



General Terms and Conditions of Purchase

Supplement 1 – Federal Acquisition Regulation (FAR) Government Contract Provisions

1. When the materials or products furnished are for use in connection with a U.S. Government prime contract or subcontract, in addition to the DRS General Purchase Order Terms and Conditions, the following provisions shall apply. The effective version of each Federal Acquisition Regulation (hereinafter "FAR") provision shall be the same version as that which appears in Buyer's prime contract or higher tier subcontract under which this Purchase Order is a subcontract. In the event of a conflict between these FAR provisions and the General Terms and Conditions of Purchase, the FAR provisions shall control.
2. The following clauses set forth in the FAR in effect as of the date of DRS' prime contract or higher tier subcontract are incorporated herein by reference. In all clauses listed herein, the terms "Government," "Contracting Officer" and "Contractor" shall be deemed revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. "Subcontractor," however, shall mean "Seller's Subcontractor" under the Purchase Order.

A. Applicable to all Purchase Orders:

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| 1. Gratuities | 52.203-3 |
| 2. Covenant Against Contingent Fees | 52.203-5 |
| 3. Price or Fee Adjustment for Illegal or Improper Activity | 52.203-10 |
| 4. Security Requirements | 52.204-2 |
| 5. Material Requirements | 52.211-5 |
| 6. Defense Priority and Allocation Requirements | 52.211-15 |
| 7. Utilization of Small Business Concerns | 52.219-8 |
| 8. Notice to Government of Labor Disputes | 52.222-1 |
| 9. Service Contract Act | 52.222-41 |
| 10. Hazardous Material Identification and Material Safety Data | 52.223-3 |
| 11. "Government" means "Government and Buyer" Notice of Radioactive Materials | 52.223-7 |
| 12. Ozone-depleting Substances | 52.223-11 |
| 13. Privacy Act | 52.224-1 |
| 14. Buy-America Act-Supplies | 52.225-1 |
| 15. Duty-free Entry | 52.225-8 |
| 16. Restrictions on Certain Foreign Purchases | 52.225-13 |
| 17. Authorization and Consent – Alternate 1 | 52.227-1 |
| 18. Refund of Royalties | 52.227-9 |

19. Filing of Patent Applications – Classified Subject Matter	52.227-10
20. Patent Rights-Retention by the Contractor (Short Form)	52.227-11
21. Patent Rights –Retention by the Contractor (Long Form)	52.227-12
22. Rights in Data – General (Not applicable under Department of Defense procurements)	52.227-14
23. Commercial Computer Software – Restricted Rights (Not applicable under Department of Defense procurements)	52.227-19
24. Worker’s Compensation Insurance (Defense Base Act)	52.228-3
25. Insurance – Work on a Government Installation	52.228-5
26. Industrial Resources Developed Under Defense Production Act Title III	52.234-1
27. Accident Prevention	52.236-13
28. Protection of Government Buildings, Equipment, and Vegetation	52.237-2
29. Competition in Subcontracting	52.244-5
30. Subcontracts for Commercial Items	52.244-6
31. Government Property (Fixed - Price Contracts) “Government” means “Government” and/or “Buyer”. The fourth sentence of paragraph (h) is revised to read: “Neither the Government nor Buyer shall be liable...”	52.245-2
32. Special Tooling – In paragraph (c) “Government” means “Government or Buyer.”	52.245-17
33. Special Test Equipment – In paragraph (b)(4) “Government” means “Government or Buyer.”	52.245-18
34. Government Property Furnished “As Is”	52.245-19
35. Inspection of Supplies – Fixed Price	52.246-2
36. Responsibility for Supplies	52.246-16
37. Preference for U.S. Flag Air Carriers	52.247-63
38. Preference for Privately Owned U.S. Flag Commercial Vessels	52.247-64
39. Termination for Convenience of the Government (Fixed Price) “Government” shall mean “Buyer.”	52.249-2

B. Orders Over \$10,000 Shall Also Include the Following:

1. Walsh-Healy Public Contracts Act	52.222-20
2. Prohibition of Segregated Facilities	52.222-21

3. Equal Opportunity	52.222-26
4. Affirmative Action for Workers with Disabilities	52.222-36
C. Orders Over \$25,000 Shall Also Include the Following:	
1. Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	52.222-35
2. Employment Reports on Disabled Veterans and Veterans of the Vietnam Era	52.222-37
D. Orders Over \$100,000 Shall Also Include the Following:	
1. Restrictions on Subcontractor Sales to the Government	52.203-6
2. Anti-Kickback Procedures (less paragraph (c) (1))	52.203-7
3. Limitation on Payments to Influence Certain Federal Transactions	52.203-12
4. Audit and Records – Negotiation	52.215-2
5. Integrity of Unit Prices (less paragraph b)	52.215-14
6. Contract Work Hours and Safety Standards Act – Overtime Compensation	52.222-4
7. Toxic Chemical Release Reporting (less paragraph (e))	52.223-14
8. Notice and Assistance Regarding Patent and Copyright Infringement	52.227-2
9. Value Engineering	52.248-1
E. Orders Over \$500,000 and/or the Applicable Cost or Pricing Data Threshold:	
1. Pension Adjustments and Asset Reversions	52.215-15
2. Reversion or Adjustment of Plans for Post-Retirement Benefits Other Than Pensions	52.215-18
3. Notification of Ownership Changes	52.215-19
4. Small Business Subcontracting Plan	52.219-9
F. Unless Otherwise Exempt Also Include the Following:	
1. Price Reduction for Defective Cost or Pricing Data	52.215-10
2. Price Reduction for Defective Cost or Pricing Data Modifications	52.215-11
3. Subcontractor Cost or Pricing Data	52.215-12
4. Subcontractor Cost or Pricing Data Modifications	52.215-13
5. Requirements for Cost or Pricing Data or Information other than Cost or Pricing Data	52.215-20

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| 6. Requirements for Cost or Pricing Data or Information other than Cost or Pricing Data -- Modifications | 52.215-21 |
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G. Applicable to Cost Reimbursement, Time & Material or Labor Hour Purchase Orders:

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| 1. Facilities Capital Cost of Money | 52.215-16 |
| 2. Allowable Cost and Payment (cost reimbursement) Seller agrees to execute assignment documents in order to comply with subsection (h) | 52.216-7 |
| 3. Fixed Fee – applicable to cost plus fixed fee Purchase Orders | 52.216-8 |
| 4. Incentive Fee – applicable to cost plus incentive fee Purchase Orders | 52.216-10 |
| 5. Cost Contract – No Fee – applicable to cost no fee Purchase Orders | 52.216-11 |
| 6. Cost Sharing Contract – No Fee – applicable to cost sharing no fee Purchase Orders | 52.216-12 |
| 7. Payment for Overtime Premiums – insert “0%” in paragraph (a) | 52.222-2 |
| 8. Payments under Time and Materials and Labor Hour Contracts, in which “schedule ” means this Purchase Order, “voucher(s)” means invoice(s), “Government ” means DRS and “Contracting Officer” means Buyer’s Purchasing Representative. | 52.232-7 |
| 9. Limitation of Cost (if fully funded) | 52.232-20 |
| 10. Limitation of Funds (if incrementally funded) | 52.232-22 |
| 11. Changes – Cost Reimbursement – applicable to such Purchase Orders | 52.243-2 |
| 12. Changes – Time and Material or Labor Hours – applicable to such Purchase Orders | 52.243-3 |
| 13. Subcontracts (paragraphs (h) and (i) only apply) | 52.244-2 |
| 14. Government Property (Cost Reimbursement, Time and Material or Labor Hour Contracts) – “Government” means “Government and Buyer”. Substitute the following for Paragraph (g) in cost reimbursement orders only. “Seller shall return all Government Furnished property in as good condition as when received, except for reasonable wear and tear for use of property in accordance with the provisions hereof.” | 52.245-5 |
| 15. Inspection of supplies (Cost Reimbursement) – “Contracting Officer” means “Buyer’s Purchasing Representative” and “government” means | 52.246-3 |

“Buyer and Government” (an inspection system accepted by the Government will be deemed accepted by Buyer) and where “Government “ first appears in paragraph (k) it shall mean “Government or Buyer”. The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.

16. Inspection of Services (Cost Reimbursement) - “Contracting Officer” means 52.246-5
“Buyer’s Purchasing Representative” and “government” means “Buyer and Government” (an inspection system accepted by the Government will be deemed accepted by Buyer) and where “Government “ first appears in paragraph (k) it shall mean “Government or Buyer”. The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.
17. Inspection of Time and Material and Labor Hour - “Contracting Officer” means 52.246-6
“Buyer’s Purchasing Representative” and “government” means “Buyer and Government” (an inspection system accepted by the Government will be deemed accepted by Buyer) and where “Government “ first appears in paragraph (k) it shall mean “Government or Buyer”. The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.
18. Termination (Cost Reimbursement) – “Government” means “Buyer” and 52.249-6 Alt IV
“Contracting Officer” means “Buyer’s Purchasing Representative”. Alternative IV is applicable to time and material or labor hour Purchase Orders only.
19. Excusable Delay 52.249-14

3. Certifications

The Offeror, by signing its offer, hereby certifies compliance with the following clauses and is, therefore eligible for award.

- A. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (over \$100,000) 52.203-11
- B. Certification Regarding Debarment, Suspension, Proposed Debarment and Other Responsibility Matters (over \$100,000) 52.209-5

- C. Previous Contracts and Compliance Reports (over \$10,000) 52.222-22
- D. Certification of Toxic Chemical Release Reporting (over \$100,000) 52.223-13

4. Additional Clauses:

- A. Cost Accounting Standards (Applicable unless otherwise exempt)
 - 1. Cost Accounting Standards 52.230-2
 - 2. Disclosure and Consistency of Cost Accounting Standards 52.230-3
 - 3. Administration of Cost Accounting Standards 52.230-6

Seller shall communicate and otherwise deal directly with the Contracting officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the contracting Officer respecting Cost Accounting Standards FAR 52.230-2 and Administration of Cost Accounting Standards FAR 52.230-6, provided Seller shall not be required to disclose to Buyer such communications containing information that is legally privileged and confidential to Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subject to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses.

B. Truth in Negotiations (Cost and Pricing Data)

Unless exempt, Seller shall submit a FAR Part 15 compliant cost proposal inclusive of any appropriate updates throughout the negotiation process. At the conclusion of negotiations, and regardless of any prior certification, Seller must certify as to the accuracy, currency and completeness of its information in accordance with the FAR required Certificate of Current Cost or Pricing data.

1. Indemnification:

If any cost or price (including profit or fee) negotiated in connection with the prime contract between the Government and Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by Buyer relating to said contract or in connection with this Purchase Order was not accurate, complete, or current, the Seller shall indemnify Buyer in the amount of said reduction.

The phrase "cost or pricing data" as used herein shall be deemed to include any such data related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of or in connection with the aforesaid proposal or this Purchase Order in support of its cost estimate.

If any reduction of the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay Buyer at the time such overpayment is repaid:

- a. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and
- b. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate or non-current.

2. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Purchase Order which involves increases and/or decreases in costs plus applicable profit expected to exceed threshold for submission of cost or pricing data, subcontractors shall submit cost or pricing data and shall certify that such data, as defined in Federal Acquisition Regulation 2.101, submitted either actually or by specific identification in writing are accurate, complete and current as of the date of completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the provisions of this Purchase Order, Seller shall obtain such data.



General Terms and Conditions of Purchase

Supplement 2 – DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS) GOVERNMENT CONTRACT PROVISIONS

1. When the materials or products furnished are for use in connection with a U.S. Government Department of Defense prime contract or subcontract, in addition to the DRS General Purchase Order Terms and Conditions and the Supplement 1 FAR provisions, the following provisions shall apply. The effective version of each Department of Defense FAR Supplement (hereinafter "DFARS") provision shall be the same version as that which appears in Buyer's prime contract or higher tier subcontract under which this Purchase Order is a subcontract. In the event of a conflict between these DFARS provisions, or the Supplement 1 FAR provisions, and the General Purchase Order Terms and Conditions, the DFARS provisions shall control.
2. The following clauses set forth in the DFARS in effect as of the date of DRS' prime contract or higher tier subcontract are incorporated herein by reference. In all clauses listed herein, the terms "Government," "Contracting Officer" and "Contractor" shall be deemed revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. "Subcontractor," however, shall mean "Seller's Subcontractor" under the Purchase Order. The Seller, by signing its offer, hereby certifies compliance with the following clauses and is, therefore eligible for award.

A. Applicable to All Purchase Orders:

DFARS

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| 1. Disclosure of Information | 252.204-7000 |
| 2. Intent to Furnish Precious Metals as Government-Furnished Material | 252.208-7000 |
| 3. Restrictions on Employment of Personnel | 252.222-7000 |
| 4. Hazard Warning Labels | 252.223-7001 |
| 5. Safety Precautions for Ammunition and Explosives | 252.223-7002 |
| 6. Change in Place of Performance | 252.223-7003 |
| 7. Prohibition on Storage and Disposal of Toxic and Hazardous Materials | 252.223-7006 |
| 8. Safeguarding Sensitive Conventional Arms, Ammunition and Explosives | 252.223-7007 |
| 9. Buy American Act -- Balance of Payments Certificate | 252.225-7000 |
| 10. Buy America Act and Balance of Payments Program | 252.225-7001 |
| 11. Qualifying Country Sources as Subcontractors | 252.225-7002 |
| 12. Preference for Certain Domestic Commodities | 252.225-7012 |
| 13. Duty-Free Entry | 252.225-7013 |
| 14. Preference for Domestic Specialty Metals (Alt 1) | 252.225-7014 |
| 15. Restriction on Acquisition of Hand or Measuring Tools | 252.225-7015 |
| 16. Restriction of Acquisition of Ball and Roller Bearings | 252.225-7016 |
| 17. Restriction on Acquisition of Foreign Anchor and Mooring Chain | 252.225-7019 |

18. Trade Agreements Certificate	252.225-7020
19. Trade Agreements	252.227-7021
20. Restriction on Acquisition of Polyacrylonitrile (PAN) Carbon Fiber	252.225-7022
21. Restriction on Acquisition of Forgings	252.225-7025
22. Restriction on Contingent Fees for Foreign Military Sales	252.225-7027
23. Exclusionary Policies and Practices of Foreign Governments	252.225-7028
24. Restriction of Acquisition of Carbon, Alloy and Armor Steel Plate	252.225-7030
25. Secondary Arab Boycott of Israel	252.225-7031
26. Restriction on Acquisition of Air Circuit Breakers	252.225-7038
27. Rights in Technical Data – Noncommercial items	252.227-7013
28. Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	52.227-7014
29. Technical Data – Commercial Items	252.227-7015
30. Rights in Bid or Proposal Information (No substitutions for “Government” or “Contracting Officer” are made)	252.227-7016
31. Identification and Assertion of Use, Release or Disclosure Restrictions	252.227-7017
32. Validation of Asserted Restrictions – Computer Software	252.227-7019
33. Limitation on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (No substitution is made for “Government”)	252.227-7025
34. Deferred Delivery of Technical Data or Computer Software	252.227-7026
35. Deferred Ordering of Technical Data or Computer Software	252.227-7027
36. Technical Data or Computer Software Previously Delivered to the Government	252.227-7028
37. Technical Data – Withholding of Payment	252.227-7030
38. Patents – Subcontracts	252.227-7034
39. Declaration of Technical Data Conformity	252.227-7036
40. Validation of Restrictive Markings on Technical Data	252.227-7037
41. Patents – Reporting of Subject Inventions	252.227-7039
42. Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	252.228-7005
43. Supplemental Cost Principles	252.231-7000
44. Frequency Authorization	252.235-7003
45. Modification Proposals -- Price Breakdown	252.236-7000
46. Training for Contractor Personnel Interacting with Detainees	252.237-7019
47. Protection Against Compromising Emanations	252.239-7000
48. Telecommunications Security Equipment, Devices, Techniques and Services	252.239-7016

49. Earned Value Management System (Applicable only when specifically stated on the Purchase Order)	252.242-7002
50. Cost Schedule Status Report (Applicable only when specifically stated on the Purchase Order)	252.242-7005
51. Subcontracts for Commercial Items and Commercial Components	252.244-7000
52. Reports of Government Property	252.245-7001
53. Warranty of Data	252.246-7001
54. Representation of Extent of Transportation by Sea	252.247-7022
55. Notification of Transportation of Supplies by Sea	252.247-7024
 B. Orders Over \$100,000 Shall Also Include the Following:	
56. Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies	252.203-7001
57. Transportation of Supplies by Sea	252.247-7023
58. Notification of Anticipated Contract Terminations or Reductions	252.249-7002
 C. Orders Over \$500,000 Shall Also Include the Following:	
59. Small, Small Disadvantaged, and Women Owned Small Business Subcontracting Plan	252.219-7003
60. Reporting of Contract Performance Outside the United States (first tier subcontractors only)	252.225-7004
 D. Orders Over \$1,000,000 Shall Also Include the Following:	
61. Acquisition Streamlining	252.211-7000
62. Waiver of United Kingdom Levies	252.225-7033