



**General Terms and Conditions  
and FAR/DFARS Flow down  
Provisions for Subcontracts or  
Purchase Orders for Noncommercial  
Items under a US Government Prime Contract**

## **A. General Requirements**

1. **QUALITY ASSURANCE:** Supplier shall maintain a documented quality system compliant with applicable portions of AS9100, ISO-9001:2000 or equivalent; InterConnect Wiring (INTERCONNECT) maintains the right to conduct periodic reviews of supplier's quality assurance program, processes and procedures.
2. **DELIVERY:** Deliveries shall be made both in quantities and at times stated in the INTERCONNECT purchase order. Seller understands and agrees that **TIME IS EXPRESSLY OF THE ESSENCE** with respect to delivery of items contained in the purchase order. Supplier agrees (a) to properly pack, mark and ship products in accordance with INTERCONNECT requirements and in such a manner to ensure no damages occur during transit due to packaging; (b) to make no charge for handling, packaging, storage, transportation (including duties, taxes, fees, etc.) or drayage of items unless otherwise stated in the purchase order; (c) to provide with each shipment a packing slip showing INTERCONNECT purchase order number, revision number (if applicable), INTERCONNECT part number, Supplier's part number (where applicable), product description, quantity of pieces in shipment, and number of cartons or containers in shipment; (d) for cartons containing more than one type of product, each type of product will be clearly marked for ease of identification; and (e) for products requiring a Certificate(s) of Conformance, such Certificate(s) will be included with the packing slip. Shipments that do not comply with specific marking/shipping/packaging or documentation requirements may result in the reduction in the purchase order value of up to \$100 per shipment. This value will offset INTERCONNECT's internal cost of processing the non-conformance. If any delivery required of Supplier is behind the schedule specified in the purchase order, INTERCONNECT may elect to have such delivery made via expedited means at Supplier's expense.
3. **EARLY DELIVERY:** Suppliers are expected to deliver product/services on the due date noted in the purchase instrument; with permission, early delivery may be accepted up to 5 days prior to the due date. Any shipments received more than 5 days in advance may be returned at the supplier's expense. Shipments received after the due date will be considered a late delivery; under our supplier management system, suppliers are rated for on-time deliveries.
4. **INVOICE AND PAYMENT:** Unless otherwise provided in this contract/order, no invoices shall be issued nor payments made prior to delivery as specified in the document issued by the Buyer. All payments are subject to adjustment for shortages and/or rejections of delivered items.
5. **WITHHOLD:** Buyer may withhold payment in the amounts payable to the Seller hereunder on any claim or change Buyer may have against Seller.
6. **GOVERNMENT/CUSTOMER CONTACTS:** In general, Buyer, acting as Prime, has the singular right to engage the customer on matters related to business – includes both Government and Commercial customers benefiting under this order. INTERCONNECT shall be solely responsible for all liaison, coordination, and communication with the INTERCONNECT customer, including the US Government, as it affects the applicable prime contract, this contract, and any related contract.
7. **RELEASE OF INFORMATION:** Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this contract or the subject matter hereof, will be made by the Seller without the prior written consent and approval of INTERCONNECT.
8. **ORDER OF PRECEDENCE:** Any inconsistency in this subcontract/order shall be resolved by giving precedence in the following descending order: (a) the schedule, (b) the general provisions, (c) other documents, exhibits, and attachments to the schedule, and (d) specifications/statement of work.
9. **MATERIALS:** All materials supplied shall be configured to the latest applicable revision unless explicitly noted otherwise. If the purchase order line item references a revision that has been superseded, the supplier shall notify the INTERCONNECT buyer prior to accepting the purchase order to ensure the correct revision is supplied. The work delivered hereunder shall consist of new materials, as defined by FAR 52.211-5 (not used, reconditioned, remanufactured, or of such age as to impair usefulness or safety).
10. **PACKING AND SHIPMENT:** (a) Unless otherwise specified, all work is to be packed in accordance with good commercial practice to prevent damage and deterioration during shipping, handling, and storage. (b) A complete packing list shall be

enclosed with all shipments. Seller shall mark containers or packages with necessary lifting, loading, and shipping information, including the INTERCONNECT contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this contract number. (c) For work shipped within the United States, unless otherwise specified, delivery shall be FOB Destination.

11. **REJECTION:** Buyer shall notify Seller if any items/services delivered hereunder are rejected and at Buyer's election and Seller expense, replacement items shall be procured. No replacement of defective items shall be made by Seller unless agreed to in writing by Buyer.
12. **CHANGES:** Buyer may at any time by written notice make changes within the general scope of this contract action, to drawings, specifications, shipping instructions, quantities, and delivery schedule. Should any such change increase or decrease the cost, or the time required for performance of the order, an equitable adjustment by Seller must be made within thirty days from the date of the change ordered or within such additional period of time as may be agreed upon.
13. **QUALITY CONTROL OF SUB-TIER SUPPLIERS:** Supplier shall assure control of quality at all points necessary to conform to this PO's requirements, whether performed by Supplier or by Supplier's sub-tiers. Supplier shall flow down to its sub-tiers any and all applicable sections or subsections of these Terms and Conditions, and shall ensure such portions are inserted in all subcontracts or Purchase Orders at every tier.
14. **LIQUIDATED DAMAGES:** In the event Seller fails to make delivery of an item in accordance with a Purchase Order delivery schedule(s), INTERCONNECT shall be entitled to receive compensation from seller in the form of liquidated damages and not as a penalty, and the Seller may be assessed such damages. The amount of such liquidated damages shall be equivalent to 0.5% of the value of the INTERCONNECT END ITEM for which this purchase is made for each calendar day of the delayed item. Such liquidated damages shall begin on the first day after the delivery date specified herein has passed. Seller shall be entitled to a grace period of seven (7) calendar days for delivery of the item past the delivery date specified herein, during which period no liquidated damaged will be assessed. If the item is not delivered before the grace period ends, then liquidated damages will be assessed on a retroactive basis as though there was no grace period. Liquidated damages will be limited to a maximum of 10% of the unit price of the INTERCONNECT END ITEM for which the Seller's item is purchased.
15. **TERMINATIONS:** (a) Buyer may by written notice of default to Seller, terminate the whole or any part of this order in any one of the following circumstances: (i) Seller fails to make delivery of the items within the time specified herein or any extension thereof, or if (ii) Seller fails to perform any of the provisions of this order or fails to make progress as to endanger performance of this order in accordance with its terms and in either of these circumstances does not cure such failure within a period of 10 calendar days (or longer period as authorized by the Buyer) after receipt of notice from the Buyer specifying such failure; or (iii) Seller becomes insolvent or the subject of proceedings under any law relating to bankruptcy or the relief of debtors or admits in writing its inability to pay its debts as they become due; or (iv) Seller fails to provide Buyer, within a reasonable time after demand by Buyer, written assurance of due performance by Seller. (b) If this order is so terminated, Buyer may procure or otherwise obtain, upon such exceptions set forth below shall be liable to the Buyer for any excess costs or similar supplies or services along with additional administrative costs tied to the re-procurement actions. (c) Seller shall continue performance of this order to the extent not terminated. Buyer shall have no obligations to Seller in respect to the terminated part of the order except as herein provided. Buyers rights as set forth herein shall be in addition to the Buyer's other rights in case of Seller's default, whether set forth in the order of not. Buyer may terminate the Seller "for convenience" at any time; however, the Seller is entitled to submit a request for equitable adjustment on all work/costs to date.
16. **GOVERNING LAW:** The contract/order incorporating these terms and conditions and the performance of the parties hereunder shall be construed in accordance with and governed by the laws of the state of Texas.
17. **SUBCONTRACTING OR ASSIGNING:** Neither this contract nor the obligation of the Seller hereunder shall be subcontracted, assigned or delegated by operation of law, or otherwise without Buyer's written consent.
18. **TAXES:** Seller's prices/quotes shall separately note all applicable taxes.
19. **PRICE WARRANTY:** The Seller warrants that the prices of the items set forth herein do not exceed those charged by the Seller to any other customer purchasing the same items in like quantities.
20. **VARIATIONS IN QUANTITY:** Unless written pre-approval is received from the Buyer, no variations in quantities are authorized.
21. **INDEMNIFICATION:** The Seller shall indemnify INTERCONNECT against all liability that may result from any claim, action, or suit by any person, based on any alleged injury to or death of any person, based on the alleged injury to or death of any person or damage to or loss of any property that may occur or that may be alleged to have been caused by the Seller in the course of performance of this contract by the Seller. The Seller shall pay all charges of attorneys in connection therewith and, if any judgment shall be rendered against INTERCONNECT in any such action or actions; the Seller shall satisfy and discharge the same without cost or expense to INTERCONNECT. However, this indemnity shall not apply to claims, actions,

or suits resulting from INTERCONNECT negligence. INTERCONNECT shall indemnify the Seller against all liability that may result from any claim, action, or suit by any person, based on any alleged injury to or death of any person, based on any alleged injury or death of any person or damage to or loss of any property that may occur of that may be alleged to have been caused by INTERCONNECT in the course of the performance of this contract. INTERCONNECT shall pay all charges of attorneys in connection therewith and, if any judgment shall be rendered against the Seller in any such action or actions, INTERCONNECT shall satisfy and discharge the same without cost or expense to the Seller.

22. **INTELLECTUAL PROPERTY INFRINGEMENT:** Seller warrants that the Work performed and delivered under this contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. Seller agrees to defend, indemnify, and hold harmless INTERCONNECT and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees, arising out of any action by a third party that is based on a claim that the Work performed or delivered under this contract infringes or otherwise violates the intellectual property rights of any person or entity.
23. **NOTIFICATION OF DEBARMENT/SUSPENSION STATUS:** Seller shall provide immediate notice to Buyer in the event of being debarred, suspended, or proposed for debarment by any Federal Agency during performance of this contract/order.
24. **CONTRACT DIRECTION:** Only the INTERCONNECT procurement/purchasing representative has the authority to amend this contract; such amendments must be in writing. INTERCONNECT engineering and technical personnel may render assistance or give technical "advice" or discuss or affect an exchange of information with Seller's personnel concerning the work hereunder. Such actions shall not be deemed to be a "change" under the Changes clause of this contract (FAR 52.243-1), and shall not be the basis for any equitable adjustment. Except as otherwise provided herein, all notices to be furnished by the Seller shall be sent to the INTERCONNECT procurement representative.
25. **FAR and DFARS Clauses and Provisions**

*For all FAR and DFARS references, the terms "Government Contracting Officer", "Contracting Officer", and "Government" mean INTERCONNECT Buyer and Buyer's Authorized Procurement Representative*

FAR Clauses & Provisions – latest version is applicable to all Contracts/Purchase Orders

- a) 52.203-3 Gratuities (Apr 1984)
- b) 52.203-5 Covenant Against Contingent Fees (Apr 1984)
- c) 52.203-7 Anti-Kickback Procedures (Jul 1995)
- d) 52.203-8 Cancellation, Recession, and Recovery of Funds for Illegal or Improper Activity (Jan 1997)
- e) 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997)
- f) 52.209-6 Protecting the Government's Interest when Subcontracting with Contractor's Debarred, Suspended, or Proposed for Debarment (Sep 2006)
- g) 52.211-5 Material Requirements (Aug 2000)
- h) 52.211-14 Notice of Priority Rating for National Defense Use (Sep 1990)
- i) 52.211-15 Defense Priority and Allocation Requirements (Sep 1990)
- j) 52.215-2 Audit and Records – Negotiations (Jun 1999)
- k) 52.215-12 Subcontractor Cost or Pricing Data (Oct 1997)
- l) 52.215-13 Subcontractor Cost or Pricing Data – Modifications (Oct 1997)
- m) 52.215-14 Integrity of Unit Prices (Oct 1997)
- n) 52.215-19 Notification of Ownership Changes (Oct 1997)
- o) 52.215-20 Requirements of Cost or Pricing Data or Information Other Than Cost or Pricing Data (Oct 1997)
- p) 52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (Oct 1997)
- q) 52.222-1 Notice to the Government of Labor Disputes (Jul 1990)
- r) 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (Jul 2005)
- s) 52.222-20 Walsh Healey Public Contracts Act (Dec 1996)
- t) 52.222-21 Prohibition of Segregated Facilities (Feb 1999)
- u) 52.222-22 Previous Contracts and Compliance Reports (Feb 1999)
- v) 52.222-25 Affirmative Action Compliance (Apr 1984)
- w) 52.222-26 Equal Opportunity (Mar 2007)
- x) 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)
- y) 52.222-36 Affirmative Action for Workers with Disabilities (Jun 1998)
- z) 52.223-3 Hazardous Material Identification and Material Safety Data (Jan 1997)
- aa) 52.223-6 Drug-Free Workplace (May 2001)
- bb) 52.223-11 Ozone-Depleting Substances (May 2001)
- cc) 52.225-1 Buy America Act – Supplies (Jun 2003)
- dd) 52.225-13 Restrictions on Certain Foreign Purchases (Feb 2006)
- ee) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Aug 1996)
- ff) 52.227-14 Rights in Data – General (Jun 1987)
- gg) 52.229-3 Federal, State and Local Taxes (Apr 2003)

- hh) 52.232-23 Assignment of Claims (Jan 1986)
- ii) 52.232-24 Prohibition of Assignment of Claims (Jan 1986)
- jj) 52.242-13 Bankruptcy (Jul 1995)
- kk) 52.242-14 Suspension of Work (Apr 1984)
- ll) 52.242-15 Stop Worker Order (Aug 1989)
- mm) 52.242-17 Government Delay of Work (Apr 1984)
- nn) 52.243-1 Changes—Fixed Price (Aug 1987)
- oo) 52.244-6 Subcontracts for Commercial Items (Mar 2007)
- pp) 52.245-1 Government Property (Jun 2007)
- qq) 52.246-1 Inspection of Supplies – Fixed Price (Aug 1996)
- rr) 52.249-1 Termination for Convenience of the Government (Fixed Price) (Apr 1984)
- ss) 52.249-8 Default (Fixed Price Supply and Service) (Apr 1984)
- tt) 52.249-14 Excusable Delays (Apr 1984)
- uu) 52.252-1 Solicitation Provisions Incorporated by Reference (Feb 1998)
- vv) 52.252-2 Clauses incorporated by Reference (Feb 1998)
- ww) 52.253-1 Computer Generated Forms (Jan 1991)

#### DFARS Clauses – all Purchase Orders

- a) 252.204-7000 Disclosure of Information (Dec 1991)
- b) 252.225-7001 Buy American Act and Balance of Payments Program (Jun 2005)
- c) 252.225-7002 Qualifying Country Sources as Subcontractors (Apr 2003)
- d) 252.227-7013 Rights in Technical Data-Noncommercial Items (Nov 1995)
- e) 252.227-7014 Rights in Noncommercial Computer Software & Noncommercial Computer Software Documentation (Jun 1995)
- f) 252.227-7016 Rights in Bid or Proposal Information (Jun 1995)
- g) 252.227-7026 Deferred Delivery of Technical Data or Computer Software (Apr 1998)
- h) 252.243-7001 Pricing of Contract Modifications (Dec 1991)
- i) 252.249-7002 Notification of Anticipated Contract Termination or Reduction (Dec 2006)

#### DFARS Clauses – additional clauses for Purchase Orders exceeding \$100,000

- a) 252.203-7001 Prohibitions on Persons Convicted of Fraud or Other Defense Contract Related Felonies (Dec 2004)
- b) 252.225-7012 Preference for Certain Domestic Commodities (Jan 2007)

## **B. Nonconforming Material**

1. **Meeting Specifications:** Items failing to conform to all applicable drawings, specifications, and/or other Purchase Order requirements shall not be delivered to INTERCONNECT without documented written approval from INTERCONNECT Quality Assurance.
2. **Nonconformance of Deliverables:** Supplier shall evaluate each nonconformance for its potential to exist in previously produced or delivered material. If a nonconformance exists in a previously delivered item, Supplier shall notify INTERCONNECT, in writing, within 24 hours and provide the following information: 1) description of nonconformance 2) affected Purchase Orders, delivery dates, quantities and lots.

## **C. Inspection and Testing**

1. **Source Inspection:** Source inspection required prior to shipping.
2. **Data Sheet:** A data sheet shall accompany the first article. The data sheet shall list every dimension on the engineering drawing. Next to each dimension, the actual “as built” measurement shall be recorded. In lieu of a data sheet, measurements may be recorded directly on the engineering drawing. An in-house inspector shall sign and date the data sheet or drawing.
3. **Functional Testing:** Results of functional testing required with shipment. Functional testing documentation shall include test and acceptance criteria, controlling specification(s) or procedure(s) and the results of the test.
4. **Physical Properties Test:** Physical Properties Test Report Required per applicable Military Specification.
5. **Chemical Properties Test:** Chemical Properties Test Report Required per applicable Military Specification.
6. **Illumination Report:** Illumination Report required per applicable Military Specification.

## D. Materials and Components

1. **COC:** A certificate of conformance (cert) with signature and title of authorized quality agent required.
2. **COC Elements:** The certificate of conformance shall include the following: part number, purchase order number, applicable military specification, part number revision if one exists, quantity, serial number, name and address of process facility, and date of certification. Vague or ambiguous statements such as "to the best of my knowledge" are not acceptable and may result in rejection of the item during receiving.
3. **QPL List:** QPL listed items shall be manufactured by sources listed in the applicable QPL.
4. **QPL Certificate:** Supplier must be able to obtain and supply manufacturer or QPL certificate upon request.
5. **Trace:** Lot traceability to the original point of manufacture or processing for all components, subcomponents, and/or assemblies is required.
6. **Material Shelf-Life:** For all materials with shelf life limitations, the remaining shelf life shall be 75% of the original shelf life (minimum) at time of shipping. Manufacturers name, lot number (if applicable) and manufacture date shall be provided with shipment.
7. **Bar Code/Marking:** Supplier shall apply bar codes to exterior package per the INTERCONNECT Bar Code Requirements, INVT-0001-09. Suppliers may contact INTERCONNECT for a copy of document.

## E. Right of Access

1. **In-Process Verifications:** InterConnect reserves right of entry to Supplier's facility and any applicable sub-tier supplier facilities for the purpose of verifying compliance with all requirements of this order. InterConnect and any customer or their representative shall have the right to perform in-process inspections, audits and system surveillance as part of the verification process. Supplier shall provide suitable facilities to perform these verifications to INTERCONNECT and any customer or their representative at no cost to InterConnect.
2. **Quality Assurance:** During performance of this order, your quality system and processes are subject to review, verification and analysis by authorized government representatives in accordance with FAR Paragraph 46.102 Policy on Quality Assurance. Requirements

## F. Records

1. **Records Retention:** Supplier shall maintain records necessary to verify conformance of supplied material to the conditions of this order. Supplier shall also maintain records of all purchase orders. These records are to be maintained for a minimum of seven (7) years from the date of delivery. At INTERCONNECT's election, such records shall be made available to INTERCONNECT, INTERCONNECT's customers and/or any regulatory agency, at no cost to INTERCONNECT. INTERCONNECT retains the right to inspect subject documents at supplier's premises upon reasonable notification of intent to do same.