



Mesa Terms and Conditions

Purchase Order Special Provisions

POSP #2209

SPECIAL PROVISION TEXT:

If Seller does not accept responsibility for repairs, it shall supply justification to MDHS for any repair charge, not later than thirty (30) days from receipt of the item returned for repair.

POSP #2225

SPECIAL PROVISION TEXT:

Priority Parts

The Seller shall submit, prior to the scheduled start of manufacturing, the manufacturing planning and/or process sheets to be utilized in the manufacture and inspection of the priority parts defined in this Purchase Order for review and disposition by MDHS Quality Engineering, via the buyer.

Seller's manufacturing planning and/or process sheets shall contain sufficient detail for the manufacturing, processing, testing, and inspection of the characteristic(s) that cause the part to be classified as a priority part.

The Seller's manufacturing planning and/or process sheets shall contain as a minimum:

1. Recorded Material Control (MC) number, heat lot number and serial number assignments, as applicable, to ensure traceability throughout all manufacturing and processing operations;
2. Identified raw material that is cut into several units for manufacture. Each unit shall be identified with the MC number and serial number, as applicable, on a surface which will not be removed or obliterated during machining and processing.
3. Provisions to prohibit the commingling of MC numbered material of the same part number while work is in process;
4. Boldly flagged critical characteristics or property operations as a "critical characteristic" operation;
5. Recorded properties of the critical characteristic and inspection stamp of each serial number entry as applicable,
6. And, recorded inspections throughout the manufacturing and processing operations to verify and record the previously assigned serial number(s), as applicable, and MC number.

All revisions to the MDHS-approved document must be submitted for review and disposition prior to implementation. MDHS reserves the right to revoke approval at any time.

POSP #2239

SPECIAL PROVISION TEXT:

1. All computer programs to be delivered hereunder shall be subject to verification tests and acceptance by MDHS and the government within a reasonable time after delivery. Verification tests and acceptance by MDHS and the government shall not be conclusive as to latent defects, fraud, such gross mistakes as amount to fraud, or to the Seller's warranty hereunder.

2. MDHS may, upon rejection of a computer program which does not fulfill the MDHS specified performance requirements and at no increase in price:

(A) Require Seller to rework the computer program and associated documentation.

(B) Require Seller to pay for all costs which may arise by virtue of MDHS's inability to affect delivery of the end item, support equipment, computer programs or documentation to the government.

(C) Require Seller to offset all machine, personnel and documentation costs associated with file maintenance, corrections and insertion of changes, deletions and additions which accrue to MDHS as a result of the deficiencies. The above remedies are in addition to any other remedies to MDHS provided either at law or in this contract and shall be construed as cumulative rather than alternative remedies.

3. Notwithstanding the fact that MDHS may, during the time between receipt and final acceptance of a computer program, compile, assemble, store, list, run, test or otherwise use or modify the computer program such action shall not constitute or be construed as an acceptance of such a computer program and/or its associated documentation.

4. MDHS reserves the right, during all phases of development and test of a computer program or subprogram by Seller, to test cases and test data generated and/or used by Seller, to generate test cases and test data over and above that used by Seller and to perform such review and validations of system concepts, flow charts, and coding as are in MDHS's judgment, necessary for assurance that the delivered computer program and associated documentation are free of errors and omissions and are satisfactory for their intended use.

5. MDHS and the government reserve the right to approve all computer program validation procedures, test cases and test data used by Seller during program development.

6. Acceptance of nonconforming computer programs and/or associated documentation shall not have any effect on the warranty obligation of Seller hereunder.

7. Regardless of any other provision herein, MDHS may reject any computer program which is inefficient in its operation in that it requires excessive computer or peripheral time, storage, or other resources. In conformance with paragraph (B) above, MDHS may choose to use such a program. In that case, Seller shall be liable for all machine, resource, and personnel costs to MDHS in excess of those which would have incurred through use of an efficient program.

POSP #2901

SPECIAL PROVISION TEXT:

Hardware, such as washers, nuts, screws, etc. furnished with this Purchase Order is not to be delivered bulk packaged. Each item on this Purchase Order shall be packaged so that individual packages shall contain all necessary hardware.

POSP #2902

SPECIAL PROVISION TEXT:

NDT Technique Approval

HP6-5, HP6-13, HP6-14, HP6-18, HP6-22, HP6-44, HP6-46, HP6-47, HP6-48, and HP6-53 require the Seller to submit their Nondestructive Test Techniques prior to performing any of the above processes. Submit to:

McDonnell Douglas Helicopter Systems

Material, Process & Standards Dept.

5000 E. McDowell Rd.

Mesa, AZ 85215-9797

Attention:

NDT Engineering

Bldg. 531/MS 235

POSP #3001

SPECIAL PROVISION TEXT:

1. The Seller shall include a Material Safety Data Sheet (MSDS), OSHA Form 174 or equivalent prior to, or with each shipment of hazardous material (Ref.29 CFR, Part 1910.1200). The Seller shall provide emergency response information with each shipment of hazardous material (Ref.49 CFR 72.604).

NOTE: The material identity must be listed as it appears on the container label.

2. The Seller shall provide the following information as an attachment to the Material Safety Data Sheet if not contained on the MSDS:

(A) The McDonnell Douglas Helicopter Systems RM number (if applicable).

(B) Proper DOT/DOD shipping name and hazard class per 49 CFR, Part 173, including the "RQ" value as per 49 CFR 172.101 "Hazardous Material Table".

3. All primary containers of hazardous materials shall bear the following labels:

(A) A label containing the material identity, manufacturer's name and address, and appropriate hazard warnings per 29 CFR, Part 1910.1200.

(B) All primary and/or over packaging shall be marked or labeled with the proper DOT shipping name and identification number, any special hazard warning, and a label that represents the hazard classification of the material per 49 CFR, Part 172.

POSP #3004

SPECIAL PROVISION TEXT:

1. "Hazardous material," as used in this clause, is defined in the Hazardous Material Identification and Material Safety Data clause of this purchase order/subcontract.

2. The Seller shall label the item package (unit container) of any hazardous material to be delivered under this purchase order/subcontract in accordance with the Hazard Communication Standard (29 CFR, 1910.1200 et seq). The standard requires that the hazard warning label conform to the requirements of the standard unless the material is otherwise subject to the labeling requirements of one of the following statutes:

(A) Federal Insecticide, Fungicide, and Rodenticide Act;

(B) Federal Food, Drug, and Cosmetics Act;

(C) Consumer Product Safety Act;

(D) Federal Hazardous Substances Act; or

(E) Federal Alcohol Administration Act.

3. The Seller shall list which hazardous material listed in the Hazardous Material identification and Material Safety Data clause of this purchase order/subcontract will be labeled in accordance with one of the acts in paragraphs (2)(A) through (E) of this clause instead of the Hazard Communication Standard. Any hazardous material not listed will be interpreted to mean that a label is required in accordance with the Hazard Communication Standard.

Material

Act

(if none, insert "none")

4. The Seller agrees to submit, before award, a copy of the hazard warning label for all hazardous materials not listed in paragraph (3) of this clause. The Seller shall submit the label with the Material Safety Data Sheet being furnished under the Hazardous Material Identification and Material Safety Data clause of this purchase order/subcontract.

5. The Seller shall also comply with MIL–STD–129, Marking for Shipment and Storage (including revisions adopted during the term of this purchase order/subcontract).

POSP #3012

SPECIAL PROVISION TEXT:

Fifteen (15) days prior to the initial shipment, the Seller will provide the MDHS Buyer with the following written information:

1. Manufacturer's name, address and telephone number
2. Part number
3. Drawing number
4. Item nomenclature
5. Contract or Purchase Order number
6. Lot number
7. Item gross weight
8. Net explosive weight per item
9. Quantity Distance Class from DOD Contractor's Safety Manual DOD 4145–26M
10. Quantity Distance Class, Compatibility Group, and Coast Guard Class from NAVSEA OP 5
11. DOT Explosive Approval Letter showing DOT Proper Shipping Name and Hazard Class
12. DOT Competent Authority Approval Letter showing UN Proper Shipping Name, UN Number, UN Class and Compatibility Group
13. Environmental Control Requirements (e.g. temperature, humidity, etc.)
14. Two copies of applicable DOT Exemption
15. Two copies of IRS Explosive License or Permit

The above listed data shall also be mailed to:

Occupational Health and Safety Department

Building 541/F118

McDonnell Douglas Helicopter Systems

5000 East McDowell Road

Mesa, AZ 85215–9797

POSP #3015

SPECIAL PROVISION TEXT:

1. This clause applies only if the end product furnished under this purchase order/subcontract contains polyacrylonitrile carbon fibers (alternatively referred to as PAN–based fibers or PAN–based graphite

fibers).

2. PAN carbon fibers contained in the end product shall be manufactured in the United States or Canada using PAN precursor produced in the United States or Canada.

3. The Buyer may waive the requirement in paragraph 2. in whole or in part. The Seller may request a waiver from the Buyer by identifying the circumstances and including a plan to qualify domestic or Canadian sources expeditiously.

POSP #3016

SPECIAL PROVISION TEXT:

1. Definition:

Carbonyl iron powders are particles produced from the thermal decomposition of iron penta carbonyl.

2. Restriction:

The Seller agrees that all carbonyl iron powders contained in supplies provided under this purchase order/subcontract shall be manufactured in the United States or Canada by an entity more than 50 percent of which is owned or controlled by citizens of the United States or Canada.

POSP #3024

SPECIAL PROVISION TEXT:

Fifteen (15) days prior to the initial shipment, the Seller will provide the MDHS Buyer with the following written information:

1. Contract or Purchase Order number
2. Manufacturer's name, address and telephone number
3. Licensed material description, isotope name and activity
4. Part number
5. Drawing number
6. Transport group
7. Special operating/control procedures and inspection requirements
8. Seller's license number and applicable MDHS license number

The MDHS Buyer shall forward the above information to Occupational Health and Safety Services. All radioactive materials are to be delivered to Receiving Department, except as specifically authorized by the Environmental Health and Safety Department.

POSP #3025

SPECIAL PROVISION TEXT:

All construction, maintenance and service contractors are required to provide a safe and healthy job site for their employees, MDHS employees and other personnel who enter the job site.

Nothing herein shall be construed to relieve the contractor of its responsibility to comply with applicable federal, state and local fire code, environmental, health and safety laws, regulations and requirements. Such responsibility rests solely upon the contractor.

In case of discrepancies between various requirements, the order of precedence shall be the most recent edition of 29 Code of Federal Regulations (CFR) Parts 1926 and 1910, 40 CFR Protection of the Environment, 49 CFR Transportation, and the Uniform Fire Code.

1. INTRODUCTION

McDonnell Douglas Helicopter Systems (MDHS) recognizes that many hazards are inherent during maintenance and construction activities. The contractor is required to follow applicable federal, state and local governmental safety and environmental regulations. This applies to all construction, maintenance and service work performed at any MDHS location.

2. GENERAL INFORMATION

(A) Notifications

The contractor shall provide written notification to the MDHS Contract Administrator/Buyer/Coordinator/ Representative of the name and title of the contractor's on-site safety representatives for the project.

In addition, the contractor shall provide the MDHS Environmental Health & Safety Department or the Contract Administrator with an advance list of hazardous materials used to perform work activities. See list of responsibilities under Hazard Communication, Section IV.

The MDHS Environmental Health & Safety Department will notify the contractor(s) of hazardous materials which may be encountered at its facility prior to commencing work.

(B) Emergencies

The emergency telephone number at MDHS is extension 911, followed by the pound sign (#). This number must be called immediately in case of fire, medical, hazardous material incident, or damage to MDHS property.

For information on environmental, occupational, health and safety rules at MDHS, call extension 1-4287 or 1-3220.

(C) Personal Protective Equipment

Any required personal protective equipment (PPE) shall be provided by the contractor. When mandatory, training in the use of the PPE will be the responsibility of the contractor. PPE includes head, eye, hearing, hand, foot, and respiratory protection. Contractors must follow MDHS's PPE requirements where posted. All PPE must meet performance standards set by government agencies.

(D) Smoking Areas

The available smoking areas are clearly designated. Smoking is not allowed inside buildings or within 50 feet of any helicopter, aircraft, hanger, fuel, or chemical storage area.

(E) Pedestrian and Vehicle Traffic

All MDHS traffic and parking regulations must be observed. Walkways are to be used where provided. Contractors shall not take shortcuts through operating areas or buildings. Unauthorized personnel are prohibited from the flight ramps, fuel farm, ordnance test range, and other posted areas.

The in-plant speed limit is 15 MPH, unless otherwise posted. Gasoline and diesel powered vehicles shall not be operated inside buildings without specific authorization.

(F) Tools and Equipment

Contractors shall provide the equipment necessary for the safe performance of the work. Use of ladders, safety belts, scaffolding, barricades, rigging equipment, hand tools, power tools, hoists, and forklifts shall follow safe industrial practices as well as applicable federal, state, and local safety standards. Any tools or equipment used on the job site may be inspected by the Facilities Construction Coordinator or the Contract Administrator and/or MDHS's Environmental Health & Safety Department. However, any such inspection or approval shall not relieve the contractor of their responsibility for the appropriateness, quality, and/or safe use of the tool or equipment.

(G) Housekeeping

Work areas must be maintained in a safe condition and cleaned up continually as the job progresses. All trash and debris must be removed from the work area by the contractor at least daily.

(H) Inspections

A work area inspection shall be made by the contractor's safety representative. Inspections are to be made early at the beginning and end of each shift and periodically throughout the day to ensure that safe working conditions are maintained and that no safety hazards exist. All applicable federal, state, and/or local fire safety codes must be followed.

3. HAZARDOUS WORK ACTIVITIES

(A) Burning and Welding

A Hot Work Permit must be obtained from the MDHS Fire Protection Department for all cutting, welding and/or soldering operations. In all cutting or welding operations, at least one person shall be assigned as a "fire watch" up to one-half hour after work is completed. All combustible materials shall be removed from the work area. A contractor provided approved fire extinguisher must be within 30 feet of the hot work. The contractor must assure adequate employee and facility protection during all stages of operations.

(B) Confined Space Entry

All work involving entry into confined spaces shall be conducted according to OSHA standards and accepted industrial practices. Contractors shall utilize a permit system for confined space entry. Personnel shall be trained on confined space hazards and precautions prior to entry. A standby person shall be present at all times during confined space entry. The contractor shall supply all tools, equipment, and instruments necessary for safe confined space entry.

The Environmental Health & Safety Department will provide contractors with information on known and suspected hazards of existing confined space entry locations at MDHS. MDHS's confined space entry procedures may be provided to contractors for information purposes only.

The contractor shall furnish evidence of a minimally acceptable program to the Environmental Health & Safety Department prior to entering confined spaces.

(C) Energized Electrical Work

Work on or near energized lines or equipment shall only be done when approved in writing by the Contract Administrator/Buyer/Coordinator/Representative.

(D) Lock/Out and Tag/Out Requirements

OSHA regulations and MDHS policies require that all machines are isolated from energy sources prior to performing work where accidental start-up might cause injury.

Lockout is the preferred method of isolating machines or equipment from an energy source (i.e., electrical, mechanical, or pneumatic power systems). Danger tags, blocking and blanking procedures shall be used as additional methods of controlling energy or stored energy in process lines or equipment.

The contractor shall request permission from MDHS's Facilities Construction Coordinator prior to proposed lockout of equipment or circuits. All affected employees shall be notified when equipment is "locked out" and when lockout is removed.

Work on or near "live energized electrical equipment shall be done only when approved by the Facilities Construction Coordinator.

The contractor must comply with current OSHA standards on the control of electrical and mechanical energy.

(E) Trenching and Excavations

All trenches and excavations shall be guarded by barricades or caution tape. All trenches and excavations over 4 feet deep shall be shored or laid back to a stable angle in accordance with OSHA standards.

(F) Overhead Work/Elevated Workstations

All overhead work shall include protection for workers and pedestrians below. Scaffolding and manlifts shall comply with OSHA requirements.

(G) Spray Painting/Spray Finishing/Spray Coating

Approval from the Environmental Health & Safety Department is required for all spray finishing operations. All electrical equipment shall be rated for Class I, Division I locations where flammable or combustible liquids are sprayed. Spray operations shall be conducted in well ventilated, unoccupied locations.

(H) Solvent Cleaning

Approval from the Environmental Health & Safety Department is required for all solvent cleaning where more than 1 pint of solvent per shift is used. All waste/residual solvent shall be disposed of according to E (1) following.

(I) Abrasive Blasting

Approval from the Environmental Health & Safety Department is required for all abrasive blasting operations. Blasting shall be conducted in unoccupied or out-of-doors enclosed areas.

4. HAZARD COMMUNICATION

(A) General

It is important that all workers be informed of potential exposures to hazardous materials. This applies to the contractor's employees and MDHS employees at or near the job site. Consequently, two-way communication is essential between the contractor and MDHS.

The Environmental Health & Safety Department will provide information on the hazardous materials that exist at the work site to which the contractor's employees might be exposed.

Each contractor is required to provide the Environmental Health & Safety Department or the Contract Administrator with a list of chemical products to be used, quantities to be used and Material Safety Data Sheets (MSDS) on each chemical.

(B) Labeling

All chemical products brought on site must be appropriately labeled in accordance with OSHA requirements.

5. ENVIRONMENTAL CONCERNS

(A) Hazardous Waste

Hazardous wastes are those materials specified by the U.S. Environmental Protection Agency (EPA) (40 CFR 206–261) or the Arizona Department of Environmental Quality (ADEQ) (A.A.C. R18–8–260–R18–8–261). The ADEQ also defines special wastes (A.R.S. R18–8–301). Additionally, MDHS classifies and manages certain nonregulated materials as hazardous waste. These materials include, but are not limited to empty product cans and used oil.

On-site contractors are responsible for properly collecting, segregating, packaging, identifying, and labelling hazardous wastes and special wastes. The contractor must also notify MDHS of these materials so that MDHS may properly manage the wastes.

In no case will the on-site contractor dispose of any hazardous wastes on MDHS property, e.g., in trash dumpsters, on the ground, in drywells, or in sewer drains.

Additionally, contractors are expressly prohibited from removing hazardous wastes and special wastes from MDHS property. All hazardous wastes which are generated as a result of the contract will remain on-site for proper disposal by MDHS.

(B) Air Quality

Contractors which have the potential of releasing hazardous air pollutants (HAPs) or volatile organic compounds (VOCs), or which perform processes that may otherwise adversely affect ambient air quality must obtain approval from the Environmental Health & Safety Department before the project begins. Examples include, but are not limited to: painting, abrasive blasting, solvent usage, open burning and earth moving. These projects may require an air quality permit from the Maricopa County Division of Air Pollution Control.

Contractors which release HAPs or VOCs on MDHS property must maintain a record of those materials used that contain the HAPs and VOCs. Forms for recording the use of products containing HAPs and VOCs are available from the Facilities Project Engineer or the Environmental Health & Safety Department. Upon completion of the contract, the contractor must return the completed usage forms to the Facilities Project Engineer or the Environmental Health & Safety Department.

(C) Water Quality

MDHS has no storm sewers, however, there are many dry wells on-site which have iron grates that resemble sewers. Absolutely no chemicals are allowed to be discharged into these dry wells. Additionally, no chemicals are allowed to be discharged into the sanitary sewer system drains.

POSP #3518

SPECIAL PROVISION TEXT:

If shipment of material furnished by MDHS has sustained transit damage, Seller shall mark MDHS's and carrier copy of the freight bill accordingly and obtain carrier's inspection. Forward MDHS's copy of the freight bill and the carrier's inspection report to MDHS Traffic Department. Seller shall prepare a Product Assurance Record (PAR), MDHS Form 9388, for all MDHS furnished material damaged in transit and forward to MDHS Buyer.

POSP #3521

SPECIAL PROVISION TEXT:

All return shipments against this Purchase Order will have the following information clearly marked on the outside of the shipping container:

MDHS Purchase Order number, part number, part name, and serial number.

POSP #3536

SPECIAL PROVISION TEXT:

Unless otherwise specified, all tools that cannot be reconditioned to maintain specifications called out in item description(s) are to be returned to MDHS with no work performed. Seller will segregate and package non-repairable tools for shipment according to Purchase Order item number and description with a tag indicating the reason for non-repairable disposition, and all such packaging will be marked "NON-REPAIRABLE" for identification. Non-repairable tools are to be returned to MDHS in lot shipment with packing list indicating quantity returned per Purchase Order item number and description.

POSP #3040

SPECIAL PROVISION TEXT:

An ozone depleting substance warning statement is required on delivery documentation, when applicable, in accordance with EPA final rule located at 40 CFR Part 82, "Protection of Stratospheric Ozone," Subpart E, "Labeling of Products Using Ozone-Depleting Substances."

POSP #3545

SPECIAL PROVISION TEXT:

Seller must state on the packing sheet which accompanies each shipment, (1) that containers are returnable; and (2) the amount, if any, on deposit for each container.

POSP #3557

SPECIAL PROVISION TEXT:

Each Purchase Order item is to be skidded separately. Plate and sheet shall be cased on a pallet to fit material width. Runners must be longitudinal. The minimum distance from the edge of the skid to the runners shall be six (6) inches for sheet lifter access. Material is to be stenciled, interleaved and packed maximum 3,000 pounds on skids. Bare material must be oiled. Small lots should, as a minimum, be provided with 2" X 4" load stiffeners on each end.

POSP #3560

SPECIAL PROVISION TEXT:

All shipping reels shall have:

1. A maximum flange diameter of 24 inches
2. A maximum weight of 50 pounds

Federal specification PPP-291D or equivalent covering the outer layer of wire unless otherwise specified in the MDHS drawing, in which case the drawing shall have precedence.

POSP #3563

SPECIAL PROVISION TEXT:

All wire lengths in which unshielded and unjacketed cable lengths shall have their ends butt welded together. Each butt weld splice shall be clearly identified at the splice with a tiger striped tape. Shielded and jacket lengths shall have their ends brought out from each reel. Both ends of a cable length shall be clearly identified as to its length supplied on that reel.

POSP #3569

SPECIAL PROVISION TEXT:

This Special Provision will take precedence over any conflicting packaging instructions contained herein. Package per specification _____.

POSP #3575

SPECIAL PROVISION TEXT:

Seller will mark all cartons with the following special marking instructions:

1. MDHS part number
2. MDHS Purchase Order number
3. Net grain weight of explosive - per unit
4. Military explosive class
5. Military compatibility group
6. D.O.T. class
7. D.O.T. marking

POSP #3577

SPECIAL PROVISION TEXT:

1. All large billets, castings and forgings must be palletized and bound to the pallet with steel banding. Height of the load shall not exceed 42". Parts shall not be mixed (left and rights must be on separate loads). Weight maximum is 3,000 lbs. per bound pallet. Pallets must conform to part/commodity dimensions with a minimum overhang.

2. All small and medium size billets, castings and forgings must be containerized using either wood or corrugated material depending upon commodity characteristics. Parts with critical surfaces must be individually packaged.

3. Each heat lot must be packaged separately.

POSP #3578

SPECIAL PROVISION TEXT:

All tubing and extrusions shall be packed in either corrugated or wooden boxes with a maximum weight per unit load of 500 lbs. All tubing up to and including 3/8" diameter is to be packed in 100 piece bundles or less. Fragility of the tubing must be considered.

All tubing shall be furnished in 12-foot lengths to the maximum extent that it is practical to do so; however no tube shall exceed a 20-foot length.

POSP #3580

SPECIAL PROVISION TEXT:

Hardware, clamps, pipe fittings and medium size parts shall be packaged in corrugated or fiberboard containers not to exceed 11" x 7'1/2" x 8" in size and/or 25 lbs. in weight.

POSP #4004

SPECIAL PROVISION TEXT:

All shipments made under this Purchase Order shall be at Seller's expense, no cost to MDHS.

NOTE: Put Purchase Order number on Bill of Lading

POSP #4006

SPECIAL PROVISION TEXT:

Where shipping charges are not included in Seller's overhead, Seller may include, in order of carrier preference, Roadway Package Service (RPS) or United Parcel Service (UPS), shipping charges on its invoice WITH COPIES OF CARRIER'S SHIPPING DOCUMENTS, for items contained in this Purchase Order where weight/volume/schedule requires Seller to ship items. For UPS/RPS shipments where charges are billable, separate freight charges must be clearly identified on all copies of shipping documents received by MDHS in order for Seller to receive reimbursement. Items exceeding weight/volume limitations for RPS/UPS will be shipped in accordance with the other terms of this Purchase Order.

POSP #4008

SPECIAL PROVISION TEXT:

Items contained herein shall be identified with the same part number as noted in the item description section of the Purchase Order. Seller shall either physically identify, tag, or individually bag parts with the appropriate identification. In the case of bulk shipments, Seller shall package in accordance with Seller's standard quantity per package, identify item nomenclature, part number and quantity per package on each individual package.

POSP #4015

SPECIAL PROVISION TEXT:

Ship to:

(Insert Name & Phone Number)

McDonnell Douglas Helicopter Systems

Bldg. () M/S ()

5000 East McDowell Road

NOTE: Put Purchase Order number on Bill of Lading and fill in blanks.

POSP #4018

SPECIAL PROVISION TEXT:

The goods ordered on this Purchase Order are to be shipped direct to MDHS's Customer on a DD Form 250. Unless written instructions are received to the contrary, do not ship items to McDonnell Douglas Helicopter Co., Mesa, AZ. Destination codes, stock numbers and other elements of shipping instructions needed to complete the DD Form 250 (or Seller's equivalent commercial shipper, when its use is authorized) will be provided in a monthly report or will be transmitted by teletype or facsimile message. In the event an item is ready for shipment, but appropriate shipping instructions have not been received, Seller should contact the MDHS Buyer who signed the Purchase Order for instructions.

POSP #4020

SPECIAL PROVISION TEXT:

All materials must be delivered to the receiving dock at the address noted above.

Failure to deliver materials to the specified receiving location noted on the purchase order may result in a delay in the payment of invoices.

POSP #4036

SPECIAL PROVISION TEXT:

Any return shipment hereunder shall be made on a Government Bill of Lading (GBL), which Seller shall obtain from his cognizant government inspector. Seller shall prepare a DD Form 250 for each return shipment hereunder. Shipping destination and other variable data required for preparation of the GBL and DD Form 250 will be contained in Purchase Order attachment number SI to be provided for each Purchase Order item. Shipping instructions will be issued with the original order when possible, added by subsequent Change Order, or will be transmitted by teletype or facsimile message. In the event shipping instructions have not been received by the time an item is ready for shipment, Seller shall contact the Buyer who signed the Purchase Order for instructions.

Attachments SI for the following items are incorporated herein by this reference.

P.O. Item Attach. SI Date Transmitted via MDHS Msg.

POSP #4044

SPECIAL PROVISION TEXT:

Seller is instructed to provide two (2) copies of the shipping document to the consignee with each material shipment hereunder.

POSP #4058

SPECIAL PROVISION TEXT:

Seller shall direct ship via Government Bill of Lading to the destination specified herein. Seller will forward copies of DD Form 250 to the MDHS Buyer at the time of shipment.

POSP #4062

SPECIAL PROVISION TEXT:

Seller shall furnish, with the initial shipment, for each item ordered herein, catalog data sheets, specification sheets, or drawings for receiving inspection identification purposes.

POSP #4070

SPECIAL PROVISION TEXT:

Return shipment hereunder shall be made on a DD Form 1149 and a Government Bill of Lading (GBL), which Seller shall obtain from its cognizant government inspector.

POSP #4076**SPECIAL PROVISION TEXT:**

Seller will cooperate fully with the MDHS Traffic Department in providing information and documentation required for U.S. Customs clearance. The ship to address for goods supplied under this Purchase Order will be specified by MDHS.

POSP #4084**SPECIAL PROVISION TEXT:**

When MDHS truck is requested for pickup:

In Southern California area, call (213) 305–3353.

In Phoenix, Arizona area, call (602) 891–3788.

NOTE: Put Purchase Order number on Bill of Lading.

POSP #4085**SPECIAL PROVISION TEXT:**

Seller to call MDHS Traffic Department (602) 891–3242 for routing instruction on Mesa, AZ and Culver City, CA deliveries.

POSP #4086**SPECIAL PROVISION TEXT:**

Seller must use a MDHS approved carrier. If required, the Seller must apply the account code of the approved carrier to the bill of lading. Also the Purchase Order number, CCN number and department code stated on this Purchase Order, must be applied to the bill of lading.

POSP #4090**SPECIAL PROVISION TEXT:**

Drop Shipments (Third Party Billing)

If you find it necessary to ship to a vendor from another vendor and MDHS is paying the shipping charges, (third party billing) the Traffic Department is to be informed.

1. The shipping vendor must use a Systems approved carrier. If required, the vendor must apply the account code of the approved carrier to the bill of lading. Also the Purchase Order number, Cost Charge Number (CCN) and department code must be applied to the bill of lading. Once the shipment has been made, the vendor should mail the signed copy of the bill of lading to MDHS buyer.

2. The buyer will forward the bill of lading and all other pertinent data to the Traffic Department (543/D154) so that Traffic may audit and pay the bill.

POSP #4512**SPECIAL PROVISION TEXT:**

If this contract includes FMS requirements, the Seller shall submit progress payment requests in accordance with the following:

1. The Seller shall submit a separate progress payment request for each separate progress payment rate in this contract.

2. The Seller shall submit a supporting schedule showing the amount of each request distributed to each country's requirements in the contract. This schedule shall also show the contract line items and total prices thereof applicable to each separate progress payment rate.

3. Each progress payment request shall:

(A) Identify the contract requirements to which it applies, (i.e., FMS or U.S.)

(B) Be calculated on the basis of the prices, costs (including estimated costs to complete), subcontractor progress payments, and progress payment liquidations of the contract requirements to which it applies. The Seller in preparing these requests shall distribute costs among contract line items and countries in a manner acceptable to MDHS.

POSP #4515

SPECIAL PROVISION TEXT:

"Progress Payment for Other Than Small Business Concerns"

FAR 52.232-16 and DFARS 252.232-7007.

Progress Payments will be made monthly by MDHS after receipt of Seller's complete, accurate and appropriate invoice accompanied by a properly completed SF 1443 (Contractor's Request for Progress Payments). Except that no such progress payment may be made until seller shall have submitted a copy of the insurance policy or other satisfactory evidence of insurance, if requested, to protect the unliquidated balance of progress payments.

The following progress payment _____ and liquidation _____ rates are authorized. Seller shall submit a monthly progress report in accordance with the SDRL _____.

Seller shall not place purchase orders for materials earlier than necessary to meet the required delivery schedule of this purchase order/subcontract.

POSP #4518

SPECIAL PROVISION TEXT:

"Progress Payments for Small Business Concerns"

FAR 52.232-16, Alt I and DFARS 252.232-7007, Alt I.

Progress payments will be made monthly by MDHS after receipt of a complete, accurate, and appropriate invoice accompanied by a properly completed Form SF 1443 "Contractor's Request for Progress Payments". Except that no such progress payment may be made if the Seller is unable to produce satisfactory evidence, if requested, of sufficient property and business insurance to protect the unliquidated balance of progress payments to the extent that a prudent businessman would consider adequate.

The following progress payments _____ and liquidation _____ rates are authorized. Seller shall submit a monthly progress report in accordance with SDRL _____.

Seller shall not place purchase orders for materials earlier than necessary to meet the required delivery schedules of this purchase order/subcontract.

POSP #4519

SPECIAL PROVISION TEXT:

The Seller is only authorized to receive progress payments on material costs. Upon request by MDHS, Seller shall provide documentation required to support requests for progress payments.

POSP #4520

SPECIAL PROVISION TEXT:

Undefinitized Contractual Actions

For purposes of FAR 52.232-16, Alt I, the following progress payment _____% and liquidation _____% rates are authorized. The maximum allowable cost shall not exceed \$_____ (50%) of the total estimated contract price of \$_____..

POSP #4533

SPECIAL PROVISION TEXT:

Until MDHS has received and approved all qualification test reports required by the applicable prior MDHS Purchase Order, MDHS may withhold 20 percent of payments otherwise due Seller hereunder. MDHS will make payment of amounts withheld immediately after such approval of the test reports. MDHS will either approve or disapprove such reports within thirty (30) days after receipt. Pending MDHS approval, Seller will proceed with the manufacture and the delivery of goods in accordance with the MDHS required delivery schedules set forth in this Purchase Order.

POSP #5001

SPECIAL PROVISION TEXT:

1. All designs, tools, patterns, drawings, specifications, and any other information, materials for equipment, etc., furnished by MDHS to Seller for use in the manufacture of the items hereunder shall remain MDHS's property. Seller shall 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 of same prior to completion of the work, Seller shall deliver such property and productions to MDHS in accordance with the terms of said demand.

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

2. Seller agrees that the drawings, special tooling and technical data furnished by Buyer is proprietary to McDonnell Douglas Helicopter Systems 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 prior written consent of the MDHS Buyer.

3. If a Government prime contract number is referenced on the face of this Purchase Order and in the event the Seller receives a request for information or solicitation for an offer from the U.S. Government which would require the use of the drawings, special tooling or technical data contained in (b) above, for sales to the U.S. Government, Seller shall immediately notify MDHS. 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 the drawings, data and/or tooling to the extent that the U.S. Government claims "unlimited" or "Government purpose" rights under any prime contract for the purposes of responding to requests for information or sales directly to the U.S. Government, unless Seller is notified by MDHS that it disputes a Government claim to such "unlimited" or "Government purpose" rights.

POSP #5003

SPECIAL PROVISION TEXT:

Material as listed below, or engineering authorized substitutions, shall be furnished by MDHS, FOB Seller's plant, in random lengths or incremental sizes and in the optimum size as planned by MDHS, and in quantities including the scrap factors as specified in Seller's quote and constituting a part of its competitive bid. Seller is invited to review this material size in the light of machining methods to be employed and to propose any changes which would reduce offal, increase finished part yield and/or otherwise facilitate the machining process. All materials not shown shall be furnished by Seller. Seller shall be responsible for bailed materials and shall store such materials in corrosion protective facilities at no cost to MDHS. MDHS may inspect such facilities and bailed materials at all reasonable times. Seller shall forward a flash copy of a Product Assurance Record (PAR) within ten (10) days of the date that any part is considered not acceptable, suspect scrap, for production. Bailed materials unaccounted for by Seller and spoilage in excess of Seller's bid factor shall be bought from MDHS at MDHS's actual replacement cost. Disposition of unused material, by piece and size, must be obtained from MDHS upon job completion. Seller shall complete MDHS furnished inventory forms on specified dates or upon request. MDHS furnished materials by item and inventory due dates are:

POSP #5503

SPECIAL PROVISION TEXT:

Discrepancies, omissions, need for clarification or interpretation of any nature, encountered by Seller in MDHS furnished drawings or engineering data, will be brought to the attention of the MDHS Buyer for resolution prior to commencement of metal cutting. In the event no response is received from MDHS within ten (10) days of the date of notification, Seller will repeat its request for disposition.

POSP #5506

SPECIAL PROVISION TEXT:

Pursuant to DFARS 252.227–7018, the Seller shall, within sixty (60) days after award of this Purchase Order, identify in writing by name or title, the person(s) having the final responsibility within the Seller's organization for determining whether restrictive markings are to be placed on technical data to be delivered under this contract. The notification shall include the applicable MDHS Purchase Order and prime contract numbers and be sent to the MDHS Buyer.

POSP #5527

SPECIAL PROVISION TEXT:

Rights in technical data -

1. Seller will promptly notify MDHS in writing, of the intended use by Seller or any of Seller's subcontractors in the performance of this Purchase Order, of any item, component or process for which data called for by this Purchase Order, suitable for competitive procurement would fall within the definition of limited, restrictive rights contained in the clause entitled "Rights in Technical Data and Computer Software", DFARS 252.227–7013, set forth in the General Contract Conditions hereof. Such notification shall include a detailed identification, by listing those items, components or processes for which limited, restrictive rights are claimed.

2. MDHS's approval is not necessary under this clause for the Seller to use the item, component or process in the performance of the Purchase Order.

POSP #5533

SPECIAL PROVISION TEXT:

Seller will process and submit Outside Receiving Reports for any and all vendor retained test units produced under this Purchase Order before invoices for such units will be paid by MDHS.

POSP #5554

SPECIAL PROVISION TEXT:

Upon completion of this Purchase Order, Seller will forward to MDHS, with multiple copies as indicated below, a list of all residual inventory. Such list will be prepared on the applicable Government Inventory Schedule, Form SF 1426, SF 1428, SF 1430, and SF 1432 and will include a list of items to be transferred to follow-on contracts.

POSP #5557

SPECIAL PROVISION TEXT:

Seller is directed to list item(s) considered non-repairable or uneconomical to repair on inventory schedule and submit to the MDHS Buyer for disposition instructions.

POSP #5560

SPECIAL PROVISION TEXT:

Failure analysis report shall be forwarded in accordance with requirements under which the equipment was originally purchased. Seller will forward one reproducible failure analysis report to the attention of the MDHS Buyer marked for "Engineering Reliability Department" within 14 days after date of the letter accompanying equipment returned under this Purchase Order. If such report is not forwarded within 14 days, Seller will advise MDHS of the expected delivery date.

POSP #5581

SPECIAL PROVISION TEXT:

Seller agrees to submit an abstract of new technology describing each item reportable as a subject invention under the Patent Rights clause of this Purchase Order. Such abstract shall satisfy the requirements of the data item identified below. The Seller may delay delivery of the abstract until such time as delivery of the complete technical disclosure or a copy of the patent application is required under the Patents Rights clause. The Government, upon request, may delay dissemination of the abstract for a period not to exceed one year. In exceptional circumstances, an additional delay may be authorized for good cause shown. The Seller shall include this clause in every subcontract hereunder, having as a purpose the conduct of experimental, developmental or research work. The SDRL item number is _____.

POSP #5585

SPECIAL PROVISION TEXT:

This Purchase Order requires the submittal of specified Data in accordance with Subcontractor Data Catalog (fill in number), Revision (fill in letter), dated (fill in date). Failure to provide Certificates of Technical Conformity, where applicable, and/or to provide required data, will impact MDHS's prime contract responsibilities. Please be advised that certain Data Items require submittal of information whether or not changes or updates have occurred.

For clarification of any Data requirement, please contact your cognizant Buyer or the Data Management office.

POSP #6003

SPECIAL PROVISION TEXT:

This provision establishes responsibilities of McDonnell Douglas Helicopter Systems (Buyer) and Subcontractor/Supplier (Seller) for identification, control and accountability of Special Tooling (ST). It further establishes requirements for records and reports related to the maintenance and disposition of these tools.

1. DEFINITIONS

(A) 1.1 Special Tooling

All jigs, fixtures, patterns, taps, gages, other equipment and manufacturing aids, and replacements thereof, which are of such a specialized nature that without substantial modification and alteration their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services.

(B) 1.2 Exceptions

(1) 1.2.1 Items of equipment listed below are not considered tooling.

a. Perishable Tools - These consist of catalog items readily available on the open market, which because of their size and nature, are considered expendable. Drills, reamers, taps, snap gages, and all types of cutting tools are considered perishable tools even though they are altered for production purposes and may be special in nature, unless they are otherwise determined to be accountable. The Seller is expected to provide all universal shop equipment.

b. Shop Equipment and Durable Tools - This class consists of plant equipment required for producing tools and parts, such as machines, motors, cranes, utility dollies, hoists, adapters and furniture. It will also include all equipment, instruments, and tools used in manufacturing, operating, constructing, and testing activities that are not classified as "special tooling". The Seller is expected to provide all shop equipment.

c. Seller-Owned Tools - This class includes forging and extrusion dies and molds for permanent mold castings where practice within the industry dictates that the possession shall remain with the Seller. Seller owned tools shall be noted separately on tooling quotations even though by reason of Seller retention they do not fall within the definition of accountable tools. This document however is not otherwise concerned with such tools.

2. OWNERSHIP OF SPECIAL TOOLING

(A) 2.1 Special Tooling acquired on this or prior Purchase Orders used to perform this Purchase Order/Subcontract is Government Property and shall be used only for this Purchase Order/Subcontract. Tooling will not be modified (except as specified herein), altered, reworked, destroyed, disposed of, or used on any other contract/program or transferred/shipped to a subtier supplier without the express authority of the Buyer. Invoices for special tools fabricated to Buyer's source control drawing will be payable at such time as Seller has completed and submitted a MDHS Form 10788, Certified Property List (CPL), to Buyer.

3. IDENTIFICATION OF SPECIAL TOOLING

(A) 3.1 Special Tooling produced or acquired in support of this program will be permanently marked promptly upon receipt by the Seller. Markings must contain at a minimum the MDHS part/tool number, the prime contract by which the tooling was produced or acquired and Property of U.S. Government. Special Tooling previously identified as Property of U.S. Army shall retain its original identification. All identifying markings are subject to examination as Buyer deems necessary.

4. CERTIFIED PROPERTY LIST (CPL)

(A) 4.1 The Seller shall prepare and submit to the Buyer a list of all Special Tooling produced, procured, or reworked by authority of this Subcontract and/or Purchase Order. This list shall be submitted on a CPL, within sixty (60) days after receipt of Special Tooling acquired on this Purchase Order/Subcontract. Additionally, complete, accurate, signed CPLs for all MDHS Government-Owned Property acquired on this and all other prior Purchase Orders/Subcontracts to support this program shall be submitted to MDHS no later than 31 December each year. CPL forms may be obtained upon request from the MDHS Government Property Manager or Buyer. The CPL shall include the following data:

(1) a. Prime Contract number, Subcontract number and/or Purchase Order Number on which the property was acquired.

(2) b. Complete description for each line item of property including MDHS part number and Seller's part number.

(3) c. Unit Price for each line item of property (lot or group prices are not acceptable). If actual unit price is not available, a "best estimate" cost should be noted followed by the letter "E" for Estimate.

(4) d. Location of property should include names and addresses of the Seller, Subtier Supplier(s) or off-site divisional locations, as applicable.

(B) 4.2 The CPL will be signed by the Seller's Government Property Administrator or an authorized representative, as certification that the document is complete/accurate and in compliance with FAR and contractual requirements.

5. RECORD REQUIREMENTS

(A) 5.1 The Seller is responsible for maintaining accountability and maintenance records of Government-Owned Special Tooling in accordance with his approved property control system and pursuant to requirements set forth in FARS/DFARS, Part 45. Seller will maintain the official Special Tooling accountability records for his subtier suppliers unless otherwise approved by Buyer. Records are to include:

(1) a. Control Records listing ownership, Prime Contract, Subcontract and/or Purchase Order under which special tooling was originally acquired.

(2) b. Accountability transfer from one Purchase Order/Subcontract to another.

(3) c. Annual physical inventory lists verified and submitted by the Seller to the Buyer for each Purchase Order/Subcontract.

(4) d. Disposition authority for tools no longer required to perform the contract and subsequently dispositioned.

(5) e. Packing sheet on which the tool was received or shipped.

(6) f. Tool number, serial number, (if any).

(7) g. Nomenclature or description.

(8) h. Unit price.

6. LIABILITY

(A) 6.1 The Seller assumes the risk and shall be responsible for any loss, destruction or damage of Government-Owned Property while in the Seller's possession, custody or control, or in the possession, custody or control of its subtier suppliers, except to the extent that the Seller requests through the Buyer and OBTAINS the Contracting Officer's approval for incorporation of the appropriate Limited Risk of Loss clause in the Purchase Order/Subcontract. The applicable clauses are: FAR 52.245-2 Alternate I for Fixed Price Contracts, FAR 52.245-5 (g) for Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts and FAR 52.245-8 for Facilities Use Contracts. These clauses grant the Seller the right to REQUEST relief of liability for the loss, damage or destruction of Government property. The requirement for these accountability instructions apply equally to all Special Tooling for which the Seller is responsible, regardless of their location. The Seller shall promptly report to the Buyer all cases of loss, damage or destruction of Special Tooling in his possession or its subtier supplier's possession. Additionally, those Sellers which have been granted approval to incorporate the applicable clause shall, within sixty (60) days after initial notification of loss, damage or destruction of Special Tooling, formally submit a request to the Buyer for relief of liability in accordance with FAR provisions.

7. RENT-FREE/NON-INTERFERENCE USE

(A) 7.1 The Special Tooling as listed or appended hereto is authorized for use by the Seller on a rent-free/non interference basis in the performance of this Purchase Order/Subcontract. The Seller warrants, by acceptance of this Purchase Order/Subcontract, that it has not included in its cost under this subcontract any rental charge for the use of such property or the amortization of such property. Further, the Seller agrees that the Seller shall not, either directly or indirectly, through overhead charges or otherwise, seek reimbursement under this Purchase Order/Subcontract for any rental charge paid by the seller or its subtier suppliers for the use of the property referred to herein on other contracts.

8. MAINTENANCE

(A) 8.1 The Seller shall establish a preventive maintenance program for Government-Owned Special Tooling in accordance with Federal Acquisition Regulation (FAR) Subpart 45.509-1. Maintenance and repair records shall be maintained for each item of Government-Owned Special Tooling in Seller's possession and in the possession of Seller's subcontractors. All Government Property shall be maintained from the time of receipt until properly relieved of responsibility, in accordance with sound industrial practice and the terms of the prime contract.

9. MODIFICATION OF GOVERNMENT-OWNED SPECIAL TOOLING

The following guidelines are provided with regard to modification of tooling as a result of design changes.

(A) 9.1 Changes to special tooling which do not require separate review and approval from the Buyer include:

(1) a. Engineering Change Proposals (ECPs) (Class 1) previously approved by the Government covering production end articles and spares.

(2) b. Class II changes which cannot by definition affect tooling configuration. If a potential Class II change appears to affect tooling configuration, it must be upgraded to a Class I change and be submitted for formal review by Buyer.

(B) 9.2 Changes to special tooling which do require Buyer's review and approval include, but are not limited to, the following:

(1) a. Changes to produce a new end article model or part configuration which affect the ability to produce the current production end article or spares in support of the end article as currently

configured.

(2) b. Changes as a result of research and development efforts on an end article program which affect the ability to produce current production end articles or spares in support of the end article as currently configured.

(3) c. Any change to Special Tooling, including those previously approved by the Government which will adversely affect the ability to deliver spares in support of the end article as currently configured.

(4) d. Changes which affect the capability and durability of tooling, especially if the change will make tooling less durable than originally projected. The Government normally relies upon the Prime Contractor to manage and perform the tool design and tool configuration function. However, where clear contractual authorization to change tooling is not present based on established engineering documentation or procedures and the subcontract, then the Seller must seek guidance/concurrence from the Buyer.

10.DISPOSITION OF SPECIAL TOOLING

(A) 10.1 All Special Tooling, either supplied by MDHS, produced or acquired by the Seller, shall be dispositioned in accordance with the procedure set forth in FAR part 45 and the MDHS Purchase Order which authorized the acquisition of the tools.

(B) 10.2 All Special Tooling will be maintained and stored by the Seller until formal disposition instructions are received from Buyer. Under no circumstances shall special tooling be scrapped, sold or otherwise disposed of without prior written authorization from the Buyer.

(C) 10.3 When Special Tooling in the Seller's possession is no longer required to perform the Buyer's work requirement, the Seller shall submit to Buyer's Government Property Department, Standard Form 1432 (SF 1432), INVENTORY SCHEDULE D, requesting disposition instructions.

(D) 10.4 The Seller will, upon request, promptly review, update, sign, and return copies of the Buyer's tool inventory schedules or related reports submitted for processing.

(E) 10.5 If authorization to scrap Special Tooling has been received from the Buyer, the Seller shall proceed to dispose of same through his approved scrap procedure or as otherwise directed by the Buyer.

(F) 10.6 The Seller shall, upon request from the Buyer, recommend disposition, determine scrap value, credit Buyer with scrap value of Special Tooling, execute necessary forms related to disposition or movement of Special Tooling, ship Special Tooling in accordance with Buyer's instructions, provide copies of shipping documents and rework information.

POSP #6005

SPECIAL PROVISION TEXT:

This provision establishes responsibilities of McDonnell Douglas Helicopter Systems (Buyer) and Subcontract/Suppliers (Seller) for identification, control and accountability of Special Test Equipment (STE). It further establishes requirements for records and reports related to the maintenance and disposition of STE in the Seller's custody.

1. DEFINITIONS

(A) 1.1 STE as defined herein means either single or multi-purpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in the performance of the electronic, hydraulic, pneumatic, mechanical, or other items as assemblies of equipment, that are mechanically, electrically, or electronically interconnected so as to become a new functional entity, causing the individual item or items to become interdependent and essential in the performance of special purpose testing in the development or production of particular supplies or services.

2. OWNERSHIP OF SPECIAL TEST EQUIPMENT

(A) 2.1 STE produced in support of this program or supplied by the Buyer or Government is Government Property and shall be used only for the performance of this Purchase Orders/Subcontract

unless otherwise specified by Buyer in writing. STE shall not be modified (except as specified herein), altered, reworked or destroyed, disposed of or used on another contract/program or transferred/shipped to a subtier supplier without prior written authorization from the Buyer. Invoices for STE acquired on this Purchase Order/Subcontract will be payable after the Seller has submitted a MDHS Form 10788, Certified Property List (CPL).

(B) 2.2 STE furnished by the Government to the Seller shall be inspected by the Seller immediately upon receipt and Seller shall report in writing, to the Buyer, all discrepancies noted.

3. IDENTIFICATION OF SPECIAL TEST EQUIPMENT

(A) 3.1 STE produced or acquired in support of this program shall be marked promptly upon receipt with the description, manufacturer, model number, serial number, Seller's Government Property Identification Number (I.D.), prime contract by which the property was acquired and Property of U.S. Government. STE previously identified as Property of U.S. Army shall retain its original identification. All identifying markings are subject to examination as Buyer deems necessary.

4. CERTIFIED PROPERTY LIST (CPL)

(A) 4.1 The Seller shall prepare and submit to the Buyer a list of all Special Test Equipment (STE) produced, procured, or reworked by authority of this Purchase Order/Subcontract. This list shall be submitted on Buyer's CPL within sixty (60) days after receipt of STE acquired on this Purchase Order/Subcontract. Additionally, complete, accurate, signed CPLs for all MDHS Government-Owned Property acquired on this and all other Purchase Orders/Subcontracts for support of this program shall be submitted to MDHS no later than 31 December each year. CPL forms may be obtained upon request from the MDHS Government Property Manager or Buyer. The CPL shall include the following data:

(1) a. Prime Contract number, Subcontract number and/or Purchase Order number on which the property was acquired.

(2) b. Complete description for each line item of property including the manufacturer of the STE, model number, serial number and the Seller's Government Identification Number (I.D.).

(3) c. Unit Price for each line item of property (lot or group prices are not acceptable). If actual unit price is not available, a "best estimate" cost should be noted followed by the letter "E" for Estimate.

(4) d. Location of property shall include names and addresses of subtier Supplier(s) or off-site locations, as applicable.

(B) 4.2 The CPL shall be signed by the Seller's Government Property Administrator or an authorized representative, as certification that the data contained therein is a complete and accurate accounting of all STE acquired on the indicated Purchase Order/Subcontract and that markings, records and control of Government Property are in compliance with FAR, Part 45.

5. RECORD REQUIREMENTS

(A) 5.1 The Seller is responsible for maintaining accountability and maintenance records of Government-Owned STE in accordance with an approved property control system and pursuant to requirements set forth in FAR/DFARS, Part 45. Seller shall maintain the official STE accountability records and be accountable for its subtier supplier(s) unless otherwise approved by the Buyer. Records are to include:

(1) a. Control records listing ownership, Prime Contract, Subcontract/Purchase Order under which STE was acquired or furnished

(2) b. Manufacturer of the STE, model and serial no.

(3) c. Accountability transfer from one Subcontract/Purchase Order to another.

(4) d. Annual physical inventory lists which were verified and submitted by the Seller for each Subcontract and/or Purchase Order.

(5) e. Disposition authority for STE no longer required to perform the Subcontract/Purchase Order subsequently dispositioned.

(6) f. Packing sheet on which the STE was received or shipped.

(7) g. Seller's Government Property Identification Number.

(8) h. Unit price.

6. LIABILITY

(A) 6.1 The Seller assumes the risk of and shall be responsible for any loss, destruction or damage of Government-Owned Property while in the Seller's possession, custody or control, or in the possession, custody or control of its subtier suppliers, except to the extent that the Seller requests through the Buyer and OBTAINS the Procuring Contracting Officer's approval for incorporation of the appropriate Limited Risk of Loss clause in his Purchase Order/Subcontract. The applicable clauses are: FAR 52.245-2 Alternate I for Fixed Price contracts, FAR 52.245-5 (g) for Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts and FAR 52.245-8 for Facilities Use Contracts. These clauses grant the Seller the right to REQUEST relief of liability for loss, damage or destruction of Government Property. The requirement for these accountability instructions apply equally to all STE in its possession or its subtier suppliers. Additionally, those Sellers that have been granted contractual approval shall, within sixty (60) days after initial notification of loss, damage or destruction of STE, formally submit a request to the Buyer for relief of liability in accordance with FAR provisions.

7. RENT-FREE/NON-INTERFERENCE

(A) 7.1 The STE as listed and/or appended hereto is authorized for use by the Seller on a Rent-Free/Non-Interference basis in the performance of this Purchase Order/Subcontract. The Seller warrants that it has not included in its cost under this subcontract any rental charge for the use of such property or the amortization of such property. Further, the Seller agrees that it shall not, either directly or indirectly through overhead charges or otherwise, include in the cost of this subcontract or otherwise seek reimbursement under this subcontract for any rental charge paid by the Seller or its subtier suppliers for the use of the property referred to herein on other contracts.

8. MAINTENANCE

(A) 8.1 The Seller shall establish a preventive maintenance program for Government-Owned STE in accordance with FAR, Subpart 45.509-1 and as prescribed in applicable Government and/or commercial Technical Manuals. Maintenance and repair records shall be maintained for each item of STE in Seller's possession and in the possession of Seller's subcontractor(s). All Government property shall be maintained from time of receipt until properly relieved of responsibility, in accordance with sound industrial practice and the terms of the prime contract.

9. MODIFICATION OF GOVERNMENT-OWNED STE

(A) 9.1 STE shall not be modified, altered, reworked, destroyed or used on any other contract/program without written authorization from the Buyer.

10. DISPOSITION OF SPECIAL TEST EQUIPMENT

(A) 10.1 Immediately after it becomes known that Government-Owned STE will no longer be required to perform the Buyer's work requirements, the Seller shall notify Buyer. This notification will be accomplished by submission of Standard Form 1432, INVENTORY SCHEDULE D, to Buyer's Government Property Department.

(B) 10.2 STE procured hereunder or supplied by the Buyer is Government-Owned Property and shall not be dispositioned or transferred to a subtier supplier without written authorization from Buyer.

(C) 10.3 All STE shall be maintained and stored by the Seller until formal disposition instructions are received from the Buyer. Under no circumstances shall STE be scrapped, sold or otherwise disposed of without prior written authorization from the Buyer.

(D) 10.4 Seller shall upon written request, recommend disposition, determine scrap value, credit Buyer with scrap value of STE, execute necessary forms related to disposition, provide copies of shipping documents and rework information, ship STE in accordance with Buyer instructions and provide any other information required by Buyer.

POSP #6010

SPECIAL PROVISION TEXT:

Cost of tool and test equipment maintenance and/or calibration for production hereunder shall be the Seller's responsibility. Maintenance required by this special condition shall consist of the following:

1. replace tooling pins and keys and consumed composite tools;
2. repair elongated tooling holes, work keyways and to print tolerances;
3. clean and polish working surfaces of dies as required to prevent scoring or marking of parts;
4. protect entire die with anti-oxidant (everlube or equivalent) after each run of parts;
5. perform minor rework. Cost of any tool rework or replacement which is deemed beyond "minor" shall be negotiated separately as the need arises;
6. calibration of test equipment at an interval prescribed herein.

POSP #6015

SPECIAL PROVISION TEXT:

The Special Tooling as listed or appended hereto is authorized for use by the Seller on a rent-free/non-interference basis in the performance of this Purchase Order/Subcontract. The Seller warrants by acceptance of this Purchase Order/Subcontract that it has not included in its cost under this subcontract any rental charges for the use of such property or the amortization of such property. Further, the Seller agrees that it shall not, either directly or indirectly through overhead charges or otherwise, include in the cost of this subcontract or otherwise seek reimbursement under this subcontract for any rental charge paid by the Seller or its subtier subcontractor(s) for the use of the property referred to herein on other contracts.

All Government-Owned Property, acquired or furnished by the Government and/or the Buyer for specific use in performance of this Purchase Order, shall be administered and accounted for in accordance with Federal Acquisition Regulation (FAR), Part 45.

POSP #6016

SPECIAL PROVISION TEXT:

DEPOT SCRAP PROCEDURE

1. If a unit returned by the Buyer for repair is found to be beyond economical repair, the Seller shall immediately notify the Buyer. Upon receipt of "scrap" concurrence from the Government, the Buyer will direct the Seller of disposition.
2. Disposal action will be accomplished in accordance with locally established scrap procedures as approved by the DCMAO Supporting Property Administrator. All scrapped components will be recorded on a DD Form 1149, authenticated by the Seller and cognizant Government Activity Quality Inspection Representative. A copy of the executed DD1149 will be given to the Buyer.

(A) Serviceable piece parts will be removed from the failed unserviceable unit and listed on MDHS Form 10577, Serviceable Parts List, prior to scrap disposition. The Seller will affix a completed DD Form 1574, Serviceable Tag, to each removed serviceable piece part. Tags will include the nomenclature and National Stock Number (NSN) of the failed unit from which the serviceable piece parts were removed. The condition code shall also be entered on the form as extracted from the applicable technical manual. Authentication of the DCMAO Quality Inspector must be affixed to each DD Form 1149. The DD Form 1574 tag will remain with the part pending future use.

(B) The failed unit with the accompanying serviceable piece parts will then be returned to the Seller's Government Property Stores together with the Serviceable Parts List. The Parts List of serviceable parts removed from the unserviceable component will identify all removed items by NSN—Part Number, nomenclature, and quantity. The Serviceable Parts List may be used as the supporting voucher for recording these parts on the Seller's Government Property Record.

(C) After entry of the removed serviceable parts on the property record, effect shipment of these parts on a DD Form 1149 with MDHS Form 10577 attached, to the Transportation Officer, Red River Army Depot, Texarkana, Texas, 75507, and marked with the applicable Prime BOA/Delivery Order. A copy of the DD1149 with MDHS Form 10577 attached, will be furnished to the Buyer.

(D) If Seller anticipates cost associated with salvaging serviceable parts, Seller shall notify Buyer before incurring cost.

(E) After an authorized "scrap" has been accomplished, all funds received for the salvage of scrapped parts shall be credited back to the applicable contract in accordance with Seller's approved scrap procedures.

(F) If that Seller does not have an authorized Bonded Storeroom or DCMAO Supporting Property Administration, and cannot scrap in place, Seller shall immediately notify Buyer. Seller shall then return the authorized scrap unit to Buyer, with no further work accomplished.

3. Federal Acquisition Regulation (FAR) Part 45.6, "Reporting, Redistribution, and Disposal of Contractor Inventory", is hereby incorporated into this Purchase Order.

POSP #6018

SPECIAL PROVISION TEXT:

Seller shall, at its own expense, carry sufficient insurance to cover replacement cost of all MDHS/Government-Owned Tooling and/or Special Test Equipment in its possession, including those tools that were MDHS and/or Government furnished. Policies for such insurance shall be subject to approval by MDHS and shall name MDHS and/or the Government as the named insured or shall include a loss payable clause to MDHS and/or the Government as their interest may appear.

POSP #6019

SPECIAL PROVISION TEXT:

Seller will be supplied with Government Furnished Property which is to be utilized for incorporation in (delivery with) end items ordered hereunder, and/or for testing purposes in accordance with Federal Acquisition Regulation (FAR) Subpart 45.5 and MDHS contractual requirements.

Seller shall establish an approved property accountability procedure as defined in FAR Part 45. Records will contain at a minimum, description and National Stock Number (NSN) of item, quantity received, fabricated, issued and on hand, unit price, unit of measure, acquiring prime contract number, location, disposition, posting reference and date of transaction.

POSP #6021

SPECIAL PROVISION TEXT:

Forging die equipment produced hereunder will be permanently marked for tool identification in addition to any markings forged on the parts through cavity markings. These additional markings are to include the Buyer's Part Number and the Buyer's Purchase Order/Subcontract Number.

Die equipment specified herein is the property of the Seller but will be maintained in good condition by the Seller for the Buyer's and Government's exclusive use for a period of not less than seven (7) years after the last production of parts therefrom, including those from latest changes, except that in no event will Seller dispose of dies without written authorization from the Buyer.

Seller shall provide the Buyer with MDHS Form 10778, Certified Property List (CPL), properly prepared. Payment of invoices will be held pending receipt of the Certified Property List and acceptance of the first parts made from these tools.

Seller agrees that drawings, Special Tooling and technical data furnished by Buyer is proprietary to the Buyer for its exclusive use. Seller further agrees that production, overhaul, or sales of material using these proprietary drawings data or Special Tooling to anyone other than the Buyer is expressly forbidden without prior written consent of the Buyer.

If a Government prime contract number is referenced on the face of this Purchase Order/Subcontract and in the event the Seller receives a request for information or solicitation for an offer from the U.S. Government which would require the use of the drawings, special tooling or technical data contained in the above for sales to the U.S. Government, Seller shall immediately notify Buyer. Buyer shall advise whether the request for information or solicitation calls for items or concerns a subject in which Buyer claims proprietary rights. Seller may use the drawings, data and/or tooling to the extent that the U.S. Government claims "Unlimited" or "Government Purpose" rights under any prime contract for the purpose of responding to requests for information or sales directly to the U.S. Government unless Seller is notified by Buyer that it disputes a Government claim to such "Unlimited" or "Government Purpose" right.

POSP #6028

SPECIAL PROVISION TEXT:

In the event Special Tooling and/or Special Test Equipment is purchased by MDHS under this Purchase Order/Subcontract, MDHS may subsequently elect to issue a separate no-charge Purchase Order for the control, accountability and reporting of such Special Tooling and/or Special Test Equipment in accordance with the applicable provisions of this Purchase Order/Subcontract. Seller agrees to accept such no-charge Purchase Order which is to facilitate the administrative activities associated with the control, accountability and reporting requirements of Special Tooling and/or Special Test Equipment.

POSP #6030

SPECIAL PROVISION TEXT:

Rent-free use of Government facilities, Special Tooling and Special Test Equipment is NOT authorized. The use of facilities, tooling and test equipment accountable under a direct U.S. Government supplier facility or supply contract will result in rent being assessed to Seller by the U.S. Government. Seller hereby acknowledges by acceptance of this Purchase Order/Subcontract, that this rent has been considered and included in the price of goods to be supplied on this Purchase Order/Subcontract. Seller shall give priority in the use of the property to performing contracts and subcontracts of the Contracting Officer having cognizance of the property and shall not undertake any work involving the use of the property which would interfere with performing Government contracts.

POSP #6031

SPECIAL PROVISION TEXT:

The Government Property listed or appended hereto is authorized for use on a rent-free basis for the performance of this Purchase Order/Subcontract. Use of this property shall not interfere with foreseeable requirements of the United States Government.

POSP #6034

SPECIAL PROVISION TEXT:

Special Tooling (ST)/Special Test Equipment (STE) is provided by MDHS for performance of this Purchase Order/Subcontract. The Seller shall be financially responsible for the loss, damage or destruction of this property. The property shall be used only for this Purchase Order/Subcontract unless otherwise directed by the Buyer. Upon completion of this Purchase Order/Subcontract or as directed by the Buyer, the property shall be returned to MDHS in as good condition as supplied to the Seller except for reasonable wear and tear.

ST/STE returned to MDHS shall be carefully packaged to avoid damage in transit and shall be packaged separately from hardware and clearly marked ST/STE.

POSP #6046

SPECIAL PROVISION TEXT:

All patterns or mold equipment used by Seller in the performance of this Purchase Order/Subcontract must be legible and durably marked in ink, paint, or stencil, with the MDHS part number and latest change letter prior to return shipment to MDHS.

POSP #6050

SPECIAL PROVISION TEXT:

MDHS FURNISHED INSPECTION GAUGES AND FIXTURES

The Seller shall:

1. For purposes of acceptance or rejection, use inspection fixtures/gauges furnished or funded by MDHS and/or the U.S. Government as a media of inspection;
2. Be responsible for maintaining the acceptable condition of furnished inspection fixtures/gauges;
3. Notify Buyer in the event damage occurs, or for any other reason in which MDHS would consider the inspection fixture/gauge not usable for its intended use;
4. Return the inspection fixture/gauge for reinspection or revalidation when notified by MDHS, either by the Purchase Order/Subcontract line item delivery schedule herein, or separate notice;
5. Upon completion of this Purchase Order/Subcontract, return the property to MDHS unless otherwise directed by the Buyer. Property shall be carefully packaged to avoid damage in transit, packaged separately from hardware and clearly marked as Measuring and Test Equipment (M&TE).

POSP #6076

SPECIAL PROVISION TEXT:

Seller shall adjust all records of Government/MDHS Property listed or appended to this Purchase Order/Subcontract as follows: Transfer accountability from Purchase Order/Subcontract _____ to Purchase Order/Subcontract _____.

Accountability will remain with this Purchase Order/Subcontract until all deliveries are complete and/or until further directed by the Buyer to transfer accountability to a follow-on Purchase Order/Subcontract.

POSP #6078

SPECIAL PROVISION TEXT:

All Property listed or appended to this Purchase Order/Subcontract is allocable to the AH-64 Apache Program. The Seller shall adjust all records of this property to show accountability under MDHS Facilities Use Contract DAAJ09-90-E-A001 with the Government. Accountability will remain with this Government contract until 1 May 1995 or as directed by the Buyer. Accountability on previous Purchase Orders/Subcontracts shall be transferred to this Purchase Order/Subcontract.

POSP #6503

SPECIAL PROVISION TEXT:

Seller will provide special tooling of a design, quality and quantity adequate to support a peak monthly production rate of: _____.

POSP #6508

SPECIAL PROVISION TEXT:

Seller shall proceed with the development and fabrication of one lot of production special tooling, associated with and required for, the manufacture, fabrication, and assembly of the material described herein: Seller is to manufacture, fabricate, or otherwise acquire, tooling to the extent, quality, and capability or producing as a minimum, the quantities and production rates of material to be produced under line item 01 of this purchase order.

In conjunction with the manufacture of the special tooling described herein, Seller is to provide Buyer with such drawings, descriptive sheets, use summaries, identification lists, or other written materials that fully describe and identify each tool, and indicate tool production usage by Buyer part number.

Approval and acceptance of special tooling described herein shall be accomplished in concert with first article acceptance of material under line item ____ of this purchase order.

Upon completion and acceptance by Buyer, all special tooling manufactured, fabricated, or otherwise acquired by Seller under this purchase order will become the sole property of Buyer and title to such special tooling shall be vested in Buyer.

POSP #6512

SPECIAL PROVISION TEXT:

Such special tooling shall be designated for the exclusive use of Buyer. This special tooling shall not be used for production of material described herein, associated spare parts, or for any other purpose without the express written consent of Buyer. Upon receipt of written direction from Buyer, Seller shall deliver special tooling to Buyer's facility.

Seller to provide Buyer with a firm fixed price for each item of tooling provided under this purchase order. Seller is not to forward invoice for payment of tooling until such time as Seller has provided for all Buyer requirements as detailed above with regard to special tooling created under this purchase order.

POSP #6515

SPECIAL PROVISION TEXT:

Seller agrees that all its Special Tooling and/or Special Test Equipment required to produce the goods purchased hereunder, will be retained in usable condition for a period of four (4) years from the date of this contract. In consideration of the award of this Purchase Order, Seller grants MDHS the right of first refusal to purchase such Special Tooling and/or Special Test Equipment prior to disposal by Seller. Seller will give MDHS written notification of pending disposal and allow MDHS a reasonable period of time in which to exercise its rights of first refusal.

POSP #6520

SPECIAL PROVISION TEXT:

Seller shall proceed with the development and fabrication of one lot of production special tooling associated with and required for the manufacture, fabrication, and assembly of the material described herein: Seller is to manufacture, fabricate, or otherwise acquire tooling to the extent, quality and capability of producing as a minimum, the quantities and production rates of material to be produced under this purchase order.

In conjunction with the manufacture of the special tooling described herein, Seller is to provide Buyer with such drawings, descriptive sheets, use summaries, identification lists or other written materials that fully describe and identify each tool, and indicate tool production usage by Buyer part number.

Approval and acceptance of special tooling described herein shall be accomplished in concert with First Article acceptance of material under this purchase order.

Upon completion and acceptance by Buyer, all special tooling manufactured, fabricated or otherwise acquired by Seller under this purchase order will become the sole property of Buyer and title to such special tooling shall be vested in Buyer.

POSP #6525

SPECIAL PROVISION TEXT:

Such special tooling shall be designated for the exclusive use of Buyer. This special tooling shall not be used for production of material described herein, associated spare parts, or for any other purpose without the express written consent of Buyer. Upon receipt of written direction from Buyer, Seller shall deliver special tooling to Buyer's facility.

Seller to provide Buyer with a firm fixed price for each item of tooling provided under this purchase order. Seller is not to forward invoice for payment of tooling until such time as Seller has provided for all Buyer requirements as detailed above with regard to special tooling created under this purchase order.

POSP #6528

SPECIAL PROVISION TEXT:

The delivery schedules for Line Item _____ are certification-/calibration-due dates for the tool or gage. It is the Supplier's responsibility to ensure the tool or gage is returned by those dates. Also:

1. The Supplier must notify Buyer of tool shipment;
2. MDHS retains the right to reject parts if an expired tool or gage has been used by the Supplier to inspect and accept parts.

POSP #6530

SPECIAL PROVISION TEXT:

Supplier to furnish material and fabricate the above special tooling to produce a minimum of (A) _____ pieces of Buyer's part number (B) _____ per "_____" change drawing, E.O.'s (D) _____.

Supplier to identify special tooling as follows: (E) _____ Property of (F) _____.

First Article inspection is required for tool approval prior to production.

Supplier to provide sufficient notice to permit scheduling of First Article inspection at (G) _____ facility. Phone (H) _____ to request Source Inspection.

First article due for source inspection: (I) _____.

Payment for special tooling shall be made when the Buyer receives McDonnell Douglas Helicopter Systems Form #9048, Source Inspection Record (S.I.R.), signed by the source inspector indicating tool approval. S.I.R. is submitted by the source inspector.

This order covers (J) _____ owned tooling. This tooling is to remain at the Supplier's and be stored and maintained by the Supplier at no cost or charge to McDonnell Douglas Helicopter Systems or the Government until notified of disposition by the Buyer. Tooling shall not be scrapped, salvaged, modified, or reworked without permission from the Buyer.

Supplier agrees that tooling made or supplied under this order is for the exclusive use of the Buyer and that no production is to be run without written consent of the Buyer.

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