

# GENERAL DYNAMICS

Electric Boat

March 12, 2018

Dear Valued Supplier:

1. The purpose of this letter is to introduce Electric Boat's (EB) newest set of purchase order (PO) terms and conditions (T&Cs); references (a), (b) and (c). These T&Cs are being provided so that you may initiate and have additional time for review prior to the submission of new proposals in response to EB request for quotations.
  - (a) EB-IPPD-2117-17 Rev 0 (October 2017)
  - (b) EB-2NC Non-Commercial Rev 2
  - (c) EB-IPPD-2117-17-C Comm Add Rev 0 (October 2017)
2. The U.S. government requires EB to pass on specific prime contract requirements to subcontractors as mandatory flow downs. EB T&Cs are carefully written to include these mandatory flow downs and *must* be invoked in each PO awarded to suppliers. Please note that the subcontractor mandatory flow downs are specific to each EB prime contract, which necessitates the individual review of each set of terms and conditions by our suppliers.
3. EB must ensure its suppliers (and their lower-tier suppliers and subcontractors) are fully compliant with the mandatory flow downs contained within EB T&Cs before the award of a PO.
4. Suppliers who are awarded POs by EB must flow down the mandatory requirements to each of their lower-tier suppliers and subcontractors who provide products/services needed in the performance of the PO requirements. Suppliers must ensure that each lower-tier supplier and subcontractor, throughout the procurement chain, comply with all of the PO requirements including the applicable T&Cs invoked in the PO.
5. Please take the time to carefully read EB-IPPD-2117-17 Rev 0 (October 2017) and EB-IPPD-2117-17-C Comm Add Rev 0 (October 2017), in advance of RFQ/PO receipt, and submit exceptions to the applicable Buyer using Microsoft Word Track Changes at the time of submittal of the proposal or bid.
6. EB is excited to offer our trusted suppliers the opportunity to review our newest set of terms and conditions in advance of RFQ/PO receipt. In order to increase and maintain a high rate of material availability across multiple shipbuilding programs and with an increasing supplier base, we are working to improve and streamline our purchasing practices. We look forward to working with you to that end.



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