



General Provisions and FAR, DFARS and NASA Provisions for Government Fixed Price Contracts

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1. FORMATION OF CONTRACT AND MODIFICATIONS

This Contract is McDonnell Douglas Helicopter Systems' (MDHS's) offer to Seller and acceptance by Seller is expressly limited to the terms of this offer. Seller's acceptance of MDHS's offer may be by commencement of performance or by timely written acknowledgment of this Contract. However, if Seller's acceptance is by commencement of performance, MDHS reserves the right to treat its offer as having lapsed before acceptance unless MDHS is notified of Seller's acceptance within a reasonable time. Any different or additional terms stated in Seller's acceptance are hereby objected to and rejected by MDHS. This Contract, including any documents incorporated herein by express reference, is intended to be a complete integration and there are no prior or contemporaneous different or additional agreements pertaining to the subject matter of this Contract. Upon Seller's acceptance, this Contract shall be the complete and exclusive statement of the terms of the resulting Contract, which Contract shall not be modified by or interpreted by reference to any prior course of dealing or usage of trade and shall not be modified by any course of performance. No modification of this Contract shall be effective or become binding upon MDHS, unless signed by an authorized MDHS Purchasing Representative.

2. DEFINITIONS

The following definitions apply to this Contract unless otherwise specifically stated:

(A) "MDHS" or "Buyer" - the legal entity issuing this Contract: McDonnell Douglas Helicopter Company, doing business as McDonnell Douglas Helicopter Systems, a Delaware Corporation and wholly owned subsidiary of McDonnell Douglas Corporation ("MDC"), its successors, assigns or purchasers of a substantial portion of its business or assets.

(B) "Purchasing Representative" - Buyer's authorized representative identified elsewhere in this Contract and assigned responsibility for this procurement activity. The term "Purchasing Representative" also includes any MDHS Subcontract Administrator ("SCA") or cognizant Buyer.

(C) "Seller" - the legal entity which contracts with the Buyer, including any occasional reference to "Offeror", "Supplier", "Vendor" or "Subcontractor" (first-tier only).

(D) "This Contract" - this Purchase Order, this contractual instrument, including any changes or modifications to it.

- (E) "Goods" - all items, including raw materials, components, services, intermediate assemblies, end products and data, required to be delivered or performed under this Contract.
- (F) "Government" - the Government of the United States.
- (G) "Prime Contract" - the Government contract, higher-tier subcontract issued to MDHS under a Government contract or commercial contract under which this Contract is issued.
- (H) "Contracting Officer" - the designed contracting representative for any applicable Government prime contract, including that Contracting Officer's authorized representative.
- (I) "FAR" - the Federal Acquisition Regulation.
- (J) "DFARS" - the Department of Defense FAR Supplement.
- (K) "NASA" - The National Aeronautics and Space Administration.
- (L) "Technical Data" or "Data" - Specifications, plans, drawings, standards, processes, procedures, manuals, technical publications, layouts, tooling aids, software, purchase descriptions, and other data to describe Services, Goods and Purchase Order requirements.
- (M) "Computer Software" or "Software" - Computer programs and computer databases.

3. INSPECTION AND ACCEPTANCE

- (A) All goods to be delivered and services to be performed shall be subject to inspection, surveillance and test at all times and places, including the period and place of manufacture or performance, by MDHS, and also by Government representatives if this Contract is placed pursuant to a Government prime contract or subcontract.
- (B) Seller and Seller's subcontractors shall provide and maintain an inspection system acceptable to MDHS and, where applicable, the Government. MDHS and, where applicable, Government inspectors shall have access to all areas on the premises of the Seller or Seller's subcontractors in which work on this order Contract is being performed. Seller and Seller's subcontractors shall provide all reasonable facilities for the safety and convenience of the inspectors, and Seller agrees to furnish to the inspectors all information and data that may be reasonably required to perform their inspection. All goods to be delivered shall be subject to final inspection, test and acceptance by MDHS at destination, notwithstanding any payment or inspection at source. MDHS shall accept or give notice of rejection of goods delivered within a reasonable time after receipt of such goods. No inspection of goods by MDHS prior to acceptance shall release Seller of its responsibility for any nonconformity. Acceptance by MDHS shall not waive any rights that MDHS might otherwise have at law or by express reservation in this Contract with respect to any nonconformity.
- (C) Any tender of goods which is nonconforming shall be deemed to substantially impair the value of this Contract as a whole to MDHS. In the event of a nonconforming tender, MDHS shall be entitled to all remedies as provided by law, and in addition thereto, shall have the right to do any or all of the following:
- (1) hold nonconforming goods for a reasonable period pending a determination to accept or reject any or all of such goods;
 - (2) return nonconforming goods to Seller for replacement or correction as MDHS may elect;
 - (3) accept nonconforming goods subject to an equitable Contract price reduction;
 - (4) repair, replace or correct nonconforming goods and charge to Seller the cost occasioned to MDHS thereby;
 - (5) require Seller to correct nonconforming services at no increase in the price of this Contract;
 - (6) recover by offset or otherwise any and all expenses, costs, price reductions and/or damages paid, incurred or suffered by MDHS as a result or consequence of such holding, return, repair, replacement, correction, reduction or rejection of nonconforming goods, services, and data. The value of the nonconforming goods shall be calculated by finding the product of the total hours expended by the MDHS for disposition and/or correcting the nonconformance and the Seller's hourly burden rate; and/or
 - (7) terminate this Contract as provided in Article 11, "Termination for Default".

(D) Services

(1) If services do not conform with Contract requirements, MDHS may require Seller to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by re-performance, MDHS may (a) require Seller to take necessary action to ensure that future performance conforms to contract requirements; and (b) reduce any fee payable under the Contract to reflect the reduced value of the services performed.

(2) If Seller fails to promptly perform the services again or to take the action necessary to ensure future performance in conformity with contract requirements, MDHS may (a) by Contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances or (b) cancel this Contract for default.

4. QUALITY ASSURANCE

Seller shall provide and maintain a quality control system acceptable to MDHS and, if required elsewhere, to the Government, for the goods and services purchased under this Contract. Seller agrees to permit MDHS to review its procedures, practices, processes, and related documents to determine such acceptability. This systems' acceptability requirement shall remain applicable to Seller in addition to any special Quality Assurance provisions which may be incorporated elsewhere in this Contract.

5. WARRANTY

(A) Coverage:

Seller warrants that all goods or services furnished will conform to the requirements set forth within this Contract or Purchase Order including all descriptions, specifications, and drawing requirements, and to the extent not manufactured pursuant to detailed designs furnished by MDHS, shall be free from defects in design.

Seller warrants that such goods as provided by this Contract shall be merchantable and fit for their intended purpose. Seller additionally warrants that such goods as provided by this Contract shall be free from defect in workmanship and materials.

Seller agrees to immediately notify MDHS upon becoming aware of a potential problem with product previously delivered to MDHS. Such notification shall include a recommended course of action.

(B) Period:

Seller warrants all goods or services provided under this contract or Purchase Order in accordance with the above conditions for a period of 12 months or 120 flight hours whichever occurs first. The period of warranty shall begin at time of acceptance by MDHS's end user. In no case shall the warranty exceed 18 months or 130 flight hours, whichever occurs first, from acceptance by MDHS.

(C) Notice:

MDHS shall provide written notice of breach to Seller within a reasonable time following MDHS's discovery or knowledge of nonconformance.

(D) Rights and Remedies:

Seller shall provide at Seller's expense, prompt corrections to or replacement of any goods or performance of any services failing to meet Seller's warranty herein including, but not limited to, all shipping and transportation costs and costs and damages related to the removal and reinstallation of any noncompliant or defective goods provided under this contract. This remedy shall be at the election and direction of MDHS. Goods or services corrected or replaced by Seller shall be subject to all of the conditions and provisions of this contract or Purchase Order in the manner and to the extent as goods or services originally furnished.

In the event that MDHS decides that the repair or replacement of the nonconforming goods or the reperformance of nonconforming services are not required, MDHS is entitled to an equitable adjustment to the contract price or MDHS may offset, against any Seller's open Contract, the expenses accrued which result from the nonconformance.

The rights and remedies provided by this clause are in addition to any other rights or remedies that MDHS may have at law or in equity.

(E) Exclusions:

The provisions of this warranty will not apply to any warranted goods or services if failure or other nonconformance has been caused by:

(1) Improper installation or maintenance.

- (2) Operation contrary to the Technical Manuals or other written instructions (approved by MDHS or its customers) in such a way as to induce a failure.
- (3) Repair or alteration by MDHS or its customers in such a way as to induce a failure.
- (4) Misuse, neglect, or accident.
- (5) Combat damage.
- (6) Operation outside the specific installation and operating limits specified in the Prime Item Development Specification (PIDS) in such a way as to induce a failure.
- (7) Foreign object damage (FOD).
- (8) Installation or operation in other than its intended use.
- (9) Failure caused by acts of God, subversion, riots, vandalism, or sabotage, or fire or explosion induced by or originating from sources external to the warranted item and not otherwise defined herein as resultant damage.
- (10) Damage attributable to improper packaging, crating, handling, or storage by MDHS or the Government, to the extent of said damage.

(F) Limitation and Transfer of Rights:

MDHS's warranty rights are in addition to, but shall not be altered by or limited to any standard warranties offered by the Seller. All warranties of Seller, including its service warranties and guarantees, if any, shall run to the benefit of MDHS and its customer(s) as determined by the MDHS Purchasing Representative.

(G) Waiver:

Neither MDHS's approval of Seller's designs or specifications nor MDHS's acceptance of goods or services furnished by Seller shall relieve Seller of its obligations under this warranty. MDHS's failure to enforce this warranty shall not prohibit or limit its enforcement on any future occasion.

6. DELIVERY, NOTICE OF DELAY, PACKAGING AND SHIPMENT

(A) Seller shall strictly adhere to the delivery and completion schedules specified in this Contract, and agrees that time is of the essence in the delivery of all goods. These delivery dates are the MDHS "on-dock" dates. If, at any time, Seller believes that it may be unable to comply with the required delivery or completion schedules, Seller shall immediately notify the MDHS Purchasing Representative, in writing, of the probable length of any anticipated delay and the reasons for it, and shall continue to notify MDHS's Purchasing Representative of any significant change in delivery status. In the event of such notice or of an actual failure by Seller to comply with the delivery or completion schedules, MDHS may, in addition to all other remedies, require Seller, at Seller's expense, to ship goods via air freight or other expedited routing to avoid or minimize delay.

(B) MDHS may, at its option, either retain (and store at Seller's expense) any goods received in advance of the Contract delivery schedule(s) or return them to Seller at Seller's risk and expense; and if retained, time for payment and discount shall be calculated on the basis of schedule delivery dates. Overshipment allowances, if authorized, will be applied to the total quantity required by this Contract. Seller shall place all orders for and schedule deliveries of materials, parts and services necessary for performance under this Contract at such times as will enable Seller to meet, but not unreasonably anticipate the schedule of deliveries set forth herein. In the event of termination of or changes to this Contract, MDHS shall not be liable for any charges or costs arising out of commitments by Seller for the acquisition of said materials, parts or services, or out of work performed, in advance of the time necessary to meet the delivery schedules, unless MDHS has given its prior written consent to such advance commitments or work.

(C) Seller shall ensure that each container and accompanying packing lists, shipping notices, tags and documentation will show the number of this Contract. No charge shall be made by Seller for packaging, delivery or similar costs unless expressly authorized by this Contract. All deliverable goods shall be suitably prepared for shipment to ensure safe delivery, secure the lowest transportation and insurance rates and to meet carrier requirements. If required by this Contract, Seller shall provide insurance coverage, adequate to protect MDHS's interests.

(D) Commercial packaging is normally acceptable for shipment to MDHS. Seller is responsible for selecting packaging methods and materials, except Styrofoam and similar packaging materials, which provide adequate protection at minimum cost. Packaging methods and material selected should consider, as a minimum, fragility, part composition, surface finish, size, weight and transportation mode. Packaging specified or referenced in this contract must be adhered to unless written deviation is authorized by MDHS. Nonconforming packaging is subject to rejection or repackaging at Seller's expense. Questions concerning these packaging instructions are to be directed to the Buyer. Any change in price, terms or conditions must be approved by the undersigned MDHS Buyer prior to implementation. Each Contract item must be packaged and identified separately. If the part number consists of more than one component, then each component shall be packaged in a single container. Markings on primary packaging must include the part number, nomenclature and quantity. If applicable, include serial number, lot number and cure date. DO NOT combine items from different Contracts in the same shipping container. All

containers are subject to material inspection and should provide a reclosable feature. Loose fill packaging material, e.g., plastic peanuts, is prohibited unless contained in polyethylene bag or similar method.

Two or more shipping containers and/or a total weight exceeding 150 pounds must be combined into a unitary load. The limit size of unitary loads is 50" overall height, 42" X 48" pallet (double deck construction) and a maximum 4" overhang on any side. Unitary loads must be properly stacked and bound (i.e., efficient stacking pattern) and bound by stretch wrap. Containers over 150 pounds and/or 60" and up foot print, must integrate a 4 way entry skid permitting the use of standard material handling equipment.

Seller must provide legible packing slips, located in a conspicuous and easily accessible place on the inside of the shipping containers, unitary or pallet loads. All associated paperwork (i.e., certifications, test reports, MRD's, etc.) must be located with the packing slips.

In addition, one copy of the packing slip must be in a conspicuous and easily accessible place on the outside of the shipping container or unitary load. Each shipping container shall be identified with the address, Contract number, item number(s) and part number.

(E) Except as specifically authorized by this Contract, MDHS shall not be responsible for payment of goods delivered by Seller which are in excess of the total quantity ordered. Upon receipt of any excess quantity, the MDHS Buyer will notify Seller of the over shipment and allow 48 hours for Seller's determination of whether Seller will:

- (1) Pick up the excess material at MDHS;
- (2) Authorize packing and return shipment at Seller's expense (if Seller elects to have material returned, MDHS's minimum charges for repackaging and shipping will be \$250.00; or
- (3) Permit MDHS to retain such goods at no cost to MDHS.

7. CHANGES

(A) MDHS may, at any time, exclusively by a written Change Order signed by its authorized Purchasing Representative and without notice to sureties, make changes within the general scope of this Contract, which affect the:

- (1) drawings, designs or specifications;
- (2) method of shipment or packing;
- (3) place of inspection, delivery or acceptance;
- (4) quantities and delivery schedules;
- (5) description of time or place of performance of services; and
- (6) MDHS or Government-furnished facilities, equipment or material.

(B) If any such change causes an increase or decrease in the cost of or the time required for performance of this Contract, an equitable adjustment shall be made in the Contract price or delivery schedule or both, and this Purchase Order Contract shall be modified in writing accordingly. Any claim by Seller for adjustment under this provision must be asserted in writing to MDHS's Purchasing Representative not later than thirty (30) calendar days after the date of receipt by Seller of the written change authorization or within such extension as MDHS may grant in writing. MDHS may, in its sole discretion, consider any claim received from Seller regardless of when asserted. Such claim shall be in the form of a complete change proposal fully supported by factual information.

(C) Pending any such adjustment, Seller will diligently proceed with the Contract as modified. If the cost of property made excess or obsolete as a result of a change is included in Seller's claim for adjustment, MDHS shall have the right to direct the manner of disposition of such property. MDHS shall have the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claims.

8. INVOICING, TAXES AND PAYMENT

(A) Unless Seller receives payment under the "Autopay" system, for each shipment of goods or complete item of services, Seller shall submit an original invoice marked "Original" and one copy marked "Copy" to MDHS's Accounts Payable Department at the address specified on the face of this Contract. Seller's invoices will be returned for correction or offset by MDHS's debit memoranda for any adjustments due to shortages, late deliveries, rejections or other failure to comply with the requirements of this order, before payment is made by MDHS. This Contract number and appropriate line item number must appear on all shipping documents, invoices, quality certifications and packing sheets.

(B) Unless prohibited by law or otherwise expressly agreed by MDHS, Seller shall pay and has included in the price of this Contract any federal, state or local sales taxes, transportation, use or other taxes (except for income taxes) required to be imposed on the goods or services ordered by reason of their manufacture, sale or delivery. Materials, supplies and services designated for incorporation in the manufacture and production, or as a component part of any item to be manufactured or produced for the U.S. Government, shall not be subject to any federal, state or local taxes from which said materials, supplies and services are exempt. To the extent that any form of tax exemption is applicable to this Contract, Seller hereby agrees to recognize and comply with all exemption certificates presented by MDHS.

(C) In the event MDHS expressly agrees to accept invoices from Seller which contain any federal, state or local taxes, or any freight charges, such taxes or freight charges shall be separately itemized in Seller's invoices and supported by documentation satisfactory to MDHS. In the event MDHS expressly agrees to accept invoices from Seller which contain any freight charges, such freight charges shall be separately itemized in Seller's invoices and supported by documentation satisfactory to MDHS.

(D) Sellers who receive payment under the "Autopay" system shall not submit invoices to MDHS for payment. MDHS will make payment for the quantity of material received on Seller's tender of delivery, using Purchase Order unit price and unit of measure. If shipment is earlier than the authorized schedule date, MDHS may, either return the shipment as set forth elsewhere in the contract, or withhold payment until the schedule date. For payment of Progress Payment billings or non-recurring items in this order, Seller shall submit invoices in accordance with directions contained in the General Terms and Conditions and any Special Conditions pertaining to Progress Payments in this contract. Questions pertaining to the policy or payments should be directed to the MDHS Purchasing Representative.

(E) Determination of payment due date whether under Net or Discount terms will be based on the latest of:

- (1) the date goods are received or services are completed;
- (2) the date goods are scheduled to be received or services are scheduled for completion under the Contract; or
- (3) the date an accurate invoice is received by MDHS.

(F) Payment by MDHS will be deemed to have been made when deposited in the Mail.

9. STOP WORK

(A) MDHS may, at any time, issue written direction to Seller to stop all or any part of the work called for by this Contract for a period of time not to exceed ninety (90) calendar days after written direction is delivered to the Seller and for any further period to which the parties may agree, which written direction shall be specifically identified as a Stop Work Order issued under this provision. Upon receipt of the Stop Work Order, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by this Contract during the period of work stoppage. Within the ninety (90) calendar day period following Seller's receipt of such Stop Work Order, or within any extension of that period, MDHS shall either:

- (1) cancel the Stop Work Order; or
- (2) terminate the work covered by the Stop Work Order as provided in either the Termination for Convenience or the Termination for Default provision of this Contract.

(B) If a Stop Work Order issued under this provision is canceled or the period of the Stop Work Order or any extension thereof expires, the Seller shall resume work. MDHS shall make an equitable adjustment in the delivery schedule or Contract price, or both, and this Contract shall be modified in writing accordingly, if:

- (1) the Stop Work Order results in an increase in the time required for, or in the Seller's cost properly allocable to, the performance of any part of this Contract; and
- (2) Seller asserts a claim for such adjustment within thirty (30) calendar days after the end of the period of work stoppage.

(C) If the Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated for the convenience of MDHS and/or the Government in accordance with applicable provisions of this Contract, then MDHS shall allow reasonable costs resulting from the Stop Work Order in arriving at any appropriate termination settlement. If the Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated for default in accordance with applicable provisions of this Contract, MDHS shall not allow, by equitable adjustment or otherwise, any costs or other expenses incurred by Seller resulting from the Stop Work Order.

10. TERMINATION FOR CONVENIENCE

MDHS may terminate this Contract for its convenience in whole or, from time to time, in part, in accordance with the FAR clause titled "Termination for Convenience of the Government" set forth in 52.249-2 and in effect on the date of this Contract, which clause is incorporated herein by this reference except

for paragraphs (c) and (i). The period for submittal of Seller's termination settlement proposal under referenced clause is hereby reduced to six (6) months, and the period for submittal of Seller's request for equitable adjustment is hereby reduced to forty-five (45) calendar days. In the referenced clause, the term "Contractor" shall mean Seller and the terms "Government" and "Contracting Officer" shall mean MDHS. If this Contract is not issued under a Government prime contract or subcontract, the "record-keeping" requirement of said clause is deemed to be deleted.

11. TERMINATION FOR DEFAULT

(A) MDHS may terminate the whole or any part of this Contract under any of the following circumstances:

- (1) if Seller fails to deliver the goods or to perform the services required by this Contract within the time specified herein or any extension thereof granted by MDHS in writing; or
- (2) if Seller fails to perform any of the other provisions of this Contract or so fails to make progress as to endanger performance of this order in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) calendar days after receipt of notice from MDHS specifying such failure; or
- (3) in the event of suspension of Seller's business, insolvency, institution of bankruptcy, liquidation proceedings by or against Seller, appointment of a trustee or receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of creditors.

(B) MDHS may require Seller to transfer title and deliver to MDHS in the manner and to the extent directed by MDHS:

- (1) any completed goods; and
- (2) such partially completed goods and material, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (hereinafter called "manufacturing materials") as Seller has produced or acquired for the performance of this Contract, including the assignment to MDHS of Seller's subcontracts. Seller further agrees to protect and preserve property in the possession of Seller in which MDHS has an interest. Payment for completed goods delivered to and accepted by MDHS shall be at the Contract price. Payment for manufactured materials delivered to and accepted by MDHS and for the protection and preservation of property shall be at a price determined in the same manner as provided in the Termination for Convenience provision hereof, except that Seller shall not be entitled to profit. MDHS may withhold from Seller moneys otherwise due Seller for completed goods and/or manufacturing materials in such amounts as MDHS determines necessary to protect MDHS against loss due to outstanding liens or claims against said goods.

(C) In the event MDHS terminates this Contract for Seller's default, Seller shall be liable to pay MDHS all costs incurred for re-procurement of item or items provided for in the Contract.

12. MDHS PROPERTY

Seller agrees to keep all property furnished by MDHS and all property to which MDHS acquires title by virtue of this Contract segregated and clearly marked, and Seller will maintain a complete inventory thereof. Seller assumes all risk of loss, destruction or damage to such property while in Seller's custody or control, and agrees to immediately notify MDHS's Purchasing Representative, in writing, of any such loss, destruction or damage. Upon termination or completion of this Contract, Seller will deliver such property, as directed by MDHS, in good condition subject to ordinary wear and tear plus normal manufacturing losses as determined by the MDHS Purchasing Representative. Nothing in this Article limits Seller's use in direct dealings with the Government, of property in which the Government has a vested interest.

13. SUBCONTRACTING AND ASSIGNMENT

(A) Seller agrees that it will not delegate any duty of performance, or subcontract, without MDHS's prior written consent, for the design, development or procurement of the whole or any substantial portion of any goods or services ordered. This limitation shall not apply to Seller's purchases of standard commercial supplies or raw material.

(B) Neither this Contract nor any interest herein nor any claim shall be assigned by Seller either voluntarily or by operation of law without the prior written consent of MDHS. No such consent shall be deemed to relieve Seller of its obligations to comply fully with the requirements hereof. Seller may, however, without MDHS's consent, assign moneys due and to become due if the following conditions are met:

- (1) MDHS shall continue to have the right to exercise any and all of its rights under, settle any and all claims arising out of, and enter into amendments hereto, without notice to or consent of the assignee;
- (2) the entire amount of said moneys is assigned to a single assignee, and shall not be subject to further assignment; or
- (3) MDHS is given notice of the assignment and all invoices submitted by Seller contain adequate reference to the assignment.

14. TITLE AND RISK OF LOSS

(A) Unless the terms of this Contract specifically provide for earlier passage of title, title to supplies or equipment covered by this Contract shall pass to MDHS upon acceptance, regardless of when or where MDHS takes physical possession.

(B) Unless otherwise provided herein, risk of loss of or damage to supplies or equipment covered by this Contract shall remain with the Seller until, and shall pass to MDHS upon:

(1) delivery of the supplies or equipment to a carrier, if transportation is F.O.B. origin;

(2) acceptance by MDHS or delivery of possession of the supplies or equipment to MDHS at the destination specified in this Contract, whichever is later, if transportation is F.O.B. destination.

(C) Notwithstanding (B) above, the risk of loss of or damage to supplies or equipment which so fail to conform to this Contract as to give a right of rejection shall remain with Seller until cured or acceptance, at which time (B) above shall again apply.

(D) All supplies, equipment or other items delivered by Seller under this Contract and all property to be returned by Seller to MDHS shall be free and clear of all liens and encumbrances whatsoever.

15. SELLER'S NONDISCLOSURE

Seller shall not, without the written consent of MDHS, either during or after the performance of the work required, use, other than for such performance, or disclose to any person other than a duly authorized representative of MDHS any information, data, material or exhibit created, developed, produced or otherwise obtained in the course of the work required, or any information contained in reports, drawings, documents or other records furnished to Seller by MDHS. Seller further agrees that it will not divulge any matter, the disclosure of which would be detrimental to the interests of MDHS as determined by MDHS. Nothing contained herein shall prevent Seller from making proper use of its experience gained in the performance of the work required. The restrictions of this provision shall not apply to information in the prior possession of Seller or to information acquired by Seller from a source other than MDHS that has the right to disclose such information to Seller, and which Seller, in turn, has the right to disclose, nor shall it limit any rights the Government may have in such information.

16. MDHS'S USE OF DATA AND INFORMATION

Seller agrees that any data such as drawings, instructions or information furnished to MDHS in connection with this Contract shall be free from confidential, proprietary or restrictive use markings, other than statutory patent, copyright, U.S. Government security notices or properly applied restrictive legends permitted by appropriate FAR or DFARS clauses incorporated herein. MDHS, its agents or assignees, may duplicate, disclose, translate, publish, disseminate, sublicense, or use such documents in connection with further manufacture, use or disposition of the data furnished under this order, and may remove, obliterate or ignore any such marking as may be on such documents, except as set forth above. All information and data disclosed or furnished to MDHS in connection herewith shall be deemed to be disclosed or furnished as part of the consideration for this Contract, and Seller agrees not to assert any claims (except claims for patent infringement) by reason of any use, sublicense, duplication, translation, publication, dissemination, or disclosure thereof.

17. PATENT, TRADEMARK, COPYRIGHT, NONDISCLOSURE AND INDEMNITY

(A) Seller shall defend and hold harmless MDHS, its customers, end users and those for whom MDHS may act as agent, from all loss or damage by reason of any and all actions or proceedings charging infringement or wrongful use of any patent, trademark, trade secret or copyright by reasons of sale or use of any goods, merchandise, software or data furnished, except for items which Seller has produced according to MDHS or Government specifications supplied under this Contract.

(B) If the use or sale of any item, with respect to which Seller indemnifies MDHS is enjoined as a result of such action or proceeding, Seller, at no expense to MDHS, shall obtain for MDHS, its customers and end users, the right to use and sell said item or shall substitute an equivalent item acceptable to MDHS and extend this same written indemnification with respect to such equivalent item. In the event that Seller is unable to secure such right of use for MDHS, its end users and customers, or to secure an equivalent item as a substitute, Seller will indemnify MDHS, its customers and end users for any and all losses or damages sustained by reason of such injunction.

18. NOTICE OF LABOR DISPUTES

(A) Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Contract, Seller shall immediately give notice thereof, and all relevant information with respect thereto, to MDHS's Purchasing Representative and shall further advise MDHS of any material changes in such information as changes may occur.

(B) Seller agrees to insert the substance of this provision, including this paragraph (B) in any subcontract or Purchase Order issued, wherein all or any significant part of the work to be performed under the subcontract or Purchase Order, is to be performed by workers bound by a union contract or otherwise affiliated with a union guild or other association of employees.

19. DISPUTES

(A) Pending the final resolution of any dispute involving this Contract, Seller agrees to proceed with performance of this Contract, including the delivery of goods, in accordance with MDHS's instructions. Seller shall submit to MDHS's authorized Purchasing Representative, a written demand for MDHS's final decision regarding the disposition of any dispute between the parties relating to this Contract, unless MDHS, on its own initiative, has already rendered such a final decision. Any MDHS final decision shall be expressly identified as such, shall be in writing, and shall be signed by MDHS's authorized Purchasing Representative, except that MDHS's failure to render a final decision within ninety (90) calendar days after receipt of Seller's demand shall be deemed a final decision adverse to Seller's contentions.

(B) MDHS's final decision shall be conclusive and binding regarding the dispute unless Seller commences an action to contest such decision within ninety (90) days following the date of the final decision or within one (1) year following the accrual of the cause of action, whichever is later.

(C) Seller shall cooperate fully with MDHS in seeking a resolution of any dispute involving this Contract under the disputes procedure set forth in any applicable Government prime or higher-tier contract. If MDHS elects to follow such procedures, Seller shall be bound by the final outcome of the disputes procedure if:

(1) MDHS has afforded Seller an opportunity to participate in MDHS's conduct of the dispute; or

(2) MDHS, having decided to discontinue its own processing of the dispute has afforded Seller an opportunity to take over such processing completely; provided however, that Seller agrees to inform and notify MDHS as to status and outcome of the dispute proceeding.

(D) MDHS and Seller shall each bear its own costs of processing any dispute.

20. RIGHTS AND REMEDIES

The rights and remedies of MDHS herein are cumulative and are in addition to any other rights or remedies that MDHS may have at law or in equity.

21. WAIVER AND SEVERABILITY

Any action or inaction by MDHS or the failure of MDHS, on any occasion, to enforce any right or provision of this Contract shall not be construed to be a waiver by MDHS of its rights, and shall not prevent MDHS from enforcing such provision or right on any future occasion. A determination that any portion of this Contract is unenforceable or invalid shall not affect the enforceability or validity of any of the remaining portions of this Contract.

22. ORDER OF PRECEDENCE

(A) In the event of any inconsistency between or among the provisions, articles, attachments, or specifications which constitute this Contract, the following order of precedence shall apply:

(1) the Purchase Order, all Special Provisions, including any attachments referenced or incorporated by those Special Provisions;

(2) the General Provisions;

(3) the specifications.

(B) MDHS's specifications shall prevail over any subsidiary documents referenced therein. Seller shall not use any specification in lieu of those contained in this Contract without written consent of MDHS's Purchasing Representative.

23. COMPLIANCE WITH STATUTES AND REGULATIONS

(A) GENERAL: In the performance of this Contract, Seller shall comply with all applicable statutes and governmental rules, regulations and orders. Seller shall indemnify, hold harmless and defend MDHS from and against all losses, costs, fees and damages arising directly or indirectly from any actual or alleged failure by Seller to comply with any such statutes, rules, regulations and orders. Seller specifically agrees to indemnify and hold MDHS harmless from any price reduction or credits against any MDHS prime contract, which have been brought about by the Seller's failure to comply with provisions incorporated into this Contract requiring Seller to submit accurate, current and complete cost or pricing data.

(B) ANTI-KICKBACK ACT: The contract clause titled "Anti-Kickback Procedures" set forth in FAR 52.203-7 is made a part of this Contract by this reference with the following modifications: the term "Contractor" shall mean Seller and the term "Contracting Officer" shall mean the Contracting Officer cognizant of the Government prime contract or higher-tier subcontract under which this Contract was awarded.

(1) By Seller's acceptance of this Contract, Seller warrants and represents to MDHS that neither Seller nor any immediate or lower-tier subcontractor of Seller, nor any person acting on behalf of any of them, has engaged in conduct prohibited by the Anti-Kickback Act of 1986 (41 USC 51-58) relating to this Contract or any subcontract or lower-tier subcontract under this order. Seller shall indemnify, defend and hold harmless MDHS, its agents, officers and employees, from all losses, costs, fees and damages resulting directly or indirectly, in whole or in part, from any conduct prohibited as aforesaid in which Seller, any immediate or lower-tier subcontractor of Seller or any person acting on behalf of any of them has engaged or hereafter engages relating to this Contract or any lower-tier subcontract under this order.

(2) MDHS shall have the right to withhold any sums due Seller under this Contract: (a) if so directed pursuant to Section 6 of the aforesaid Act or pursuant to the Anti-Kickback Act Procedures clause of the prime contract or higher-tier subcontract under which this Contract has been issued by the Contracting Officer or agency cognizant of the prime contract under which this Contract was awarded, or (b) to recoup losses, costs, fees and damages against the incurrence of which Seller has agreed in this clause to indemnify MDHS. For purposes of this clause, definitions of the terms "subcontractor", "subcontract" and "person" shall be deemed to be those set forth in Section 2 of said Act.

(3) Any report made pursuant to this clause shall be made to the Director of Procurement at McDonnell Douglas Helicopter Systems, 5000 East McDowell Road, Mesa, AZ 85215-9797.

(C) INDUSTRIAL LAWS

(1) Seller's relationship to MDHS in the performance of this Contract is that of an independent contractor. Neither Seller nor any of the persons furnishing materials or performing work or services which are required by this Contract are employees of MDHS. Seller shall, at its own expense, comply with all laws and regulations, and assume all liabilities or obligations imposed by any one or more of said laws and regulations thereunder with respect to this Contract, including but not limited to, the applicable provisions of the Fair Labor Standards Act of 1938, as amended, and the Occupational Safety and Health Act of 1970, including all regulations, standards and amendments issued pursuant thereto.

(2) All goods and services furnished by Seller under this Contract shall comply with the above referenced laws and regulations. In furtherance of that compliance, Seller hereby certifies that these goods were produced in compliance with all applicable wage, and labor statutes and regulations, including relevant requirements of the Fair Labor Standards Act, as amended, and U.S. Department of Labor Regulations and orders issued under Section 14 thereof.

24. GRATUITIES

By accepting this Contract, Seller covenants and warrants that no gratuities (in the form of entertainment, gifts or otherwise) were offered or given by Seller, or any agent or representative of Seller, to any officer or employee of MDHS or MDHS's customer, including but not limited to, the U.S. Government, for the purpose of securing this or any Contract or securing favorable treatment with respect to the awarding or the making of any determinations regarding the performance of such Contract.

25. AUDIT AND INSPECTION OF RECORDS

Seller shall keep adequate records of payable hours of direct labor and all costs of the performance of this Contract, such records shall be subject to audit by MDHS and if applicable, its Government customer(s) in the event of termination, other equitable adjustment or with respect to any Contract for which Seller submits progress billings or for which Seller's price is based on time and cost of materials.

26. MDHS FURNISHED TOOLING, MATERIALS AND DATA

(A) All designs, tools, patterns, drawings, specifications and any other data, information, materials, equipment and the like either:

(1) made or procured by Seller especially for producing the goods covered by this Contract; or

(2) furnished by MDHS to Seller for use in the manufacture of the goods, shall become or remain MDHS's property, and Seller shall not use any proprietary data related to such property in the production, manufacture or design of any other articles or materials or for the production or manufacture of quantities larger than those specified herein, without first obtaining MDHS's written consent.

(B) Seller shall maintain a current inventory list and identify all such property and products furnished by MDHS. Seller shall further be fully responsible for all property upon delivery to Seller until redelivery thereof to MDHS, and shall promptly, upon completion of the work, deliver all such property and productions therefrom to MDHS; or if MDHS demands delivery prior to completion of the work, Seller shall deliver such property and products to MDHS in accordance with the terms of said demand. In all instances, Seller shall establish and maintain procedures for the property. Seller shall establish and maintain procedures for the adequate storage, maintenance and inspection of such property and shall maintain inspection records available to MDHS upon request.

(C) Notwithstanding the foregoing, Seller may produce articles or materials for direct sale to the U.S. Government where the Government has the right to use the equipment, tools, gauges, patterns, designs, drawings, engineering data or other technical or proprietary information furnished by MDHS and required to produce such articles or materials.

(D) Seller agrees that the drawings, tooling and technical data furnished by MDHS are proprietary to MDHS and for its exclusive use. Seller further agrees that

production, overhaul or sale of material using these proprietary drawings, data or tooling for or to anyone other than MDHS is expressly forbidden without the prior written consent of MDHS's Purchasing Representative.

(E) If this Contract is placed under a U.S. Government prime contract, Seller shall immediately notify MDHS in the event that Seller receives a request for information or a solicitation for an offer from the Government which would require the use of the drawings, tooling or technical data described in (D) above for sales to the U.S. Government. Upon such notification, MDHS shall advise Seller whether the request for information or solicitation calls for items or concerns a subject in which MDHS claims proprietary rights. Seller may use such drawings, data and/or tooling for the expressed purpose of responding to requests for information or selling directly to the Government, to the extent that the Government claims "unlimited rights" or "government purpose rights" under any applicable prime contract, unless Seller is notified by MDHS that it disputes a Government claim to such "unlimited" or "government purpose rights".

27. INDUSTRIAL PARTICIPATION (OFFSET)

(A) To the extent that the goods ordered are components of MDHS products/systems sold to a foreign nation or concern and in recognition that such sale results directly or indirectly in business opportunities, sales or revenue for the Seller, the Seller agrees to cooperate with MDHS in the fulfillment of any offset program obligations that MDHS may be required to accept as a condition of such foreign sale. Seller will assume and discharge a proportionate share of said offset obligation(s), either directly or through a mutually agreeable third party.

Seller's proportionate share of MDHS's offset obligation shall be defined as follows: Seller's value per shipset X number of shipsets for the foreign customer (including spares) X offset percentage. Seller's obligations shall be discharged in accordance with the ground rules negotiated between MDHS and the foreign customer.

The offset commitment set forth herein is a material requirement of the applicable Contracts issued by MDHS to the Seller, and notwithstanding any other provisions of such Contracts, Seller shall not be relieved of such requirement unless MDHS is so relieved by the foreign customer, except insofar as the Seller is otherwise relieved for performance of such Contracts.

(B) MDHS expressly reserves the right to all industrial benefits and other offset credits arising with respect to any goods ordered, including any related subcontracts issued by the Seller to sources in the foreign customer's country. MDHS also reserves the right to obtain from the Seller all information in such form as may be required to enable MDHS to obtain the aforementioned benefits. All options, spares orders or similar requirements obtained by the Seller with respect to its procurement of any goods ordered shall similarly be subject to the provisions of this paragraph.

28. PRICE WARRANTY

Seller warrants that the price of the goods or services to be furnished to MDHS under this Contract do not exceed the price charged by Seller to any other customer purchasing the same goods or services in like or smaller quantities and under similar conditions of purchase.

29. NEWS RELEASE AND PUBLIC ANNOUNCEMENTS

Seller shall issue no news release, public announcement, advertisement, denial or confirmation of all or any part of the subject matter of this Contract or any phase of any program without the prior written approval of MDHS.

30. APPLICABLE LAW

This Contract shall be governed by and construed in accordance with the laws of the State of Arizona, except for its rules regarding conflict of laws.

31. FAR, DFARS, AND NASA PROVISIONS FOR GOVERNMENT FIRM FIXED PRICE CONTRACTS

(A) The following contract clauses are incorporated by reference from the Federal Acquisition Regulation (FAR) and apply to the extent indicated. In addition, all FAR clauses required by the U.S. Government by statute, regulation, or otherwise to be flowed down to Seller are hereby incorporated into this Contract by this reference, whether or not they are explicitly referenced in this Article 31. In all of the following clauses, "Contractor" and "Offeror" mean Seller and "Government" and "Contracting Officer" mean MDHS and/or Government. Unless otherwise provided, the clauses are those in effect as of the date of this Contract.

(1) 52.203-3 Gratuities.

(2) 52.203-6 Restrictions on Subcontractor Sales to the Government.

(3) 52.203-7 Anti-Kickback Procedures (excluding subparagraph (c)(1)). MDHS may withhold from sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed MDHS under the prime contract.

(4) 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity. This clause applies only if this Contract exceeds the FAR small purchase limitation. If

the Government reduces MDHS's price or fee for violations of the Act by Seller or its subcontractors at any tier, MDHS may withhold from sums owed Seller the amount of the reduction.

(5) 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. This clause applies only if this Contract exceeds \$100,000.

(6) 52.203-12 Limitation on Payments to Influence Certain Federal Transactions. The clause applies only if this Contract exceeds \$100,000.

(7) 52.204-2 Security Requirements. "Changes clause" means the changes clause of this Contract. This clause applies only if access to classified material is required.

(8) 52.208-1 Required Sources for Jewel Bearings and Related Items. The notice referred to in subparagraph (d) shall be made to MDHS. (April 1984)

(9) 52.208-8 Helium Requirement Forecast and Required Sources of Helium.

(10) 52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.

(11) 52.211-5 New Material. Any notice will be given to MDHS rather than the Contracting Officer.

(12) 52.211-7 Other than New Material, Residual Inventory, and Former Government Surplus Property. "Contracting Officer" and "Government" mean MDHS.

(13) 52.211-15 Defense Priority and Allocation Requirements.

(14) 52.214-26 Audit and Records - Sealed Bidding.

(15) 52.214-28 Subcontractor Cost or Pricing Data - Modifications - Sealed Bidding.

(16) 52.214-30 Annual Representations and Certifications - Sealed Bidding.

(17) 52.215-2 Audit - Negotiation. This clause applies only if this Contract exceeds \$25,000.

(18) 52.215-2 4 Subcontractor Cost or Pricing Data.

(19) 52.214-25 Subcontractor Cost or Pricing Data - Modifications.

(20) 52.215-26 Integrity of Unit Prices (excluding paragraph (c)).

(21) 52.215-27 Termination of Defined Benefit Pension Plans.

(22) 52.215-35 Annual Representations and Certifications - Negotiations

(23) 52.215-39 Reversion of Adjustment of Plans for Postretirement Benefits other than Pensions (PRB)

(24) 52.215-40 Notification of Ownership Change.

(25) 52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns.

(26) 52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan. In paragraph (c), "Contracting Officer" means MDHS. This clause applies only if this Contract exceeds \$500,000 and Seller is not a small business concern.

(27) 52.219-13 Utilization of Women-Owned Business.

(28) 52.220-3 Utilization of Labor Surplus Area Concerns. Applicable if this Contract is for more than \$25,000 or is expected to exceed \$25,000 and is not for personal services. (April 84)

- (29) 52-220-4 Labor Surplus Area Subcontracting Program. This clause applies only if this Contract exceeds \$500,000. (April 84)
- (30) 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation. MDHS may withhold or recover from Seller the amount of any sums the Contracting Officer withholds or recovers from MDHS because of liabilities of Seller or its subcontractors under this clause. Applicable if this Contract is for \$2,500 or more.
- (31) 52.222-20 Walsh-Healey Public Contracts Act. This clause applies only if this Contract exceeds \$10,000.
- (32) 52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)).
- (33) 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans. This clause applies only if this Contract is for \$10,000 or more.
- (34) 52.222-36 Affirmative Action for Handicapped Workers. This clause applies only if this Contract exceeds \$2,500.
- (35) 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era. This clause applies only if this Contract is for \$10,000 or more.
- (36) 52.222-41 Service Contract Act of 1965, as Amended.
- (37) 52.223-1 Clean Air and Water Act Certification.
- (38) 52.223-2 Clean Air and Water. This clause applies only if this Contract exceeds \$100,000.
- (39) 52.223-3 Hazardous Material Identification and Material Safety Data. This clause applies only if Seller and Alt. I delivers hazardous material under this Contract. Alternate I applies if prime contract is awarded by an agency other than DoD.
- (40) 52.223-6 Drug-Free Workplace.
- (41) 52.223-7 Notice of Radioactive Materials. The period for giving notice is 60 days.
- (42) 52.223-11 Ozone Depleting Substances.
- (43) 52.223-14 Toxic Chemical Release Reporting.
- (44) 52.224-1 Privacy Act Notification.
- (45) 52.224-2 Privacy Act Notification.
- (46) 52.225-3 Buy American Act - Supplies.
- (47) 52.225-10 Duty-Free Entry. This clause applies only if foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States, or those identified in the schedule as eligible for duty-free entry.
- (48) 52.225-11 Restrictions on Certain Foreign Purchases.
- (49) 52.227-1 Authorization and Consent. Applicable for all subcontracts, at any tier, for supplies or services.
- (50) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement. A copy of each notice sent to the Government will be sent to MDHS. This clause applies to all subcontracts, at any tier, for supplies or services expected to exceed the dollar amount set forth in FAR 13.000.
- (51) 52.227-3 Patent Identity.
- (52) 52.227-9 Refund on Royalties. This clause applies where Royalties in excess of \$250 are reported during negotiation of subcontract.
- (53) 52.227-10 Filing of Patent Applications - Classified Subject Matter.

- (54) 52.227-11 Patent Rights - Retention by the Contractor (Short Form.)
- (55) 52.227-12 Patent Rights - Retention by the Contractor (Long Form.)
- (56) 52.227-13 Patent Rights - Acquisition by the Government.
- (57) 52.227-14 Rights in Data - General. This clause applies only if data will be produced, furnished or acquired under this Contract.
- (58) 52.227-16 Additional Data Requirements.
- (59) 52.228-3 Worker's Compensation Insurance (Defense Base Act).
- (60) 52.228-4 Worker's Compensation and War-Hazard Insurance Overseas.
- (61) 52.228-5 Insurance - Work on a Government Installation.
- (62) 52.230-2 Cost Accounting Standards.
- (63) 52.230-3 Disclosure and Consistency of Cost Accounting Standards.
- (64) 52.230-5 Cost Accounting Standards - Educational Institutions.
- (65) 52.232-12 Advance Payments.
- (66) 52.232-16 Progress Payments.
- (67) 52.232-17 Interest. The parenthetical phrase "(net of any applicable tax credit under the Internal Revenue Code (26 U.S.C. 1481))" is deleted from paragraph (a). Paragraph (c) is deleted.
- (68) 52.232-32 Performance-Based Payments.
- (69) 52.233-3 Protest after Award.
- (70) 52.234-1 Industrial Resources Developed Under Defense Production Act Title III.
- (71) 52.236-13 Accident Prevention.
- (72) 52.237-7 Identification of Medical Liability Insurance.
- (73) 52.244-6 Subcontracts for Commercial Items and Commercial Components.
- (74) 52.245-2 Government Property.
- (75) 52.245-17 Special Tooling as specified in Subparagraph (n.)
- (76) 52.245-18 Special Test Equipment. Substantially similar language in all Subcontracts for Special Test Equipment or components to be acquired for the Government.
- (77) 52.246-2 Inspection of Supplies - Fixed-Price.
- (78) 52.246-23 Limitation of Liability.
- (79) 52.247-63 Preference for U.S.-Flag Air Carriers. This clause applies only if this Contract exceeds \$25,000.
- (80) 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels. This clause applies only if this Contract exceeds \$25,000.

(81) 52.248-1 Value Engineering (excluding paragraph (f) and substitute the following clause (applicable if the dollar amount of this Contract equals or exceeds \$100,000)): Sharing rates. If a Value Engineering Change Proposal (VECP) is accepted by the Government, the subcontractor shall share in the instant, concurrent, and future contract net acquisition savings, and collateral savings as negotiated with McDonnell Douglas Helicopter Systems (MDHS). The Seller's negotiated share of net acquisition savings or collateral savings shall not reduce the Government's share of concurrent or future contract savings or collateral savings. The Value Engineering clause is applicable to Purchase Orders of \$100,000 or more.

(82) 52.249-2 Termination for Convenience of the Government, except for paragraph (c) and paragraph (i) .

(B) If this Contract is placed under a Department of Defense Contract, the following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. The following contract clauses are incorporated by reference from the Department of Defense (DoD) Federal Acquisition Regulation Supplement (DFARS) and apply to contracts placed by MDHS in connection with DoD contracts to the extent indicated. In addition, all DFAR clauses required by the U.S. Government by statute, regulation or otherwise to be flowed down to Seller are hereby incorporated into this Contract by this reference, whether or not they are explicitly referenced in this Article 31. In all of the following clauses, "Contractor" and "Offeror" mean Seller and "Government" and "Contracting Officer" mean MDHS and/or Government. Unless otherwise provided, the clauses are those in effect as of the date of this Contract.

(1) 252.203-7001 Special Prohibition on Employment (excluding paragraph (g)). This clause applies only if this Contract exceeds \$25,000.

(2) 252.204-7000 Disclosure of Information. Seller will submit requests for authorization to release through MDHS.

(3) 252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material.

(4) 252.209-7000 Acquisition From Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty. This clause applies only if this Contract exceeds the FAR simplified acquisition threshold and is not for commercial or commercial items.

(5) 252.211-7000 Acquisition Streamlining. This clause applies, including paragraph (d) only if this Contract exceeds \$1 million.

(6) 252.219-7003 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts.)

(7) 252.222-7000 Restrictions on Employment of Personnel.

(8) 252.223-7001 Hazard Warning Labels.

(9) 252.223-7002 Safety Precautions for Ammunition and Explosives.

(10) 252.223-7003 Change in Place of Performance - Ammunition and Explosives.

(11) 252.223-7005 Hazardous Waste Liability.

(12) 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Waste Materials.

(13) 252.225-7001 Buy American Act and Balance of Payments Program.

(14) 252.225-7002 Qualifying Country Sources as Subcontractors.

(15) 252.225-7009 Duty-Free Entry - Qualifying Country End Products and Supplies. Seller shall provide MDHS with copies of all notices sent to the Government under this clause. Upon request from Seller, MDHS will provide the information required under paragraphs (e) and (h).

(16) 252.225-7010 Duty-Free Entry - Additional Provisions. This clause applies in addition to FAR 52.225-10. Additional information referenced in this clause is available on request.

(17) 252.225-7014 Preference for Domestic Specialty Metals. Applicable to Contracts exceeding \$25,000. and Alt. I

(18) 252.225-7016 Restrictions on Acquisition of Anti-Friction Bearings.

(19) 252.225-7024 Restriction on Acquisition of Night Vision Image Intensifier Tubes and Devices.

- (20) 252.225-7025 Foreign Source Restrictions. Applicable unless the supplies purchased contain none of the restrictive items identified in DFARS 252.225-7105.
- (21) 252.225-7026 Reporting of Contract Performance Outside of the US.. This clause applies only if this Contract exceeds \$100,000, unless this Contract is for a commercial item as defined in DFARS 252.211-7001.
- (22) 252.225-7027 Limitation on Sales Commissions and Fees. This clause applies only if this Contract is for Foreign Military Sales.
- (23) 252.225-7028 Exclusionary Policies and Practices of Foreign Governments. This clause applies only if this Contract is for Foreign Military Sales.
- (24) 252.225-7032 Waiver of United Kingdom Levies. Applicable to contracts with U.K. firms that exceed \$1 million.
- (25) 252.225-7037 Duty-Free Entry - NAFTA Country End Products and Suppliers.
- (26) 252.227-7013 Rights in Technical Data - Noncommercial Items.
- (27) 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Software Documentation.
- (28) 252.227-7015 Technical Data - Commercial Items.
- (29) 252.227-7016 Rights in Bid or Proposal Information.
- (30) 252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions.
- (31) 252.227-7018 Rights in Noncommercial Technical Data and Computer Software - Small Business Innovative Research (SBIR) Program.
- (32) 252.227-7019 Validation of Asserted Restrictions - Computer Software.
- (33) 252.227-7026 Deferred Delivery of Technical Data or Computer Software.
- (34) 252.227-7027 Deferred Ordering of Technical Data or Computer Software.
- (35) 252.227-7029 Identification of Technical Data. (April 1988)
- (36) 252.227-7030 Technical Data - Withholding of Payment.
- (37) 252.227-7033 Rights in Shop Drawings. Applicable to all contracts at any tier requiring the delivery of technical data, except contractual instruments, for commercial items or commercial products.
- (38) 252.227-7037 Validation of Restrictive Markings on Technical Data.
- (39) 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles.
- (40) 252.235-7003 Frequency Authorization.
- (41) 252.239-7010 Audit and Records - Common Carriers.
- (42) 252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services.
- (43) 252.243-7001 Pricing of Contract Modifications.
- (44) 252.246-7001 Warranty of Data. The warranty period in paragraph (b) is three years from the Government's acceptance of the final items of data under this Contract. "Government" and "Contracting Officer" means MDHS.
- (45) 252.247-7023 Transportation of Supplies by Sea. This clause applies only if this Contract exceeds the FAR small purchase limitation.

(46) 252.247-7024 Notification of Transportation of Supplies by Sea.

(47) 252.248-7000 Preparation of Value Engineering Proposals.

(48) 252.249-7001 Notification of Substantial Impact on Employment. This clause applies only if this Contract is for \$500,000 or more.

(49) 252.249-7002 Notification of Proposed Program Termination or Reduction.

(C) If this contract is placed under a National Aeronautics and Space Administration contract, the following contract clauses are incorporated by reference from the National Aeronautics and Space Administration Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" means Seller. The following contract clauses are incorporated by reference from the National Aeronautics and Space Administration (NASA) Federal Acquisition Regulation Supplement and apply to contracts placed by MDHS in connection with NASA contracts to the extent indicated. In addition, all NASA FAR Supplement clauses required by the U.S. Government by statute, regulation or otherwise to be flowed down to Seller are hereby incorporated into this Contract by this reference, whether or not they are explicitly referenced in this Article 31. In all of the following clauses, "Contractor" and "Offeror" mean Seller and "Government" and "Contracting Officer" mean MDHS and/or Government. Unless otherwise provided, the clauses are those in effect as of the date of this Contract.

(1) 1852.204-70 Report on NASA Subcontracts (excluding paragraph (e)). This clause applies only if this Contract exceeds \$50,000.

(2) 1852.219-74 Use of Rural Area Small Businesses.

(3) 1852.219-75 Small Business and Small Disadvantages Business Subcontracting Plan.

(4) 1852.219-76 NASA Small Disadvantaged Business Goal.

(5) 1852.223-70 Safety and Health.

(6) 1852.223-71 Frequency Authorization.

(7) 1852.227-14 Rights in Data - General

(8) 1852.227-70 New Technology.

(9) 1852.227-72 Designation of New Technology Representative and Patent Representative.

(10) 1852.244-70 Geographic Participation in the Aerospace Program.

(11) 1852.245-73 Financial Reporting of NASA Property in the Custody of Contractors.

(12) 1872.703 Application of the Federal Acquisition Regulation (FAR) and the NASA FAR Supplement.