

**AAR Defense Systems & Logistics
Subcontractor for SSI Contract**

Purpose – Hamilton Sundstrand (HSC) intends to utilize AAR Defense Systems & Logistics (AAR) to perform various Contract Administration, Source Inspection, Logistics, and Supply functions, in support of HSC's Strategic Source Initiative (SSI) contract.

As supportive subcontractor, AAR will:

- Monitor DLA's Procurement Gateway and BSM systems for Delivery Orders (DOs) issued and will provide HSC a copy of each delivery order.
- Verify Quantity, Unit Price and Delivery Schedule on each DO to ensure alignment with SSI delivery schedules and prices, Administration offices; and other details of the DOs.
- Review all DOs for Terms & Conditions, Packaging requirements, Quality requirements, and shipping instructions to identify any that may vary from the prime contract.
- Request DO modifications as necessary, based upon DO reviews.
- Assist HSC in administering all US Government DOs for Stock Lead Time Items.
- Coordinate US Government Source Approval at HSC-San Diego (HSC-SD) facility via AAR Source Inspector in San Diego, CA.
- Prepare the DD Form 250s, providing barcodes and Military Shipping Labels (MSLs) on all DO shipments of SSI parts from HSC-SD.
- Enter shipments into the Government Wide Area Work Flow (WAWF) System.
- Obtain US Government QAR approval.
- Forward approved parts & material to HSC shipping department.
- Prepare and submit the DD250/Invoice for HSC with the remit to address as HSC.
- Establish a system for Forecasting demand.
- Forecast requirements.
- Assist HSC in the collection of outstanding Accounts Receivable from the US Government under this contract, through the use of WAWF and other means.
- Provide HSC an Aged Accounts Receivable Report upon request.
- Take a pro-active role in the collection of receivables over 30 days past due.
- Reconcile amounts due HSC and provide a report to HSC upon request.
- Assist HSC in contract close-out actions; obtaining final payment to HSC for all items shipped.
- Assist HSC in contract terminations initiated by the US Government; and prepare all Termination Claim Forms and Requests for Equitable Adjustments (REA).
- Assist HSC in Warranty Returns from the customer; and will verify
 - Delivery Order,
 - Date of Shipment,
 - Part Number,
 - Quantity, and
 - Condition.
 - If the contract Warranty applies, AAR will obtain an RMA number from HSC and
 - Ship the item to HSC for Technical Review.
- Assist HSC in Material Review Board (MRB) actions; and promptly inform HSC of any discrepancies found during Source Inspection.
- Participate in Semi-Annual Program Reviews with HSC and DSCR and any other meetings required by HSC.

Proprietary Notice

This document embodies design, manufacturing, processing, cost and/or pricing information confidential to Hamilton Sundstrand, including its trade secrets, and shall not be disclosed to others per the Freedom of Information Act (5 USC 552(b)), the Trade Secrets Act (18 USC 1905), Presidential Executive Order No. 13600 (6/23/87) and the Economic Espionage and Trade Secret Protection Act of 1966 (18 USC 1832 et. seq.)



Hamilton Sundstrand

A United Technologies Company

Power Systems
4400 Ruffin Road
San Diego, CA 92186-5757

August 27, 2004

DSCR


Attention: Alok

Subject: AAR

Reference: SSI

Per our conversation, attached is copy of pricing proposals from AAR and Derco for acting as subcontractor to HSPS' SSI contract. Also attached is copy of the SOW for the effort.

Please note that this information is proprietary to Hamilton Sundstrand.

Sincerely,
Hamilton Sundstrand Corporation

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