

Revision No. 1, dated February 23, 2023

Flowdown Attachment

RIS FDA-2017.446

Contract No.: MRPO-15-0001

Prime Contract No.: FA8620-21-G-4027

DPAS Rating: DO-A1

If the Purchase Order on date of award is valued at or above the threshold specified in FAR 19.702(a), located at <https://www.acquisition.gov/far/19.702>, and is not for commercial items, the following applies:

In order to meet the requirements of FAR 52.219-9 or DFARS 252.219-7004, the Seller agrees to provide a Small Business Subcontracting Plan prior to the award of a Purchase Order. The referenced plan should contain goals for subcontracting with small businesses, small disadvantaged businesses, woman-owned small business, historically under-utilized small business, veteran owned and service disabled veteran owned businesses in accordance with the plan requirements outlined in FAR 52.219-9 or DFARS 252.219-7004.

In addition, the Seller must submit an Individual Subcontracting Report (ISR) via the Electronic Subcontracting Reporting System (eSRS) (<http://www.esrs.gov>) on a semi-annual basis for reporting periods ending on March 31st and September 30th. Reports are due no later than 30 days after the close of each reporting period.

Email for Seller's official acknowledging or rejecting the ISR: ris.esrs@raytheon.com
(Seller must include contractor official on the ISR report email notification)

The following customer contract requirements apply to this Order or Purchase Order to the extent indicated below and are hereby incorporated into the Order or Purchase Order by full text or by reference with the same force and effect as if they were given in full text. Upon Supplier's or Seller's request, Buyer's Purchasing Representative will make their full text available. Also, the full text of a FAR or DFARS provision or clause may be accessed electronically at these addresses: <https://www.acquisition.gov/dfars/part-252-solicitation-provisions-and-contract-clauses> or <https://www.acquisition.gov/far/>:

Whenever necessary to make the context of the Clauses applicable to the Order or Purchase Order, the term "Contractor" or "Offeror" shall mean "Supplier" or "Seller", "Subcontractor" shall mean "Seller's Subcontractor", the term "Contract" shall mean the Order or Purchase Order, and the term "Government", "Contracting Officer" and equivalent phrases shall mean Buyer, except the terms "Government" and "Contracting Officer" do not change: (a) in the phrases, "Government Property", "Government-Furnished Property", and "Government-Owned Property", (b) in the patent Clauses if incorporated herein, (c) when a right, act, authorization, or obligation can be granted or performed only by the Government or the Contracting Officer or a duly authorized representative, such as in FAR 52.227-1 and FAR 52.227-2, (d) when title to property is to be transferred directly to the Government, (e) when access to Proprietary Information is required, except as specifically otherwise provided herein, and (f) where specifically modified herein. Supplier or Seller shall incorporate into each lower-tier subcontract placed in support of the Order or Purchase Order all applicable Clauses in accordance with the flowdown requirements specified in each such Clause. If any of the following clauses do not apply to this Order or Purchase Order, such clauses are considered to be self-deleting.

Revision No. 1, dated February 23, 2023

SPECIAL CONTRACT REQUIREMENTS:

SECTION 13 QUALITY CONTROL SYSTEM

Seller agrees to maintain an ISO9001 certified quality control system. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller’s approved inspection/quality control system and to advise Buyer of the quantity and specific identity of any products or Work delivered by Buyer during the period of any such violation or deviation. Seller shall maintain records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the Government during Seller's performance under this Order and for a period of three (3) years (unless a longer period is specified on the face of this Order) after Buyer’s acceptance of all goods delivered or services rendered under this PO. Seller agrees to include and to require lower-tier subcontractors to include, the substance of this paragraph, including this sentence, in each of its lower-tier subcontracts under this Order.

ARTICLE 9. NOTICE OF LABOR DISPUTES

Whenever Seller has knowledge that any present or potential labor dispute is delaying or threatens to delay the timely performance of this Subcontract, Seller shall immediately give notice to Buyer including all relevant information. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract/orders where a labor dispute might delay timely performance of this Subcontract.

ARTICLE 35. PARTS OBSOLESCENCE

Buyer may desire to place additional orders for Work purchased hereunder. Seller shall provide Buyer with a "Last Time Buy Notice" at least six (6) months, prior to any action to discontinue any Work purchased under this Contract.

FAR AND DFARS CLAUSES INCORPORATED BY REFERENCE:

Clause Number	Title	Applicability (Reference to “Purchase Orders” includes underlying Solicitations)	Applies to Commercial (C) and/or Non-Commercial (NC) procurements	
			C	NC
52.203-6	Restrictions on Subcontractor Sales to the Government (Sep 2006)	Applicable to all Orders over the Simplified Acquisition Threshold.		X
52.203-7	Anti-Kickback Procedures (May 2014)	Applicable to all Orders that exceed \$150,000, excepting paragraph (c)(1)).	X	X
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Oct 2010)	Applicable to all Orders exceeding \$150,000.	X	X
52.203-13	Contractor Code of Business Ethics and Conduct (Oct 2015)	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, (i) that have a value more than \$5.5 million; and (ii) that have a performance period of more than 120 days. (In Paragraph (b)(3)(i), the meaning of	X	X

Revision No. 1, dated February 23, 2023

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		“agency office of the Inspector General” and “Contracting Officer” does not change, in Paragraph (b)(3)(ii) the meaning of “Government” does not change, and in Paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of “OIG of the ordering agency”, “IG of the agency” “agency OIG” and “Contracting Officer” do not change.		
52.203-14	Display of Hotline Poster(s) (Oct 2015)	Applicable to Orders over \$5,500,000, except for Orders performed entirely outside the United States.		X
52.203-16	Preventing Personal Conflicts of Interest (Dec 2011)	Applicable to Orders over \$150,000 that include a requirement for services that involve performance of acquisition functions closely associated with inherently governmental functions for, or on behalf of, a Federal agency or department.	X	X
52.203-17	Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Apr 2014)	Applicable to all Orders over the Simplified Acquisition Threshold.	X	X
52.204-2	Security Requirements (Aug 1996)	Applicable to all Orders that involve access to classified information. Any reference to the Changes clause is excluded.	X	X
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2015)	Applicable to all Orders when the Buyer is the Prime Contractor and the Order exceeds \$30,000. Substitution of the parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.	X	X
52.204-14	Service Contract Reporting Requirements (Oct 2016)	Applicable to all Orders when Seller is a first-tier subcontractor providing services when the Order is at or above the thresholds in FAR 4.1703(a)(2) so that Buyer can get required information from Seller for reporting by Buyer to Buyer's customer. Seller's information will be made available to the public as required by section 743 of Division C of the Consolidated Appropriations Act, 2010.	X	X
52.204-15	Service Contract Reporting Requirements for Indefinite-Delivery Contract (Oct 2016)	Applicable to all Orders when Seller is a first-tier subcontractor providing services when the Purchase Order is at or above	X	X

Revision No. 1, dated February 23, 2023

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			C	NC
		the thresholds in FAR 4.1703(a)(2) so that Buyer can get required information from Seller for reporting by Buyer to Buyer's customer. Seller's information will be made available to the public as required by section 743 of Division C of the Consolidated Appropriations Act, 2010.		
52.209-6	Protecting the Governments Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Oct 2015)	Applicable to all Orders exceeding \$35,000, except for Orders for commercially available off-the-shelf items.	X	X
52.214-26	Audit and Records -- Sealed Bidding (Oct 2010)	Applicable to Orders that are expected to exceed the threshold in FAR 15.403-4(a)(1) for submission of certified cost or pricing data.		X
52.214-27	Price Reduction for Defective Cost or Pricing Data -- Modifications -- Sealed Bidding (Aug 2011)	Applicable to Orders that are expected to exceed the threshold in FAR 15.403-4(a)(1) for submission of certified cost or pricing data submitted pursuant to a sealed bid.		X
52.214-28	Subcontractor Cost or Pricing Data -- Modifications -- Sealed Bidding (Oct 2010)	Applicable to Orders that are expected to exceed the threshold in FAR 15.403-4(a)(1) for submission of certified cost or pricing data.		X
52.215-2	Audit and Records – Negotiation (Oct 2010)	Applicable to the following Orders that exceed the Simplified Acquisition Threshold: (i) that are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these, (ii) for which certified cost or pricing data are required; or (iii) that require Seller to furnish reports as discussed in paragraph (e) of the clause.	X	X
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data (Aug 2011)	Applicable to all Orders that require the Seller to provide certified cost or pricing data. This clause does not apply to Orders for commercial items or if the Seller qualifies for any of the other exemptions in FAR 15.403-1.		X
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data – Modifications (Aug 2011)	Applicable to all Orders that require the Seller to provide certified cost or pricing data. This clause does not apply to Orders for commercial items or if the Seller qualifies for any of the other		X

Revision No. 1, dated February 23, 2023

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		exemptions in FAR 15.403-1.		
52.215-12	Subcontractor Certified Cost or Pricing Data (Oct 2010)	Applicable if the Order is in excess of \$750,000. This clause does not apply to Orders for commercial items or if the Seller qualifies for any of the other exemptions in FAR 15.403-1.		X
52.215-13	Subcontractor Certified Cost or Pricing Data – Modifications (Oct 2010)	Applicable to Orders that exceed the threshold for submission of certified cost or pricing data at FAR 15.403-4 on the date of agreement on price or the date of award, whichever is later. This clause does not apply to Orders for commercial items or if the Seller qualifies for any of the other exemptions in FAR 15.403-1.		X
52.215-14	Integrity of Unit Prices (Oct 2010)	Applicable to Orders less paragraph (b) in the clause, except for construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; and petroleum products.		X
52.215-20	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data (Oct 2010)	Applicable to all Orders when certified cost or pricing data, or data other than certified cost or pricing data, will be required.	X	X
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications (Oct 2010)	Applicable to all Orders when certified cost or pricing data, or data other than certified cost or pricing data, will be required for modifications.	X	X
52.215-23	Limitations on Pass-Through Charges (Oct 2009)	Applicable to all cost-reimbursement Orders that exceed the Simplified Acquisition Threshold; except if the Buyers' prime contract is with the DoD, then applicable to all cost-reimbursement Orders and all fixed-price Orders, except those identified in 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.	X	X
52.219-8	Utilization of Small Business Concerns (Oct 2000)	Applicable to all Orders (except to small business concerns) that offer further subcontracting opportunities. (see FAR 52.219-9)	X	X
52.219-9	Small Business Subcontracting Plan (Oct 2014)	Applicable to Orders that are expected to exceed the threshold identified in FAR 19.702(a) on the date of		X

Revision No. 1, dated February 23, 2023

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			C	NC
		subcontract/Order award, and to Orders to the extent that the work under the Order will be performed in the United States or its outlying areas or Seller is recruiting employees in the United States or its outlying areas to work on the Order. Not applicable to Orders for commercial items.		
52.222-4	Contract Work Hours and Safety Standards Act -- Overtime Compensation (May 2014)	Applicable to Orders that require or involve the employment of laborers and mechanics. Applicable to foreign Sellers when any work under the Order will be performed in the United States, Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands, Johnston Island, Wake Island, and Outer Continental Shelf Lands as defined in the Outer Continental Shelf Lands Act (43 U.S.C.1331) (29 CFR 5.15).		X
52.222-17	Nondisplacement of Qualified Workers (May 2014)	Applicable to all Orders over the Simplified Acquisition Threshold when services are to be performed by Seller (1) under service contracts, as defined at 22.001, (2) that succeed Orders for performance of the same or similar work at the same location and (3) that are not exempted by 22.1203-2 or waived in accordance with 22.1203-3. Seller to furnish information needed by Buyer to comply with paragraphs d and e of this clause.	X	X
52.222-19	Child Labor—Cooperation with Authorities and Remedies (Feb 2016)	Applicable to Orders for the acquisition of supplies that are expected to exceed the micro-purchase thresholds.	X	X
52.222-20	Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000 (May 2014)	Applicable to Orders over \$15,000.	X	X
52.222-24	Preaward On-Site Equal Opportunity Compliance Evaluation (Feb 1999)	Applicable to anticipated first tier suppliers' Orders of \$10 million or more, other than those for construction, that are subject to a preaward compliance evaluation by the Office of Federal Contract Compliance Programs (OFCCP).	X	X
52.222-26	Equal Opportunity (Apr 2015)	Applicable to all Orders exceeding \$10,000. Foreign Sellers: Applicable to Orders except to the extent that work under the Order will be performed	X	X

Revision No. 1, dated February 23, 2023

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			C	NC
		outside the United States or by employees that are not recruited within the United States to work on the Order. "United States", as used in this parenthetical, means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.		
52.222-33	Notice of Requirement for Project Labor Agreement (May 2010)	Applicable to all Purchase Orders associated with the construction project.	X	X
52.222-35	Equal Opportunity for Veterans (Oct 2015)	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, of \$150,000 or more. Foreign Sellers: Applicable to Orders when the listing of employment openings for purposes of work to be performed under this Order occur and are filled within the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.	X	X
52.222-36	Equal Opportunity for Workers with Disabilities (Jul 2014)	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, exceeding \$15,000. Foreign Sellers: Applicable to Orders to the extent that work under the Order will be performed in the United States, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, or Wake Island or Seller is recruiting employees in the United States, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, or Wake Island to work on the Order.	X	X
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Oct 2015)	Applicable to all Orders of \$150,000 or more. Foreign Sellers: Applicable to Orders when the listing of employment openings for purposes of work to be performed under this Order occur and are filled within the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.	X	X

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52.222-41	Service Contract Labor Standards (May 2014)	Applicable to all Orders that are subject to the Service Contract Labor Standards statute.	X	X
52.222-43	Fair Labor Standards Act and Service Contract Act -- Price Adjustment (Multiple Year and Option Contracts) (Aug 2018)	Applicable to all Orders when Seller's performance includes performance in area subject to prevailing wage determinations and / pr is subject to collective bargaining agreements.	X	X
52.222-44	Fair Labor Standards Act and Service Contract Act -- Price Adjustment (May 2014)	Applicable to all Orders when Seller's performance includes performance in area subject to prevailing wage determinations and / pr is subject to collective bargaining agreements.	X	X
52.222-50	Combating Trafficking in Persons (Mar 2015)	Applicable to all Orders, except that the requirements in paragraph (h) of the clause apply only to (i) supplies that are other than commercially available off-the-shelf items that acquired outside the United States, or for services to be performed outside the United States, and (ii) that exceed \$500,000 in value.	X	X
52.222-54	Employment Eligibility Verification (Oct 2015)	Applicable to all Orders (i) for construction or commercial or noncommercial services (except commercial services that are part of a purchase of a COTS item, or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,500; and (iii) includes work performed in the United States. Foreign Sellers: “United States” means the 50 States, the District of Columbia, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.	X	X
52.223-2	Affirmative Procurement of Biobased Products Under Service And Construction Contracts (Sep 2013)	Applicable to all service or construction Orders.	X	X
52.223-6	Drug-Free Workplace (May 2001)	Applicable to Orders except when (i) the value of the acquisition is at or below the Simplified Acquisition Threshold, however, the requirements shall apply to contracts of any value awarded to an individual; (ii) the Order is for the		X

Revision No. 1, dated February 23, 2023

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		acquisition of commercial items; or (iii) performance or partial performance will be outside the United States and its outlying areas.		
52.223-9	Estimate of Percentage of Recovered Material Content for EPA Designated Products (May 2008)	Applicable to all Orders over \$150,000 that are for, or specify the use of, EPA-designed items containing recovered materials unless the acquisition is for commercially available off-the-shelf items. If technical personnel can verify estimates, then FAR 52.223-9 Alternate I also applies.	X	X
52.223-11	Ozone-Depleting Substances (Jun 1996)	Applicable to all Orders for products that contain or are manufactured with ozone-depleting substances.	X	X
52.223-15	Energy Efficiency in Energy-Consuming Products (Dec 2007)	Applicable to all Orders for energy consuming products unless the product is not listed in the ENERGY STAR Program or EFMP.	X	X
52.223-16	Acquisition of EPEAT®-Registered Personal Computer Products (Oct 2015)	Applicable to all Orders for personal computer products as defined in the clause.	X	X
52.223-18	Encouraging Contractor Policies to Ban Text Messaging while Driving (Aug 2011)	Applicable to all Orders over the Micro-Purchase Threshold.	X	X
52.224-2	Privacy Act (Apr 1984)	Applicable to Orders that require the design, development, or operation of any system of records on individuals that is subject to the Privacy Act.	X	X
52.225-1	Buy American Act—Supplies (May 2014)	Applicable to all Orders except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.	X	X
52.225-2	Buy American Act Certificate (May 2014)	Applicable to all Orders except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.	X	X
52.225-3	Buy American Act –Free Trade Agreements– Israeli Trade Act (May 2014)	Applicable to all Orders except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.	X	X
52.225-3	Buy American Act –Free Trade Agreements– Israeli Trade Act - ALTERNATE I (Jan 2004)	Applicable to all Orders except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.	X	X
52.225-3	Buy American Act –Free Trade Agreements– Israeli Trade Act - ALTERNATE II (Jan 2004)	Applicable to all Orders except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.	X	X
52.225-4	Buy American Act -- Free Trade Agreements – Israeli Trade Act	Applicable to all Orders except for commercially available off-the-shelf	X	X

Revision No. 1, dated February 23, 2023

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	Certificate (May 2014)	items (COTS) as defined at FAR 2.101.		
52.225-5	Trade Agreements (Oct 2016)	Applicable to all Orders.	X	X
52.225-6	Trade Agreements Certificate (May 2014)	Applicable to all Orders.	X	X
52.225-10	Notice of Buy American Act Requirement—Construction Materials (May 2014)	Applicable to all Orders for construction that is performed in the United States. Also, applicable to all Orders for construction materials except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.	X	X
52.225-11	Buy American Act—Construction Materials under Trade Agreements (Oct 2016)	Applicable to all Orders for construction that is performed in the United States. Also, applicable to all Orders for construction materials except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101.	X	X
52.225-13	Restrictions on Certain Foreign Purchases (Jun 2008)	Applicable to all Orders.	X	X
52.225-22	Notice of Required Use of American Iron, Steel, and Other Manufactured Goods--Buy American Act--Construction Materials (May 2014)	Applicable to all Orders for construction materials and components described in the clause.	X	X
52.225-26	Contractors Performing Private Security Functions Outside the United States (Jul 2013)	Applicable to all Orders that will be performed outside the United States in areas of (1) Combat operations, as designated by the Secretary of Defense; or (2) Other significant military operations, upon agreement Secretaries of Defense and State that the clause applies in that area.	X	X
52.227-1	Authorization and Consent (Dec 2007) - Alternate I (Apr 1984)	Applicable to all Orders over the Simplified Acquisition Threshold.	X	X
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007)	Applicable to all Orders expected to exceed the Simplified Acquisition Threshold.	X	X
52.227-16	Additional Data Requirements (Jun 1987)	Applicable to all Orders involving experimental, developmental, research or demonstration work (other than basic or applied research to be performed solely by a university or college under \$500K).		X

Revision No. 1, dated February 23, 2023

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52.229-2	North Carolina State and Local Sales and Use Tax (Apr 1984)	Applicable to all Orders for construction to be performed in North Carolina.	X	X
52.230-2	Cost Accounting Standards (Oct 2015)	Applicable when stated in the Order.		X
52.230-3	Disclosure and Consistency of Cost Accounting Practices (Oct 2015)	Applicable when stated in the Order.		X
52.230-4	Consistency in Cost Accounting Practices (Oct 2015)	Applicable when stated in the Order.		X
52.230-5	Cost Accounting Standards -- Educational Institution (Oct 2015)	Applicable when stated in the Order.		X
52.232-7	Payments Under Time-and-Materials and Labor-Hour Contracts (Aug 2012)	Applicable to cost reimbursement, time and material or labor hour Orders. “Schedule” means the Order, “voucher(s)” means invoice(s).	X	X
52.232-16	Progress Payments (Apr 2012)	Applicable to Orders only when Progress Billing is expressly approved by Buyer via order specific text on the Order.	X	X
52.232-32	Performance-Based Payments (Apr 2012)	Applicable to Orders only when Performance Based Payments are expressly approved by Buyer via order specific text on the Order.	X	X
52.232-39	Unenforceability of Unauthorized Obligations (Jun 2013)	Applicable to all Orders involving EULA, TOS, or similar software agreement.	X	X
52.232-40	Providing Accelerated Payments to Small Business Subcontractors (Dec 2013)	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, with small business concerns, including Orders with small business concerns for the acquisition of commercial items.	X	X
52.234-1	Industrial Resources Developed Under Defense Production Act Title III (Dec 1994)	Applicable to all Orders.	X	X
52.244-6	Subcontracts for Commercial Items (Dec 2015)	Applicable to all Orders.	X	X
52.245-1	Government Property (Apr 2012)	Applicable to all Orders when Government property is acquired or furnished (see PT-001).	X	X
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006)	Applicable to all Orders, including for Commercial Items pursuant to 52.244-6, except those exempted in paragraph (e) (4) of the clause.	X	X
52.248-3	Value Engineering – Construction (Oct 2015)	Applicable to all Orders \$70,000 or more.	X	X

Revision No. 1, dated February 23, 2023

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252.204-7000	Disclosure of Information (Aug 2013)	Applicable to all Orders when Seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.	X	X
252.204-7004	Antiterrorism Awareness Training for Contractors (Feb 2019)	Applicable to all Orders, including Orders for commercial items, when Seller performance requires routine physical access to a Federally-controlled facility or military installation.	X	X
252.204-7013	Limitations on the Use or Disclosures of Information by Litigation Support Solicitation Offerors (Feb 2014)	Applicable to all Purchase Orders that involve litigation support services, including solicitations using FAR part 12 procedures for the acquisition of commercial items.	X	X
252.204-7014	Limitations on the Use or Disclosure of Information by Litigation Support Contractors (May 2016)	Applicable to all Orders.	X	X
252.204-7015	Disclosure of Information to Litigation Support Contractors (Feb 2014)	Applicable to all Orders.	X	X
252.209-7001	Disclosure of Ownership or Control by the Government of a Terrorist Country (Jan 2009)	Applicable to Purchase Orders expected to result in contracts of \$150,000 or more.	X	X
252.209-7004	Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country (Oct 2015)	Applies to all Orders.	X	X
252.209-7006	Limitation on Contractors Acting as Lead System Integrators (Jan 2008)	Applicable to all Purchase Orders for the acquisition of a major system when the acquisition strategy envisions the use of a lead system integrator.	X	X
252.209-7007	Prohibited Financial Interests for Lead System Integrators (Jul 2009)	Applicable to all Purchase Orders that 1) include the provision at 252.209-7006; and	X	X
252.211-7003	Item Unique Identification and Valuation (Dec 2013)	Applicable to all Orders. Seller’s obligations under this clause are limited to cooperating with Buyer’s efforts to comply with this clause, including granting Buyer access to Seller’s deliverables at its facilities and to appropriate property records.	X	X
252.212-7001	Contract Terms and Conditions Required to Implement Statutes or Executive Orders Applicable to Defense Acquisitions of Commercial	Applicable to all Purchase Orders for commercial items or commercial components. https://www.acq.osd.mil/dpap/policy/policyvault/USA002337-09-DPAP.pdf	X	

Revision No. 1, dated February 23, 2023

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			C	NC
	Items (Class Deviation 2009-00005) – Expires on April 30, 2014	https://www.acq.osd.mil/dpap/dars/dfars/html/r20120529/212_3.htm		
252.216-7004	Award Fee Reduction or Denial for Jeopardizing the Health and Safety of Gov’t Personnel (Sep 2011)	Applicable to Purchase Orders that include award fee.	X	X
252.223-7004	Drug-Free Work Force (Sep 1988)	Applicable to Orders except when (i) performance or partial performance will be outside the United States and its outlying areas. (ii) the value of the acquisition is at or below the Simplified Acquisition Threshold, or (iii) the Order is for Commercial Items.		X
252.225-7001	Buy American Act and Balance of Payments Program (Mar 1998)	Applicable to all Orders except Orders for commercially available off-the-shelf items (COTS) as defined at FAR 2.101. Seller must deliver goods that contain more than 50% United States or Qualifying Country content pursuant to the clause.	X	X
252.225-7001	Buy American and Balance of Payments Program - Alternate I	Applicable to all Orders except Orders for commercially available off-the-shelf items (COTS) as defined at FAR 2.101. Seller must deliver goods that contain more than 50% United States or Qualifying Country content pursuant to the clause.	X	X
252.225-7003	Report of Intended Performance Outside the United States and Canada— Submission with Offer (Oct 2015)	Applicable to all Orders having a value of greater than \$700,000 and the work in could be performed inside the United States or Canada. Seller agrees to immediately inform Buyer if any part of the Order will be performed outside the United States and Canada.	X	X
252.225-7004	Report of Intended Performance Outside the United States and Canada— Submission after Award (Oct 2015)	Applicable to all Orders having a value of greater than \$700,000 and the work in could be performed inside the United States or Canada. Seller agrees to immediately inform Buyer if there are any changes to the information submitted with its offer.	X	X
252.225-7006	Quarterly Reporting of Actual Contract Performance Outside the United States (Oct 2010)	Applicable to first-tier Orders exceeding \$650,000, except those for commercial items, construction, ores, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.		X

Revision No. 1, dated February 23, 2023

Clause Number	Title	Applicability (Reference to "Purchase Orders" includes underlying Solicitations)	Applies to Commercial (C) and/or Non-Commercial (NC) procurements	
			C	NC
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (Sep 2006)	Applicable to all Orders for the acquisition of items covered by the United States Munitions List of the International Traffic in Arms Regulation.	X	X
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals (Oct 2014)	Applicable to all Orders, excluding paragraph (d) and (e)(1) which are deleted from this clause, for items containing specialty metals to ensure compliance of the end products that Buyer will deliver to the Government.	X	X
252.225-7012	Preference for Certain Domestic Commodities (Feb 2013)	Applicable to all Orders.	X	X
252.225-7013	Duty-Free Entry (Nov 2014)	Applicable to all Orders with Sellers who are located in a "Qualifying country" as defined in DFARS Part 225.8; or if the estimated U.S. duty for the Goods will exceed \$200 per unit. The information required by paragraph (j)(3) of this clause is available upon request.	X	X
252.225-7019	Restriction on Acquisition of Anchor and Mooring Chain (Dec 2009)	Applicable to all Orders for goods containing welded shipboard anchor and mooring chain, four inches or less in diameter.	X	X
252.225-7028	Exclusionary Policies and Practices of Foreign Governments (Apr 2003)	Applicable to all Orders for supplies and services.	X	X
252.225-7032	Waiver of United Kingdom Levies—Evaluation of Offers (Apr 2013)	Excepting paragraph (b), applicable to solicitations to U.K. firms expected to exceed \$1M.	X	X
252.225-7046	Exports by Approved Community Members in Response to the Solicitation (Jun 2013)	Applicable to all Orders, excluding the representation in paragraph (g), involving the use of DTC Treaties.	X	X
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sep 2004)	Applicable to all Orders exceeding \$500,000.	X	X
252.227-7019	Validation of Asserted Restrictions--Computer Software (Sep 2011)	Applicable to all Orders when Seller's performance includes the furnishing of computer software that Buyer will furnish to the Government.		X
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (Jun	Applicable to all Orders.		X

Revision No. 1, dated February 23, 2023

Clause Number	Title	Applicability (Reference to “Purchase Orders” includes underlying Solicitations)	Applies to Commercial (C) and/or Non-Commercial (NC) procurements	
			C	NC
	1995)			
252.227-7037	Validation of Restrictive Markings on Technical Data (Jun 2013)	Applicable to all Orders requiring the delivery of technical data.	X	X
252.227-7039	Patents--Reporting of Subject Inventions (Apr 1990)	Applicable to all Orders for experimental, developmental, or research work to be performed by a small business concern or nonprofit organization.		X
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (Dec 1991)	Applicable to all Orders for aircraft, missile, or space launch vehicles being manufactured, modified, repaired, or overhauled. Seller must cooperate and assist Buyer in accident investigations.	X	X
252.235-7003	Frequency Authorization (Mar 2014) - Alternate I (Aug 2008)	Applicable to all Orders requiring the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.	X	X
252.235-7004	Protection of Human Subjects (Jul 2009)	Applicable to all Orders that may include research involving human subjects. This clause does not apply to subcontracts that involve only the use of cadaver materials.		X
252.236-7013	Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers (Jun 2013)	Applicable to Orders that (1) Use funds appropriated for military construction; and (2) May require the acquisition of steel as a construction material, including subcontracts for the acquisition of commercial items.	X	X
252.237-7019	Training for Contractor Personnel Interacting with Detainees (Jun 2013)	Applicable to all Orders that involve the Seller's personnel interacting with detainees in the course of performing under this Order.	X	X
252.237-7023	Continuation of Essential Contractor Services (Oct 2010)	Applicable to all Orders for essential services as defined in the clause.	X	X
252.239-7000	Protection Against Compromising Emanations (Jun 2004)	Applicable to all Orders involving information technology that requires protection against compromising emanations.	X	X
252.239-7001	Information Assurance Contractor Training and Certification (Jan 2008)	Applicable to all Orders involving Seller performance of information assurance functions as described in DoD 8570.01-M.	X	X
252.239-7017	Notice of Supply Chain Risk (Nov 2013)	Applicable to all Orders that involve the development or delivery of any information technology whether		

Revision No. 1, dated February 23, 2023

Clause Number	Title	Applicability (Reference to “Purchase Orders” includes underlying Solicitations)	Applies to Commercial (C) and/or Non-Commercial (NC) procurements	
			C	NC
		acquired as a service or as a supply.		
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (Jun 2013)	Applicable to all Orders.	X	X
252.246-7004	Safety of Facilities, Infrastructure, and Equipment for Military (Oct 2010)	Applicable to all Orders for the construction, installation, repair, maintenance, or operation of facilities, infrastructure, or for equipment configured for occupancy, planned for use by DoD military or civilian personnel during military operations.	X	X
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System (May 2014)	Applicable to all Orders when the goods or services include electronic parts or assemblies containing electronic parts. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.	X	X
252.247-7023	Transportation of Supplies by Sea (Apr 2014)	Applicable to all Orders if the Seller is transporting supplies by sea under this Order and (i) This Order is a construction contract; or (ii) The supplies being transported are—(A) Noncommercial items; or (B) Commercial items that— (1) The Seller is reselling or distributing to the Government without adding value (generally, the Seller does not add value to items that it subcontracts for f.o.b. destination shipment); (2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or (3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.	X	X
252.249-7002	Notification of Anticipated Contract Termination or Reduction (Oct 2015)	Applicable to all Orders of \$700,000 or more. Seller shall (i) Provide notice to each of its subcontractors with a subcontract of \$150,000 or more; and (ii) Impose a similar notice and flowdown requirement to subcontractors with subcontracts of \$150,000 or more.	X	X

Revision No. 1, dated February 23, 2023

FAR, DFARS AND SPECIAL AGENCY CLAUSES INCORPORATED BY FULL TEXT:

52.216-7 ALLOWABLE COST AND PAYMENT (JUN 2013)

(Applicable to Cost Reimbursement or Time & Material Purchase Orders. Seller must execute assignment documents in accordance with requirements in the clause. Applies to Commercial Non-Commercial procurements.)

(a) Invoicing.

(1) The Government will make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) subpart 31.2 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(2) Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act. Interim payments made prior to the final payment under the contract are contract financing payments, except interim payments if this contract contains Alternate I to the clause at 52.232–25.

(3) The designated payment office will make interim payments for contract financing on the _____ [Contracting Officer insert day as prescribed by agency head; if not prescribed, insert “30th”] day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) Reimbursing costs.

(1) For the purpose of reimbursing allowable costs (except as provided in paragraph (b)(2) of the clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term costs includes only—

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for—

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made—

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor’s payment request to the Government;

(B) Materials issued from the Contractor’s inventory and placed in the production process for use on the contract;

Revision No. 1, dated February 23, 2023

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of financing payments that have been paid by cash, check, or other forms of payment to subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless—

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) below, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) below.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks.

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

Revision No. 1, dated February 23, 2023

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

- (A) Summary of all claimed indirect expense rates, including pool, base, and calculated indirect rate.
- (B) General and Administrative expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).
- (C) Overhead expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.
- (D) Occupancy expenses (intermediate indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.
- (E) Claimed allocation bases, by element of cost, used to distribute indirect costs.
- (F) Facilities capital cost of money factors computation.
- (G) Reconciliation of books of account (i.e., General Ledger) and claimed direct costs by major cost element.
- (H) Schedule of direct costs by contract and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.
- (I) Schedule of cumulative direct and indirect costs claimed and billed by contract and subcontract.
- (J) Subcontract information. Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the subcontractor name, address, and point of contact information).
- (K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.
- (L) Reconciliation of total payroll per IRS form 941 to total labor costs distribution.
- (M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.
- (N) Certificate of final indirect costs (see 52.242–4, Certification of Final Indirect Costs).
- (O) Contract closing information for contracts physically completed in this fiscal year (include contract number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

Revision No. 1, dated February 23, 2023

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General organizational information and limitation on allowability of compensation for certain contractor personnel. See 31.205– 6(p). Additional salary reference information is available at <http://www.whitehouse.gov/omb/procurementindexlexelcomp/>.

(C) Identification of prime contracts under which the contractor performs as a subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (e.g., trial balance, compilation, review, etc.).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph (G) of this section.

(I) List of all internal audit reports issued since the last disclosure of internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10–K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: Contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates.

Revision No. 1, dated February 23, 2023

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime contractor is responsible for settling subcontractor amounts and rates included in the completion invoice or voucher and providing status of subcontractor audits to the contracting officer upon request.

(6)(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may—

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates—

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) Quick-closeout procedures. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be (1) reduced by amounts found by the Contracting Officer not to constitute allowable costs or (2) adjusted for prior overpayments or underpayments.

(h) Final payment.

Revision No. 1, dated February 23, 2023

(1) Upon approval of a completion invoice or voucher submitted by the Contractor in accordance with paragraph (d)(5) of this clause, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver—

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except—

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;

(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

(End of clause)

52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997)

(Applicable to all Purchase Orders. Seller shall notify Buyer if any goods under this Purchase Order contain any of the material as described in the clause. Insert 45 days in the blank in paragraph (a) of the clause unless otherwise indicated in the Purchase Order. Applies to Commercial Non-Commercial procurements.)

(a) The Contractor shall notify the Contracting Officer or designee, in writing, _____* days prior to the delivery of, or prior to completion of any servicing required by this contract of, items containing either (1) radioactive material requiring specific licensing under the regulations issued pursuant to the Atomic Energy Act of 1954, as amended, as set forth in title 10 of the Code of Federal Regulations, in effect on the date of this contract, or (2) other radioactive material not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries. Such notice shall specify the part or parts of the items which contain radioactive materials, a description of the materials, the name and activity of the isotope, the manufacturer of the materials, and any other information

Revision No. 1, dated February 23, 2023

known to the Contractor which will put users of the items on notice as to the hazards involved (OMB No. 9000-0107).

* The Contracting Officer shall insert the number of days required in advance of delivery of the item or completion of the servicing to assure that required licenses are obtained and appropriate personnel are notified to institute any necessary safety and health precautions. See FAR 23.601(d).

(b) If there has been no change affecting the quantity of activity, or the characteristics and composition of the radioactive material from deliveries under this contract or prior contracts, the Contractor may request that the Contracting Officer or designee waive the notice requirement in paragraph (a) of this clause. Any such request shall-

(1) Be submitted in writing;

(2) State that the quantity of activity, characteristics, and composition of the radioactive material have not changed; and

(3) Cite the contract number on which the prior notification was submitted and the contracting office to which it was submitted.

(c) All items, parts, or subassemblies which contain radioactive materials in which the specific activity is greater than 0.002 microcuries per gram or activity per item equals or exceeds 0.01 microcuries, and all containers in which such items, parts or subassemblies are delivered to the Government shall be clearly marked and labeled as required by the latest revision of MIL-STD 129 in effect on the date of the contract.

(d) This clause, including this paragraph (d), shall be inserted in all subcontracts for radioactive materials meeting the criteria in paragraph (a) of this clause.

(End of clause)

52.225-9 BUY AMERICAN ACT—CONSTRUCTION MATERIALS (MAY 2014)

(Applicable to all Orders for construction that is performed in the United States. Also, applicable to all Orders for construction materials except for commercially available off-the-shelf items (COTS) as defined at FAR 2.101. Applicable to commercial and non-commercial procurements.)

(a) *Definitions.* As used in this clause -

Commercially available off-the-shelf (COTS) item –

(1) Means any item of supply (including construction material) that is -

(i) A commercial item (as defined in paragraph (1) of the definition at FAR 2.101);

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in [46 U.S.C. 40102\(4\)](#), such as agricultural products and petroleum products.

Revision No. 1, dated February 23, 2023

Construction material means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site. Materials purchased directly by the Government are supplies, not construction material.

Cost of components means -

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

Domestic construction material means -

(1) An unmanufactured construction material mined or produced in the United States;

(2) A construction material manufactured in the United States, if -

(i) The cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic; or

(ii) The construction material is a COTS item.

Foreign construction material means a construction material other than a domestic construction material.

United States means the 50 States, the District of Columbia, and outlying areas.

(b) *Domestic preference.* (1) This clause implements 41 U.S.C. chapter 83, Buy American, by providing a preference for domestic construction material. In accordance with [41 U.S.C. 1907](#), the component test of the Buy American statute is waived for construction material that is a COTS item. (See FAR 12.505(a)(2)). The Contractor shall use only domestic construction material in performing this contract, except as provided in paragraphs (b)(2) and (b)(3) of this clause.

(2) This requirement does not apply to information technology that is a commercial item or to the construction materials or components listed by the Government as follows:

(3) The Contracting Officer may add other foreign construction material to the list in paragraph (b)(2) of this clause if the Government determines that -

Revision No. 1, dated February 23, 2023

(i) The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the requirements of the Buy American statute is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent;

(ii) The application of the restriction of the Buy American statute to a particular construction material would be impracticable or inconsistent with the public interest; or

(iii) The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

(c) *Request for determination of inapplicability of the Buy American statute.* (1)(i) Any Contractor request to use foreign construction material in accordance with paragraph (b)(3) of this clause shall include adequate information for Government evaluation of the request, including -

(A) A description of the foreign and domestic construction materials;

(B) Unit of measure;

(C) Quantity;

(D) Price;

(E) Time of delivery or availability;

(F) Location of the construction project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (b)(3) of this clause.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph (d) of this clause.

(iii) The price of construction material shall include all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued).

(iv) Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.

(2) If the Government determines after contract award that an exception to the Buy American statute applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer will modify the contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (b)(3)(i) of this clause.

(3) Unless the Government determines that an exception to the Buy American statute applies, use of foreign construction material is noncompliant with the Buy American statute or Balance of Payments Program.

(d) *Data.* To permit evaluation of requests under paragraph (c) of this clause based on unreasonable cost, the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Revision No. 1, dated February 23, 2023

Foreign and Domestic Construction Materials Price Comparison

Construction material description	Unit of measure	Quantity	Price (dollars) ¹
Item 1			
Foreign construction material			
Domestic construction material			
Item 2			
Foreign construction material			
Domestic construction material			

Include all delivery costs to the construction site and any applicable duty (whether or not a duty-free entry certificate is issued).

List name, address, telephone number, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.

Include other applicable supporting information.

(End of clause)

52.234-4 EARNED VALUE MANAGEMENT SYSTEM (NOV 2016)

(Applicable to Orders that require Seller to use an EVMS. EVMS requirements is required only for those Sellers expressly identified in Paragraph (g) of the clause. Applies to Commercial Non-Commercial procurements.)

(a) The Contractor shall use an earned value management system (EVMS) that has been determined by the Cognizant Federal Agency (CFA) to be compliant with the guidelines in Electronic Industries Alliance Standard 748 (EIA-748) (current version at the time of award) to manage this contract. If the Contractor's current EVMS has not been determined compliant at the time of award, see paragraph (b) of this clause. The Contractor shall submit reports in accordance with the requirements of this contract.

(b) If, at the time of award, the Contractor's EVM System has not been determined by the CFA as complying with EVMS guidelines or the Contractor does not have an existing cost/schedule control system that is compliant with the guidelines in EIA-748 (current version at time of award), the Contractor shall—

(1) Apply the current system to the contract; and

(2) Take necessary actions to meet the milestones in the Contractor's EVMS plan approved by the Contracting Officer.

(c) The Government will conduct an Integrated Baseline Review (IBR). If a pre-award IBR has not been conducted, a post award IBR shall be conducted as early as practicable after contract award.

(d) The Contracting Officer may require an IBR at—

(1) Exercise of significant options; or

Revision No. 1, dated February 23, 2023

(2) Incorporation of major modifications.

(e) Unless a waiver is granted by the CFA, Contractor proposed EVMS changes require approval of the CFA prior to implementation. The CFA will advise the Contractor of the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the CFA, the Contractor shall disclose EVMS changes to the CFA at least 14 calendar days prior to the effective date of implementation.

(f) The Contractor shall provide access to all pertinent records and data requested by the Contracting Officer or a an authorized representative as necessary to permit Government surveillance to ensure that the EVMS conforms, and continues to conform, with the performance criteria referenced in paragraph (a) of this clause.

(g) The Contractor shall require the subcontractors specified below to comply with the requirements of this clause:

[Insert list of applicable subcontractors.]

(End of clause)

52.244-2 SUBCONTRACTS (OCT 2010)

(Paragraphs (g) and (h) of the clause are applicable to all Purchase Orders. Applies to Commercial Non-Commercial procurements.)

(a) Definitions. As used in this clause— Approved purchasing system means a Contractor’s purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR). Consent to subcontract means the Contracting Officer’s written consent for the Contractor to enter into a particular sub-contract. Subcontract means any contract, as defined in FAR Subpart 2.1, entered into by a sub-contractor to furnish supplies or services for performance of the prime contract or a sub-contract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) When this clause is included in a fixed- price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or un-priced delivery orders), and only if required in accordance with paragraph (c) or (d) of this clause.

(c) If the Contractor does not have an approved purchasing system, consent to sub-contract is required for any subcontract that—

(1) Is of the cost-reimbursement, time-and- materials, or labor-hour type; or

(2) Is fixed-price and exceeds—

Revision No. 1, dated February 23, 2023

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(d) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following sub-contracts: _____

(e)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (b), (c), or (d) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of sub-contract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate certified cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting—

(A) The principal elements of the sub-contract price negotiations;

(B) The most significant considerations controlling establishment of initial or re-revised prices;

(C) The reason certified cost or pricing data were or were not required;

(D) The extent, if any, to which the Contractor did not rely on the subcontractor's certified cost or pricing data in determining the price objective and in negotiating the final price;

(E) The extent to which it was recognized in the negotiation that the subcontractor's certified cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;

(F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

Revision No. 1, dated February 23, 2023

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (b), (c), or (d) of this clause.

(f) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination—

- (1) Of the acceptability of any subcontract terms or conditions;
- (2) Of the allowability of any cost under this contract; or
- (3) To relieve the Contractor of any responsibility for performing this contract.

(g) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404– 4(c)(4)(i).

(h) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(i) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

(j) Paragraphs (c) and (e) of this clause do not apply to the following subcontracts, which were evaluated during negotiations: _____
(End of clause)

52.245-2 GOVERNMENT PROPERTY INSTALLATION OPERATION SERVICES (AUG 2010)

(Applicable to all Purchase Orders when Government property is acquired or furnished (see PT-001). Applies to Commercial Non-Commercial procurements.)

(a) This Government Property listed in paragraph (e) of this clause is furnished to the Contractor in an "as-is, where is" condition. The Government makes no warranty regarding the suitability for use of the Government property specified in this contract. The Contractor shall be afforded the opportunity to inspect the Government property as specified in the solicitation.

(b) The Government bears no responsibility for repair or replacement of any lost, stolen, damaged or destroyed Government property. If any or all of the Government property is lost, stolen, damaged or destroyed or becomes no longer usable, the Contractor shall be responsible for replacement of the

Revision No. 1, dated February 23, 2023

property at Contractor expense. The Contractor shall have title to all replacement property and shall continue to be responsible for contract performance.

(c) Unless the Contracting Officer determines otherwise, the Government abandons all rights and title to unserviceable and scrap property resulting from contract performance. Upon notification to the Contracting Officer, the Contractor shall remove such property from the Government premises and dispose of it at Contractor expense.

(d) Except as provided in this clause, Government property furnished under this contract shall be governed by the Government Property clause of this contract.

(e) Government property provided under this clause:

(End of clause)

52.248-1 VALUE ENGINEERING (OCT 2010)

(Applicable to Purchase Orders over \$150,000. Applies to Commercial Non-Commercial procurements.)

(a) *General.* The Contractor is encouraged to develop, prepare, and submit value engineering change proposals (VECP's) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates in paragraph (f) of this clause.

(b) *Definitions.*

"Acquisition savings," as used in this clause, means savings resulting from the application of a VECP to contracts awarded by the same contracting office or its successor for essentially the same unit. Acquisition savings include—

(1) Instant contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;

(2) Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and

(3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, additional orders, and funding of subsequent year requirements on a multiyear contract.

"Collateral savings," as used in this clause, means those measurable net reductions resulting from a VECP in the agency's overall projected collateral costs, exclusive of acquisition savings, whether or not the acquisition cost changes.

"Contracting office" includes any contracting office that the acquisition is transferred to, such as another branch of the agency or another agency's office that is performing a joint acquisition action.

Revision No. 1, dated February 23, 2023

“Contractor’s development and implementation costs,” as used in this clause, means those costs the Contractor incurs on a VECP specifically in developing, testing, preparing, and submitting the VECP, as well as those costs the Contractor incurs to make the contractual changes required by Government acceptance of a VECP.

“Future unit cost reduction,” as used in this clause, means the instant unit cost reduction adjusted as the Contracting Officer considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either—

(1) Throughout the sharing period, unless the Contracting Officer decides that recalculation is necessary because conditions are significantly different from those previously anticipated; or

(2) To the calculation of a lump-sum payment, which cannot later be revised.

“Government costs,” as used in this clause, means those agency costs that result directly from developing and implementing the VECP, such as any net increases in the cost of testing, operations, maintenance, and logistics support. The term does not include the normal administrative costs of processing the VECP or any increase in this contract’s cost or price resulting from negative instant contract savings.

“Instant contract,” as used in this clause, means this contract, under which the VECP is submitted. It does not include increases in quantities after acceptance of the VECP that are due to contract modifications, exercise of options, or additional orders. If this is a multiyear contract, the term does not include quantities funded after VECP acceptance. If this contract is a fixed-price contract with prospective price redetermination, the term refers to the period for which firm prices have been established.

“Instant unit cost reduction” means the amount of the decrease in unit cost of performance (without deducting any Contractor’s development or implementation costs) resulting from using the VECP on this, the instant contract. If this is a service contract, the instant unit cost reduction is normally equal to the number of hours per line-item task saved by using the VECP on this contract, multiplied by the appropriate contract labor rate.

“Negative instant contract savings” means the increase in the cost or price of this contract when the acceptance of a VECP results in an excess of the Contractor’s allowable development and implementation costs over the product of the instant unit cost reduction multiplied by the number of instant contract units affected.

“Net acquisition savings” means total acquisition savings, including instant, concurrent, and future contract savings, less Government costs.

“Sharing base,” as used in this clause, means the number of affected end items on contracts of the contracting office accepting the VECP.

“Sharing period,” as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the contracting officer for each VECP.

“Unit,” as used in this clause, means the item or task to which the Contracting Officer and the Contractor agree the VECP applies.

Revision No. 1, dated February 23, 2023

“Value engineering change proposal (VECP)” means a proposal that—

- (1) Requires a change to this, the instant contract, to implement; and
- (2) Results in reducing the overall projected cost to the agency without impairing essential functions or characteristics; *provided*, that it does not involve a change—
 - (i) In deliverable end item quantities only;
 - (ii) In research and development (R&D) end items or R&D test quantities that is due solely to results of previous testing under this contract; or
 - (iii) To the contract type only.

(c) *VECP preparation.* As a minimum, the Contractor shall include in each VECP the information described in paragraphs (c)(1) through (8) of this clause. If the proposed change is affected by contractually required configuration management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:

- (1) A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item’s function or characteristics are being altered, the effect of the change on the end item’s performance, and any pertinent objective test data.
- (2) A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.
- (3) Identification of the unit to which the VECP applies.
- (4) A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor’s allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause.
- (5) A description and estimate of costs the Government may incur in implementing the VECP, such as test and evaluation and operating and support costs.
- (6) A prediction of any effects the proposed change would have on collateral costs to the agency.
- (7) A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.
- (8) Identification of any previous submissions of the VECP, including the dates submitted, the agencies and contract numbers involved, and previous Government actions, if known.

(d) *Submission.* The Contractor shall submit VECP’s to the Contracting Officer, unless this contract states otherwise. If this contract is administered by other than the contracting office, the Contractor shall submit a copy of the VECP simultaneously to the Contracting Officer and to the Administrative Contracting Officer.

Revision No. 1, dated February 23, 2023

(e) Government action.

(1) The Contracting Officer will notify the Contractor of the status of the VECP within 45 calendar days after the contracting office receives it. If additional time is required, the Contracting Officer will notify the Contractor within the 45-day period and provide the reason for the delay and the expected date of the decision. The Government will process VECP's expeditiously; however, it will not be liable for any delay in acting upon a VECP.

(2) If the VECP is not accepted, the Contracting Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Government. The Contracting Officer may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.

(3) Any VECP may be accepted, in whole or in part, by the Contracting Officer's award of a modification to this contract citing this clause and made either before or within a reasonable time after contract performance is completed. Until such a contract modification applies a VECP to this contract, the Contractor shall perform in accordance with the existing contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Contracting Officer.

(f) *Sharing rates.* If a VECP is accepted, the Contractor shall share in net acquisition savings according to the percentages shown in the table below. The percentage paid the Contractor depends upon—

(1) This contract's type (fixed-price, incentive, or cost-reimbursement);

(2) The sharing arrangement specified in paragraph (a) of this clause (incentive, program requirement, or a combination as delineated in the Schedule); and

(3) The source of the savings (the instant contract, or concurrent and future contracts), as follows:

Contractor's Share of Net Acquisition Savings (Figure in Percent)				
Contract Type	Incentive (Voluntary)		Program Requirement (Mandatory)	
	Instant Contract Rate	Concurrent and Future Contract Rate	Instant Contract Rate	Concurrent and Future Contract Rate
Fixed-price (includes fixed-price-award-fee; excludes other fixed-price incentive contracts)	*50	*50	25	25
Incentive (fixed-price or cost) (other than award fee)	(**)	*50	(**)	25
Cost-reimbursement (includes cost-plus-award-fee; excludes other cost-type incentive contracts)	***25	***25	15	15

* The Contracting Office may increase the Contractor's sharing rate to as high as 75 percent for each VECP.
 ** Same sharing arrangement as the contract's profit or fee adjustment formula.
 *** The Contracting Office may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

(g) Calculating net acquisition savings.

Revision No. 1, dated February 23, 2023

(1) Acquisition savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see paragraph (i)(4) of this clause). Net acquisition savings are first realized, and the Contractor shall be paid a share, when Government costs and any negative instant contract savings have been fully offset against acquisition savings.

(2) Except in incentive contracts, Government costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net acquisition savings by the appropriate Contractor's percentage sharing rate (see paragraph (f) of this clause). Additional Contractor shares of net acquisition savings shall be paid to the Contractor at the time realized.

(3) If this is an incentive contract, recovery of Government costs on the instant contract shall be deferred and offset against concurrent and future contract savings. The Contractor shall share through the contract incentive structure in savings on the instant contract items affected. Any negative instant contract savings shall be added to the target cost or to the target price and ceiling price, and the amount shall be offset against concurrent and future contract savings.

(4) If the Government does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Government for the proportionate share of these payments.

(h) *Contract adjustment.* The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall—

(1) Reduce the contract price or estimated cost by the amount of instant contract savings, unless this is an incentive contract;

(2) When the amount of instant contract savings is negative, increase the contract price, target price and ceiling price, target cost, or estimated cost by that amount;

(3) Specify the Contractor's dollar share per unit on future contracts, or provide the lump-sum payment;

(4) Specify the amount of any Government costs or negative instant contract savings to be offset in determining net acquisition savings realized from concurrent or future contract savings; and

(5) Provide the Contractor's share of any net acquisition savings under the instant contract in accordance with the following:

(i) Fixed-price contracts—add to contract price.

(ii) Cost-reimbursement contracts—add to contract fee.

(i) Concurrent and future contract savings.

(1) Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with paragraph (h)(5) of this clause. For incentive contracts, shares shall be added as a separate firm-fixed-price line item on the instant contract. The

Revision No. 1, dated February 23, 2023

Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.

(2) The Contracting Officer shall calculate the Contractor's share of concurrent contract savings by—
(i) Subtracting from the reduction in price negotiated on the concurrent contract any Government costs or negative instant contract savings not yet offset; and

(ii) Multiplying the result by the Contractor's sharing rate.

(3) The Contracting Officer shall calculate the Contractor's share of future contract savings by—
(i) Multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period;

(ii) Subtracting any Government costs or negative instant contract savings not yet offset; and

(iii) Multiplying the result by the Contractor's sharing rate.

(4) When the Government wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Contracting Officer's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract (see paragraph (h)(3) of this clause) and shall not be subject to subsequent adjustment.

(5) *Alternate no-cost settlement method.* When, in accordance with subsection [48.104-4](#) of the Federal Acquisition Regulation, the Government and the Contractor mutually agree to use the no-cost settlement method, the following applies:

(i) The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.

(ii) The Government will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.

(j) *Collateral savings.* If a VECP is accepted, the Contracting Officer will increase the instant contract amount, as specified in paragraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset. However, the Contractor's share of collateral savings will not exceed the contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or \$100,000, whichever is greater. The Contracting Officer will be the sole determiner of the amount of collateral savings.

(k) *Relationship to other incentives.* Only those benefits of an accepted VECP not rewardable under performance, design-to-cost (production unit cost, operating and support costs, reliability and maintainability), or similar incentives shall be rewarded under this clause. However, the targets of such incentives affected by the VECP shall not be adjusted because of VECP acceptance. If this contract specifies targets but provides no incentive to surpass them, the value engineering sharing shall apply only to the amount of achievement better than target.

Revision No. 1, dated February 23, 2023

(l) *Subcontracts*. The Contractor shall include an appropriate value engineering clause in any subcontract of \$150,000 or more and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any subcontractor's allowable development and implementation costs, and any value engineering incentive payments to a subcontractor, clearly resulting from a VECP accepted by the Government under this contract. The Contractor may choose any arrangement for subcontractor value engineering incentive payments, *provided*, that the payments shall not reduce the Government's share of concurrent or future contract savings or collateral savings.

(m) *Data*. The Contractor may restrict the Government's right to use any part of a VECP or the supporting data by marking the following legend on the affected parts:

These data, furnished under the Value Engineering clause of contract _____, shall not be disclosed outside the Government or duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate a value engineering change proposal submitted under the clause. This restriction does not limit the Government's right to use information contained in these data if it has been obtained or is otherwise available from the Contractor or from another source without limitations.

If a VECP is accepted, the Contractor hereby grants the Government unlimited rights in the VECP and supporting data, except that, with respect to data qualifying and submitted as limited rights technical data, the Government shall have the rights specified in the contract modification implementing the VECP and shall appropriately mark the data. (The terms "unlimited rights" and "limited rights" are defined in [Part 27](#) of the Federal Acquisition Regulation.)

(End of clause)

252.203-7004 DISPLAY OF HOTLINE POSTERS (OCT 2015)

(Applicable to Purchase Orders that exceed \$5.5 million, except those that are commercial items. Applies to non-commercial procurements only.)

(a) Definition. United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) Display of fraud hotline poster(s).

(1) The Contractor shall display prominently the DoD fraud hotline poster, prepared by the DoD Office of the Inspector General, in common work areas within business segments performing work in the United States under Department of Defense (DoD) contracts.

(2) If the contract is funded, in whole or in part, by Department of Homeland Security (DHS) disaster relief funds, the DHS fraud hotline poster shall be displayed in addition to the DoD fraud hotline poster. If a display of a DHS fraud hotline poster is required, the Contractor may obtain such poster from:

[Contracting Officer shall insert the appropriate DHS contact information or Web site.]

(c) Display of combating trafficking in persons and whistleblower protection hotline posters. The Contractor shall display prominently the DoD Combating Trafficking in Persons and Whistleblower Protection hotline posters, prepared by the DoD Office of the Inspector General, in common work areas within business segments performing work under DoD contracts.

Revision No. 1, dated February 23, 2023

(d)(1) These DoD hotline posters may be obtained from: Defense Hotline, The Pentagon, Washington, DC 20301-1900, or are also available via the internet at <http://www.dodig.mil/hotline/hotlineposters.htm>.

(2) If a significant portion of the employee workforce does not speak English, then the posters are to be displayed in the foreign languages that a significant portion of the employees speak. Contact the DoD Inspector General at the address provided in paragraph (d)(1) of this clause if there is a requirement for employees to be notified of this clause and assistance with translation is required.

(3) Additionally, if the Contractor maintains a company Web site as a method of providing information to employees, the Contractor shall display an electronic version of these required posters at the Web site.

(e) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts that exceed \$5.5 million except when the subcontract is for the acquisition of a commercial item. (End of clause)

252.208-7000 INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT-FURNISHED MATERIAL (DEC 1991)

(Applicable to all Purchase Orders when the item being purchased contains precious metals. Applies to Commercial Non-Commercial procurements.)

(a) The Government intends to furnish precious metals required in the manufacture of items to be delivered under the contract if the Contracting Officer determines it to be in the Government's best interest. The use of Government-furnished silver is mandatory when the quantity required is one hundred troy ounces or more. The precious metal(s) will be furnished pursuant to the Government Furnished Property clause of the contract.

(b) The Offeror shall cite the type (silver, gold, platinum, palladium, iridium, rhodium, and ruthenium) and quantity in whole troy ounces of precious metals required in the performance of this contract (including precious metals required for any first article or production sample), and shall specify the national stock number (NSN) and nomenclature, if known, of the deliverable item requiring precious metals.

Precious Metal*	Quantity	Deliverable Item (NSN and Nomenclature)

*If platinum or palladium, specify whether sponge or granules are required.

(c) Offerors shall submit two prices for each deliverable item which contains precious metals--one based on the Government furnishing precious metals, and one based on the Contractor furnishing precious metals. Award will be made on the basis which is in the best interest of the Government.

Revision No. 1, dated February 23, 2023

(d) The Contractor agrees to insert this clause, including this paragraph (d), in solicitations for subcontracts and purchase orders issued in performance of this contract, unless the Contractor knows that the item being purchased contains no precious metals.
(End of clause)

252.222-7000 RESTRICTIONS ON EMPLOYMENT OF PERSONNEL (MAR 2000)

(Applicable to all Purchase Orders when Seller is performing the type of work described in the clause. Applies to Commercial Non-Commercial procurements.)

(a) The Contractor shall employ, for the purpose of performing that portion of the contract work in _____, individuals who are residents thereof and who, in the [case](#) of any craft or trade, possess or would be able to acquire promptly the necessary skills to perform the contract.

(b) The Contractor shall insert the substance of this clause, including this paragraph (b), in each [subcontract](#) awarded under this contract.
(End of clause)

252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES (SEP 1999)

(Applicable to all Purchase Orders for (i) the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E), or (ii) when AA&E will be provided to the Seller as Government-furnished property. Applies to Commercial Non-Commercial procurements.)

(a) Definition. “Arms, ammunition, and explosives (AA&E),” as used in this clause, means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

(b) The requirements of DoD 5100.76-M apply to the following items of AA&E being developed, produced, manufactured, or purchased for the Government, or provided to the Contractor as Government-furnished property under this contract:

Nomenclature	National stock number	Sensitivity category

(c) The Contractor shall comply with the requirements of DoD 5100.76-M, as specified in the statement of work. The edition of DoD 5100.76-M in effect on the date of issuance of the solicitation for this contract shall apply.

(d) The Contractor shall allow representatives of the Defense Security Service (DSS), and representatives of other appropriate offices of the Government, access at all reasonable times into its facilities and those of its subcontractors, for the purpose of performing surveys, inspections, and investigations necessary to review compliance with the physical security standards applicable to this contract.

Revision No. 1, dated February 23, 2023

(e) The Contractor shall notify the cognizant DSS field office of any subcontract involving AA&E within 10 days after award of the subcontract.

(f) The Contractor shall ensure that the requirements of this clause are included in all subcontracts, at every tier -

(1) For the development, production, manufacture, or purchase of AA&E; or

(2) When AA&E will be provided to the subcontractor as Government-furnished property.

(g) Nothing in this clause shall relieve the Contractor of its responsibility for complying with applicable Federal, state, and local laws, ordinances, codes, and regulations (including requirements for obtaining licenses and permits) in connection with the performance of this contract.

(End of clause)

252.225-7027 RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES (APR 2003)

(Applicable to all Purchase Orders under Foreign Material Sales (FMS) prime contracts. Applies to commercial and non-commercial procurements).

(a) Except as provided in paragraph (b) of this clause, contingent fees, as defined in the Covenant Against Contingent Fees clause of this contract, are generally an allowable cost, provided the fees are paid to -

(1) A bona fide employee of the Contractor; or

(2) A bona fide established commercial or selling agency maintained by the Contractor for the purpose of securing business.

(b) For foreign military sales, unless the contingent fees have been identified and payment approved in writing by the foreign customer before contract award, the following contingent fees are unallowable under this contract:

(1) For sales to the Government(s) of _____, contingent fees in any amount.

(2) For sales to Governments not listed in paragraph (b)(1) of this clause, contingent fees exceeding \$50,000 per foreign military sale case.

(End of clause)

252.225-7043 ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (JUN 2015)

(Applicable to all Purchase Orders that require performance or travel outside the U.S., except subcontractors who are a foreign government, a representative of a foreign government, or a foreign corporation wholly owned by a foreign government. Applies to Commercial Non-Commercial procurements.)

(a) Definition. United States, as used in this clause, means, the 50 States, the District of Columbia, and outlying areas.

(b) Except as provided in paragraph (c) of this clause, the Contractor and its subcontractors, if performing or traveling outside the United States under this contract, shall

Revision No. 1, dated February 23, 2023

(1) Affiliate with the Overseas Security Advisory Council, if the Contractor or subcontractor is a U.S. entity;

(2) Ensure that Contractor and subcontractor personnel who are U.S. nationals and are in-country on a non-transitory basis, register with the U.S. Embassy, and that Contractor and subcontractor personnel who are third country nationals comply with any security related requirements of the Embassy of their nationality;

(3) Provide, to Contractor and subcontractor personnel, antiterrorism/force protection awareness information commensurate with that which the Department of Defense (DoD) provides to its military and civilian personnel and their families, to the extent such information can be made available prior to travel outside the United States; and

(4) Obtain and comply with the most current antiterrorism/force protection guidance for Contractor and subcontractor personnel.

(c) The requirements of this clause do not apply to any subcontractor that is:

- (1) A foreign government;
- (2) A representative of a foreign government; or
- (3) A foreign corporation wholly owned by a foreign government.

(d) Information and guidance pertaining to DoD antiterrorism/force protection can be obtained from _____.(Contracting Officer to insert applicable information cited in PGI [225.372-1](#))
(End of clause)

252.225-7044 Balance of Payments Program—Construction Material (Nov 2014)

(Applicable to Purchase Orders for construction to be performed outside the United States, including acquisitions of commercial items or components, with an estimated value greater than the Simplified Acquisition Threshold but less than \$6,932,000. Applies to Commercial Non-Commercial procurements.)

(a) *Definitions.* As used in this clause—

“Commercially available off-the-shelf (COTS) item”—

(i) Means any item of supply (including construction material) that is—

(A) A commercial item (as defined in paragraph (1) of the definition of “commercial item” in section 2.101 of the Federal Acquisition Regulation);

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

Revision No. 1, dated February 23, 2023

“Component” means any article, material, or supply incorporated directly into construction material.

“Construction material” means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site. Materials purchased directly by the Government are supplies, not construction material.

“Cost of components” means—

(i) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(ii) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

“Domestic construction material” means—

(i) An unmanufactured construction material mined or produced in the United States; or

(ii) A construction material manufactured in the United States, if—

(A) The cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic; or

(B) The construction material is a COTS item.

“United States” means the 50 States, the District of Columbia, and outlying areas.

(b) *Domestic preference.* This clause implements the Balance of Payments Program by providing a preference for domestic construction material. The Contractor shall use only domestic construction material in performing this contract, except for—

(1) Construction material valued at or below the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation;

(2) Information technology that is a commercial item; or

(3) The construction material or components listed by the Government as follows:

[Contracting Officer to list applicable excepted materials or indicate “none”]

(End of clause)

Revision No. 1, dated February 23, 2023

252.225-7045 Balance of Payments Program—Construction Material Under Trade Agreements (Aug 2019)

(Applicable to Purchase Orders for construction to be performed outside the United States with an estimated value of \$6,932,000 or more, including acquisitions of commercial items or components. Applies to Commercial Non-Commercial procurements.)

(a) *Definitions.* As used in this clause—

“Caribbean Basin country construction material” means a construction material that—

(i) Is wholly the growth, product, or manufacture of a Caribbean Basin country; or

(ii) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a Caribbean Basin country into a new and different construction material distinct from the materials from which it was transformed.

“Commercially available off-the-shelf (COTS) item”—

(i) Means any item of supply (including construction material) that is—

(A) A commercial item (as defined in paragraph (1) of the definition of “commercial item” in section 2.101 of the Federal Acquisition Regulation);

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. 40102), such as agricultural products and petroleum products.

“Component” means any article, material, or supply incorporated directly into construction material.

“Construction material” means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site. Materials purchased directly by the Government are supplies, not construction material.

“Cost of components” means—

(i) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(ii) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

Revision No. 1, dated February 23, 2023

“Designated country” means—

(i) A World Trade Organization Government Procurement Agreement (WTO GPA) country (Armenia, Aruba, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan (known in the World Trade Organization as “the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu” (Chinese Taipei)), Ukraine, or the United Kingdom);

(ii) A Free Trade Agreement country (Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Korea (Republic of), Mexico, Morocco, Nicaragua, Panama, Peru, or Singapore);

(iii) A least developed country (Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, or Zambia); or

(iv) A Caribbean Basin country (Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bonaire, British Virgin Islands, Curacao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saba, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sint Eustatius, Sint Maarten, or Trinidad and Tobago).

“Designated country construction material” means a construction material that is a WTO GPA country construction material, a Free Trade Agreement country construction material, a least developed country construction material, or a Caribbean Basin country construction material.

“Domestic construction material” means—

- (i) An unmanufactured construction material mined or produced in the United States; or
- (ii) A construction material manufactured in the United States, if—
- (A) The cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic; or
- (B) The construction material is a COTS item.

“Free Trade Agreement country construction material” means a construction material that—

- (i) Is wholly the growth, product, or manufacture of a Free Trade Agreement country; or
- (ii) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a Free Trade Agreement country into a new and different construction material distinct from the material from which it was transformed.

“Least developed country construction material” means a construction material that—

- (i) Is wholly the growth, product, or manufacture of a least developed country; or

Revision No. 1, dated February 23, 2023

(ii) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a least developed country into a new and different construction material distinct from the materials from which it was transformed.

“United States” means the 50 States, the District of Columbia, and outlying areas.

“WTO GPA country construction material” means a construction material that—
(i) Is wholly the growth, product, or manufacture of a WTO GPA country; or

(ii) In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a WTO GPA country into a new and different construction material distinct from the materials from which it was transformed.

(b) This clause implements the Balance of Payments Program by providing a preference for domestic construction material. In addition, the Contracting Officer has determined that the WTO GPA and Free Trade Agreements apply to this acquisition. Therefore, the Balance of Payments Program restrictions are waived for designated country construction materials.

(c) The Contractor shall use only domestic or designated country construction material in performing this contract, except for—

(1) Construction material valued at or below the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation;

(2) Information technology that is a commercial item; or

(3) The construction material or components listed by the Government as follows:

[Contracting Officer to list applicable excepted materials or indicate “none”]

(End of clause)

252.225-7047 EXPORTS BY APPROVED COMMUNITY MEMBERS IN PERFORMANCE OF THE CONTRACT (JUN 2013)

(Applicable to all Purchase Orders that may require exports or transfers of qualifying defense articles. Applies to commercial and non-commercial procurements.)

(a) *Definitions.* As used in this clause—

"Approved Community" means the U.S. Government, U.S. entities that are registered and eligible exporters, and certain government and industry facilities in Australia or the United Kingdom that are approved and listed by the U.S. Government.

"Australia Community member" means an Australian government authority or nongovernmental entity or facility on the Australia Community list accessible at <http://pmddtc.state.gov/treaties/index.html> .

"Defense articles" means articles, services, and related technical data, including software, in tangible or intangible form, listed on the United States Munitions List of the International Traffic in Arms Regulations (ITAR), as modified or amended.

Revision No. 1, dated February 23, 2023

"Defense Trade Cooperation (DTC) Treaty" means—

(1) The Treaty Between the Government of the United States of America and the government of the United Kingdom of Great Britain and Northern Ireland concerning Defense Trade Cooperation, signed at Washington and London on June 21 and 26, 2007; or

(2) The Treaty Between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, signed at Sydney on September 5, 2007.

"Export" means the initial movement of defense articles from the United States Community to the United Kingdom Community and the Australia community.

"Implementing Arrangement" means –

(1) The Implementing Arrangement Pursuant to the Treaty between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Defense Trade Cooperation, signed on February 14, 2008; or

(2) The Implementing Arrangement Pursuant to the Treaty between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, signed on March 14, 2008.

"Qualifying defense articles" means defense articles that are not exempt from the scope of the DTC Treaties as defined in 22 CFR 126.16(g) and 22 CFR 126.17(g).

"Transfer" means the movement of previously exported defense articles within the Approved Community.

"United Kingdom Community member" means a United Kingdom government authority or nongovernmental entity or facility on the United Kingdom Community list accessible at <http://pmdtdtc.state.gov>.

"United States Community" means—

(1) Departments and agencies of the U.S. Government, including their personnel, with, as appropriate, security accreditation and a need-to-know; and

(2) Nongovernmental U.S. entities registered with the Department of State and eligible to export defense articles under U.S. law and regulation, including their employees, with, as appropriate, security accreditation and a need-to-know.

"U.S. DoD Treaty-eligible requirements" means any defense article acquired by the DoD for use in a combined military or counterterrorism operation, cooperative research, development, production or support program, or DoD end use, as described in Article 3 of the U.S.-U.K. DTC Treaty and sections 2 and 3 of the associated Implementing Arrangement; and Article 3 of the U.S.-Australia DTC Treaty and sections 2 and 3 of the associated Implementing Arrangement.

(b) All contract line items in this contract, except any identified in this paragraph, are intended to satisfy U.S. DoD Treaty-eligible requirements. Specific defense articles that are not U.S. DoD Treaty-eligible will be identified as such in those contract line items that are otherwise U.S. DoD Treaty-eligible.

Revision No. 1, dated February 23, 2023

CONTRACT LINE ITEMS NOT INTENDED TO SATISFY U.S. DoD TREATY-ELIGIBLE REQUIREMENTS:

[Enter Contract Line Item Number(s) or enter "None"] _____

(c) Subject to the other terms and conditions of this contract that affect the acceptability of foreign sources or foreign end products, components, parts, or materials, Approved Community members are permitted, but not required, to use the DTC Treaties for exports or transfers of qualifying defense articles in performance of the contract.

(d) Any conduct by the Contractor that falls outside the scope of the DTC Treaties, the Implementing Arrangements, and 22 CFR 126.16(g) and 22 CFR 126.17(g) is subject to all applicable ITAR requirements, including any criminal, civil, and administrative penalties or sanctions, as well as all other United States statutory and regulatory requirements outside of ITAR, including, but not limited to, regulations issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives found at 27 C.F.R. Parts 447, 478, and 479, which are unaffected by the DTC Treaties.

(e) If the Contractor is an Approved Community member, the Contractor agrees that—

(1) The Contractor shall comply with the requirements of the DTC Treaties, the Implementing Arrangements, the ITAR, and corresponding regulations of the U.S. Government and the government of Australia or the government of the United Kingdom, as applicable; and

(2) Prior to the export or transfer of a qualifying defense article the Contractor—

(i) Shall mark, identify, transmit, store, and handle any defense articles provided for the purpose of responding to such solicitations, as well as any defense articles provided with or developed pursuant to their responses to such solicitations, in accordance with the DTC Treaties, the Implementing Arrangements, and corresponding regulations of the United States Government and the government of Australia or the government of the United Kingdom, as applicable, including, but not limited to, the marking and classification requirements described in the applicable regulations;

(ii) Shall comply with the re-transfer or re-export provisions of the DTC Treaties, the Implementing Arrangements, and corresponding regulations of the United States Government and the government of Australia or the government of the United Kingdom, as applicable, including, but not limited to, the re-transfer and re-export requirements described in the applicable regulations; and

(iii) Shall acknowledge that any conduct that falls outside or in violation of the DTC Treaties, Implementing Arrangements, and implementing regulations of the applicable government including, but not limited to, unauthorized re-transfer or re-export in violation of the procedures established in the applicable Implementing Arrangement and implementing regulations, remains subject to applicable licensing requirements of the government of Australia, the government of the United Kingdom, and the United States Government, including any criminal, civil, and administrative penalties or sanctions contained therein.

(f) The contractor shall include the substance of this clause, including this paragraph (f), in all subcontracts that may require exports or transfers of qualifying defense articles in connection with deliveries under the contract.

(End of clause)

Revision No. 1, dated February 23, 2023

252.237-7024 NOTICE OF CONTINUATION OF ESSENTIAL CONTRACTOR SERVICES (OCT 2010)

(Applicable to all Purchase Orders for essential services. Applies to Commercial Non-Commercial procurements.)

(a) Definitions. “Essential contractor service” and “mission-essential functions” have the meanings given in the clause at 252.237-7023, Continuation of Essential Contractor Services, in this solicitation.

(b) The offeror shall provide with its offer a written plan describing how it will continue to perform the essential contractor services listed in attachment ____, Mission Essential Contractor Services, dated _____, during periods of crisis. The offeror shall—

(1) Identify provisions made for the acquisition of essential personnel and resources, if necessary, for continuity of operations for up to 30 days or until normal operations can be resumed;

(2) Address in the plan, at a minimum—

(i) Challenges associated with maintaining essential contractor services during an extended event, such as a pandemic that occurs in repeated waves;

(ii) The time lapse associated with the initiation of the acquisition of essential personnel and resources and their actual availability on site;

(iii) The components, processes, and requirements for the identification, training, and preparedness of personnel who are capable of relocating to alternate facilities or performing work from home;

(iv) Any established alert and notification procedures for mobilizing identified “essential contractor service” personnel; and

(v) The approach for communicating expectations to contractor employees regarding their roles and responsibilities during a crisis.

(End of clause)

252.239-7016 TELECOMMUNICATIONS SECURITY EQUIPMENT, DEVICES, TECHNIQUES, AND SERVICES (DEC 1991)

(Applicable to all Purchase Orders which require securing telecommunications. Applies to Commercial Non-Commercial procurements.)

(a) *Definitions.* As used in this clause—

(1) “Securing” means the application of Government-approved telecommunications security equipment, devices, techniques, or services to contractor telecommunications systems.

(2) “Sensitive information” means any information the loss, misuse, or modification of which, or unauthorized access to, could adversely affect the national interest or the conduct of Federal programs, or the privacy to which individuals are entitled under 5 U.S.C. 552a (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or Act of Congress to be kept secret in the interest of national defense or foreign policy.

Revision No. 1, dated February 23, 2023

(3) “Telecommunications systems” means voice, record, and data communications, including management information systems and local data networks that connect to external transmission media, when employed by Government agencies, contractors, and subcontractors to transmit—

- (i) Classified or sensitive information;
- (ii) Matters involving intelligence activities, cryptologic activities related to national security, the command and control of military forces, or equipment that is an integral part of a weapon or weapons system; or
- (iii) Matters critical to the direct fulfillment of military or intelligence missions.

(b) This solicitation/contract identifies classified or sensitive information that requires securing during telecommunications and requires the Contractor to secure telecommunications systems. The Contractor agrees to secure information and systems at the following location: _____

(c) To provide the security, the Contractor shall use Government-approved telecommunications equipment, devices, techniques, or services. A list of the approved equipment, etc. may be obtained from _____. Equipment, devices, techniques, or services used by the Contractor must be compatible or interoperable with _____ (list and identify the location of any telecommunications security equipment, device, technique, or service currently being used by the technical or requirements organization or other offices with which the Contractor must communicate).

(d) Except as may be provided elsewhere in this contract, the Contractor shall furnish all telecommunications security equipment, devices, techniques, or services necessary to perform this contract. The Contractor must meet ownership eligibility conditions for communications security equipment designated as controlled cryptographic items.

(e) The Contractor agrees to include this clause, including this paragraph (e), in all subcontracts which require securing telecommunications.
(End of clause)