

CR-1 NORTHROP GRUMMAN CORPORATION

REQUEST FOR QUOTATION/PROPOSAL INSTRUCTIONS (COMMERCIAL)

This is a Request for Quotation only and not an offer to purchase. None of the work called for herein shall be performed unless and until you receive our purchase order.

- 1. NORTHROP GRUMMAN'S RESERVATION OF RIGHTS.** This Request for Quotation does not commit Northrop Grumman Corporation (also referred herein as "Buyer") to pay any costs incurred in the submission of a quotation or in making necessary studies or designs for the preparation thereof, nor to procure or contract for the services or material. Buyer reserves the right to conduct a preaward survey or require other evidence of production, managerial, financial and similar abilities and to subject any quotation to negotiation prior to the award of a contract.

2. AUDIT.

Buyer reserves the right to fact-find and audit Bidder's proposal.

3. QUALITY ASSURANCE COMMITMENT.

- A. Your commitment to good quality practices and conformance to quality requirements is an essential element in the selection process and in the performance of any purchase order awarded pursuant to this RFQ.
- B. Buyer will evaluate both your current system and existing record, if any, as a factor in the selection process. Your company quality record will be monitored and a periodic report on performance furnished to your management.

4. AWARD.

Award may be made without discussion of proposals received and hence, your proposal should be submitted initially on the most favorable terms from a price and technical standpoint. Any purchase order resulting from this Request for Quotation (RFQ) will be awarded to that responsible Offeror whose bid, conforming to all conditions of the request; will be most advantageous to Buyer, price and other factors considered.

5. RESPONSIVENESS TO RFQ.

To be considered for contract award, a quotation must comply in all material respects with the Request for Quotation.

6. SPECIAL REQUIREMENTS.

In addition to the other requirements of the RFQ, quotations to be responsive to the RFQ must contain the following information. Should any of these requirements not be applicable, the nonapplicability must be so stated with reasons therefor.

- A. State the unit bid price as well as the total price for each line item.
- B. Segregate nonrecurring (set-up charges, manufacturing allowances, etc.) and recurring costs by line item.
- C. Payment Terms must be indicated. Unless otherwise specified, F.O.B. shall be Buyer's designated location.
- D. State applicable discount for prompt payment.
- E. Prices must be quoted in U.S. dollars.
- F. State leadtime (weeks) required to make first delivery after receipt of purchase order authorization and

materials (if any), and tools (if any). Also, state reorder leadtimes.

- G. Set forth the maximum production rate attainable per month with existing facilities and tooling.
- H. State if parts quoted are shown on a published price list or are catalog price items and include copy of said list/catalog.
- I. To prevent nonresponsiveness, the Offeror shall provide a "Baseline" Quotation fully responsive to the requirements and provisions of this RFQ but may also (and is encouraged to) submit recommended alternatives if separately described.

7. CUSTOMER PROPERTY.

If Buyer or Customer-owned property will be received or acquired under the resultant purchase order, the Offeror is required to submit (with the quotation) the following:

- A. A copy of the Buyer letter previously approving the Offeror's property control system (if any).
- B. A copy of the Offeror's property control manual (if any).
- C. A copy of the Offeror's internal operating procedures which implement the property control system (if any).
- D. If the Offeror has none of the above, provide a letter stating such facts.

NOTE: If manual or procedures have been previously submitted, they need not be resubmitted.

8. EXPORT AND RETRANSFER OF DATA.

The documents accompanying this RFQ may contain technical data within the definition of the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR) and are subject to the export control laws of the U.S. Government. These documents are approved for transfer by Buyer to Seller only. Retransfer of this data by any means to any party other than Seller, without the express written approval of Buyer and, as applicable to export, the U.S. Government is prohibited. Seller shall not seek approval from the U.S. Government to export any data provided by Buyer without first obtaining the written approval of Buyer.