

# STANDARD PROVISIONS - A-2 GOVERNMENT CONTRACTS

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### 1. **ORDER OF PRECEDENCE**

In the event of an inconsistency in this order, unless otherwise provided, the inconsistency shall be resolved by giving precedence in the following order:

- A. Terms and conditions incorporated in the first and succeeding pages of Buyer's order, as amended.
- B. Terms and conditions incorporated and referenced herein.
- C. Standard ILC Dover PO terms and conditions (available at [www.ilcdover.com](http://www.ilcdover.com) under the strategic alliance link).

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### 2. **FAR CLAUSES**

Goods or services provided in fulfillment of this order are chargeable to a contract which ILC Dover has been awarded by an agency of the Federal Government. The following clauses from the cited provisions of the Federal Acquisition Regulation (FAR) in effect on the date of the accompanying Purchase Order are hereby incorporated into that Purchase Order, except to the extent, if any, to which the cited FAR provisions expressly exclude application of any such clause to that Purchase Order.

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As incorporated herein, the FAR clauses are subject to the following alterations:  
references to “Contractor” shall mean “Seller” and “Contract” or “Schedule” shall mean Buyer’s Purchase Order except in the clauses of FAR 52.215-2 and 52.215-1 (as to which none of the following changes applies), the terms “Government”, “Department”, “Secretary”, “Contracting Officer”, “Controller General” and any other term of similar import shall mean Buyer. Any other change required for Buyer to have with respect to Seller the same rights that the Government would have with respect to Buyer under any of the cited FAR clauses should they appear in a Government contract with Buyer shall also be deemed to have been made.

<b><u>FAR NUMBER</u></b>	<b><u>TITLE</u></b>
52.202-1	Definitions
52.203-3	Gratuities
52.203-5	Covenant Against Contingent Fees
52.203-6	Restrictions on Subcontractor Sales to the Government
52.203-7	Anti-Kickback Procedures
52.242-15	Stop Work Order
52.242-17	Government Delay of Work
52.215-1	Instructions to Offerors Competitive Acquisition
52.215-2	Audit and Records Negotiation
52.215-10	Price Reduction for Defective Cost or Pricing Data
52.215-12	Subcontractor Cost or Pricing Data
52.215-14	Integrity of Unit Prices
52.215-16	Facilities Capital Cost of Money
OR	
52.215-17	Waiver - Facilities Capital Cost of Money

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<b><u>FAR NUMBER</u></b>	<b><u>TITLE</u></b>
52.219-8	Utilization of Small Business and Small Disadvantaged Business Concerns
52.219-9	Small Business and Small Disadvantaged Business only if \$500K or more Subcontracting Plan
52.222-1	Notice of the Government of Labor Disputes
52.222-4	Contract Work Hours and Safety Standards Act-Overtime Compensation
52.222-20	Walsh-Healy Public Contracts Acts
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-35	Equal Opportunity for Disabled Veterans and Veterans of the Vietnam Era, and Other Eligible Veterans
52.222-36	Affirmative Action for Handicapped Workers
52.223-3	Hazardous Material Identification and Material Safety Data
252.225-7000	Buy American Act; Trade Agreements Act, and Balance of Payments Program
252.203-7001	Prohibition on Persons Convicted of Fraud
252.225-7002	Qualifying Country Sources as Subcontractors
252.225-7012	Preference for Certain Domestic Commodities
252.225-7014	Preference for Domestic Specialty Metals
252.225-7015	Preference for Domestic Hand or Measuring Tools
252-225.7025	Restriction on Acquisition of Forging
52.227-1	Authorization and Consent
52.227-2	Notice and Assistance Regarding Patent and Copy Right Infringement
52.227-3	Patent Indemnity

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<b><u>FAR NUMBER</u></b>	<b><u>TITLE</u></b>
52.228-5	Insurance - Work on a Government Installation
52.232-11	Extras
52.232-23	Assignment of Claims
52.233-1	Disputes
252.233-7000	Certification of Claims and Requests for Adjustment or Relief
52.243-1	Changes - Fixed Price
252.243-7001	Pricing of Contract Modifications
52.244-2	Subcontracts
52.245-2	Government Property - Fixed Price Contracts
52.246-2	Inspection of Supplies - Fixed Price
52.246-16	Responsibility for Supplies
52.246-23	Limitation of Liability
252.246-7001	Warranty of Data
52.247-63	Preference for U.S. Flag Air Carriers
52.249.2	Termination for Convenience of the Government (Fixed Price)
52.249-6	Termination (Cost Reimbursement)
52.249-8	Default (Fixed Price Supply and Service)
52.249-9	Default (Fixed Price Research and Development)
52.249-13	Failure to Perform
52.249-14	Excusable Delays

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### 3. INDEMNITY FOR COST OR PRICING DEFECTS

This subcontract includes all clauses required by Public Laws 87-653 and 91-379 and the regulations implementing such laws, including respectively without limitation:

(A) 52.215-10 Price reduction for defective cost or pricing data; 52.215-2 Audit and records-Negotiation; 52.215-12 Subcontractor Cost or Pricing Data; and (B) clauses relating to Cost Accounting Standards. Supplier shall comply with the requirements placed on subcontractors under such clauses, if such requirements are or become applicable hereto and further, shall indemnify and hold ILC Dover harmless from and against any loss or damage under ILC Dover's contracts with its customers as a result of a determination by a contracting officer, pursuant to the foregoing requirements that with respect to (A) above, Supplier's charges to ILC Dover were overstated or excessive; and/or with respect to (B) above, that Supplier has not complied with an applicable Cost Accounting Standard, rule adjustment demanded by the United States thereunder.

### 4. ANTI-KICKBACK STATUTES

Seller is reminded that certain Federal statutes (including but not limited to P.L. 86-695, pertaining to kickbacks) may apply to subcontracts under Federal Prime Contracts, without being incorporated into such subcontracts.

Seller's attention is called to FAR clause number 52.203-7 referenced in Section 2 herein.

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**5. INSTRUCTIONS FOR CONTROL OF BUYER OR GOVERNMENT  
FURNISHED OR ACQUIRED PROPERTY IN THE POSSESSION OF ILC  
DOVER SUBCONTRACTORS**

- A. Property Supplied By Buyer: The property which has been supplied to Seller is property of Buyer and or/the U.S. Government. It is Seller's responsibility to adequately care for and maintain that property while in its possession and to ensure that it is utilized only as authorized by Buyer. Upon completion of Seller's effort Buyer will provide instructions as to disposition and/or delivery of the items.
- B. Deliverable Property Under The Purchase Order: Special tooling, special test equipment, plant equipment and industrial plant equipment which has been identified as a deliverable item under this Purchase Order, shall, when completed and accepted by Buyer, become the property of the Buyer and/or the U.S. Government. As a subcontractor it is Seller's responsibility to adequately care for and maintain such property while in its possession and to ensure it is utilized only as authorized by this Purchase Order. All property will be properly tagged and identified as directed by Buyer. Upon completion of Seller's effort Buyer will provide instructions as to disposition and/or delivery of these items.
- C. Seller's Property Control System: If Seller has a Government Approved Property Control System, it is requested that Seller submit a copy of the last approved letter received from the Government Agency which has approved its system. If Seller does not have a Government Approved Property Control System, it is suggested that the following procedure be utilized for control of Buyer property in Seller's possession.

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(1.) Definitions: As used in this Property Control Procedure

- a. Special Tooling means jigs, fixtures, patterns, gauges, and other equipment and manufacturing aids, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services.
- b. Material means property which may be incorporated into or attached to an end item to be delivered under a Purchase Order which may be consumed in the performance of a Purchase Order. It includes, but is not limited to, raw and processed material, parts, components, assemblies, and small tools and supplies.
- c. Buyer and/or Government Property means all property owned or leased to the Buyer and/or Government or acquired by the Buyer and/or Government under the terms of a Purchase Order. Buyer and/or Government property includes both Buyer and/or Government-furnished property and Buyer and/or Government acquired property.
- d. Customer Property means property procured or otherwise provided by Buyer for the performance of a Purchase Order.
- e. Facilities means industrial property (other than material, special tooling, Buyer and/or Government property) for production, maintenance, development, including real property and rights therein, buildings, structures, improvements, and plant equipment.

(2.) Property Use

All property referenced herein is to be used only for its intended purpose and only on that Purchase Order, unless otherwise authorized in writing by the ILC Dover Purchasing Department.

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(3.) Title

All property provided to Seller by Buyer or the Government, or otherwise acquired or manufactured by Seller under the Buyer's Purchase Order is, and remains, the property of Buyer and/or the Government.

(4.) Loss, Damage, or Destruction

All occurrences of loss, damage, or destruction of any property furnished by Buyer or the Government shall be reported in writing immediately, stating property identification, related Purchase Order, location, time and place of discovery, security classification of Property (if any), reason for loss, damage, or destruction, a statement that the property involved was being used for its contracted purpose, a report of investigation results, and action taken to prevent recurrence.

(5.) Identification

All property received from Buyer or the Government or acquired under this Purchase Order shall be identified with the Government Prime Contract Number (if applicable), the Buyer's Purchase Order Number and property identification number. Identification shall be engraved or etched on a non-interfering surface, visible from at least one side of any tool.

(6.) Risk of Loss (Liability)

Seller will assume the responsibility for loss, damage, or destruction, except for the normal "wear and tear" or consumption or inclusion in the end item produced for delivery to the Buyer.

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(7.) **Inventories**

Inventories of all Buyer and/or Government owned property for which Seller is accountable, will be conducted at least annually and on Purchase Order termination. A certification of completion of inventory will be forwarded to Buyer. [Form 92-29].

(8.) **Utilization, Storage, Maintenance, and Repair**

The Seller will utilize customer or Government owned property received or acquired under Buyer's orders, only for the purpose of fulfilling Buyer's Order. Such items will be kept in good condition and normal maintenance and repair will be provided at no additional cost to Buyer. Buyer must approve all major repairs prior to commencing with actual repairs. Property will be disposed of only as directed by Buyer. Property and Materials subject to deterioration or corrosion, through exposure to air, moisture, or other elements during fabrication and interim storage periods shall not be stored in outdoor areas.

(9.) **Records and Data**

Seller shall inspect Buyer and/or Government furnished material and customer property upon receipt, and shall properly furnish Buyer with all information pertaining to each shipment. If found to be correct, property control records cards shall be established for Buyer and/or Government property which contain the following pertinent data, i.e.; description, including identification number, ownership, quantity, location, acquisition authority/date, and disposition authority document or receipt. All discrepancies incident to shipment of Buyer and/or Government property will be reported to Buyer and/or Government representative immediately and a written report will be submitted within one week after receipt of said shipment.

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(10.) Access

Buyer and/or Government representatives will be granted access at all reasonable times to the premises wherein Buyer or Government property is located, for the purpose of inspecting the property in question and/or for evaluating the property control system.

(11.) Final Accounting and Disposition

Seller will, on completion of the Purchase Order, or earlier if specified by the Buyer, submit inventory schedules on all Buyer and/or Government-owned property (including scrap) not actually consumed in performance of the contract, and prepare said property for shipment and delivery F.O.B. origin, or dispose of as the Buyer may direct.

(12.) Restoration of Premises and Abandonment

The Buyer or the Government may abandon property in place and its obligations shall cease, except for those already included in “adjustments” under the contract “change” clause.