FAR 52.222-22 Previous Contracts and Compliance Reports (February 1999).

Seller represents that if Seller has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26): (i) Seller has filed all required compliance reports; and, (ii) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

FAR 52.223-13 Certification Of Toxic Chemical Release Reporting (October 2000). Applicable to Purchase Orders in excess of \$100,000 if FAR 52.223-14 is included in Buyer's Contract.

(a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.

(b) By signing this Purchase Order, Seller certifies that-

As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), Seller will file and continue to file for such facilities for the life of the Purchase Order the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA.

In the following FAR and DFARS clauses, unless designated otherwise, "Contractor" or "Offeror" shall mean "Seller", "Government" or "United States" shall mean "Buyer", "Contract" shall mean this Purchase Order, and "Contracting Officer," "Administrative Contracting Officer" and "ACO" shall mean "Buyer's Representative".

Seller acknowledges it has had the opportunity to inquire as to the clauses present in Buyer's contract and agrees to be bound to such clauses in the manner listed below.

Any reference to a "Default" clause shall mean Paragraph 19b, "Termination for Cause" of this Purchase Order.

I. CLAUSES APPLICABLE TO ALL PURCHASE ORDERS

FAR	52.202-1	Definitions (December 2001). Delete subparagraph (a) defining "agency head" and "head of agency". Subparagraph (e) shall be treated as defining "Government Contracting Officer".
FAR	52.203-3	Gratuities (April 1984). Subparagraph (a): replace "after notice . . . a designee" with "Buyer's Representative". Subparagraph (a)(1): Replace "Government" with "Government or Buyer". Delete subparagraph (b). Subparagraph (c)(2): Replace "agency head or a designee" with "Buyer's Representative".
FAR	52.203-5	Covenant Against Contingent Fees (April 1984)
FAR	52.203-8	Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity (January 1997)
FAR	52.203-10	Price or Fee Adjustment for Illegal or Improper Activity. (January 1997)
FAR	52.211-5	Material Requirements. (August 2000)
FAR	52.211-15	Defense Priority and Allocation Requirements (September 1990). This clause applies if the face of Purchase Order sets forth a rating within the meaning of the Defense Priorities and Allocation System.
FAR	52.219-8	Utilization of Small Business Concerns. (October 2000)
FAR	52.222-3	Convict Labor. (August 1996)
FAR	52.222-19	Child Labor – Cooperation with Authorities and Remedies (February 2001)
FAR	52.222-20	Walsh-Healey Public Contracts Act. (December 1996)
FAR	52.222-21	Prohibition of Segregated Facilities. (February 1999)
FAR	52.222-26	Equal Opportunity (April 2002). Delete subparagraph (c).

FAR	52.223-3	Hazardous Material Identification and Material Safety Data (January 1997). In subparagraph (f), replace “Government,” with “Government, Buyer,”. In subparagraph (h), replace “Government” with “Government and/or Buyer” in each instance.
FAR	52.223-11	Ozone–Depleting Substances. (March 2001)
FAR	52.225-13	Restrictions on Certain Foreign Purchases. (July 2000)
FAR	52.232-17	Interest. (June 1996)
FAR	52.242-15	Stop-Work Order. (August 1989)
FAR	52.242-17	Government Delay of Work. (April 1984)
FAR	52.243-1	Changes – Fixed Price (August 1987)
FAR	52.243-7	Notification of Changes (April 1984)
FAR	52.244-6	Subcontracts for Commercial Items. (May 2002)
FAR	52.245-2	Government Property (Fixed-Price Contracts) (Class deviation 99-00012). (December 1989)
FAR	52.245-9	Use and Charges (Class deviation 99-00011). (April 1984)
FAR	52.246-2	Inspection of Supplies– Fixed-Price. (August 1996)
FAR	52.246-16	Responsibility for Supplies. (April 1984)
DFARS	252.204-7000	Disclosure of Information (December 1991). In each instance, replace “Contracting Officer” with “Government Contracting Officer and Buyer’s Representative”.
DFARS	252.223-7001	Hazard Warning Labels. (December 1991)
DFARS	252.223-7002	Safety Precautions for Ammunition and Explosives (May 1994). Replace “Government” with “Government and/or Buyer” and replace “Contracting Officer” with “Government Contracting Officer and/or Buyer’s Representative” throughout this clause.
DFARS	252.223-7003	Change in Place of Performance - Ammunition and Explosives (December 1991). Replace “Government” with “Government and/or Buyer” and replace “Contracting Officer” with “Government Contracting Officer and Buyer’s Representative” throughout this clause.
DFARS	252.225-7007	Buy American Act–Trade Agreements–Balance of Payments Program
DFARS	252.225-7008	Supplies to be Accorded Duty-Free Entry. (March 1998)
DFARS	252.227-7032	Rights in Technical Data and Computer Software (Foreign). (June 1975)
DFARS	252.227-7036	Declaration of Technical Data Conformity. (January 1997)
DFARS	252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts). (March 2000)

II. CLAUSES APPLICABLE TO PURCHASE ORDERS OVER \$10,000

FAR	52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans. (December 2001)
FAR	52.222-36	Affirmative Action for Workers with Disabilities. (June 1998)
FAR	52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans. (December 2001)

III. CLAUSES APPLICABLE TO PURCHASE ORDERS OVER \$25,000

FAR	52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (July 1995)
DFARS	252.225-7012	Preference for Certain Domestic Commodities. (April 2002)

IV. CLAUSES APPLICABLE TO PURCHASE ORDERS OVER \$100,000

FAR	52.203-6	Restrictions on Subcontractor Sales to the Government (July 1995). In subparagraph (a), "Government" shall retain its meaning.
FAR	52.203-7	Anti-Kickback Procedures (July 1995). Subparagraph (c)(1) is deleted. "Contracting Officer" shall mean "Government Contracting Officer".
FAR	52.203-12	Limitation on Payments to Influence Certain Federal Transactions. (June 1997)
FAR	52.215-2	Audit and Records-Negotiation (June 1999). Applicable if this Purchase Order meets criteria in paragraph (g) of the clause. "Contracting Officer" shall mean "Government Contracting Officer".
FAR	52.215-14	Integrity of Unit Prices (October 1997). Not applicable to service contracts unless supplies are required.
FAR	52.227-1	Authorization and Consent. (July 1995)
FAR	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (August 1996). "Government" retains its meaning, and "Contracting Officer" shall mean "Government Contracting Officer".
DFARS	252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (March 1999). "Contracting Officer" shall mean "Government Contracting Officer".
DFARS	252.209-7000	Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty. (November 1995)
DFARS	252.247-7023	Transportation of Supplies by Sea (May 2002). "Government" retains its meaning, and "Contracting Officer" shall mean "Government Contracting Officer". Seller notifications to the Government Contracting Officer shall be made through Buyer's Representative.

V. CLAUSES APPLICABLE TO PURCHASE ORDERS OVER \$500,000

FAR	52.219-9	Small Business Subcontracting Plan (January 2002). "Government" shall retain its meaning. Replace "Contracting Officer" with "Government Contracting Officer and Buyer's Representative" throughout. Seller shall adopt a subcontracting plan that complies with the requirements of this clause.
FAR	52.219-16	Liquidated Damages-Subcontracting Plan. (January 1999)
FAR	52.230-2	Cost Accounting Standards (April 1998). Unless exempt from the requirement to include a CAS clause as specified in 48 CFR 9903-201.1, applicable to negotiated Purchase Orders except those for which: (i) the Purchase Order price is less than \$25 million and (ii) Seller has certified it is eligible for and elects to use modified coverage. Exclude subparagraph (b).
FAR	52.230-3	Disclosure and Consistency of Cost Accounting Standards (April 1998). Unless exempt from the requirement to include a CAS clause as specified in 48 CFR 9903-201-1, applicable to negotiated Purchase Orders for which: (i) the Purchase Order price is less than \$25 million and (ii) Seller has certified it is eligible for and elects to use modified coverage. Exclude subparagraph (b).
FAR	52.230-6	Administration of Cost Accounting Standards (November 1999). Applicable if either FAR 52.230-2 or FAR 52.230-3 applies to this Purchase Order.
DFARS	252.219-7003	Small, Small Disadvantaged and Women-owned Small Business Subcontracting Plan (DoD Contracts). (April 1996)
DFARS	252.225-7026	Reporting of Contract Performance Outside the United States (June 2000). Applicable only if this Purchase Order is a first-tier subcontract under a government prime contract. "Contracting Officer" shall mean "Government Contracting Officer". Seller notifications to the Government Contracting Officer shall be made through Buyer's Representative.

VI. CLAUSES APPLICABLE IF PRESENT IN BUYER'S CONTRACT

DFARS	252.225-7002	Qualifying Country Sources as Subcontractors (December 1991)
DFARS	252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country (March 1998)
DFARS	252.225-7031	Secondary Arab Boycott of Israel (June 1992)

VII. CLAUSES APPLICABLE IN OTHER SPECIFIED CIRCUMSTANCES

FAR	52.204-2	Security Requirements (August 1996). Applicable if Purchase Order involves access to classified information. "Government" shall retain its meaning. References to the "Changes" clause shall be to the "Changes" clause of this Purchase Order.
FAR	52.215-10	Price Reduction for Defective Cost or Pricing Data (October 1997). Applicable if submission of cost or pricing data was required in pricing this Purchase Order. In addition, the obligations that FAR 52.215-12 in Buyer's Contract requires of subcontractors are hereby required of Seller. "Government" shall mean "Government or Buyer". Buyer's rights under this clause shall not limit Buyer's rights under any other provision of this Purchase Order.
FAR	52.215-11	Price Reduction for Defective Cost or Pricing Data-Modifications (October 1997). Applicable if submission of cost or pricing data was not required in pricing this Purchase Order. "Government" shall mean "Government or Buyer". In subparagraph (a), the threshold for the submission of cost or pricing data shall be the threshold applicable to Buyer's contract. Buyer's rights under this clause shall not limit Buyer's rights under any other provision of this Purchase Order.
FAR	52.215-12	Subcontractor Cost or Pricing Data (October 1997). Applicable if submission of cost or pricing data was required in pricing this Purchase Order. In subparagraphs (a) and (c), the threshold for the submission of cost or pricing data shall be the threshold applicable to Buyer's Contract.
FAR	52.215-13	Subcontractor Cost or Pricing Data -- Modifications (October 1997). Applicable if submission of cost or pricing data was not required in pricing this Purchase Order. In subparagraphs (b) and (d), the threshold for the submission of cost or pricing data shall be the threshold applicable to Buyer's Contract.
FAR	52.215-15	Pension Adjustments and Asset Reversions (December 1998). Applicable if this Purchase Order meet the applicability requirement of FAR 15.408(g). "Government" retains its meaning. "Contracting Officer" shall mean "Government Contracting Officer through Buyer's Representative".
FAR	52.215-19	Notification of Ownership Changes (October 1997). Applicable if this Purchase Order meets the applicability requirements of FAR 15.408(k). "Administrative Contracting Officer" shall mean "Government Administrative Contracting Officer". Notices required under this clause shall be made with a copy to Buyer's Representative.
FAR	52.222-41	Service Contract Act of 1965, as Amended (May 1989). Applicable if this Purchase Order is subject to the Service Contract Act.
FAR	52.223-7	Notice of Radioactive Materials (January 1997). Applicable if this Purchase Order meets the criteria in subparagraph (a) of the clause. Insert "30" in the blank in subparagraph (a). "Contracting Officer" shall mean "Government Contracting Officer and Buyer's Representative".
FAR	52.227-9	Refund of Royalties (April 1984). Applicable if reported royalties exceed \$250.
FAR	52.227-10	Filing of Patent Applications-Classified Subject Matter (April 1984). Applicable if the Purchase Order work or any related patent applications involve classified subject matter. "Government" retains its meaning. "Contracting Officer" shall mean "Government Contracting Officer".
FAR	52.227-11	Patent Rights-Retention by the Contractor (Short Form) (June 1997). Applicable if subcontractor is a small business and FAR 52.227-11 or -12 is included in Buyer's contract. "Government" retains its meaning. "Contracting Officer" shall mean "Government Contracting Officer".
FAR	52.227-12	Patent Rights-Retention by the Contractor (Long Form) (January 1997). Applicable if subcontractor is other than a small business and if FAR 52.227-12 or DFARS 252.227-7034 is included in Buyer's contract. "Government" retains its meaning. "Contracting Officer" shall mean "Government Contracting Officer".

FAR	52.233-3	Protest After Award (August 1996). Applicable if Buyer's customer has directed Buyer to stop performance of the work pursuant to this clause in Buyer's contract, whereupon Buyer may direct Seller by written order to stop performance. Subsection (b)(2) is modified to provide that Seller shall assert any right to an adjustment under this clause within fifteen (15) days after the work stoppage is lifted.
DFARS	252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (April 1993). Applicable if subcontractor will treat or dispose of non-DOD owned toxic or hazardous material. Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA.