



**communications**

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**Communication Systems-West**  
640 North 2200 West P.O. Box 16850  
Salt Lake City, UT 84116  
801-594-2000 Fax: 801-594-2127

## **GENERAL TERMS AND CONDITIONS**

This document, together with the attachments appended hereto constitutes the Terms and Conditions for the Subcontract between the parties, and acceptance is strictly limited to the terms and conditions contained herein. Additional or differing terms, conditions or limitations of liability proposed by the Seller, whether in a quote, acceptance or delivery document shall have no effect unless accepted in writing by Buyer. In particular, any limitation of liability or disclaimer of warranty is expressly rejected. Agreement by Seller to furnish the goods or services to these terms and conditions, or Seller's commencement of such performance or acceptance of payment shall constitute acceptance by Seller of these Terms and Conditions. If any of the clauses are not applicable by their terms they shall be self-deleting.

### **1. FIRST ARTICLE INSPECTION**

A 100% dimensional "First Article" inspection report, test report, (if required) and certification of compliance, must accompany each first time shipment of any PWB, metal fabrication, machined, electrical part or assembly built to Buyer's specifications, unless otherwise instructed by the inspection codes listed below. Such reports and certifications must have the signature of the person verifying the compliance to all of the associated part requirements.

### **2. FOREIGN CORRUPT PRACTICES ACT**

Subcontractor agrees in writing not to interact with a foreign government political party or public international organization on behalf of L-3 Communications Corporation or Communications Systems-West Division without prior written permission.

### **3. MERCURY CONTAMINATION**

Mercury content of article furnished under this order shall not exceed the OSHA permissible exposure level.

### **4. NAME CHANGES**

L-3 Communications through acquisition and merger has had several previous affiliations. Any drawing or document reference to Sperry, Unisys, Paramax, Loral, or Lockheed Martin should be interpreted as L-3 Communications.

### **5. FURNISHED MATERIALS/LIABILITY**

If one or more items of Government property (SEE FAR 45.101) are furnished in support of this contract, the supplied items shall be subject to the monitoring and reporting requirements of L-3 Communications Systems-West Procedure "Subcontract Control, GPM-06" (P-335), which will be furnished by Buyer upon request.

### **6. WORKMANSHIP STANDARDS REQUIREMENT**

Refer to the website <http://www.L-3com2.com/csw/docs/wsm> if drawings, specifications, or part lists associated with this Order, reference or require the use of Communication Systems-West's workmanship standards. If you cannot access the URL, call 801-594-2727 between the hours of 7am and 4pm mountain time.



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**7. SUPPLIER QUALITY, FIRST ARTICLE INSPECTION, AND QUALITY MANAGEMENT SYSTEMS**

Refer to website: <http://www2.L-3com.com/csw/docs/wsm/> for all supplier quality requirements (i.e. first article inspection, special processes quality management systems, and other general and commodity specific requirements). (see section 3.1 of the SQR for first-article-inspection applicability).

**8. NONCONFORMING AND SUSPECT MATERIAL**

In the event nonconforming material is received by Buyer, a Supplier Corrective Action Report (SCAR) may be issued in conjunction with any nonconforming goods. Such SCAR must be returned to the requestor within 30 days of issue, or Buyer may withhold payments for the associated Purchase Order until such SCAR is received.

If, anytime during the performance of, or after shipment(s) made against this Purchase Order, Seller becomes aware of or reasonably suspects that a product contains a component subject to a recall notice, warning alert, GIDEP alert, or any other type of concern regarding the authenticity, quality, safety, process integrity, specification compliance, or other type of nonconformance, Seller shall immediately notify Buyer of such problem or nonconforming goods shipment(s). Seller shall provide the following information as part of the notification: Buyer Purchase Order number; Buyer part number; Seller part number; quantity shipped, date(s) of shipment; serial number(s), if available; the identified nonconformance and the SCAR that will correct the nonconformance and prevent future shipments of nonconforming goods. After submittal of the above required information, Seller may apply for a specific waiver from L-3 Communications (FORM SLC3892) requesting L-3 Communications to accept the nonconforming goods.

**9. PACKAGING REQUIREMENT**

Seller shall prepare and package the goods to prevent damage or deterioration and shall use best commercial practice for packing and packaging items to be delivered under this contract, unless otherwise specified in the Purchase Order.

**10. EMPLOYMENT VERIFICATION REQUIREMENTS USING E-VERIFY**

In accordance with Executive Order 12989, all supplier personnel performing work at any L-3 site shall provide a certification of employment eligibility prior to the performance of any work. The U.S. Department of Homeland Security has designated E-Verify as the eligibility verification system that must be used. Prior to performance of any on-site work, the Supplier shall provide a certification letter listing the name and E-Verify case verification number of each employee assigned to work at L-3. For employees hired prior to June 9, 2008, it is acceptable for the Supplier to list the employee name and hire date in place of an E-Verify case number. In addition to the names and case numbers, the certification letter shall include the following statement: "(Company Name) has verified U.S. citizenship or permanent resident status for the listed employees and certifies that they are U.S. citizens or permanent residents legally qualified to work in the United States." E-Verify may be accessed at [www.uscis.gov/e-verify](http://www.uscis.gov/e-verify).

**11. SPECIALTY METALS**

Seller, by acceptance of this Purchase Order, certifies that any goods herein that are required to comply with the "Specialty Metals" requirements in 10 USC 2533B and DFARS 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals, are compliant and that the seller shall maintain the required manufacturer's certifications and shall make them available to Buyer upon request. Such certifications shall be retained at Seller's facility per the record retention requirements of FAR Subpart 4.7.



## 12. STANDARD OFFSET PROVISION

To the exclusion of all others, Buyer or its assignees shall be entitled to all industrial benefits or offset credits that may result from the issuance of this Purchase Order / Subcontract. It is Buyer's intent to utilize any industrial benefits/offset credits in support of Buyer's offset obligations and those of its Corporate Affiliates, Prime Contractors, or other business partners. Seller agrees to use reasonable efforts to identify the foreign content of any goods or services that Seller either produces itself or procures from its Suppliers/Subcontractors for work directly related to this Purchase Order/Subcontract. Seller shall provide buyer a written notice every six (6) months documenting whether or not there has been any foreign content related to this Purchase Order/Subcontract. Seller shall provide documentation or information that Buyer or its assignees may reasonably request to substantiate claims for industrial benefits or offset credits.

## 13. FEE REDUCTION

a. Where submission of cost or pricing data is required or requested at any time prior to or during performance of this subcontract, if Seller or its lower tier subcontractors: (i) submit and/or certify cost or pricing data that are defective; (ii) with notice of applicable cutoff dates and upon Buyer's request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on Buyer's Certificate of Current Cost or Pricing Data, (iii) claim an exemption to a requirement to submit such cost or pricing data and such exemption is invalid, (iv) furnish data of any description that is inaccurate; or if (v) the US Government alleges any of the foregoing; and, as a result, (A) Buyer's contract price or fee is reduced; (B) Buyer's costs are determined to be unallowable; (C) any fines, penalties, withholdings, or interest are assessed on Buyer; or (D) Buyer incurs any other costs or damages; Buyer may proceed as provided for in 1c. below.

c. Upon occurrence of any of the circumstances, other than withholdings, identified in paragraphs 1a. and 1b. above, Buyer may make a reduction of corresponding amounts (in whole or in part) in the price of this contract or any other contract with the Seller, and/or may demand payment (in whole or in part) of the corresponding amounts. Seller shall promptly pay amounts so demanded. In the case of withholding(s), Buyer may withhold the same amount from Seller under this contract.

d. Seller will not raise as defenses the matters listed in FAR 52.215-10(c)(1), or FAR 52.215-11(d)(1).

## 14. CHEMICAL CONTENT

Seller represents that each chemical substance constituting or contained in work sold or otherwise transferred to Buyer hereunder is on the list of chemical substances compiled and published by the Administrator of the environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

## 15. AUTHORITY

Only the Buyer Procurement Representative has authority on behalf of Buyer to make changes to this contract. All amendments must be identified as such in writing and executed by the parties.

## 16. EXCLUDED PARTIES

Seller shall immediately notify the Buyer Procurement Representative if Seller is, or becomes, listed in any Denied Parties list or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.

## 17. EXPORT COMPLIANCE

Where Seller is a signatory under a Buyer export license or export agreement (e.g. TAA, MLA), Seller shall provide prompt notification to the Buyer Procurement Representative in the event of SLC-9031



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changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation, that could affect the Seller's performance under this contract.

### 18. PRIME CONTRACT AMENDMENTS

Seller agrees that upon request of Buyer it will negotiate in good faith with Buyer relative to amendments to this Subcontract to incorporate additional provisions herein or to change provisions hereof, as Buyer may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Subcontract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Subcontract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Subcontract.

### 19. AUDIT RIGHTS

For a period no less than three (3) years after final payment under each and every subcontract or Order, Seller shall maintain complete and accurate books, records, documents, and other evidence of the time worked, costs, expenses and allowances pertaining to this Subcontract to the extent and in such detail as will properly reflect all net costs (direct or indirect) of labor, materials, equipment, supplies and services and other costs and expenses of whatever nature. Buyer shall have the right to request a DCAA audit to examine, reproduce and audit any and all records. This clause is in addition to Paragraph 30 of L-3 Communications General Terms and Conditions (Corporate Form CC008).

### 20. SPECIFICATIONS

All references in any Buyer document or Government specifications (excluding those incorporated in subcontractor's model specifications) incorporated into this Subcontract by reference, shall be deemed to include any and all specifications superseding or supplementary to the specifications so referred to, to the extent that such superseding or supplementary specifications are in effect on the effective date of this subcontract or on the effective date of any incorporating change notice, if subcontractor was furnished or otherwise had been notified of the existence of such superseding or supplementary specifications by that effective date.

### 21. INDEMNIFICATION

Seller shall indemnify and save harmless L-3 Communications from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys' fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of Paragraph 12, of L-3 Communications General Terms and Conditions (Corporate Form CC008). Any failure of the Seller to comply with the requirements shall be a material breach of this Subcontract.

### 22. DISCONTINUED PRODUCT

The parties recognize that electronic component suppliers at times discontinue or reduce manufacture of MIL-Standard or MIL Specification parts. In the event a component is no longer stocked or manufactured as part of Seller's regular product line, the Seller shall notify Buyer of any pending future action to discontinue purchased items through written notification to the cognizant procurement representative.

### 23. SUPPLIER PROCESS CHANGE CONTROL

Some or all of the products acquired under this Agreement will be incorporated into higher level assemblies that may be subject to stringent "qualification testing" requirements for critical government applications; even minor changes to Seller's products or processes may necessitate "requalification" or produce unacceptable results in higher level assemblies. Since the impact of

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any such product/process change can be most efficiently assessed prior to product integration into higher level assemblies and the potential cost of remediation/retrofit activities for end products deployed worldwide could be substantial, as a cardinal commitment under this contract, Seller expressly commits to: 1) maintain a robust sourcing/quality process for the products delivered hereunder; 2)rigorously comply with the notification requirements specified below; and 3) include provisions with its sub-tier suppliers that are adequate to implement the requirements of this provision.

**24. PRIOR APPROVAL – FORM/FIT/FUNCTION ALTERATIONS**

Seller will not implement, or otherwise deliver to Buyer, products incorporating any alterations to product form, fit, or function without the express prior written approval of the Buyer. Such approval shall not be unreasonably withheld but shall be dependent upon Seller’s thorough documentation of such proposed changes (including any analysis necessary to confirm continued suitability). Seller’s notification and Buyer’s limited approval of such form, fit or function alterations shall not be interpreted to waive any other contractual requirement(s) or to otherwise relieve Seller from delivering fully compliant products.

**25. PRIOR NOTIFICATION**

**Material Changes:** Prior to delivering any products incorporating a “material change”, Seller shall provide advance notice to Buyer in sufficient time to reasonably evaluate the proposed change and, if necessary, to place an end-of-life order for the unchanged product, but in no event shall Seller’s notice be less than 30 calendar days. For purposes of this clause a “material change” is any alteration to the design, technical specifications, materials, component sourcing, or production process, facilities or location, whether instigated by Seller or its sub-tier suppliers.  
**Risk Notification – Product Alerts** Buyer shall be promptly notified whenever Seller becomes aware or reasonably suspects that any product delivered to Buyer is, or contains a component that is, subject to a recall notice, warning alert, GIDEP Alert, and/or any other type of notification or concern regarding product authenticity, quality, safety, process integrity, and/or specification compliance.

**FAR & DFARS:**

*When the materials or products furnished are for use in connection with a U.S. Government contract or subcontract, in addition to the General Provisions, the following provisions shall apply, as required by the terms of the prime contract or by the operation of law or regulation. In the event of a conflict between these FAR and DFARS provisions and the General Provisions, the FAR and DFARS provisions shall control.*

*The following clauses set forth in the FAR and DFARS in effect as of the date of the prime contract are incorporated herein by reference. In all clauses listed herein, the terms “Government”, “Contracting Officer” and “Contractor” shall be revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. “Subcontractor” however, shall mean “Seller’s Subcontractor” under this purchase order.*

- 1. 52.203-5           Covenant Against Contingent Fees (Over SAP)
- 2. 52.227-3           Patent Indemnity (Commercial Items)
- 3. 52.232-99         Providing Accelerated Payment to Small Business Subcontractors
- 4. 52.232-11         Extras
- 5. 52.233-1           Disputes
- 6. 52.237-3           Continuity of Services
- 7. 52.242-1           Notice of Intent to Disallow Costs



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- 8. 52.243-7 Notification of Changes (Over \$1 Million)
- 9. 52.246-1 Contractor Inspection Requirement
- 10. 52.246-17 Warranty of Supplies of a Noncomplex Nature (at (b)(1) and (c)(1) insert words “one year after acceptance”)
- 11. 52.246-23 Limitation of Liability (Over SAP)
- 12. 52.246-24 Limitation of Liability – High Value Items (Over SAP)
- 13. 52.246-25 Limitation of Liability – Services (Over SAP)
- 14. 252.204-7002 Payment for Subline Items Not Separately Priced
- 15. 252.219-7004 Small Business Subcontracting (Test Program)
- 16. 252.225-7002 Qualifying Country Sources as Subcontractors
- 17. 252.227-7022 Government Rights (Unlimited)
- 18. 252.227-7032 Rights in Technical Data and Computer Software (Foreign)
- 19. 252.232-7007 Limitation on Government’s Obligation (Over \$100,000)
- 20. 252.246-7001 Warranty of Data