



**MIDDLE RIVER AIRCRAFT SYSTEMS**  
MRA Systems Inc. – A Subsidiary of GE

## SELF ADMINISTRATIVE CLAUSES OF PURCHASE ORDER

**Number:** POCH (PR-313)

**Revised:** 06/08/01

**Approved:** R. Wehmer

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Middle River Aircraft Systems, a division of MRA Systems, Inc., hereinafter shall mean MRAS. Notwithstanding any other provisions, all articles furnished hereunder are subject to the General Provisions of the Purchase Order and the following special administrative clauses of the Purchase Order *when indicated by clause number(s) in the Purchase Order*. Wherever the term Purchase Order is used in the clauses, it is synonymous with the term Purchase Agreement.

### 400 SPECIAL TOOLING/SPECIAL TEST EQUIPMENT

Special Tooling (which, for the purposes of this clause, includes Special Test Equipment as appropriate).

The Contractor shall utilize Special Tooling/Special Test Equipment in accordance with a Government or MRAS property control system, or otherwise shall adequately care for, maintain, and assure use only as authorized, subject to Federal Acquisition Regulation (FAR) paragraph 45.502. Annually, as requested by the Buyer/Subcontractor Administrator, the Contractor shall submit an inventory list to MRAS, identifying each item of Special Tooling/Special Test Equipment as it appears on this order and certifying its existence and condition on MRAS Form ME 1028. The inventory list will identify those special tools and special test equipment that have become obsolete since the previous inventory.

Special tooling, whether furnished by MRAS to the Contractor and identified as MRAS furnished on the face thereof or acquired by Contractor under this Contract, is the property of MRAS and/or the Government.

Where the special tooling is MRAS furnished, the Contractor shall inspect and check the special tooling for defects and compliance with Contract requirements before use in performance of this Contract. In the event the Contractor encounters manufacturing difficulties as a result of the use of any special tools furnished to the Contractor by MRAS to accomplish the performance of the work contracted for hereunder, the Contractor shall give MRAS prompt written notice thereof, setting forth the difficulties so encountered. Upon receipt of such notification MRAS, through the cognizant buyer, shall direct the Contractor, in writing, to either (i) return such tooling at MRAS' expense or otherwise dispose of such tooling, or (ii) repair or replace such tooling. Upon the written request of the Contractor, MRAS and the Contractor shall enter into negotiation to equitably adjust the price, delivery schedule, or both, in accordance with the procedures provided for in the clause herein entitled "Changes."

Where the special tooling is Contractor acquired, the Contractor shall forward to MRAS a complete list of special tools acquired pursuant to this Contract. The list shall include the description of each tool, part number such tool will produce, and estimated cost of each tool. MRAS shall then furnish the Contractor a tool number for each tool and an amendment shall be issued to this Contract incorporating the quantity, description, and number(s) of each special tool manufactured pursuant to this Contract. The Contractor shall permanently identify said tools with the MRAS tool number, part number, purchase order number, and Prime Contract Number. After acceptance by the Contractor's Quality Control of a reasonable number of parts produced from these special tools, the Contractor shall prepare two (2) copies of a Certificate of Compliance certified by the Contractor's Quality Control specifying that special tools have been identified in accordance with the requirements of this clause. The Contractor shall submit one (1) copy of the Certificate of Compliance together with the tooling invoice to the MRAS Accounting Department. The Contractor shall mail one (1) copy of the Certificate of Compliance to the MRAS buyer. Only invoices having Certificates of Compliance attached shall be processed for payment.

Where the special tooling is MRAS furnished, the Contractor shall ship all special tooling to MRAS within thirty (30) days after Contractor has completed and shipped the articles produced under this Contract, unless MRAS has authorized the Contractor in writing to retain such special tooling.

Where the special tooling is Contractor acquired, the Contractor shall request disposition of special tooling within ninety (90) days after the Contractor has completed and shipped the articles produced under this Contract. Should this Contract be terminated before completion, then the Contractor must submit inventory schedules as part of any settlement proposal thereunder.

In the event that MRAS authorizes the Contractor to retain MRAS furnished or Contractor acquired tools beyond the respective periods noted above, the Contractor shall furnish, ninety (90) days prior to the expiration of any storage period granted under the terms of this Contract, inventory schedules of the aforementioned special tools including condition code and contract number.

Prior to the shipment of any tools, as authorized herein, the Contractor's Quality Control Department must account for, and certify the completeness of, each tool and all parts pertaining thereto.

#### **401 EXCLUSIVE TOOL USE CHARGE**

It is understood that the full cost of the special tooling used in the performance of this Contract is not charged to this Contract; that all such tooling shall be and remain the property of the Contractor; and that for the onetime payment of an "exclusive tool use charge," MRAS shall have exclusive rights to use all special tooling. Where MRAS does not order any articles made from the special tooling within a period of three (3) years after the completion of MRAS' last Contract, the Contractor, at his discretion, shall make disposition of the special tooling without contacting MRAS.

#### **405 DIRECT SHIPMENT - RECEIPT OF**

Material required for the performance of this purchase order will be shipped, prepaid, direct from the MRAS supplier. Immediately after receipt and acceptance of material received by the Contractor, the Contractor shall complete and distribute MRAS Form 061351 ("Material Shipping and Receiving Report for Direct Shipment of MRAS Corporation Purchased Material") copies of which the Contractor will receive with the shipment of material from the supplier. Form 061351 contains distribution instructions, and the Contractor's failure to comply with these instructions will delay payment of invoice.

#### **406 DIRECT SHIPMENT - SHIPMENT OF - FORM 061351**

The material ordered hereunder shall be shipped prepaid by the Contractor to the address indicated herein, and where the F.O.B. Contractor's plant, the shipping charges shall be included as a separate item of the Contractor's invoice. Contractors shall complete MRAS Form 061351. "Material Shipping and Receiving Report for Direct Shipment of MRAS Purchased Material." Form 061351 contains distribution instructions. Contractor's failure to comply with these instructions will delay payment of invoice.

Should this Contract not contain complete shipping instructions, then, Contractor, ten (10) days prior to Contractor's preparation of articles for shipment, shall notify the MRAS cognizant buyer of the tentative shipping date and request complete shipping instructions. Contractor shall hold all shipments until complete shipping instructions have been incorporated by change order or amendment to the Contract.

#### **407 DIRECT SHIPMENT - SHIPMENT OF - FORM DD-250**

Contractor shall prepare Government Form DD-250 ("Material Inspection and Receiving Report"), in accordance with Appendix I of either the Defense Acquisition or NASA Procurement Regulations in effect as of the date of this Purchase Order, as determined by the Prime Contract number shown on the face of this Purchase Order, and submit the completed DD-250 to the cognizant Government Inspection Agency.

The Contractor, upon signature of acceptance on all copies of the DD-250 by the cognizant Government Inspector, shall make distribution as required by the distribution scheme of the aforesaid regulation and, in addition thereto, shall make distribution to MRAS as follows:

3 copies - Middle River Aircraft Systems  
Attention: Shipping Control Section

3 copies - Middle River Aircraft Systems  
Attention: Accounts Payable

1 copy -Middle River Aircraft Systems  
Attention: \_\_\_\_\_ (Buyer)  
Material Dept.

Should this Contract not contain complete shipping instructions then the Contractor, ten (10) days prior to the Contractor's preparation of articles for shipment, shall notify the cognizant MRAS buyer of the tentative shipping date and request complete shipping instructions. The Contractor shall hold all shipments until complete shipping instructions have been incorporated by change order or amendment to the Contract.

#### **411 FEDERAL MANUFACTURER'S EXCISE TAX CUTTING OIL CERTIFICATE**

(For use by purchaser (consumer) of lubricating oil for use in cutting and machining operations on metals.)

The undersigned hereby certifies that MRAS is a designer and manufacturer of special weapons and space vehicles and that the oil covered by the accompanying order will not be used or resold for lubrication but will be used by MRAS as a lubricant in cutting and machining operations (including forging, drawing, rolling, shearing, punching, and stamping) on metals.

The undersigned understands that if said oil is used for any purpose other than as stated in this certificate, or is disposed of by resale, MRAS must report such fact to the manufacturer, otherwise the privilege of purchasing tax free may be cancelled; that MRAS will, for the fraudulent use of the certificate to secure exemption, rather than be subject to tax at the rate of 6 cents a gallon, be subject to a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both, together with the costs of prosecution. The undersigned also understands that MRAS must be prepared to establish by competent evidence the purpose for which such oil was used.

#### **412 FEDERAL MANUFACTURER'S EXCISE TAX EXEMPTION CERTIFICATE**

(Purchases for further manufacture under Section 4221 of the Internal Revenue Code of 1954, Amended).

The undersigned hereby certifies that MRAS is a manufacturer or producer and holds Certificate of Registry No. 13-740232B, issued by the Director of Internal Revenue, New York, and that the article or articles specified in the accompanying order will be used by MRAS as material in the manufacture, production, or as a component part of another article or articles to be manufactured or produced by MRAS.

It is understood that, for all the purposes of Chapter 32 of the Internal Revenue Code of 1954, MRAS will be considered the manufacturer or producer of the articles purchased hereunder, and (except as specifically provided for by law) must pay tax on resale or use other than specified above, on the articles purchased hereunder. It is further understood that the fraudulent use of this certificate to gain exemption will subject the undersigned and all guilty parties to revocation of the privilege of purchasing tax free and to a fine or not more than \$10,000, or imprisonment for not more than five years, or both, together with the costs of prosecution.

#### **413 MARYLAND RESALE CERTIFICATE (6/91)**

Middle River Aircraft Systems  
103 Chesapeake Park Plaza  
Baltimore, MD 21220

The Buyer hereby certifies that the property purchased on the attached Purchase Agreement is purchased for the following purpose.

1. Resale as tangible personal property, or
2. To be incorporated as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining.

MARYLAND SALES AND USE TAX REGISTRATION NUMBER 08817431

#### **420 REPAIR AND OVERHAUL**

The Contractor is hereby authorized to inspect and, where required, proceed with necessary teardown to determine the extent of the repair or overhaul to the article. The Contractor shall then submit:

1. A statement of the work to be performed.
2. An itemized list of material required and cost per item.
3. The number of labor hours and cost.
4. The best shipping date for the repaired or overhauled article.
5. The price and delivery date of a new article.

The Contractor shall not proceed with the repair or overhaul until authorized by change order or amendment to this contract, and the price for the repair or overhaul has been incorporated into said change order or amendment.

#### **422 REPAIR - LATEST SPECIFICATION AND DRAWINGS**

All articles authorized for repair under this purchase order shall, after repair, conform to all design, test and quality requirements imposed by the latest issue of the applicable specifications and drawings.

#### **424 PROCESS SPECIFICATIONS**

In the event the Contractor encounters engineering or manufacturing difficulties as a result of the use or application of any approved process specifications furnished to the Contractor by MRAS and made a part hereof for the performance of the work hereunder, the Contractor shall give MRAS prompt, written notice thereof setting forth the difficulties encountered. It is further understood and agreed between the parties hereto that by the furnishing of any such process specifications to the Contractor, MRAS will pay the Contractor for any rejected articles manufactured therefrom which do not meet the inspection requirements of the Contract.

#### **430 RENT FREE USE**

The Contractor is authorized to use, in the performance of this Contract, the Government-owned facilities provided to it under Facilities Contracts in effect on the date of this Contract on a nocharge basis.

The Contractor agrees that is will not directly or indirectly, through overhead charges or otherwise, include in the price of this contract or seek reimbursement under this Contract for any rental charge paid by the Contractor for the use on other Contracts of the facilities referred to in this contract. Any subcontract hereunder which authorizes the subcontractor to use Government facilities on a no-charge basis shall contain a provision to the same effect as this paragraph.

#### **431 DUTY-FREE ENTRY - QUALIFYING COUNTRY**

If duty amounting to \$50 or more would otherwise be applicable to any shipment made pursuant to this Contract, the Contractor shall take all necessary actions and mark all shipping documents as direct by the clause of the General Provisions entitled "Duty-Free Entry - Qualifying Country End Products and Supplies." In the event of any deviation therefrom, other than at the express direction of MRAS, resulting in the imposition of duty, the Contractor shall make the necessary United States Customs entry and the cost thereof, together with any duty payable, shall be at the Contractor's expense.

#### **432 INCREMENTAL FUNDING**

Total price for the work to be performed hereunder and the initial sum allotted to this purchase agreement through a given date are called out in the schedule of this purchase agreement. It is anticipated that additional funds will be allotted to this purchase agreement by amendment up to the full purchase agreement price. MRAS shall not be obligated to reimburse the Contractor any amount in excess of that which may be allotted to this purchase agreement from time to time. The Contractor agrees to notify MRAS in writing thirty (30) days prior to the time costs incurred are projected to reach seventy-five percent (75%) of the amount allotted under this purchase agreement, at which time MRAS may allot additional funds. If MRAS determines that no additional funds will be allocated, it shall terminate this purchase agreement for the convenience of MRAS in which event MRAS' maximum liability shall not exceed the amount allotted to this purchase agreement at the time it is terminated.