

CUSTOMER CONTRACT REQUIREMENTS
Depot Maintenance FY 2018 Chile KC-135E
CUSTOMER CONTRACT 58/2018

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The following customer contract requirements apply to this contract to the extent indicated below. If this contract is for the procurement of commercial items under a Government prime contract, as defined in FAR Part 2.101, see Section 3 below.

1. Prime Contract Special Provisions The following prime contract special provisions apply to this purchase order

1. PENALTIES

In the event that Seller fails to adhere to the shipment or delivery schedules specified in this Contract ("Late Delivery of Goods"), and upon election by Buyer in its sole discretion, Seller shall pay a penalty to Buyer, pursuant to the details stated in the following paragraphs:

If the delay is attributable to Seller's gross negligence or willful misconduct, the penalty will be for an amount equivalent to three point three percent (3.3%) per month of the value of the service(s) involved in the delay. Such penalty will be calculated for each full month of delay (and a pro-rated amount for a fraction of one month), after a grace period allowed for the first thirty (30) days of delay of delivery of such services. In any case, no accumulated penalty shall exceed an amount equal 9.9 % of the total price of the services involved in the delay.

Seller shall not be liable for delays when such delays have occurred as a result of Force Majeure, over and above activity and/or due to a noncompliance with the obligations of Buyer.

The penalties payable by Seller to Buyer under this clause must be paid within fifteen (15) days following the date of the effective delivery of the supplies involved in the delay. Such payment shall be made directly to Buyer, and shall be for a net amount free of internal taxes or withholdings or other levies or charges of any nature, in freely transferable U.S. dollars.

If Seller fails to pay a penalty as provided for under this Clause or as otherwise agreed by Buyer, Buyer is hereby entitled to withhold the payments due until the full payment of the penalties.

Notwithstanding the foregoing in this clause, Buyer may choose, at its sole discretion, between the options to accept the recovery plan proposed by Seller and collect the penalty or to determine the early termination of the Contract, but can choose only one of these options.

2. SOFTWARE

Seller shall own or have the right to license software products delivered hereunder to Buyer and Buyer's Customer.