



TERMS & CONDITIONS OF PURCHASE – SPECIAL INSTRUCTIONS

Rev 2 (March 2018)

Applicable to all MB Aerospace Companies

Orders, Awards, Contracts Relating to US Government Contracts

These Special Instructions contain the mandatory the flow-down requirements for subcontracts and purchase orders under a US Government Contract (hereinafter referred to as “Government Subcontracts”). A supplier’s acceptance of the Government Subcontracts is deemed to be and shall constitute acceptance of these Special Instructions.

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated in all MB Aerospace Government Subcontracts by reference, with the same force and effect as if they were fully set forth in the purchase order or agreement.

In the event of a conflict between these FAR and DFARS provisions and the MB Aerospace Standard Terms and Conditions of Purchase, the FAR and DFARS provisions shall control. In the event of a conflict between the clauses listed below and the end customer’s Prime Contract, the end customer’s Prime Contract shall prevail. Where applicable, the terms “government,” “Contracting Officer,” and similar terms shall mean “Buyer,” and the term “Contractor” and similar terms shall mean “Supplier.”

The complete text of a clause may be accessed electronically at URL: <http://farsite.hill.af.mil/vffar1.htm>

Section 1- DEFINITIONS

As used throughout this Agreement:

(A) “Agreement” means these terms and conditions, purchase orders or purchase agreements issued to Supplier referencing these terms and conditions, and any supply agreements, specifications, statements of work, or other papers referenced in such purchase orders or purchase agreements.

(B) “Buyer” means MB Aerospace issuing the Order.

(C) “Goods” means all products contracted for by Buyer and supplied by Supplier under this Agreement, including all components, raw materials, and intermediate assemblies thereof.

(D) “Order” means a purchase order, change order, subcontract or contract for the Goods or Services.

(E) “Prime Contract” means a contract defined by a government contract number printed on purchase orders or purchase agreements issued pursuant to this Agreement.

(F) “Supplier” means the person or company contracting with Buyer to provide the Goods or Services.

(G) “Services” means those services contracted for by Buyer and supplied by Supplier under this Agreement and as may further be described in purchase orders, purchase agreements, statements of work, specifications, or other papers included in this Agreement.

Section 2- AMENDMENTS REQUIRED BY PRIME CONTRACT

Supplier agrees to negotiate with Buyer to incorporate additional provisions herein or to change provisions as Buyer reasonably deems necessary to comply with amendments or modifications to the applicable Prime Contract.

Section 3- FAR AND DFARS PROVISIONS INCORPORATED BY REFERENCE

A. The following FAR clauses are applicable as identified below, regardless of value:

52.202-1 DEFINITIONS.

52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT [*Applicable if subcontract over \$150,000*]

52.203-7 ANTI-KICKBACK PROCEDURES [*Applicable if subcontract over \$150,000*]

52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY

52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS

52.203-13 CODE OF BUSINESS ETHICS AND CONDUCT [*By signing a contract or performing against a contract in which FAR 52.203-13 is applicable: Supplier hereby certifies that it will comply with all elements of FAR 52.203-13 including timely disclosure, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, and the cognizant Buyer Procurement Representative whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, Supplier has credible evidence that a principal, employee, agent, or subcontractor of the Supplier has committed*].

(1) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or

(2) A violation of the civil False Claims Act (31 U.S.C. 3729-3733). Supplier also certifies that, within 30 days of signing a contract or performing against a contract in which FAR 52.203-13 is applicable, Supplier will establish a written code of business ethics and conduct and will make a copy of the code available to each employee engaged in performance of the contract.

52.203-19 PROHIBITION ON REQUIRING CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS. [*Applicable when Agreement exceeds \$10,000*]

52.204-21 BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS [*Applicable to all Orders where Supplier will have Federal contract information, as defined by the clause, residing in or transiting through its information system*].

52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED OR PROPOSED FOR DEBARMENT

52.215-2 AUDIT AND RECORDS NEGOTIATION.

52.215-14 INTEGRITY OF UNIT PRICES (INCLUDING ALT 1)

52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS.

52.222-17 NONDISPLACEMENT OF QUALIFIED WORKERS [*Applicable when Services are to be performed by the Supplier (1) under service contracts, (2) that succeed Orders for performance of the same or similar work at the same location, and (3) that are not exempt by FAR 22.1203-3 or waived in accordance with FAR*

22.1203-3. Supplier to furnish information needed by Buyer to comply with the paragraphs (d) and (e) of this clause].

52.222-19 CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES

52.222-21 PROHIBITION OF SEGREGATED FACILITIES.

52.222-26 EQUAL OPPORTUNITY.

52.222-29 NOTIFICATION OF VISA DENIAL.

52.222-35 EQUAL OPPORTUNITY FOR VETERANS. [*Applicable when Agreement exceeds \$10,000*]

52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES.

52.222-37 EMPLOYMENT REPORTS ON VETERANS. [*Applicable when Agreement exceeds \$10,000*]

4. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$25,000

52.222-38 COMPLIANCE WITH VETERANS' EMPLOYMENT REPORTING REQUIREMENTS

52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT.

3. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$15,000

52.222-41 SERVICE CONTRACT LABOR STANDARDS [*Applicable to Orders that are subject to the Service Contract Labor Standards statute*].

52.222-50 COMBATING TRAFFICKING IN PERSONS.

52.222-51 EXEMPTION FROM APPLICATION OF THE SERVICE CONTRACT LABOR STANDARDS TO CONTRACTS FOR MAINTENANCE, CALIBRATION, OR REPAIR OF CERTAIN EQUIPMENT—REQUIREMENTS [*Applicable to subcontracts for exempt services under the Services Contract Labor Standards statute*].

52.222-53 EXEMPTION FROM APPLICATION OF THE SERVICE CONTRACT LABOR STANDARDS TO CONTRACTS FOR CERTAIN SERVICES—REQUIREMENTS [*Applicable to subcontracts for exempt services under the Services Contract Labor Standards statute*].

52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION [*Applicable to (1) all Orders for commercial or non-commercial services except for commercial services that are part of the purchase of COTS item(s) or items that may be COTS item(s) but with minor modifications; (2) have a value of more than \$3,500; and (3) include work performed in the United States*].

52.222-55 MINIMUM WAGES UNDER EXECUTIVE ORDER 13658 [*Applicable to all Orders subject to the Service Contract Labor Standards Statute or the Wage Rate Requirements Statute, and are to be performed in whole or in part in the United States.*]

52.222-62 PAID SICK LEAVE UNDER EXECUTIVE ORDER 13706 [*Applicable to all Orders subject to the Service Contract Labor Standards Statute or the Wage Rate Requirements Statute.*]

52.223-5 POLLUTION PREVENTION AND RIGHT-TO-KNOW INFORMATION

52.223-6 DRUG-FREE WORKPLACE.

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING.

52.225-2 BUY AMERICAN ACT CERTIFICATE [*Applicable to non-DoD contracts; only provisions (a) and (b) of this clause apply.*]

52.225-6 TRADE AGREEMENTS CERTIFICATE [*Applicable to non-DoD contracts; only provisions (a) and (b) of this clause apply.*]

52.226-6 PROMOTING EXCESS FOOD DONATION TO NONPROFIT ORGANIZATIONS [*Applicable if Supplier will perform under the Order the provision, service, or sale of food in the United States.*]

5. The following FAR clause(s) apply to this Contract if the value of this Contract is equal to or exceeds \$150,000

52.227-1 AUTHORIZATION AND CONSENT [*Applicable to Orders that exceed the simplified acquisition threshold.*]

52.227-11 PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR [*Applicable whenever any inventions are conceived or reduced to practice for commercial items developed in part at Government expense.*]

52.227-13 PATENT RIGHTS—OWNERSHIP BY THE GOVERNMENT [*Applicable whenever any inventions are conceived or reduced to practice for commercial items developed in part at Government expense and where the Supplier is not located in the United States, does not have a place of business located in the United States or is the subject to the control of a foreign government.*]

52.227-14 RIGHTS IN DATA [*Applicable only to non-DOD contracts when any technical data for commercial items developed in part at Government expense will be provided for delivery to the Government under Order.*]

52.229-6 TAXES—FOREIGN FIXED-PRICE CONTRACTS.

52.233-3 PROTEST AFTER AWARD [*If Buyer's customer has directed Buyer to stop performance under Prime Contract under FAR 33.1, Buyer may direct Supplier in writing to stop performance of this Order by written notice to Supplier.*]

52.242-13 BANKRUPTCY.

52.242-15 STOP WORK ORDER.

52.243-1 CHANGES—FIXED-PRICE

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS.

52.246-2 INSPECTION OF SUPPLIES— FIXED-PRICE.

52.246-16 RESPONSIBILITY FOR SUPPLIES.

52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS

52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS.

52.244-5 COMPETITION IN SUBCONTRACTING [*Applicable to Orders that exceed the simplified acquisition threshold.*]

6. The following DFARS clauses apply to this Contract regardless of value

252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES.

252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING [*Applicable to Orders for operationally critical support or for which performance will involve covered defense information, as defined in this clause. Buyer shall notify Supplier when submitting a request to vary from a NIST SP 800-171 security requirement to the Government's Contracting Officer, in accordance with paragraph (b)(2)(ii)(B) of this clause; and provide to the Buyer the incident report number, automatically assigned by DoD as soon as practicable, when reporting a cyber incident to DoD as required in paragraph (c) of the clause.*]

252.204-7015 NOTICE OF AUTHORIZED DISCLOSURE OF INFORMATION FOR LITIGATION SUPPORT.

252.222-7006 RESTRICTIONS ON EMPLOYMENT OF PERSONNEL.

252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM [*Applicable to all Orders for supplies, maintenance and repair services or construction materials.*]

252.225-7000 BUY AMERICAN--BALANCE OF PAYMENTS PROGRAM CERTIFICATE.

252.225-7009 RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS [*Applicable, except for paragraph (d) and (e)(1) which are deleted from this clause. Applicable to Orders for items containing specialty metals to ensure compliance of the end products that Buyer will deliver to the Government.*]

252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS.

252.225-7020 TRADE AGREEMENTS CERTIFICATE.

252.225-7025 RESTRICTIONS ON ACQUISITION OF FORGINGS.

252.227-7013 RIGHTS IN TECHNICAL DATA-NONCOMMERCIAL ITEMS [Applicable where any technical data for commercial items developed in part at Government expense will be provided for delivery to the Government under Order].

252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION [Applicable where Supplier's performance will require delivery of computer software or computer software documentation].

252.227-7015 TECHNICAL DATA--COMMERCIAL ITEMS [Applicable where technical data for commercial items developed in any part at private expense will be provided for delivery to Government under Order].

252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION [Applicable to Orders that will include 252.227-7013, 252.227-7014, and 252.227-7015].

252.227-7017 IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS.

252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS-COMPUTER SOFTWARE [Applicable to Orders where Supplier's performance includes furnishing computer software that Buyer will furnish to the Government].

252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA [Applicable where Orders include furnishing technical data].

252.239-7010 CLOUD COMPUTING SERVICES [Applicable to Orders that involve cloud services].

252.244-7000 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS).

252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES [Applicable to Orders for (1) parts defined as critical safety items in accordance with this clause, (2) systems and subsystems, assemblies, and subassemblies integral to a system, and (3) repair maintenance, logistics support or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system].

252.247-7003 PASS-THROUGH OF MOTOR CARRIER FUEL SURCHARGE ADJUSTMENT TO THE COST BEARER [Applicable to Orders with motor carriers, brokers, or freight forwarders].

252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA.

52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE).

2. The following DFARS clause(s) apply to this Contract if the value of this Contract equals or exceeds \$500,000

225.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS.