

**LHA-6 FLOW-DOWN TERMS AND CONDITIONS  
BASED ON NGSS DOCUMENT # SSFP8293**

(The flow downs listed below are in addition to Northrop Grumman's standard T'S and C'S - Form # P351-F01)

1. MOST FAVORED CUSTOMER ASSURANCE

The Seller agrees that the prices for the supplies or services furnished under this order are as low as or lower than those charged the Seller's most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment.

2. LOGISTIC SUPPORT REQUIREMENT

- (a) This clause applies whenever the contract specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called "repair parts") for a ship component or item of equipment.
- (b) With respect to ship components or equipments manufactured other than in the United States and Canada, the SELLER agrees that, in addition to any other data required by this contract, it will furnish under this contract sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the ship components or equipments shall have made arrangements satisfactory to the SELLER and approved by the BUYER and the Buyer's Contracting Officer for the manufacturing of repair parts in the United States or Canada. For the purpose of this clause, "sufficient data" shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operations or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall contain a prominent notation to that effect fully identifying the patent or patents involved and bearing number of this contract.
- (c) In order to satisfy the requirements of paragraph (b) above, SELLER shall and hereby does grant the United States Government for a period of seven (7) years "Government Purpose Rights" (as defined in paragraph (a) (12) of the clause entitled Rights in Technical Data – Non-Commercial Items (DFARS 252.227-7013) in all technical data necessary to manufacture and repair parts for such components or equipment.

3. ACCESS TO VESSELS BY NON-U.S. CITIZENS

- (a) No person not known to be a U.S. citizen shall be eligible for access to naval vessels, work sites, and adjacent areas when said vessels are under construction, conversion, overhaul, or repair except upon a finding by COMNAVSEA or his

designated representative that such access should be permitted in the best interest of the United States. The seller shall establish procedures to comply with this requirement and NAVSEAINST 5500.3 (series) in effect of the date of this contract or agreement.

- (b) If the Seller desires to employ non-U.S. citizens in the performance of work under this contract or agreement that requires access as specified in paragraph (a) of this requirement, approval must be obtained prior to access for each contract or agreement where such access is required. To request such approval for non-U.S. citizens of friendly countries, the SELLER shall submit to BUYER , an Access Control Plan (ACP) which shall contain as a minimum, the following information:
  - (1) Badge or Pass oriented identification, access, and movement control system for non-U.S. citizen employees with the badge or pass to be worn or displayed on outer garments at all times while on the BUYER's facilities and when performing work aboard ship.
    - (i) Badges must be of such design and appearance that permits easy recognition to facilitate quick and positive identification.
    - (ii) Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulation and instructions.
    - (iii) A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten, or no longer required badges, must be established.
    - (iv) A badge or pass check must be performed at all points of entry to the BUYER's facilities or by a site supervisor for work performed on vessels outside the BUYER's plant.
  - (2) SELLER's plan for ascertaining citizenship and for screening employees for security risk.
  - (3) Data reflecting the number, nationality, and positions held by non-U.S. citizen employees, including procedures to update data as non-U.S. citizen employee data changes, and pass to cognizant CAO.
  - (4) SELLER's plan for ensuring subcontractor compliance with the provisions of the SELLER's ACP.
  - (5) These conditions and controls are intended to serve as guidelines representing the minimum requirements of an acceptable ACP. They are not meant to restrict the SELLER in any way from imposing additional controls necessary to tailor these requirements to a specific facility.
- (c) To request approval for non-U.S. citizens of hostile and/or communist-controlled countries (Listed in Department of Defense Industrial Security Manual, COC 5220.22M or available from cognizant CAO) , SELLER shall include in the ACP

the following employee data: name , place of birth, citizenship (if different from place of birth) , date of entry to the U.S. , number of years employed by SELLER , position and stated intent concerning U.S. citizenship. COMNAVSEA or his designated representative will make individual determinations for desirability of access for above group. Approval of ACP's for access of non-U.S. citizens of friendly countries will not be delayed for approval of non-U.S. citizens of hostile communist-controlled countries. Until approval is received, SELLER must deny access to vessels for employees who are non-U.S. citizens of hostile and/or communist-controlled countries.

- (d) An ACP which has been approved for specific Master Ship Repair Agreement (MSRA) or Agreement for Boat Repair (ABR) or Basic Ordering Agreement (BOA), is valid and applicable to all job orders awarded under that agreement.
- (e) The SELLER shall fully comply with approved ACPs. Noncompliance by the SELLER or subcontractor serves to cancel any authorization previously granted, in which case the SELLER shall be precluded from the continued use of non-U.S. citizens on this contract or agreement until such time as the compliance with an approved ACP is demonstrated and upon a determination by the CAO that the Government's interests are protected. Further, the Government and BUYER reserve the right to cancel previously granted authority when such cancellation is determined to be in the Government's or BUYER's best interest. Use of non-U.S. citizens, without an approved ACP or when a previous authorization has been cancelled, will be considered a violation of security regulations. Upon confirmation by the CAO of such violation, this contract, agreement or any job order issued under this agreement may be terminated.
- (f) SELLER shall have full responsibility for the proper administration of the approved ACP for all work performed under this contract or agreement, regardless of the location of the vessel, and must ensure compliance by all of its subcontractors, technical representatives and other persons granted access to U.S. Navy vessels, adjacent areas, and work sites.
- (g) In the event SELLER does not intend to employ non-U.S. citizens in the performance of the work under this contract, but has non-U.S. citizen employees, such employees must be precluded from access to the vessel and its work site and those shops where work on the vessel's equipment is being performed. The ACP must spell out how non-U.S. citizens are excluded from access to contract work areas.
- (h) The same restriction as in paragraph (g) applies to others than non-U.S. citizens who have access to the BUYER's facilities (e.g., for accomplishing facility improvements, from foreign crewed vessels within its facility, etc.).

4. When SELLER has knowledge that any hardware item or material to be provided in performance of this purchase order is obsolete, is marked for impending obsolescence, or has an established end of production date, SELLER shall immediately give initial notice thereof, including all relevant information with respect thereto, to Northrop Grumman. Such notice shall include, but not be limited to (1) complete details of which parts are affected, including rated Mean Time Between Failure (MTBF) , where available; (2) date

of obsolescence; (3) end of production date; (4) reason for obsolescence; (5) pricing and availability of last-time buy; (6) supportability terms (repair and warranty) for last-time buy; and (7) SELLER's recommendation for replacement hardware inclusive of known impacts to performance, pricing, availability, and lead time. SELLER's initial notifications of obsolescence shall be made through the end of the contracted warranty period for the items provided under this order.

If invoked by the Purchase Order, SELLER shall also provide quarterly obsolescence status reporting for each hardware item or material item commencing upon receipt of this order. Status reporting shall include, but not be limited to (1) item identification, (2) obsolescence status, and (3) any updated information applicable to initial notifications of obsolescence provided above. The final status report shall be provided no later than 5 years after SELLER final shipment for the hardware provided under this order. BUYER may direct SELLER to discontinue the reports at any time.

5. Configuration Management As applicable, the SELLER shall either (a) maintain BUYER's configuration or (b) disclose any changes / proposed changes to the SELLER's configuration of Contract Products resulting from this purchase order. SELLER's shall assert that the following configuration management terms shall be met in support of all Purchase Orders:

All Contract Products provided by the SELLER shall be identical in every way to like products previously supplied by the SELLER. Any change to the configuration of the Contract Products, including but not limited to Hardware, Software, or Firmware configuration changes shall be immediately identified to BUYER in writing prior to implementing change and/or delivering changed Products.

The requirements of this Configuration Management term shall commence with the issuance of this Purchase Order and survive through the contracted Warranty period.

6. Hot spares All SELLER parts designated as "hot spares" in this purchase order shall be subject to the following terms.

From Purchase Order placement through SELLER's warranty period, "hot spares" stock shall be maintained by SELLER to satisfy emergency needs of the BUYER related to defective or damaged parts. Upon BUYER's written request, SELLER shall deliver "hot spare" items via express overnight shipment to the BUYER's facility.

The quantity of "hot spares" stock to replace defective or damaged parts shall be limited to the greater of the following:

- (1) 2% of the original order rounded up to the nearest whole part;
- (2) 2 parts.

This requirement to provide "hot spares" shall re-initiate without lapse after each BUYER request for replacement such that "hot spares" stock is replenished. In

accordance with applicable Warranty terms, the BUYER shall return defective parts to the SELLER.

If any part provided under this Purchase Order is not initially designated a “Hot Spare” but subsequently experiences more than a 10% defect rate through the end of the warranty period, then that part shall henceforth be designated a “hot-spare” part and become subject to the provisions noted above.

All efforts associated with supporting additional hot spare(s) identified above shall occur as a no-cost change to the original Purchase Order.

7. RoHS Compliance (Finishes and Terminations) Purchase orders shall be subject to the acceptance of the following term: When any change in product or part number is made or planned that will incorporate (Pb)-free finish or lead (Pb)-free solders, SELLER is required to inform BUYER. SELLER shall include the substance of this clause in every applicable Purchase Order for parts specified in Buyer’s Bill of Material (BOM) and/or parts list (when present). Change notification received from SELLER’s suppliers in response to this clause shall be forwarded to Northrop Grumman Buyer for disposition.

8. Finishes and Terminations: When any change in product or part number is made or planned which would incorporate lead (Pb)-free finish or lead (Pb)-free solders, seller is required to inform the buyer. Seller shall include the substance of this clause in every applicable purchase order for parts specified in buyer’s bill of material and/or parts list (when present). Change modifications received from seller’s suppliers in response to this clause shall be forwarded to the Northrop Grumman buyer for disposition.

### **Additional FAR and DFAR Clauses**

**52.244-5** Competition in Subcontracting