

APPLICABLE JOB CODE: MMC581914

Prime Contract No.: N00024-09-C-2303

Priority Rating: DOA3

Specialty Metals Invoked

**PARKER'S TERMS AND CONDITIONS OF PURCHASE  
EXPORT CONTROL STATEMENT 01-04**



and defer payment until after the scheduled delivery date or to accept early delivery of goods and place such goods in storage at Seller's expense until the scheduled delivery date. Buyer may return any over shipments to Seller at Seller's risk and expense.

SUPPLIER agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2799, including the International Traffic in Arms Regulations (ITAR), 22 CFR 120-130 and the Export Administration Act, 50 U.S.C. app.2 2401-2420, including Export Administration Regulations, 15CRR 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Supplier agrees that it will not transfer any export controlled item, data, or service, to include transfer to a foreign person employed by or associated with or under contract to SUPPLIER or SUPPLIER's lower-tier suppliers, without the authority of an export license or applicable exemption or exception.

SUPPLIER agree to notify Parker Hannifin Corporation, Control Systems Division (PARKER) if any deliverable under this Contract is restricted by export control laws or regulations.

SUPPLIER shall immediately notify PARKER's Procurement Representative if SUPPLIER is, or becomes. Listed in any Denied Party List or if SUPPLIER's export privileges are otherwise denied, suspended or revoked in whole or in any part by any U.S. Government entity or agency.

If SUPPLIER is engaged in the business of either exporting or manufacturing (whether actually exporting or not) defense articles or furnishing defense services, SUPPLIER represents that it is registered with the Office of Defense Trade Controls, as required by the ITAR, and that it maintains an effective export/import compliance program in accordance with the ITAR.

Where SUPPLIER is a signatory under a PARKER export license or agreement, (i.e. TAA, MLA), SUPPLIER shall provide prompt notification to the PARKER Procurement Representative in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation, that could effect SUPPLIER'S performance under this contract.

SUPPLIER shall be responsible for all losses, costs, claims, cause of actions, damages, liabilities and expenses, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SUPPLIER, its officer, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

**PARKER HANNIFIN CORPORATION  
TERMS & CONDITIONS OF PURCHASE-COMMERCIAL  
(TCP REV. 1/04)**

**1. ACCEPTANCE AND AMENDMENTS:** This purchase order constitutes an offer by Parker Hannifin Corporation ("Buyer") to purchase from Seller the goods and/or services referenced in this purchase order exclusively under these terms and conditions. Acceptance of this purchase order is expressly limited to these terms and conditions. No amendment, modification or waiver of any of these terms and conditions shall be effective against Buyer except as shall be set forth in writing signed by Buyer's authorized representative. Terms and/or conditions proposed by Seller in its acceptance or otherwise which are additional to or different from these terms and conditions are objected to without further notification from Buyer and shall not become a part of this purchase order. All specifications, drawings and other data referred to in this purchase order or submitted by Seller to Buyer prior to the date of this purchase order concerning goods or services purchased are hereby made a part of the purchase order as if fully set forth herein. If this order shows on its face that it is placed under a Government contract or a subcontract there under or if Buyer otherwise notifies Seller that this order is placed under a Government contract or a subcontract there under, certain clauses of the Federal Acquisition Regulation (FAR) (48 CFR Chapter 2) and the Department of Defense FAR Supplement (DFARS) apply. These clauses are incorporated herein by reference, and they are contained in Buyer's current form TCP-GS, entitled "Terms and Conditions of Purchase - Government Supplement" which is also incorporated by this reference.

This purchase order shall be deemed accepted by Seller and shall constitute the entire agreement between the parties with respect to the subject matter hereof upon any of the following: (a) Seller's acknowledgement of the purchase order; (b) Seller's commencement of performance; (c) Seller's acceptance of any payment under this purchase order; or (d) Seller's failure to deliver written notice of rejection to Buyer within ten (10) days of receipt of this purchase order.

**2. PRICES INCLUDE TAXES AND PACKAGING:** Except as Buyer has otherwise provided in this order, the prices stated in the purchase order include (i) all applicable federal, state and local taxes, and duties; and (ii) the cost of packaging the goods purchased in a manner suitable for shipment by the method specified by Buyer.

**3. CHANGES:** Buyer reserves the right at any time prior to the delivery date of this order by written notice to Seller to make changes to the drawings, designs or specifications of the goods ordered, the method of packing and shipping, the time, place or method of delivery, the quantity of goods ordered or the work covered hereby. If any such changes affect Seller's cost and/or delivery schedule, Seller shall notify Buyer immediately, and, in the case of an increase in Seller's cost, within twenty (20) days of such notice Seller shall submit a detailed cost break-down comparing original requirements and costs to the changed requirements and costs. The parties will then discuss an equitable adjustment in purchase order price, delivery schedule or both; however, no adjustment will be binding on Buyer unless evidenced by a purchase order, change notice or revision to this purchase order signed by an authorized representative of Buyer's Purchasing Staff. Nothing in this clause shall excuse Seller from proceeding with this purchase order as changed.

**4. PACKING, MARKING AND SHIPPING, PACKING SLIPS:** Seller shall pack, mark and ship all goods in accordance with the requirements of this purchase order and good commercial practices, and in a manner which will permit the securing of the best transportation rates. Damage to any article resulting from improper packaging will be charged to the Seller. No additional charges will be allowed for containers, crating, boxing, bundling, dunnage, drayage, storage or transportation thereof, unless stated in this purchase order. Packing slips must accompany all shipments. The Buyer's count will be accepted as final and conclusive on all shipments not accompanied by packing slips. The Buyer's purchase order number and Seller's packing slip number, description and count must appear on all invoices, packages, and bills of lading.

**5. DELIVERY:** Unless otherwise specified in this purchase order, all deliveries shall be made F.O.B. at the "ship to" address specified therein. Seller shall deliver in accordance with the delivery date(s) specified in this purchase order or, if a delivery date or dates are not specified, then only as authorized in shipment releases issued by Buyer to Seller. If delivery by lots is specified, the designated quantity within each lot and the number of lots to be delivered shall not deviate from the purchase order schedule unless written authorization is received by Seller from an authorized representative of Buyer's Purchasing Staff. If Seller's delivery of the purchased goods or services is not made in the quantities and at the times specified herein, Buyer reserves the right without liability and in addition to any other rights and remedies, to cancel this purchase order and to procure substitute goods or services and charge Seller with any loss incurred including lost profits and special damages. Buyer shall have the right to reject any goods or services which are tendered by Seller in advance of the date scheduled for delivery, to accept early delivery of goods or services

**6. FORCE MAJEURE:** Neither party shall be liable for delays or defaults due to causes beyond its control and without its fault or negligence, provided that Seller delivers written notice setting forth the cause of the anticipated delay immediately to Buyer whenever Seller has reason to believe that performance will not be made as scheduled. If Seller's delay or default is caused by a delay or default of a subcontractor or supplier, such delay or default shall be excused only if it arose out of causes beyond the control of both Seller and the subcontractor or supplier and without the fault or negligence of either of them, and the goods or services were not obtainable from other sources in sufficient time to meet the required delivery or performance schedule.

**7. REJECTION/REVOCAION:** Payment for any goods under this purchase order shall not constitute acceptance thereof and Buyer reserves the right to inspect all goods purchased hereunder at Buyer's discretion and at Buyer's option and to reject nonconforming goods or services or revoke acceptance of non-conforming goods or services. At Buyer's option and at Seller's risk and expense, Buyer may return non-conforming goods to Seller, require Seller to grant a full refund or credit to Buyer for non-conforming goods, hold nonconforming goods for disposition by Seller or rework nonconforming goods to detect and correct nonconformities.

In the event of multiple nonconforming goods or services, Seller shall, within 20 days from notice thereof by Buyer, submit a written corrective action report to Buyer. Such report shall identify the root cause of the nonconformance, identity of affected goods and services, and a corrective action plan, for Buyer's review and approval.

Buyer shall not be liable for failure to accept any part of the goods or services purchased hereunder if such failure is the result of any cause beyond the control of Buyer including without limitation, fires, floods, acts of God, strikes, differences with employees, casualties, delays in transportation, inability to obtain necessary materials, utility services for machinery, or total or partial shutdown of Buyer's facilities for any cause. Acceptance of any part of the goods ordered hereunder shall not bind Buyer to accept future shipments or waive its right to revoke acceptance of goods previously delivered.

**8. SELLER'S WARRANTIES:** Seller warrants that all goods and services provided hereunder will conform to Buyer's instructions, specifications, drawings and data current as of date of this purchase order (unless otherwise specified in writing by Buyer), will be merchantable, free from defective materials or workmanship and will be fit for Buyer's purposes. Seller further warrants that the goods and services furnished under this purchase order shall conform to all representations, affirmations, promises, descriptions, samples or models which are a part of this purchase order. Seller agrees that these warranties shall survive acceptance of the goods and services. Seller further warrants that all services performed for or on behalf of Buyer will be performed in a competent, workmanlike manner, and shall be free from faults and defects. The warranties stated in this Section 8 are hereby extended to, and shall inure to the benefit of, Buyer and Buyer's affiliates, subsidiaries, successors, assigns and direct and indirect customers to whom the goods and services provided hereunder may be sold or transferred (jointly and severally "Buyer Entities").

In the event of breach of warranty, Buyer shall be entitled to all rights and remedies available at law, including but not limited to credit, replacement or repair of defective goods at Buyer's option, costs of removal of the goods from any component, assembly or system into which the goods may have been incorporated, and reinstallation of non-defective goods, and cost of return of the goods. Seller shall also reimburse Buyer for any incidental and consequential damages caused by such nonconforming goods including, but not limited to costs, expenses and losses incurred by Buyer: (a) in inspecting, sorting, repairing or replacing such goods; (b) resulting from any production interruptions; (c) conducting any recall campaigns or other corrective actions and (d) claims for personal injury or property damage.

**9. BUYER'S PROPERTY:** Unless otherwise expressly provided in this purchase order, all Special Property, and all tangible and intangible property furnished to Seller by Buyer, or based on or derived from Seller's confidential or otherwise proprietary information, or produced or purchased by Seller at Buyer's expense, for use in Seller's performance hereunder, and any replacement thereof, is and shall remain the exclusive property of Buyer. For purposes of this purchase order, "Special Property" includes without limitation, dies, fixtures, molds, patterns, gauges, test equipment, information or similar items used in Seller's performance of this purchase order that are especially acquired for Seller's performance hereunder or of such specialized nature that absent substantial alteration, their use is limited to the production of the goods or the rendering of the services referenced in this purchase order. Absent express agreement to the contrary, the amounts charged by Seller pursuant to this purchase order shall include payment for all Special Property. Hereinafter Special Property and all property furnished to Seller by Buyer are collectively referred to as "Buyer's Property."

Seller shall not sell, encumber, transfer, assign, dispose of or modify Buyer's Property and shall not use Buyer's Property for any purpose other than in the performance of this purchase order without Buyer's prior written consent.

At all times while Buyer's Property is in Seller's custody or control, Buyer's Property shall be held at Seller's risk and fully insured at Seller's expense at replacement cost with less payable to Buyer, and Seller shall provide routine maintenance at its expense.

Seller agrees that Buyer's Property shall remain personally and shall not become a fixture attached to realty. Seller shall allow Buyer's representative to inspect Buyer's Property upon Seller's premises at any time upon reasonable notice. Seller hereby authorizes Buyer to file a form UCC-1 financing statement or its equivalent to enable Buyer to make its ownership rights in Buyer's Property of public record.

At any time upon the request of Buyer and in accordance with Buyer's instructions, Seller shall prepare for shipment, package and deliver Buyer's Property in good condition and at Seller's cost F.O.B. Seller's business location.

**10.INSURANCE:** Seller represents that it has and will maintain the following types and amounts of insurance coverage and agrees to furnish certificates of insurance showing that Seller has insurance coverage in the following minimum amounts:

Workers Compensation - Statutory limits for the state(s) in which the work will be performed  
General/Products Liability - \$1,000,000 per occurrence/\$2,000,000 in the aggregate  
Automobile Public Liability - \$1,000,000 (per any one accident)

Said certificates of insurance shall set forth the amount of coverage, the number of the policy and the date of expiration. Upon Buyer's request, Seller shall name Buyer or the Buyer Entities as an additional insured on its policies. If Seller is a self-insurer for workers compensation purposes, Seller shall provide Buyer with a copy of the self-insured certificate issued by the state(s) where work will be performed. Compliance by Seller with the insurance requirements stated in this Section 10 shall not in any way affect Seller's duty to indemnify Buyer under Section 11 herein.

If this purchase order includes a sale of goods manufactured in whole or in part to Seller's designs or specifications, Seller agrees to provide Buyer, upon request, with a current certificate of product liability insurance and a supplier's endorsement naming Buyer as an additional insured on Seller's policy.

**11. INDEMNIFICATION:** Seller agrees to indemnify, defend and hold Buyer Entities harmless from and against any and all losses, liabilities, damages, claims, demands, suits, actions, proceedings,



subrogation, costs and expenses including court costs and attorneys fees, incurred by Buyer Entities arising from or relating to goods delivered or to services or labor performed pursuant to this purchase order, or breach of any of Seller's representations or obligations under this purchase order (hereinafter collectively referred to as "Claims") including Claims which are made by any third party including employees, workers, servants or agents of Seller or its subcontractors. Seller further agrees upon receipt of notification, to promptly assume full responsibility for the defense of any and all Claims which may be brought against the Buyer Entities, and in such event, Seller shall not consummate any settlement without Buyer's prior written consent. If Seller performs any work on the premises of any Buyer Entity or utilizes any of the Buyer's Property, whether on or off the premises of any Buyer Entity, Seller shall indemnify and hold harmless Buyer Entities from and against any liabilities, claims, demands or expenses (including court costs and attorneys fees) for damages to the property or for injuries (including death) to any person, including without limitation any employees of Buyer Entities, or any other person arising from or in connection with Seller's performance of work or use of Buyer's property. In the event "Buyer's Property", as defined in Section 9 hereof, is used by Seller in the performance of this purchase order, Buyer's Property shall be considered to be in the full custody and control of Seller during the period of use by Seller. Seller's obligations pursuant to this Section 11 shall survive the completion of performance and the expiration or termination of this purchase order.

**12. ACCESS TO FACILITIES, AUDIT AND INSPECTION:** If this purchase order (a) includes specifications, or (b) is for the procurement of either (i) goods to be incorporated into Buyer's products or (ii) services to be used in the production of Buyer's products, then Seller's (and Seller's sub-tier suppliers who provide goods or services) plant, books and records pertinent to this or any related order (to the extent consistent with applicable laws and regulations) shall at all practical times be subject to review, inspection and audit by Buyer, its authorized representative and any authorized representative of Buyer's customer to the extent necessary to verify compliance with Buyer's specifications or to enable Buyer to comply with its obligations to its customer(s).

**13. BUYER'S REMEDIES:** Buyer's remedies described herein shall be cumulative and in addition to any remedies allowed by law or in equity.

**14. PROPRIETARY RIGHTS:** All information (including materials that contain information) relating to this purchase order or to the goods or services to be provided hereunder which has been disclosed to Seller by or on behalf of Buyer (whether such information is owned by Buyer or by any other entity with whom Buyer is doing business) or which will be developed in the course of Seller's performance under this purchase order specifically for Buyer (collectively referred to as "Information"), has been and will be received and held by Seller in confidence. Such Information includes, but is not limited to, trade secrets, drawings, plans, designs, specifications, manufacturing, research and development data, inventions, know-how, processes, procedures, costs, suppliers, methods, sales, customer information and lists, financial data and business plans. Seller will not disclose the Information to others and will not use the Information for any purpose other than for the direct benefit of Buyer. Seller will acquire no right in or to such Information, and Seller will promptly return the Information to Buyer and discontinue all use of the Information upon expiration or termination of this purchase order or at Buyer's written request. Seller will not disclose to Buyer or use in the course and scope of Seller's performance hereunder any information of other entities that Seller does not have a lawful right to use or disclose. Seller will limit access to the Information to only those employees of Seller having a need to know such Information, and all such employees of Seller having access to Information shall be made aware of and agree to the obligations under this Section 14.

Any invention or development or copyrightable subject matter conceived, first reduced to writing, first reduced to practice or made by Seller, either solely or with others, in the course of Seller's performance under this purchase order is hereby assigned to Buyer if such invention or development or copyrightable subject matter (i) results from services for Buyer, or (ii) is made using Buyer's time, materials, facilities or Information. All such copyrightable subject matter will be a work made for hire. Seller will disclose such inventions, developments or copyrightable subject matter promptly to Buyer and will cooperate with Buyer during and after the term of this purchase order in filing and prosecuting any patent or copyright applications thereon and in evidencing ownership thereof by Buyer. Seller agrees that the payments pursuant to this purchase order are full and complete compensation for all obligations assumed by Seller hereunder, and the assignment of inventions or developments or copyrightable subject matter does not entitle Seller to any additional compensation.

The obligations of this Section 14 shall survive the completion of performance and expiration or termination of this purchase order.

**15. INDEMNITY FOR INFRINGEMENT:** Seller agrees upon receipt of notification, to promptly assume full responsibility for defending any claim, suit, action, or proceeding which may be brought against the Buyer Entities which alleges that any goods or services provided by Seller pursuant to this purchase order infringe any patent, trademark, copyright, trade secret or other proprietary right owned by a third party. Seller further agrees to indemnify Buyer against any and all expenses, losses, royalties, lost profits and damages, including court cost and attorney's fees, resulting from such claim, suit, action or proceeding, including any settlement, decree or judgment entered therein. Buyer may at its option, be represented and actively participate through its own counsel in any such claim, suit or proceeding, including any settlement, decree or judgment entered therein. Seller's obligations pursuant to this Section 15 shall survive the completion of performance and expiration or termination of this purchase order. Notwithstanding the foregoing, Seller shall have no obligation to defend or indemnify Buyer with respect to any claim which is directed to items delivered pursuant to this purchase order, the designs for which were specified entirely by Buyer.

**16. TERMINATION FOR CONVENIENCE:** In addition to any other rights, Buyer further reserves the right to terminate Seller's performance under this purchase order in whole or in part at any time without cause by giving written notice of termination, whereupon Seller will cease performance on the date and to the extent specified in the notice and will take such actions as are reasonably necessary to protect property in Seller's possession in which Buyer has an interest until disposition instructions from Buyer have been received. Seller will promptly advise Buyer of any items acquired in anticipation of completion of its performance and the most favorable disposition that Seller can make thereof. Seller will comply with Buyer's instructions regarding the disposition of such items. Seller will submit all claims resulting from such termination within sixty (60) days of its receipt of such notice. Buyer shall have the right to inspect Seller's records, facilities, work and materials relating to its performance or anticipated performance of the purchase order for the purpose of establishing the value of Seller's claims upon reasonable advance notice. Buyer will pay Seller, without duplication, the purchase order price for finished work accepted by Buyer and the cost of Seller of work in progress and raw materials allocable to the terminated work based on Buyer's audit of Seller's records, using generally accepted accounting principles; however, the amount due Seller shall be reduced by the following:

a. The market value or cost (whichever is higher) of any items used or disposed of by Seller without Buyer's consent;

b. The agreed value of any items used or disposed of by Seller with the Buyer's consent; and

c. The cost of any defective or destroyed materials.

Buyer will make no payments for finished work, raw material or other items fabricated or procured by Seller in excess of the lesser of (i) that ordered; (ii) that for which Buyer has issued shipment releases as of the date of the notice of termination released; or (iii) thirty days supply. Notwithstanding the foregoing, payments under this Section 16 shall not exceed the price for the entire performance specified in this purchase order less payments that would otherwise be made to complete performance hereunder. Payment under this Section 16 will constitute Buyer's sole and exclusive liability in the event Buyer elects to terminate this purchase order without cause by notice. This Section 16 shall not apply to cancellation by Buyer hereunder.

**17. CANCELLATION:** Buyer may cancel this purchase order and Seller's performance hereunder immediately without incurring liability to Seller (A) immediately upon (i) Seller's insolvency; (ii) filing of a voluntary petition in bankruptcy by Seller; (iii) filing of an involuntary petition in bankruptcy against Seller; (iv) appointment of a receiver or trustee for Seller; (v) execution or assignment for the benefit of creditors by Seller; or (vi) any comparable event, and (B) upon thirty days written notice to Seller in the event of Seller's breach of contract or failure to perform.

**18. COMPLIANCE WITH LAWS, EXECUTIVE ORDERS, AND REGULATIONS:** Seller warrants that the goods and services supplied hereunder will have been produced or provided in compliance with, and Seller will comply with, all applicable laws, orders, rules, regulations, ordinances and conventions, including without limitation, those that relate to equal employment opportunity, wages, hours and conditions of employment, discrimination, occupational health/safety motor vehicle safety, and environmental matters. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any loss, cost, damage, expense or liability claim (including attorney's fees and other costs of defense) arising from or relating to Seller's violation of this clause.

**19. ASSIGNMENT AND SUBCONTRACTING:** The obligations of Seller under this purchase order may not be assigned or subcontracted in whole or in part nor may any assignment of any money due or to become due hereunder be made by Seller without the prior written consent of Buyer and any prohibited assignment shall be null and void for all purposes.

**20. INDEPENDENT CONTRACTING PARTIES:** The relationship between Buyer and Seller shall be that of independent contracting parties. Nothing contained in this Agreement shall be construed as providing for the sharing of any costs, expenses, risks, or liabilities arising out of the other party's activities related to this Agreement. Seller shall not in any manner represent that it or its employees or agents are employees or agents of Buyer, and nothing contained in this Agreement shall be construed as authorizing Seller to create or assume any obligation or liability in the name of Buyer or subject Buyer to any obligation or liability. This Agreement shall not constitute, create, give effect to or otherwise imply a joint venture, pooling arrangement, partnership or formal business organization of any kind. Nothing herein shall be construed as providing for the sharing of profit or losses arising out of the efforts of either or both parties.

**21. NO GIFTS:** Seller agrees not to provide or offer to provide to any director, officer or employee of Buyer, or any member of such person's family, any favors, gifts, loans or other benefits (including services and discounts as well as material goods), except casual entertainment or gifts (other than money) of nominal value which are customarily offered to others having a similar relationship with Seller, provided that the foregoing exception shall not apply if this order shows on its face that it is placed under a U.S. Government contract or a subcontract there under, or if Buyer otherwise notifies Seller that this order is placed under a U.S. Government contract or a subcontract there under.

**22. GOVERNING LAW/JURISDICTION/ARBITRATION:** This purchase order shall be governed and construed in accordance with the laws of the State of Ohio without regard to provisions concerning conflict of laws. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are hereby excluded. Either Buyer or Seller may demand that any disagreement, controversy or claim arising from or in any way related to this purchase order or the goods or services procured hereunder ("Claim") be submitted to final binding arbitration by giving written notice of such demand to the other party. In the event of a demand for arbitration, Buyer and Seller shall each select one arbitrator from the American Arbitration Association's ("AAA") panel of arbitrators within ten (10) business days after the date of such demand. If either Buyer or Seller shall fail to select an arbitrator as provided in the previous sentence, the other party may select the second arbitrator and such selection shall be binding on the parties. A third arbitrator from the AAA's panel of arbitrators shall be jointly selected by the two arbitrators within twenty (20) business days of the appointment of the second arbitrator and the selection shall be binding on the parties. If the third arbitrator is not selected as provided in the previous sentence, either Buyer or Seller may apply to the AAA for the appointment of the third arbitrator by the AAA. The arbitration shall take place in Cleveland, Ohio in accordance with the rules of the AAA and, notwithstanding any other choice of law clause to the contrary in this contract, the arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1-16. The arbitrators shall have the power to determine the merits of the Claim or Claims, the scope and limits of discovery and to enforce the rights, remedies, procedures, duties, liabilities and obligations of discovery by the imposition of the same terms and conditions, consequences, liabilities, sanctions and penalties as may be imposed on the like circumstances in a civil action by a Common Pleas Court of the State of Ohio under the provisions of the Ohio Rules of Civil Procedure. Each party shall absorb its own costs of arbitration, including attorneys' fees, except that the non-prevailing party shall pay 100% of any arbitrator's fees. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Notwithstanding anything in this Section 22, the parties shall have recourse to the courts of Ohio for the purpose of obtaining any provisional or equitable remedy as permitted by the laws of the State of Ohio.

**23. WAIVER/SEVERABILITY:** Buyer's failure to insist upon the performance of any term or condition of this purchase order or to exercise any right hereunder on one or more occasions shall not constitute a waiver or relinquishment of Buyer's right to demand future performance of such term or condition or to exercise such right in the future. If any term or portion of this purchase order is held to be invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term or portion shall be deemed reformed or deleted as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule and the remaining provisions of this contract shall remain in full force and effect.

**PARKER HANNIFIN CORPORATION  
RACOR DIVISION- VILLAGE MARINE TECH.  
SUPPLEMENT FOR PRIME CONTRACT NUMBER  
N00024-09-C-2303**

**1. QUALIFICATION OF NONDESTRUCTIVE TESTING PERSONNEL**

In the event that any supplies, materials, components, or equipments ordered under this Purchase Order require nondestructive testing (NDT) by radiographic, magnetic particle, liquid penetrant, or ultrasonic inspections, Seller shall utilize for the performance of such NDT only personnel who are currently qualified and certified in accordance with ASNT No. SNT-TC-1A. Seller shall furnish Buyer with appropriate certifications if requested.

**2. RETENTION OF RECORDS**

The Seller shall maintain, until the expiration of six (6) years following the date of final payment under this Purchase Order, records showing the cost of performing this Purchase Order and of any termination of work thereunder. Such records shall be available for inspection by the Buyer or the Government at all reasonable times at the office of the Seller. The Seller's method of accounting shall be subject to government approval.

**3. PRIORITY RATING**

This Purchase Order is a "DOA3 rated order" certified for national defense use, and the SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 CFR Part 700).

**4. NAVSEA 5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM(AUG 1997) (APPLICABLE ONLY IF THIS CONTRACT EXCEEDS \$500,000)**

(a) The SELLER shall participate in the appropriate interchange of the Government-Industry Data Exchange Program (GIDEP) in accordance with NAVSEA S0300-BU-GYD-010 dated November 1994. Data entered is retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve the SELLER Contractor from complying with any other requirement of the Purchase Order.

(b) The SELLER agrees to insert paragraph (a) of this requirement in any subcontract hereunder exceeding \$500,000.00. When so inserted, the word "SELLER" shall be changed to "Subcontractor".

(c) GIDEP materials, software and information are available without charge from:

GIDEP Operations Center  
P.O. Box 8000  
Corona, CA 91718-8000

Phone: (909) 273-4677 or DSN 933-4677  
FAX: (909) 273-5200  
Internet: <http://www.gidep.corona.navy.mil>

**5. APPLICABLE GOVERNMENT CONTRACT CLAUSES**

In accepting this Purchase Order, Seller agrees to comply with the provisions of the following listed Government contract clauses, as modified herein. These clauses are contained in FAR or DFAR and are incorporated by reference into this Purchase Order with the same force and effect as if stated in full text, with the following general modifications where appropriate or as context may require:

- (a) The term "Government" shall mean "Buyer" except where the context makes clear, or where, by Law or regulation, the Seller's obligation is directly to the Government;
- (b) The term "Contracting Officer" shall mean "Buyer"
- (c) The term "Contractor" or equivalent shall mean "Seller"

Seller shall comply with all clauses under each heading applicable to this Purchase Order.

**FAR FLOWDOWN CLAUSES  
CLAUSES INCORPORATED BY REFERENCE  
52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. The full text of a clause may be accessed electronically at this/these address(es):

FAR clauses & provisions: <http://farsite.hill.af.mil/VFFARA.HTM>

DFARS clauses & provisions: <http://farsite.hill.af.mil/VDFDARA.HTM>

NMCARS/NMCAG clauses & provisions: <http://farsite.hill.af.mil/vfnapsa.htm>

**I. FEDERAL ACQUISITION REGULATION (48 CR CHAPTER 1) CLAUSES:**

52.202-1	Definitions	JUL 2004
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	SEP 2006
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	SEP 2007
52.203-13	Contractor Code of Business Ethics and Conduct	DEC 2007
52.204-2	Security Requirements	AUG 1996
52.204-4	Printed or Copied-Double-Sided on Recycled Paper	AUG 2000
52.204-7	Central Contractor Registration	APR 2008
52.204-10	Reporting of Subcontract Awards	SEP 2007
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	SEP 2006
52.211-5	Material Requirements	AUG 2000
52.211-15	Defense Priority and Allocation Requirement	APR 2008
52.215-2	Audit and Records—Negotiation	JUN 1999
52.215-9 Alt I	Changes or Additions to Make-or-Buy Program – Alternate I	OCT 1997
52.215-10	Price Reduction for Defective Cost or Pricing Data	OCT 1997
52.215-11	Price Reduction for Defective Cost or Pricing Data—Modifications	OCT 1997
52.215-12	Subcontractor Cost or Pricing Data	OCT 1997
52.215-13	Subcontractor Cost or Pricing Data—Modifications	OCT 1997
52.215-14 Alt I	Integrity of Unit Prices – Alternate I	OCT 1997
52.215-15	Pension Adjustments and Asset Reversions	OCT 2004
52.215-18	Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions	JUL 2005
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data—Modifications	OCT 1997
52.215-21 Alt II	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data—Modifications	OCT 1997
52.219-4	Notice of Price Evaluation Preference for HUBZone Small Business Concerns	JUL 2005
52.219-8	Utilization of Small Business Concerns	MAY 2004
52.219-9	Small Business Subcontracting Plan	APR 2008
52.219-9 Alt II	Small Business Subcontracting Plan – Alternate II	OCT 2001
52.219-16	Liquidated Damages—Subcontracting Plan	JAN 1999
52.222-1	Notice to the Government of Labor Disputes	FEB 1997
52.222-3	Convict Labor	JUN 2003
52.222-4	Contract Work Hours and Safety Standards Act—Overtime Compensation	JUL 2005
52.222-19	Child Labor—Cooperation with Authorities and Remedies	JAN 2006
52.222-20	Walsh-Healy Public Contracts Act	DEC 1996
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	MAR 2007
52.222-35	Affirmative Action For Disabled Veterans And Veterans of the Vietnam Era	SEP 2006
52.222-36	Affirmative Action For Workers With Disabilities	JUN 1998
52.222-37	Employment Reports on Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	SEP 2006
52.222-38	Compliance with Veterans' Employment Reporting Requirements	DEC 2001
52.223-6	Drug Free Workplace	JAN 1997
52.223-12	Refrigeration Equipment and Air Conditioners	MAY 1995
52.223-14	Toxic Chemical Release Reporting	AUG 2003
52.225-13	Restrictions on Certain Foreign Purchases	JUN 2008
52.227-1	Authorization and Consent	DEC 2007
52.227-11 Alt II	Patent Rights – Ownership by the Contractor – Alternate II	DEC 2007
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	DEC 2007
52.227-10	Filing of Patent Applications—Classified Subject Matter	DEC 2007
52.227-11	Patent Rights – Ownership by the Contractor	DEC 2007
52.229-3	Federal, State, and Local Taxes	APR 2003
52.230-2	Cost Accounting Standards	OCT 2008
52.230-6	Administration of Cost Accounting Standards	APR 2005
52.232-1	Payments	APR 1984
52.232-7 Alt I	Payments Under Time-and-Materials and Labor Hour Contracts – Alternate I	FEB 2007

APPLICABLE JOB CODE: MMC581914

Prime Contract No.: N00024-09-C-2303

Priority Rating: DOA3

Specialty Metals Invoked

52.232-8	Discounts for Prompt Payment	FEB 2002
52.232-9	Limitation On Withholding Of Payments	APR 1984
52.232-11	Extras	APR 1984
52.232-16	Progress Payments	APR 2003
52.232-17	Interest	OCT 2008
52.233-1	Disputes	JUL 2002
52.233-3	Protest After Award	AUG 1996
52.233-4	Applicable Law for Breach of Contract Claim	OCT 2004
52.242-1	Notice of Intent to Disallow Costs	APR 1984
52.242-3	Penalties for Unallowable Costs	MAY 2004
52.242-4	Certification of Final Indirect Costs	JAN 1997
52.242-13	Bankruptcy	JUL 1995
52.243-1	Changes—Fixed Price	AUG 1987
52.243-1 Alt II	Changes—Fixed-Price – Alternate II	APR 1984
52.243-6	Change Order Accounting	APR 1984
52.244-5	Competition in Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	MAR 2007
52.245-9	Use and Charges	MAR 2007
52.246-23	Limitation of Liability	FEB 1997
52.246-24	Limitation of Liability—High Value Items	FEB 1997
52.246-25	Limitation of Liability—Services	FEB 1997
52.247-1	Commercial Bill of Lading Notations	FEB 2006
52.247-68	Report of Shipment (RESHIP)	FEB 2006
52.248-1	Value Engineering	FEB 2000
52.249-1	Termination for Convenience of the Government (Fixed-Price)(Short Form)	APR 1984
52.249-2	Termination for Convenience of the Government (Fixed-Price)	MAY 2004
52.253-1	Computer Generated Forms	JAN 1991

**II. DEFENSE FAR SUPPLEMENT (48 CFR CHAPTER 2) CLAUSES:**

252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DEC 2004
252.204-7000	Disclosure of Information	DEC 1991
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004	Alternate A	NOV 2003
252.204-7005	Oral Attestation of Security Responsibilities	NOV 2001
252.205-7000	Provision of Information to Cooperative Agreement Holders (Applies if this contract exceeds \$1,000,000.)	DEC 1991
252.209-7004	Subcontracting With Firms that are Owned or Controlled by the Government of a Terrorist Country	DEC 2006
252.211-7000	Acquisition Streamlining	DEC 1991
252.215-7000	Pricing Adjustments	DEC 1991
252.215-7002	Cost Estimating System Requirements	OCT 1998
252.215-7004	Excessive Pass-Through Charges	MAY 2008
252.219-7003	Small Business Subcontracting Plan (DOD Contracts)	DEC 2006
252.223-7004	Drug-Free Work Force	SEP 1988
252.225-7001	Buy American Act and Balance of Payments Program	JUN 2005
252.225-7002	Qualifying Country Sources as Subcontractors	APR 2003
252.225-7004	Report of Intended Performance Outside the United States and Canada-Submission of Award	JUN 2005
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	SEP 2006
252.225-7012	Preference For Certain Domestic Commodities	JAN 2007
252.225-7013	Duty-Free Entry	OCT 2006
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools	JUN 2005
252.225-7016	Restriction on Acquisition of Ball or Roller Bearings	MAR 2006
252.225-7019	Restriction on Acquisition of Anchor and Mooring Chain	JUN 2005
252.225-7031	Secondary Arab Boycott of Israel	JUN 2005
252.225-7033	Waiver of United Kingdom Levies	APR 2003
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	SEP 2004
252.227-7013	Rights in Technical Data--Noncommercial Items	NOV 1995
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	JUN 1995
252.227-7015	Rights in Technical Data – Commercial Items	NOV 1995
252.227-7016	Rights in Bid or Proposal Information	JUN 1995
252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions	JUN 1995
252.227-7019	Validation of Asserted Restrictions--Computer Software	JUN 1995
252.227-7025	Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends	JUN 1995
252.227-7026	Deferred Delivery of Technical Data or Computer Software	APR 1988
252.227-7027	Deferred Ordering of Technical Data or Computer Software	APR 1988
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government	JUN 1995
252.227-7030	Technical Data—Withholding of Payment	MAR 2000
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999
252.227-7038	Patent Rights—Ownership by the Contractor (Large Business)	DEC 2007
252.227-7039	Patents—Reporting of Subject Inventions	APR 1990
252.231-7000	Supplemental Cost Principles	DEC 1991
252.232-7010	Levies on Contract Payments	SEP 2005
252.242-7003	Application for U.S. Government Shipping Documentation/Instructions	DEC 1991
252.242-7004	Material Management and Accounting System (Applies if this contract provides progress payments, unless it is set aside exclusively for a small, small disadvantaged or women-owned business concern.)	NOV 2005
252.243-7001	Pricing Of Contract Modifications	DEC 1991
252.243-7002	Requests for Equitable Adjustment	MAR 1998
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	NOV 2005
252.246-7003	Notification of Potential Safety Issues	JAN 2007
252.249-7002	Notification of Anticipated Contract Termination or Reduction	DEC 2006

### III. ADDITIONAL CLAUSES

#### 52.203-14 DISPLAY OF HOTLINE POSTER(S) (DEC 2007) (APPLICABLE TO ALL LINE ITEMS)

(a) Definition.

“United States,” as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) Display of fraud hotline poster(s). Except as provided in paragraph (c)—

(1) During contract performance in the United States, the Contractor shall prominently display in common work areas within business segments performing work under this contract and at contract work sites—

(i) Any agency fraud hotline poster or Department of Homeland Security (DHS) fraud hotline poster identified in paragraph (b)(3) of this clause; and

(ii) Any DHS fraud hotline poster subsequently identified by the Contracting Officer.

(2) Additionally, if the Contractor maintains a company website as a method of providing information to employees, the Contractor shall display an electronic version of the poster(s) at the website.

(3) Any required posters may be obtained as follows:

Poster(s) Obtain from  
DoD Inspector General, ATTN: Defense Hotline, 400 Army Navy Drive, Washington, DC 22202-2884

(c) If the Contractor has implemented a business ethics and conduct awareness program, including a reporting mechanism, such as a hotline poster, then the Contractor need not display any agency fraud hotline posters as required in paragraph (b) of this clause, other than any required DHS posters.

(d) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (d), in all subcontracts that exceed \$5,000,000, except when the subcontract—

(1) Is for the acquisition of a commercial item; or

(2) Is performed entirely outside the United States.

6. Additional FAR requirements

#### FAR 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (JUN 2005) - ALTERNATE I (APR 2003) (DEVIATION 2008-O0002)

(a) Definitions. As used in this clause--**252.225-7014**

(1) “Assembly” means an item forming a portion of a system or subsystem that can be provisioned and replaced as an entity and which incorporates multiple, replaceable parts.

(2) “Commercial derivative military article” means an item procured by the Department of Defense that is or will be produced using the same production facilities, a common supply chain, and the same or similar production processes that are used for the production of articles predominantly used by the general public or by nongovernmental entities for purposes other than governmental purposes.

(3) “Commercially available off-the-shelf item” –

(i) Means any item of supply, that is –

(A) A commercial item;

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702), such as agricultural products and petroleum products.

(4) “Component” means any item supplied to the Government as part of an end item or another component.

(5) "Electronic component" means an item that operates by controlling the flow of electrons or other electrically charged particles in circuits, using interconnections of electronic devices such as resistors, inductors, capacitors, diodes, switches, transistors, or integrated circuits.

(6) "End item" means the final production product when assembled or completed, and ready for issue, delivery, or deployment

(7) "Produce" means the application of forces or processes to a specialty metal to create desired physical properties through quenching or tempering of steel plate, or gas atomization or sputtering titanium.

(8) "Qualifying country" means any country listed in subsection 225.872-1(a) or (b) of the Defense Federal Acquisition Regulation Supplement (DFARS).

(9) "Required form" means in the form of mill product, such as bar, billet, wire, slab, plate or sheet, and in the grade appropriate for the production of—

(i) A finished end item delivered to the Department of Defense; or

(ii) A finished component assembled into an end item delivered to the Department of Defense.

(10) "Specialty metal" means--

(i) Steel--

(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, molybdenum, nickel, niobium (columbium), titanium, tungsten, or vanadium.

(ii) Metal alloys consisting of—

(A) Nickel or iron-nickel alloys that contain a total of alloying metals other than nickel and iron in excess of 10 percent; or

(B) Cobalt alloys that contain a total of alloying metals other than cobalt and iron in excess of 10 percent;

(iii) Titanium and titanium alloys.

(iv) Zirconium and zirconium alloys.

(11) "Subsystem" means functional grouping items that combine to perform a major function within an end item, such as electrical power, attitude control, and propulsion.

(b) Except as provided in paragraph (c) of this clause, any specialty metals incorporated in items delivered under this contract shall be melted or produced in the United States, its outlying areas, or a qualifying country, except for—

(1) Electronic components;

(2)

(i) Commercially available off-the-shelf (COTS) items; other than—

(A) COTS fasteners, unless such fasteners are incorporated into COTS end items, subsystems, assemblies, or components.

(B) Forgings or castings of specialty metals, unless such forgings or castings are incorporated into COTS end items, subsystems, or assemblies.

(C) Commercially available high performance magnets, unless such high performance magnets are incorporated into COTS end items or subsystems;

(ii) A COTS item is considered to be "offered without modification" as long as it is not modified prior to contractual acceptance by the next higher tier in the supply chain.

(A) Specialty metals contained in a COTS items that was accepted without modification by the next higher tier are excepted and remain excepted even if a piece of the COTS items subsequently is removed (e.g., the end is removed from a COTS screw or an extra hole is drilled in a COTS bracket).

(B) For specialty metals that were not contained in a COTS item upon acceptance, but are added to the COTS item after acceptance, the added specialty metals are subject to the restrictions (e.g., a special reinforced handle made of specialty metal that is added to a COTS item).

(C) If two or more COTS items are combined in such a way that the resultant item is not a COTS item, only the specialty metals involved in joining the COTS items together are subject to the restrictions (e.g., a COTS aircraft is outfitted with the a COTS engine, but not the COTS engine normally provided with that aircraft).

(D) For COTS items that are normally sold in the commercial marketplace with various options, items that include such options are also COTS items. However, if a COTS item is offered to the Government with an option that is not normally offered in the commercial marketplace, that option is subject to the specialty metals restrictions. (e.g., an aircraft is normally sold to the public with an option for several different radios. DoD requests a military-unique radio. The aircraft is still a COTS item, but the military-unique radio is not a COTS item, and must comply with the specialty metals restrictions, unless another exception applies.

(3) Fasteners that are commercial items that are purchased under a contract or subcontract with a manufacturer of such fasteners, if the manufacturer has certified that it will purchase, during the relevant calendar year, an amount of domestically melted specialty metal, in the required form, for use in the production of fasteners for sale to the Department of Defense and other customers, that is not less than 50% of the total amount of the specialty metal that it will purchase to carry out the production of such fasteners for all customers.

(4) Items manufactured in a qualifying country;

(5) Items for which the Government has determined in accordance with 225.700X-3 of Class Deviation 2008-O0002 that specialty metal melted or produced in the United States cannot be acquired as and when needed in—

(i) A satisfactory quality;

(ii) A sufficient quantity; and

(iii) The required form.

(6) Specialty metals, other than specialty metals in high performance magnets, that do not meet any of the exceptions in paragraphs (b)(1) through (5) of this clause, if the total weight of such noncompliant metals does not exceed 2 percent of the total weight of specialty metals in the item, as estimated in good faith by the Contractor.

(c) Streamlined compliance for commercial derivative military articles

(1) Streamlined compliance for commercial derivative military articles. As an alternative to the compliance required in paragraph (b) of this clause, the Contractor may purchase an amount of domestically melted specialty metals in the required form, for use during the period of contract performance in the production of the commercial derivative military article and the related commercial article, in the amount determined in accordance with paragraph (c) (2) of this clause, if—

(i) This is an acquisition of commercial derivative military articles; and

(ii) The Contractor has certified in its offer in accordance with paragraph (c) (2) of this clause.

(2) Certification for streamlined compliance for commercial derivative military articles (to be submitted with offer when applicable). The offeror ( ) certifies ( ) does not certify that prior to award it will have entered into a contractual agreement or agreements to purchase an amount of domestically melted or produced specialty metal in the required form for use during the period of contract performance in the production of the commercial derivative military article and the related commercial article, that is not less than the Contractor's good faith estimate of the greater of—

(i) An amount equivalent to 120% of the amount of specialty metal that is required to carry out the production of the commercial derivative military article (including the work performed under each subcontract); or

(ii) An amount equivalent to 50% of the amount of specialty metal that is purchased by the contractor and its subcontractors for use during such period in the production of the commercial derivative military article and the related commercial article.

(3) For the purposes of the certification in paragraph (c)(2) of this clause, the amount of specialty metal that is required to carry out the production of the commercial derivative military article includes specialty metal contained in any item, including commercially available off-the-shelf items, incorporated into such commercial derivative military article.

(d) Unless the Contractor has certified in accordance with paragraph (c), the Contractor shall insert the substance of this clause, excluding paragraph (c) but including this paragraph (d), in all subcontracts for articles containing specialty metals.

**DFAR 252.227-7013 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998) (APPLICABLE TO ALL LINE ITEMS)**

(a) This requirement applies whenever the contract specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called "repair parts") for a ship component or item of equipment.

(b) With respect to ship components or equipments manufactured other than in the United States or Canada, the Contractor agrees that, in addition to any other data required by this contract, it will furnish under this contract sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the ship components or equipments shall have made arrangements satisfactory to the Contractor and approved by the Contracting Officer for the manufacturing of repair parts in the United States or Canada. For the purpose of this requirement, "sufficient data" shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operation or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall be in the English language and according to the United States system of weights and measures, and drawings for components, assemblies, subassemblies and parts protected by U.S. patents shall contain a prominent notation to that effect fully identifying the patent or patents involved, and bearing the number of this contract.

(a) In order to satisfy the requirements of paragraph (b), above, unless the supplier of the ship components or equipments shall have made arrangements, satisfactory to the Contractor and approved by the Contracting Officer, for the manufacture of such repair parts in the United States or Canada, the Contractor shall include in all subcontracts for the purchase of ship components or equipments from foreign sources a clause, acceptable to the Contracting Officer, granting to the United States Government for a period of seven (7) years, "Government Purpose Rights" (as defined in paragraph (a)(12) of the clause of this contract entitled "RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS" (DFARS 252.227-7013) in all technical data necessary to manufacture spare and repair parts for such components or equipments.

#### **FAR 52.207-4 ECONOMIC PURCHASE QUANTITY--SUPPLIES (AUG 1987)**

(1) Offerors are invited to state an opinion on whether the quantity(ies) of supplies on which bids, proposals or quotes are requested in this solicitation is (are) economically advantageous to the Government.

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(2) Each Offeror who believes that acquisitions in different quantities would be more advantageous is invited to recommend an economic purchase quantity. If different quantities are recommended, a total and a unit price must be quoted for applicable items. An economic purchase quantity is that quantity at which a significant price break occurs. If there are significant price breaks at different quantity points, this information is desired as well.

(3) The information requested in this provision is being solicited to avoid acquisitions in disadvantageous quantities and to assist the Government in developing a data base for future acquisitions of these items. However, the Government reserves the right to amend or cancel the solicitation and re-solicit with respect to any individual item in the event quotations received and the Government's requirements indicate that different quantities should be acquired.

#### **FAR 9.104-5 CERTIFICATION REGARDING RESPONSIBILITY MATTERS (MAY 2008)**

(1) The Offeror certifies, to the best of its knowledge and belief, that --

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

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

(B) Have \* 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, violating Federal criminal tax laws, or receiving stolen property; and

(C) Are \* 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; and

(D) Have [ ], have not [ ], within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples.

(i) The taxpayer has received a statutory notice of deficiency, under I.R.C. §6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. §6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. §6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(ii) The Offeror has [ ] 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.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror non-responsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

**FAR 52.215-6 PLACE OF PERFORMANCE (OCT 1997)**

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation,  intends,  does not intend [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the Offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

Place of Performance  
(Street Address, City,  
State, County, Zip Code)

Name and Address of Owner  
and Operator of the Plant  
or Facility if Other than  
Offeror or Respondent

**FAR 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (FEB 1999)**

The Offeror represents that--

- (a) It  has,  has not participated in a previous contract or subcontract subject the Equal Opportunity clause of this solicitation;
- (b) It  has,  has not filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

**FAR 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)**

The Offeror represents that--

- (a) It  has developed and has on file,  has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2); or
- (b) It  has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

**FAR 52.223-13 CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING (OCT 2000)**

(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 offer, the Offeror certifies that—

(1) 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), the Offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: [Check each block that is applicable.]

(i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C. 11023(c);

(ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A);

(iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

(iv) The facility does not fall within Standard Industrial Classification Code (SIC) major groups 20 through 39 or their corresponding North American Industry Classification System (NAICS) sectors 31 through 33; or

(v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

**FAR 52.230-1 COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATION (OCT 2008)**

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

I. Disclosure Statement--Cost Accounting Practices and Certification

(a) Any contract in excess of \$650,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the Offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

Caution: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

\*(1) Certificate of Concurrent Submission of Disclosure Statement. The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows:

(i) Original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable; and

(ii) One copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement: \_\_\_\_\_ Name and Address of Cognizant ACO or Federal Official Where Filed: \_\_\_\_\_

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

\* (2) Certificate of Previously Submitted Disclosure Statement. The Offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement: \_\_\_\_\_ Name and Address of Cognizant ACO or Federal Official Where Filed: \_\_\_\_\_

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

\*(3) Certificate of Monetary Exemption. The Offeror hereby certifies that the Offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated contracts and subcontracts subject to CAS totaling \$50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The Offeror further certifies that if such status changes before an award resulting from this proposal, the Offeror will advise the Contracting Officer immediately.

\*(4) Certificate of Interim Exemption. The Offeror hereby certifies that (i) the Offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and (ii) in accordance with 48 CFR 9903.202-1, the Offeror is not yet required to submit a Disclosure Statement. The Offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the Offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraph (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

Caution: Offerors currently required to disclose because they were awarded a CAS-covered contract or subcontract of \$50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

## II. Cost Accounting Standards--Eligibility for Modified Contract Coverage

If the Offeror is eligible to use the modified provisions of 48 CFR 9903.201-2(b) and elects to do so, the Offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

\* The Offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the Offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the Offeror received less

than \$50 million in awards of CAS-covered contracts and subcontracts. The Offeror further certifies that if such status changes before an award resulting from this proposal, the Offeror will advise the Contracting Officer immediately.

Caution: An Offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$50 million or more or if, during its current cost accounting period, the Offeror has been awarded a single CAS-covered contract or subcontract of \$50 million or more.

III. Additional Cost Accounting Standards Applicable to Existing Contracts

The Offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

\* yes \* no

**DFAR 252.225-7000 BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM CERTIFICATE (SEP 1999)**

(a) Definitions. "Domestic end product," "qualifying country," "qualifying country product," and "nonqualifying country end product" have the meanings given in the Buy American Act and Balance of Payments Program clause of this solicitation.

(b) Evaluation. Offers will be evaluated by giving preference to domestic end products and qualifying country end products over nonqualifying country end products.

(c) Certifications.

(1) The Offeror certifies that-

(i) Each end product, except those listed in paragraphs (c)(2) or (3) of this provision, is a domestic end product;  
and

(ii) Components of unknown origin are considered to have been mined, produced, or manufactured outside the United States or a qualifying country.

(2) The Offeror certifies that the following end products are qualifying country end products:

Qualifying Country End Products

Line Item Number	Country of Origin
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(List only qualifying country end products.)

(3) The Offeror certifies that the following end products are nonqualifying country end products:

Nonqualifying Country End Products

Line Item Number	Country of Origin (if known)
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**DFAR 252.225-7003 INFORMATION FOR DUTY-FREE ENTRY EVALUATION (MAR 1998)**

(a) Does the Offeror propose to furnish—

(1) A domestic end product with nonqualifying country components for which the Offeror requests duty-free entry; or

(2) A foreign end product consisting of end items, components, or material of foreign origin other than those for which duty-free entry is to be accorded pursuant to the Duty-Free Entry--Qualifying Country Supplies (End Products and Components) clause or, if applicable, the Duty-Free Entry--Eligible End Products clause of this solicitation?

Yes

No

(b) If the answer in paragraph (a) is yes, answer the following questions:

(1) Are such foreign supplies now in the United States?

Yes

No

(2) Has the duty on such foreign supplies been paid?

(3) If the answer to paragraph (b)(2) is no, what amount is included in the offer to cover such duty? \$\_\_\_\_\_.

(c) If the duty has not been paid, the Government may elect to make award on a duty-free basis. If so, the offered price will be reduced in the contract award by the amount specified in paragraph (b)(3). The Offeror agrees to identify, at the request of the Contracting Officer, the foreign supplies which are subject to duty-free entry.

**DFAR 252.247-7022 REPRESENTATION OF EXTENT OF TRANSPORTATION BY SEA (AUG 1992)**

(a) The Offeror shall indicate by checking the appropriate blank in paragraph (b) of this provision whether transportation of supplies by sea is anticipated under the resultant contract. The term "supplies" is defined in the Transportation of Supplies by Sea clause of this solicitation.

(b) Representation. The Offeror represents that it-

Does anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

Does not anticipate that supplies will be transported by sea in the performance of any contract or subcontract resulting from this solicitation.

(c) Any contract resulting from this solicitation will include the Transportation of Supplies by Sea clause. If the Offeror represents that it will not use ocean transportation, the resulting contract will also include the Defense FAR Supplement clause at 252.247-7024, Notification of Transportation of Supplies by Sea.

**NAVSEAINST 5500.3 ACCESS TO VESSELS BY NON-U.S. CITIZENS (ACP) (NAVSEA) (MAR 1997)**

(a) The bidder or offeror, in the performance of any contract and/or job order resulting from this solicitation  intends  does not intend (check applicable line) to employ non-U.S. citizens in the performance of work that requires access to naval vessels, work sites and adjacent areas when such vessels are under construction, conversion, overhaul or repair.

(b) If the bidder or offeror "intends" in paragraph (a) above, the bidder shall insert, in the spaces provided below, the required information.

(c) Whether or not the bidder or offeror intends to employ non-U.S. citizens, the actual access of non-U.S. citizens to naval vessels is subject to the requirements of "ACCESS TO VESSELS BY NON-U.S. CITIZENS" per Buyers' ACCESS CONTROL PLAN (ACP)

**DFAR 225-7014 VERIFICATION OF COMPLIANCE WITH SPECIALTY METALS RESTRICTIONS**

(a) The offeror is requested to certify that \_\_\_ it will \_\_\_ it will not be in full compliance with the requirements of DFARS clause 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS - ALTERNATE I (DEVIATION 2008-O0002) incorporated in this solicitation.

(b) If the offeror certifies that it will be in full compliance with said DFARS clause, the offeror shall submit detailed supporting documentation to enable the Contracting Officer to verify that -

(1) No specialty metals will be incorporated into items delivered under any contract awarded as a result of this solicitation, or -

(2) Any specialty metals that will be incorporated into items delivered under any contract awarded as a result of this solicitation shall be melted or produced in the United States, its outlying areas, or a qualifying country, or -

(3) Any specialty metals that will be incorporated into items delivered under any contract awarded as a result of this solicitation that the offeror contends should fall under one of the exceptions listed within said DFARS clause (e.g., electronic components, COTS items, items manufactured in a qualifying country, etc.) should in fact be exempt, or -

(4) The offeror will abide by the terms of the alternative for compliance detailed under paragraph (c) of said DFARS clause.

(c) An example of detailed documentation in support of paragraph (b)(3) above could include Purchase Orders from the sale of the exact item(s) to be provided under any contract awarded as a result of this solicitation to a commercial vendor/customer.

(d) If the offeror certifies that it will not be in compliance with said DFARS clause, the offeror shall provide to the Contracting Officer all available detailed supporting documentation to enable consideration of a determination as described in DFARS 225.700X-4(c) as included in Defense Procurement & Acquisition Policy (DPAP) Memorandum dated 29 January 2008 regarding "Class Deviation - Implementation of New Specialty Metals Restriction."

**FAR 25.702-2 PROHIBITION ON CONDUCTING RESTRICTED BUSINESS OPERATIONS IN SUDAN--CERTIFICATION (JUN 2008)**

(a) Definitions. As used in this provision—

APPLICABLE JOB CODE: MMC581914

Prime Contract No.: N00024-09-C-2303

Priority Rating: DOA3

Specialty Metals Invoked

“Business operations” means engaging in commerce in any form, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

“Marginalized populations of Sudan” means—

(1) Adversely affected groups in regions authorized to receive assistance under section 8(c) of the Darfur Peace and Accountability Act (Pub. L. 109-344) (50 U.S.C. 1701 note); and

(2) Marginalized areas in Northern Sudan described in section 4(9) of such Act.

“Person” means—

(1) A Natural person, corporation, company, business association, partnership, society, trust, any other nongovernmental entity, organization, or group;

(2) Any governmental entity or instrumentality of a government, including a multilateral development institution (as defined in section 1701(c)(3) of the International Financial Institutions Act (22 U.S.C. 262r(c)(3)); and

(3) Any successor, subunit, parent company or subsidiary of any entity described in paragraphs (1) or (2) of this definition.

“Restricted business operations” means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person conducting the business can demonstrate—

(1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;

(2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization ;

(3) Consist of providing goods or services to marginalized populations of Sudan;

(4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;

(5) Consist of providing goods or services that are used only to promote health or education; or

(6) Have been voluntarily suspended.

(b) Certification. By submission of its offer, the offeror certifies that it does not conduct any restricted business operations in Sudan.

#### DMSMS Guide (SD22) - TECHNOLOGY REFRESH AND OBSOLESCENCE MANAGEMENT

The Contractor shall provide proactive obsolescence management, ensuring that any obsolescence of materials, components, system/s, equipment, software, and Commercial-Off-the-Shelf (COTS) items, are minimized through out the required service periods. The required service periods shall first be defined as being orderable and in production for a period of no less than two years after delivery, sign-off, and acceptance of the LCS ship by the U.S. Government. Second, that the delivered product must be commercially supported, by means of repair or replacement, as may be necessary for a period of no less than seven years from delivery, sign-off, and acceptance of the LCS ship by the U.S. Government. Obsolescence shall be considered not minimized (contractor in default) if any of the following occur:

- Any deliverable product (material, component, system/s, software, equipment, & COTS item/s) required in the contract are found to not be in production, not orderable, or expected to be phased out of production by the original equipment manufacturer without a documented and BUYER approved resolution plan maintaining 100% availability for the first two years after delivery, sign-off, and acceptance of the LCS ship to the U.S. Government.
- Any deliverable product (material, component, system/s, software, equipment, & COTS item/s) required in the contract that becomes projected to no longer be commercially supported or replaceable, serviceable, determined to be an obsolete product, and/or any product (any item or sub-level item required, or used in the deliverables construction) that has obsolescence issues, without a documented resolution plan approved by BUYER, maintaining 100% support for seven years after delivery, sign-off, and acceptance of the LCS ship to the U.S. Government.

All deliverable materials to be provided under the scope of this agreement must be covered by an Obsolescence Management Plan (OMP) (SDRL LM004). The OMP must describe the way in which the subcontractor will manage the obsolescence of each product, all material, component, system/s, software, equipment, & COTS item/s, to be provided by the Subcontractor to BUYER for both required service periods. It must describe the process for identification the issues, analysis, planned resolution and implementation of BUYER approved resolution. Notification of obsolescence issues shall be provided within 30 days of OEM announcement and actions being undertaken to address them must

be provided on a minimum of no less than a quarterly basis. The plan shall describe the subcontractor's technology refresh process (e.g. process for qualifying and testing replacements for obsolete parts). The subcontractor's OMP will include descriptions of actions required to mitigate all potential obsolescence risk issues (e.g. discussion of resolution types and criteria). The plan shall include the process used to identify potential obsolete parts, including tools used, market surveillance techniques employed, subscription services used, etc. The risk associated with potential obsolescence will be included in the seller's risk management process. Seller's Risk Management Process Data will be identified to buyer for inclusion in Buyer's Risk Management Plan.

The Risk Management Process identifies how the to selection and re-qualify procedures to fully satisfy the LCS requirements, any material, component, system/s, software, equipment, & COTS item/s that may require replacement or tech re-fresh. The Risk Management Process to list and identify any lead-free, hazardous items/materials, or other concerns that may need to be addressed by Seller, BUYER and/or the U.S. Government.

**OEM\_PN** - This field is for the OEM part number of the equipment.

**VENDOR** - This field is for the name of the vendor supplying the equipment.

**DESCRIPTION** - This field is for a brief description of the equipment.

**END OF PRODUCTION DATE** - This field is for the date in which the OEM will no longer be selling the equipment. The preferred field format is month / year.

**END OF SUPPORT DATE** - This field is for the date in which the OEM will no longer support repairing or replacing a broken piece of equipment. The preferred field format is month / year.

7. EVMS Certification

**FAR 34.201 NOTICE OF EARNED VALUE MANAGEMENT SYSTEM (APR 2008)**

(a) If the offeror submits a proposal in the amount of \$50,000,000 or more—

(1) The offeror shall provide documentation that the Cognizant Federal Agency (CFA) has determined that the proposed Earned Value Management System (EVMS) complies with the EVMS guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (ANSI/EIA-748) (current version at time of solicitation). The Government reserves the right to perform reviews of the EVMS when deemed necessary to verify compliance.

(2) If the offeror proposes to use a system that has not been determined to be in compliance with the requirements of paragraph (a)(1) of this provision, the offeror shall submit a comprehensive plan for compliance with the guidelines in ANSI/EIA-748.

(i) The plan shall—

(A) Describe the EVMS the offeror intends to use in performance of the contract, and how the proposed EVMS complies with the EVMS guidelines in ANSI/EIA-748;

(B) Distinguish between the offeror's existing management system and modifications proposed to meet the EVMS guidelines;

(C) Describe the management system and its application in terms of the EVMS guidelines;

(D) Describe the proposed procedure for administration of the EVMS guidelines as applied to subcontractors; and

(E) Describe the process the offeror will use to determine subcontractor compliance with ANSI/EIA-748.

(ii) The offeror shall provide information and assistance as required by the Contracting Officer to support review of the plan.

(iii) The offeror's EVMS plan must provide milestones that indicate when the offeror anticipates that the EVMS will be compliant with the guidelines in ANSI/EIA-748.

(b) If the offeror submits a proposal in an amount less than \$50,000,000—

(1) The offeror shall submit a written description of the management procedures it will use and maintain in the performance of any resultant contract to comply with the requirements of the Earned Value Management System clause of the contract. The description shall include—

(i) A matrix that correlates each guideline in ANSI/EIA-748 (current version at time of solicitation) to the corresponding process in the offeror's written management procedures; and

(ii) The process the offeror will use to determine subcontractor compliance with ANSI/EIA-748.

**PARKER HANNIFIN CORPORATION  
TERMS & CONDITIONS OF PURCHASE  
- GOVERNMENT SUPPLEMENT -  
Rev 02/09**

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

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

FAR 52.215, Audit and Records-Negotiation, (Mar. 2009) for Orders Exceeding the Simplified Acquisition Threshold, and for which Cost or Pricing Data are required, is hereby incorporated by reference.

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

"Contractor" or "prime contractor" shall mean "Seller."

"Government" shall mean "Buyer."

"Contracting Officer" shall mean "Buyer's Purchasing Representative."

"Contract" or "Schedule" shall mean this "Order."

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

## FAR Clauses

FAR Reference	Title/Applicability
52.202-1	Definitions (Jul 2004)
52.203-3	Gratuities (Apr 1984)
52.203-5	Covenant Against Contingent Fees (Apr 1984)
52.203-6	Restrictions on Subcontractor Sales to The Government (Sep 2006)  For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.203-7	Anti-Kickback Procedures (Jul 1995)  This clause applies if this Order exceeds \$100,000, except that paragraph (c)(1) of FAR 52.203-7 is not included in this Order. Paragraph (c)(4) is revised by deleting "The Contracting Officer may" and inserting "To the extent the Contracting Officer has effected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may..."
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997)  For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sep 2007) For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Sep 2007)  For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.203-13	Contractor Code of Business Ethics and Conduct (Dec 2008)  For orders exceeding \$5,000,000 and a period of performance greater than 120 days. The seller agrees to grant Parker Hannifin (PH) the right to conduct a reasonable audit or investigation at the premises of the seller, with full access to appropriate books and records of the subcontractor, for the purpose of implementing the requirements of FAR provision 52.203-13.  Notwithstanding the above threshold, for purchase orders or subcontracts (including all long term agreements) with a cumulative value of \$1 Million or more the seller shall distribute PH GPM Policy GB 01-04, entitled "U.S. Government Contract Compliance – Mandatory Disclosure of Violation of Law to the Government" and the PH "Policy on Contracting with the United States Government" to all personnel most directly involved in the performance of the purchase order or subcontract, including those having primary management or supervisory responsibilities. The seller shall insure that all such individuals have both read and understood the contents of these documents. Any questions shall be forwarded to the cognizant PH Buyer. The above documents are available electronically within the Supplier Section of the PH web site ( <a href="http://www.parker.com">www.parker.com</a> ) or from the assigned PH Buyer.
52.204-2	Security Requirements (Aug 1996)  This clause (but excluding any references to the "Changes" clause) is included in all Orders that involve access to classified information. "Government" in paragraph (c) does not change to "Buyer."
52.204-4	Printing/Copying Double Sided on Recycled Paper (Aug 2000)  For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.204-9	Personal Identity Verification of Contractor Personnel (Sep 2007)

FAR Reference	Title/Applicability
52.209-6	<p>Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Sep 2006)</p> <p>For Orders with a value over \$30,000.</p>
52.211-5	Material Requirements (Aug 2000)
52.211-15	Defense Priority and Allocation Requirement (Apr 2008)
52.214-26	<p>Audit and Records -- Sealed Bidding (Oct 1997)</p> <p>This clause applies if the prime contract was awarded by sealed bidding. The clause is mandatory if the Order is expected to exceed the threshold in FAR 15.403-4(a)(1) for submission of cost or pricing data. In paragraph (b) of the clause, the term "Contracting Officer" does not change.</p>
52.214-27	<p>Price Reduction for Defective Cost or Pricing Data - Modifications - Sealed Bidding (Oct 1997)</p> <p>This clause applies if the prime contract was awarded by sealed bidding. In paragraph (d), the term "Contracting Officer" does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.</p>
52.214-28	<p>Subcontract Cost or Pricing Data - Modifications - Sealed Bidding (Oct 1997)</p> <p>This clause applies if the prime contract was awarded by sealed bidding. This clause applies if at the time the Order was entered into, it exceeded the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1).</p>
52.215-2	<p>Audit and Records -- Negotiations (Jun 1999)</p> <p>This clause applies if this Order exceeds the simplified acquisition threshold in FAR Part 13 and this Order is one for which cost or pricing data is required. This clause, however, does not authorize the Buyer to examine or audit the Seller's cost records. Accordingly, "Contracting Officer" in paragraphs (b), (c) and (e) is not changed to "Buyer's Purchasing Representative."</p>
52.215-10	<p>Price Reduction for Defective Cost or Pricing Data (Oct 1997)</p> <p>In paragraph (c) the term "Contracting Officer" does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.</p>
52.215-11	<p>Price Reduction for Defective Cost or Pricing Data -- Modifications (Oct 1997)</p> <p>As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's profit) resulting from such failure.</p>

FAR Reference	Title/Applicability
52.215-12	<p>Subcontractor Cost or Pricing Data (Oct 1997)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4), and cost or pricing data is required to be submitted in connection with the award of this Order.</p>
52.215-13	<p>Subcontractor Cost or Pricing Data - Modifications (Oct 1997)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this Order.</p>
52.215-14	<p>Integrity of Unit Prices (Oct 1997)</p> <p>Paragraph (b) of FAR 52.215-14 is not included in this Order.</p>
52.215-15	<p>Pension Adjustments and Asset Reversions (Oct 2004)</p> <p>This clause applies if certified cost or pricing data is furnished by the Seller.</p>
52.215-18	<p>Reversion of Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (Jul 2005)</p> <p>This clause applies to Orders where it is anticipated that cost or pricing data will be required or for which any preaward or postaward cost determination will be subject to Part 31 of the FAR.</p>
52.215-19	<p>Notification of Ownership Changes (Oct 1997)</p> <p>This clause applies to Orders where it is anticipated that cost or pricing data will be required or for which any preaward or postaward cost determination will be subject to Part 31 of the FAR.</p>
52.216-7	<p>Allowable Cost and Payment (Dec 2002)</p> <p>This clause applies only to CR or TM/LH type Orders.</p>
52.216-8	<p>Fixed Fee (Mar 1997)</p> <p>This clause applies only to CR or TM/LH type Orders to the extent the parties have agreed to a fixed fee in the Order.</p>
52.216-24	<p>Limitation of Government Liability (Apr 1984)</p> <p>This clause applies only to undefinitized (letter subcontracts) Orders.</p>
52.216-25 & Alt. I	<p>Contract Definitization (Including Alternate I) (Oct 1997)</p> <p>This clause applies only to undefinitized (letter subcontracts) Orders.</p>
52.216-26	<p>Payments of Allowable Costs Before Definitization (Dec 2002)</p> <p>This clause applies to those actions where a CR definitive Order is contemplated.</p>
52.219-8	<p>Utilization of Small Business Concerns (May 2004)</p> <p>For Orders exceeding the simplified acquisition threshold at FAR 2.101.</p>
52.219-9	<p>Small Business Subcontracting Plan (Apr 2008)</p> <p>This clause applies to Orders that exceed \$550,000. This clause does not apply to small business concerns.</p>
52.219-16	<p>Liquidated Damages -- Subcontracting Plan (Jan 1999)</p> <p>This clause applies only when FAR 52.219-9 applies.</p>
52.222-1	<p>Notice to Government of Labor Disputes (Feb 1997)</p>

FAR Reference	Title/Applicability
52.222-2	Payment for Overtime Premiums (Jul 1990)  This clause applies only to CR type Orders.
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (Jul 2005)  For Orders exceeding the simplified acquisition threshold at FAR 2.101. In addition, Buyer may withhold or recover from Seller any sums the Contracting Officer withholds from Buyer because of a violation of a provision of this clause by the Seller or Seller's supplier.
52.222-20	Walsh-Healey Public Contracts Act (Dec 1996)  This clause applies if this Order exceeds \$10,000.
52.222-21	Prohibition of Segregated Facilities (Feb 1999)  This clause applies if this Order exceeds \$10,000.
52.222-26	Equal Opportunity (Mar 2007)  This clause applies if this Order exceeds \$10,000.
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)  This clause applies if the Order is for \$100,000 or more.
52.222-36	Affirmative Action for Workers with Disabilities (Jun 1998)  This clause applies if the Order exceeds \$10,000. Paragraph (b)(2) is revised to delete "and provided by or through the Contracting Officer" and insert "and provided upon request by the Contracting Officer through the Buyer's Purchasing Representative."
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)  This clause applies if this Order exceeds \$100,000.
52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004)  For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.222-50	Combating Trafficking in Persons (Feb 2009)
52.222-54	Employment Eligibility Verification (Latest Revision)  Applies to Orders for Construction or Services exceeding \$3,000
52.223-3	Hazardous Material Identification and Material Safety Data (Jan 1997)
52.223-11	Ozone Depleting Substances (May 2001)
52.223-14	Toxic Chemical Release Reporting (Aug 2003)  This clause applies if this Order is for non-commercial items and exceeds \$100,000 (including any options). Delete paragraph (e) in its entirety.
52.225-1	Buy American Act - Supplies (Feb 2009)
52.225-3	Buy American Act -- Free Trade Agreements -- Israeli Trade Act (Feb 2009)
52.225-5	Trade Agreements (Nov 2007)
52.225-7	Waiver of Buy American Act for Civil Aircraft and Related Articles (Feb 2000)

FAR Reference	Title/Applicability
52.225-8	<p>Duty-Free Entry (Feb 2000)</p> <p>This clause applies if supplies identified in the Order as supplies to be accorded duty free entry are to be imported or if other foreign supplies in excess of \$10,000 may be imported into a custom territory of the United States. In paragraph (c)(1), "20 days" is changed to "30 days." In paragraph (c)(2) "10 days" is changed to "20 days." The terms "Government" and "Contracting Officer" in paragraph (e) do not change.</p>
52.225-13	<p>Restrictions on Certain Foreign Purchases (Jun 2008)</p>
52.227-1	<p>Authorization and Consent (Dec 2007)</p> <p>For Orders exceeding the simplified acquisition threshold at FAR 2.101.</p>
52.227-2	<p>Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007)</p> <p>For Orders exceeding the simplified acquisition threshold at FAR 2.101.</p>
52.227-9	<p>Refund of Royalties (Apr 1984)</p> <p>This clause applies if the amount of royalties reported during negotiations of the Order Exceeds \$250.</p>
52.227-10	<p>Filing of Patent Applications -- Classified Subject Matter (Dec 2007)</p> <p>This clause applies if the Order covers or is likely to cover classified subject matter.</p>
52.227-14	<p>Rights in Data - General (Dec 2007)</p> <p>In paragraph (b) Allocation of Rights, the term "Government" does not change and the term "Contractor" changes to "Seller" rather than "Buyer." The term "Contracting Officer" does not change in the first sentence of paragraph (c)(1) and in paragraph (e).</p>
52.229-3	<p>Federal, State, and Local Taxes (Apr 2003)</p> <p>In this clause, "Order date," means the effective date of this Order or modification thereto.</p>
52.230-2	<p>Cost Accounting Standards (Oct 2008)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause does not apply to this Order if Seller is exempt under 48 CFR 9903.201-1.</p>
52-230-3	<p>Disclosure and Consistency of Cost Accounting Practices (Oct 2008)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause does not apply to this Order if Seller is exempt under 48 CFR 9903.201-1.</p>
52.230-6	<p>Administration of Cost Accounting Standards (Mar 2008)</p> <p>This clause applies if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4, and cost or pricing data is required to be submitted in connection with the award of this order. This clause does not apply to this Order if Seller is exempt under 48 CFR 9903.201-1.</p>
52.232-16	<p>Progress Payments (Oct 2008)</p> <p>This clause applies only when progress payments based upon cost are delineated specifically in the Order.</p>
52.232-17	<p>Interest (Jun 1996)</p>

FAR Reference	Title/Applicability
52.232-20	Limitation of Costs (Apr 1984)  This clause applies only to CR Orders.
52.232-22	Limitation of Funds (Apr 1984)  This clause applies only to CR Orders.
52.233-3	Protest After Award (Aug 1996)  Under paragraph (f) of this clause, the Buyer may withhold or recover from Seller any sums that the Contracting Officer withholds from Buyer because of a misstatement, misrepresentation or miscertification of the Seller, which results in bid protest being sustained.
52.242-1	Notice of Intent to Disallow Costs (Apr 1984)  This clause applies only to CR or TM/LH type Orders, or any Order where reimbursement is to be based upon allowable/allocable costs in accordance with FAR Part 31.
52.242-13	Bankruptcy (Jul 1995)  For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.242-15	Stop Work Order (Aug 1989)
52.242-17	Government Delay of Work (Apr 1984)
52.243-1	Changes - Fixed-Price (Aug 1987)  Refer to paragraph (c) of this clause and note that the period for assertion of the equitable adjustment is changed from "30 days" to "20 days."
52.243-2	Changes -- Cost Reimbursement (Aug 1987)  This clause applies only to CR Orders.
52.243-3	Changes -- Time & Materials or Labor-Hours (Sep 2000)  This clause applies only to TM/LH Orders.
52.244-2	Subcontracts (Jun 2007)  This clause applies only to CR or letter (undefinitized) type Orders.
52.244-5	Competition in Subcontracting (Dec1996)  For Orders exceeding the simplified acquisition threshold at FAR 2.101.
52.244-6	Subcontracts for Commercial Items (Dec 2008)
52.245-1	Government Property (Jun 2007)
52.246-2	Inspection of Supplies - Fixed Price (Aug 1996)
52.246-3	Inspection of Supplies - Cost Reimbursement (May 2001) This clause applies to CR Orders only.
52.246-6	Inspection - Time & Material and Labor-Hour (May 2001)  This clause applies to TM/LH Orders only.
52.246-16	Responsibility For Supplies (Apr 1984)
52.247-63	Preference for U.S. Flag Air Carriers (Jun 2003)
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels (Feb 2006)
52.248-1	Value Engineering (Feb 2000)  This clause is required if this Order is valued at \$100,000 or more, and is discretionary (if identified by the Buyer within the Purchase Order schedule) if this Order is valued at less than \$100,000.

<b>FAR Reference</b>	<b>Title/Applicability</b>
52.249-1	Termination for Convenience of the Government (Fixed-Price) (Short Form) (Apr 1984)  This clause applies if this Order is under \$100,000.
52.249-2	Termination for Convenience of the Government (Fixed-Price) (May 2004)  This clause is revised as follows: (1) Paragraph (c): Change 120 days to 30 days. (2) Paragraph (d): Plant clearance procedures are omitted. (3) Paragraph (e): The time for submission of the final termination settlement proposal is changed from "1 year" to "3 months" from the effective date of the termination. (4) Paragraph (k): The time for submission of a proposal for an equitable adjustment after a partial termination is changed from "90 days" to "30 days" from the effective date of the termination.
52.249-6 & Alt IV	Termination (Cost-Reimbursement) & Alternate IV (May 2004)  This clause and the alternate version, apply to CR and TM/LH Orders respectively.
52.249-8	Default (Fixed-Price Supply and Services) (Apr 1984)  This clause is revised as follows: (1) Paragraph (a)- Change the cure period from "10 days" to "7 days."
52.249-14	Excusable Delays (Apr 1984)  This clause applies only to CR and TM/LH type Orders.

DFARS Clauses

<b>DFARS Reference</b>	<b>Title/Applicability</b>
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (Dec 2008)  This clause applies to first tier subcontractors only if the Order exceeds the Simplified Acquisition Threshold. "Government" is not changed in this clause. Additionally, the following changes to this clause apply: (1) A new paragraph (f) has been added as follows "Seller shall not employ or allow to serve, as a director or consultant of Seller, any person in contravention of paragraph (b)." (2) Existing paragraph (f) is changed to (g), and the flowdown provision at 252.203-7001(g) has been deleted.
252.204-7000	Disclosure of Information (Dec 1991)
252.211-7000	Acquisition Streamlining (Dec 1991)  This clause is applicable to all subcontracts in excess of \$1 million under systems acquisition Prime Contracts. Government is not changed in this clause.
252.211-7003	Item Identification and Evaluation (Aug 2008)  This clause is applicable if subassemblies, components or parts embedded within subcontract deliverables are identified as requiring DoD unique item identification, as specified, within this Order, its exhibits or SDRL item number.
252.215-7002	Cost Estimating System Requirements (Dec 2006)  This clause applies to Orders awarded on the basis of certified cost or pricing data.
252.215-7004	Excessive Pass –Through Charges (May 2008)  This clause applies to Orders awarded on the basis of certified cost or pricing data.
252.219-7003	Small, Small Disadvantaged and Woman-Owned Small Business Subcontracting

DFARS Reference	Title/Applicability
	<p>Plan (Apr 2007)</p> <p>This clause is applicable when FAR 52.219-9 applies.</p>
252.223-7001	Hazard Warning Labels (Dec 1991)
252.223-7004	Drug -Free Work Force (Sep 1988)
252.223-7006 & Alt. I	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (Apr 1993) & Alt. I (Nov 1995)
252.225-7001	<p>Buy American Act and Balance of Payments Program (Jan 2009)</p> <p>"Government" is not changed in this clause.</p>
252.225-7004	<p>Reporting of Intended Contract Performance Outside the United States and Canada (May 2007)</p> <p>This clause applies to first tier subcontracts over \$550,000</p>
252.225-7006	<p>Quarterly Reporting of Actual Contract Performance Outside the United States (May 2007)</p> <p>This clause applies to first tier subcontracts over \$550,000. Paragraph (f) is deleted.</p>
252.225-7013	<p>Duty-Free Entry -- (Oct 2006)</p> <p>This clause applies to subcontracts involving supplies to be accorded duty-free entry under the prime contract. It applies to Department of Defense contracts in lieu of FAR 52.225-8. Paragraph (d) is modified to read, "The Buyer will obtain from the Government duty-free entry certificates and afford such assistance as appropriate to obtain the duty-free entry of supplies for which the shipping documents bear the notation specified in paragraph (e) of this clause." No change to "Contracting Officer," "Government," "contractor," or "prime contract: in paragraphs (b), (c), (e) or (h).</p>
252.225-7014 & Alt. I	Preference for Domestic Specialty Metals (Jun 2005) (Including Alternate I (Apr 2003))
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (Mar 2006)
252.225-7021	Trade Agreements (Nov 2008)
252.225-7025	Restriction on Acquisition of Forgings (Jul 2006)
252.225-7036	Buy American Act - Free Trade Agreements - Balance of Payments Program (Jan 2009)
252.226-7001	<p>Utilization of Indian Organizations, Indian-owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sep 2004)</p> <p>This clause applies if the Order exceeds \$500,000, and further subcontracting opportunities may exist.</p>
252.227-7013	<p>Rights in Technical Data -- Noncommercial Items (Nov 1995)</p> <p>This clause is applicable when technical data, but not software, will be delivered to the Government by the prime contractor from the subcontractor. "To the Contractor" has been deleted from (b)(1)(vi) and "contract or" and "thereunder" have been deleted from (b)(1)(ix). "Buyer or" is added before "Government" in (c) and (l). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.</p>

DFARS Reference	Title/Applicability
252.227-7014	<p>Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Jun 1995)</p> <p>This clause is applicable when software and software documentation will be delivered to the Government by the prime contractor from the subcontractor. "To the Contractor" has been deleted from (b)(1)(iii) and "contract or" and "thereunder" have been deleted from (b)(1)(vi). "Buyer or" is added before "Government" in (l). The second and third occurrences of "Contracting Officer" are changed to "Government" in (e)(4). "And the Government" is added after "parties" in (h)(1). In (h)(2) "sixty (60)" is changed to "forty (40)" days. No substitutions for "Government" have been made.</p>
252.227-7015	<p>Technical Data -- Commercial items (Nov 1995)</p> <p>This clause is applicable only when commercial item (as defined in the FAR) technical data is deliverable to the Government by the prime from the subcontractor. No substitutions for "Contracting Officer" or "Government" have been made.</p>
252.227-7016	<p>Rights in Bid or Proposal Information (Jun 1995)</p> <p>This clause applies when DFARS 252.227-7013 is used. No substitutions for "Government" or "Contracting Officer" are made.</p>
252.227-7017	<p>Identification and Assertion of Use, Release, or Disclosure of Restrictions (Jun 1995)</p> <p>This clause applies if either DFARS clauses 252.227-7013 or 252.227-7014 is used.</p>
252.227-7019	<p>Validation of Asserted Restrictions -- Computer Software (Jun 1995)</p> <p>The clause applies when DFARS 252.227-7014 is used. "Buyer's Purchasing Representative" is substituted for "Contracting Officer" in paragraph (b); otherwise no substitutions are made for "Contracting Officer" or "Government." In paragraph (f)(5) and (f)(6), the "prime contract" is substituted for "this contract."</p>
252.227-7025	<p>Limitation on the Use or Disclosure of Government-furnished Information Marked with Restrictive Legends (Jun 1995)</p> <p>This clause applies when either DFARS clauses 252.227-7013 or 252.227-7014 is used. No substitution is made for "Government."</p>
252.227-7030	<p>Technical Data -- Withholding of Payment (Mar 2000)</p> <p>This clause is applicable when DFAR clause 252.227-7013 is used. "Buyer" is substituted for "Contracting Officer in paragraph (a). In paragraph (b), "or Buyer" is added after "Government."</p>
252.227-7037	<p>Validation of Restrictive Markings on Technical Data (Sep 1999)</p> <p>This clause applies when DFARS clauses 252.227-7013, 252.227-7014, or 252.227-7015 are used. In paragraph (b), "Contractor's" remains in the clause with a lower case "c." In paragraph (c) and (d)(1), "hereunder" is inserted after "subcontract." In paragraphs (f) and (g)(2)(i) change "this contract" to "the prime contract." No substitutions for "Government" or "Contracting Officer" are made.</p>
252.231-7000	Supplemental Cost Principles (Dec 1991)
252.243-7001	Pricing of Contract Modifications (Dec 1991)
252.243-7002	Requests for Equitable Adjustment (Mar 1998)
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (Jan 2009)

DFARS Reference	Title/Applicability
252.246-7001	Warranty of Data (Dec 1991)
252.246-7001 Alt I	<p>Warranty of Data - Alternate I (Dec 1991)</p> <p>This clause applies when DFARS clause 252.227-7013 is used and technical data is deliverable to the Government. The additional liability provisions at paragraph (d)(3) are appropriate only if the Alternate I or II version of the DFARS clause is in the prime contract. Only Alternate I is reflected here because the subcontract flowdown provisions are identical to Alternate II. In paragraph (b) the parenthetical is deleted. In paragraph (d)(1), including (ii), and (d)(2) "Buyer" has been substituted for "Contracting Officer." Paragraphs (d)(3)(i) through (iii) have been modified and deleted to read, "The limit of the Seller's liability shall be ten percent of the total price." In paragraph (d)(3)(iv)B change second "Government" to "Government or Buyer."</p>
252.246-7003	Notification of Potential Safety Issues (Jan 2007)
252.247-7023	<p>Transportation of Supplies by Sea (May 2002)</p> <p>This clause is applicable to Orders in excess of the simplified acquisition threshold in Part 13 of the FAR. Paragraph (c), first sentence has been modified as to read "The Seller and its subcontractors may request that the Buyer obtain Government authorization for shipment...". In paragraph (d) "Contracting Officer" is changed to "Buyer" in the second sentence. "45" is changed to "60" days in paragraph (d) and "30" to "25" days in paragraph (e). In paragraph (e) "and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, D.C. 20590," is deleted. In paragraph (g) "for the purposes of the Prompt Payment clause of this contract" is deleted.</p>
252.247-7024	<p>Notification of Transportation of Supplies by Sea (Mar 2000)</p> <p>This clause applies to subcontracts when the prime's original response to the solicitation stated that no transportation by sea was contemplated.</p>
252.249-7002	<p>Notification of Anticipated Contract Termination or Reduction (Dec 2006)</p> <p>This clause applies to first tier subcontracts of \$550,000 or more and thereafter to lower tier subcontracts of \$100,000 or more. "Buyer" is substituted for "Contracting Officer" throughout. Paragraph (d)(1) is modified to read "Provide notice of the proposed termination or reduction to each subcontractor with a subcontract of \$100,000 or more under the program...."</p>