

Additional Purchase Order Terms And Conditions
Basic Ordering Agreement, SATCOM Aft Equipment Compartment (AEC) For The E-2C
Aircraft
(Prime Contract No. N00019-97-G-0110)

All of the additional terms and conditions set forth below are incorporated in and made part of this Order. Any conflict between any of the conditions contained in this form and those appearing on Northrop Grumman Purchase Order Terms and Conditions shall be resolved in favor of the conditions in this form.

I. Changes To Purchase Order Terms and Conditions

- A. The November 1995 version of the DoD FAR Supplement clause 252.227-7013 applies to this Order.
- B. Delete the clause entitled, "Warranty" and substitute the following:

WARRANTY

(a) Definitions:

- (1) Defects: As used herein means any condition or characteristic in any supplies furnished by Seller under this Order that is not in compliance with the requirements of this Order.
- (2) Correct: As used herein means to eliminate the defects. Corrective action may include repair, replacement, redesign and development and qualification of a modification to eliminate the defect and retrofit of such modification.
- (3) Organic Repair: As used herein means organizational, intermediate, or depot level repair actions performed by any Navy or other Department of Defense activity.
- (4) Essential Performance Requirements: As used herein means any operational capability, or other characteristic identified as an essential performance requirement necessary for the supplies to fulfill the military requirements for which they were designed. Essential performance requirements are set forth in the Schedule.

(b) Warranty:

- (1) Notwithstanding inspection and acceptance by Buyer or any provision of this Order concerning the conclusiveness thereof, the Seller warrants that all supplies furnished under this Order:
 - (i) shall conform to the design and manufacturing requirements in the Order and amendments thereto;
 - (ii) shall be free from all defects in material and workmanship, at the time of acceptance; and,
 - (iii) shall conform to the essential performance requirements set forth in the Schedule.
- (2) With respect to Buyer or Government-furnished property, Seller's warranty shall extend only to its proper installation, unless Seller performs some modification or other work on such property in which case Seller's warranty shall extend to such modification or other work.
- (3) This warranty will not be voided by organic repair.

(c) Remedies:

- (1) Corrective Actions: In the event of a breach of the Warranty in paragraph (b) above, Buyer, at his/her election, may require Seller to take all actions necessary to correct the breach at no additional cost to Buyer including:
 - (i) Perform analyses of causes of defects or failures resulting in a breach of warranty provisions under this Order, propose corrective actions for such causes including schedules for performing such corrective actions, and, if so directed by Buyer, perform the corrective actions proposed as a result of such analyses;
 - (ii) Correct, at the original point of delivery or at Seller's plant, defective or nonconforming supplies;
 - (iii) Furnish, at the original point of delivery or at Seller's plant, such materials or parts and installation instructions as may be required to complete

successfully the corrective action; and

- (iv) Prepare and furnish new or revised data and reports directly associated with the corrective action.

(2) Equitable Adjustment:

- (i) If Buyer elects not to require Seller to take corrective action for any breach of warranty under this clause, Buyer shall be entitled to an equitable reduction in the price of such supplies.
- (ii) If Buyer performs or has performed the corrective action, Buyer shall be entitled to the reimbursement of reasonable costs incurred to correct the deficiency.

- (3) When supplies require correction or replacement pursuant to this clause, Buyer will bear the cost of the transportation to the port of CONUS entry. Seller will bear the transportation costs between the CONUS port of entry and the site where correction or replacement action occurs and subsequent return to that port of entry.

(d) Notification and Correction Procedures:

- (1) Except as the notification period may be extended by operation of paragraph (d)(4) herein, Seller shall be notified in writing by Buyer of any breach of the warranty set forth in paragraph (b) above, including a description of the breach, within seven (7) months after acceptance of nonconforming or defective supplies by the Government, or within two (2) years of acceptance by Buyer, whichever is earlier.
- (2) Within sixty (60) days of such notification, Seller shall submit to Buyer a written plan with recommended actions and a proposed schedule to remedy the breach.
- (3) Seller warrants that all corrective action pursuant to the Remedies section of this clause shall be completed and supplies tendered for redelivery to Buyer within either (i) sixty (60) calendar days from the date of Seller receipt of uncorrected supplies at the Seller's plant or original point of delivery or (ii) a schedule pursuant to a plan of action

approved in writing by Buyer. If the Seller is unable to provide corrective action within the applicable time frame, Seller shall request an extension, in writing, from Buyer.

- (4) Notification Period for Board of Inspection and Survey Trials. If Board of Inspection and Survey (BIS) Trials are conducted or will be conducted under this or any prior Order with respect to aircraft of the type or types to be delivered under this Order, the period of notification of a breach of the warranties in paragraph (b) shall be one (1) year from the date the last aircraft which includes a component manufactured by the Seller of the type being acquired completes trials, or two (2) years from the date the first such aircraft which includes Seller's component is accepted for such trials, whichever is later. For the purpose of this clause, aircraft with different Government model letter designations shall, unless otherwise provided in this Order, be considered aircraft of different types.
- (5) Warranty for Corrected or Replaced Supplies. Any supplies or components replaced pursuant to this warranty are subject to the provisions of this clause, including those on remedies and notification, in the same manner as supplies or components initially delivered. For supplies or components corrected under this clause by repair, Seller shall be notified in writing of any breach of the warranty set forth in paragraph (b) above (including a description of the breach) within seven (7) months after receipt by the Government of the corrected supplies, or within two (2) years after receipt by Buyer, whichever is earlier.
- (6) Seller shall, notwithstanding any dispute regarding the existence of a breach of warranty, comply with Buyer's direction to correct the breach. If after Seller undertakes correction, it is determined that a breach of warranty did not occur, the price and other affected provisions of this Order will be equitably adjusted to compensate Seller for actions taken pursuant to this clause.

(e) Marking:

- (1) All warranted supplies furnished under this Order shall be identified as such by marking each weapon replaceable assembly (WRA) in accordance with MIL-STD-130 and each shipping container in accordance with

MIL-STD-129L.

- (2) For supplies accepted conditionally or under special conditions, the applicable log book or aeronautical equipment service record card shall specify any exceptions to acceptance, including work to be completed, material to be installed and defects or nonconformances to be corrected.
- (3) All warranty markings shall be indelible, legible and include, as a minimum, the following:
 - (i) "WARRANTED ITEM" in bold letters at least twice as large as those used to provide additional information;
 - (ii) NSN, manufacturer's part number, serial number or other item identifier;
 - (iii) prime contract number and Order number;
 - (iv) manufacturer or entity providing the warranty;
 - (v) date or time for expiration of the warranty;
 - (vi) a statement that organic repair will not void the warranty; and
 - (vii) shipping location and point of contact for warranty repairs.

(f) Warranty Administration:

The Seller shall provide administration for all warranty claims.

(g) Miscellaneous:

- (1) The rights and remedies of Buyer and Seller provided in this clause are in addition to, and do not limit, any rights and remedies Buyer and Seller may have under any other clause or provision of this Order.

- (2) Buyer's right under this Order because of latent defects, fraud, or such gross mistakes as amount to fraud are not limited by this clause.

C. The following changes are made to the clause titled "FARS/DFARS Provisions/Clauses":

1. Add the following DoD FAR Supplement clauses:

252.204-7000 DISCLOSURE OF INFORMATION

252.208-7000 INTENT TO FURNISH PRECIOUS METALS AS
GOVERNMENT-FURNISHED MATERIAL

II. ADDITIONAL CONDITIONS

1. PROVISIONAL ACCEPTANCE

- a. If at the delivery date stated herein the supplies are not complete or otherwise are not in conformity with the requirements of this Order, Buyer may, nevertheless, direct their delivery and may provisionally accept them upon such inspection of the supplies as Buyer shall deem appropriate. Provisionally accepted supplies shall be completed or otherwise brought into conformity with Order requirements by Seller at Seller's expense and as directed by Buyer. Alternatively, Buyer may elect to either perform such work at Seller's expense or to retain the non-conforming supplies, in which event the price shall be equitably reduced.
- b. If supplies are otherwise ready for delivery hereunder prior to completion of the qualification tests required by this order or by any prior order with Seller for supplies of the type to be delivered hereunder, Buyer may nevertheless direct the Seller to deliver such supplies and may provisionally accept such supplies upon (1) satisfactory completion by Seller of the acceptance tests for the supplies concerned, and (2) such other inspection of the supplies as Buyer may deem appropriate. In the event that supplies have been provisionally accepted hereunder, Seller shall, as a condition precedent to final acceptance, be obligated to complete such qualification tests successfully and to incorporate in all such supplies at no increase in Order price, (1) all corrections of a type required to pass qualification tests, and (2) replacement for non-approved, non-standard parts.
- c. Pending final acceptance of supplies which have been provisionally accepted, Buyer may, in his/her discretion, withhold such portion of the Order price as may be appropriate.
- d. Nothing in this clause shall affect the Seller's obligation under other clauses

of this Order.

2. ENVIRONMENTAL CONTROLS (NAVAIR 5252.223-9500)

Notwithstanding that the contract may require the use of paints or coatings which do not meet state or district requirements for reduced volatile organic compounds (VOC'S), the seller must comply with all federal, state, and local regulatory requirements respecting air quality and emission limitations. It remains the Seller's responsibility to meet the requirements for reduced VOC's even where to do so will require the use of engineering controls or other special painting equipment.

3. YEAR 2000 COMPLIANCE

"Year 2000 compliant," is defined by FAR 39.002 as information technology, that accurately processes date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations. Year 2000 compliant information technology, when used in combination with the other information technology, shall accurately process date/time data and properly exchange date/time data with it.

When acquiring information technology that will be required to perform date/time processing involving dates subsequent to December 31, 1999, it is required that:

- (1) The information technology be Year 2000 compliant; or
- (2) That non-compliant information technology be upgraded to be Year 2000 compliant prior to the earlier of (i) the earliest date on which the information technology may be required to perform date/time processing involving dates later than December 31, 1999, or (ii) December 31, 1999.