



**TERMS AND CONDITIONS FOR ORDERS ISSUED UNDER
DEPARTMENT OF DEFENSE CONTRACTS**

TABLE OF CONTENTS

A. General Provisions

A-1	Definitions
A-2	Entirety of Agreement
A-3	Publicity
A-4	Delivery
A-5	Packing, Marking and Shipping
A-6	Order of Precedence
A-7	Waiver
A-8	Technical Direction and Contractor Responsibilities
A-9	Patent Infringement Indemnity
A-10	Buyer Furnished Property
A-11	Assignments and Subcontracts
A-12	Indemnification for Defective Pricing, Noncompliance with Cost Accounting Standards, and Violation of the Anti-Kickback Statute and the Procurement Integrity Act
A-13	Set-Off
A-14	Liability
A-15	Disputes/Arbitration
A-16	Precautions, Indemnity, and Insurance
A-17	Choice of Law
A-18	Communication with GA Customer
A-19	Export Control
A-20	E-Verify

B. FAR and DFARS Provisions

B-1	Provisions Applicable to all Noncommercial Defense Orders
B-2	Provisions Applicable to Noncommercial Fixed Price Orders
B-3	Provisions Applicable to Noncommercial Cost Reimbursement Orders
B-4	Provisions Applicable to Noncommercial Time & Material or Labor Hour Orders

A. GENERAL PROVISIONS

A-1 Definitions

The following definitions apply unless otherwise specifically stated:

- (1) "Buyer", "General Atomics", or "GA" - the legal entity issuing this Order.
- (2) "Purchasing" or "Procurement Representative" - Buyer's authorized representative.
- (3) "Seller" or "Contractor" or "Subcontractor" - the legal entity which contracts with the Buyer.
- (4) "This Order" or "this Contract" - this contractual instrument, including changes.
- (5) "Government" - the Government of the United States, acting in its contractual capacity.
- (6) "Prime Contract" - the Government contract under which this Order is issued.
- (7) "FAR" - the Federal Acquisition Regulation, issued as Title 48, Code of Federal Regulations Chapter 1.
- (8) "DFARS" - the Department of Defense Federal Acquisition Regulation Supplement, issued as Title 48 Code of Federal Regulations Chapter 2.
- (9) "Contracting Officer" - the Government official(s) authorized to contractually commit the Government under the Prime Contract, or authorized representatives of those officials acting within the scope of their authority.

A-2 Entirety of Agreement

The provisions of this Order constitute the complete and exclusive agreement between the parties hereto and supersede all previous negotiations, discussions, communications, representations, or agreements, whether written or oral, between the Buyer and the Seller related to the subject matter hereof. The Representations and Certifications (GA Form DF-60) completed by the Seller are hereby incorporated in their entirety by reference. No agreement or understanding varying or extending the terms or conditions of this Order will be binding unless executed in writing and signed by the Buyer's Purchasing Representative. Any one of the following methods will constitute acceptance of this Order by the Seller: (1) acknowledgment in writing; (2) commencement of performance by the Seller; or (3) delivery in whole or part of the items or services called for hereunder. Seller's acceptance of this Order creates a binding contract between Buyer and Seller, which shall be governed by the provisions of this Order. No condition stated by the Seller in its acknowledgment of this Order shall be binding upon Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein, unless expressly accepted in writing by an authorized Purchasing Representative of the Buyer. The rights and obligations described herein shall survive completion of and final payment under this Order.

A-3 Publicity

Except as required by law, regulation or court order, no news release, public announcement, or advertising material concerned with this Order shall be issued or made by Seller without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

A-4 Delivery

- (1) TIME IS OF THE ESSENCE AND, EXCEPT AS OTHERWISE SPECIFIED, DELIVERY SHALL BE STRICTLY IN ACCORDANCE WITH THE DELIVERY SCHEDULE SET OUT OR REFERRED TO IN THIS ORDER. If Seller's deliveries fail to meet said schedule and Buyer elects to call upon Seller for express shipments, Seller shall be charged the difference between the freight and express rates. Items shipped to Buyer in advance of schedule without written approval of Buyer may be returned to Seller at Seller's risk and expense.
- (2) Title to items covered by this Order shall

pass from Seller to Buyer at the F.O.B. point specified herein. Passing of title upon such delivery shall not constitute acceptance of the items by Buyer.

A-5 Packing, Marking and Shipping

Seller shall pack, mark, and ship all goods and supplies in accordance with the requirements of this Order and so as to be in compliance with all applicable transportation regulations and good commercial practice for protection against damage from weather and shipment, including any applicable Federal, state and local laws and regulations for the packaging, labeling, transportation and shipping of hazardous materials. Seller shall secure the most advantageous transportation services and rates consistent therewith. No separate or additional charge is payable by Buyer for containers, crating, boxing, handling, dunnage, drayage or storage unless specifically stated in this Order or otherwise agreed to by Buyer in writing. Seller shall mark each container with the number of this Order and shall enclose a packing slip with this Order number in an envelope attached to each container. Damage resulting from improper packing or shipping will be charged to Seller.

A-6 Order of Precedence

In the event of any inconsistency or conflict between or among the provisions of this Order, such inconsistency or conflict shall be resolved by the following descending order of preference:

1. typed provisions set forth in this Order;
2. the statement of work;
3. the preprinted portion of this Order;
4. other incorporated or referenced documents; and
5. specifications attached hereto or incorporated by reference.

Buyer's specifications shall prevail over those of the United States Government, and both of the foregoing shall prevail over specifications of Seller.

A-7 Waiver

Failure of Buyer to enforce any of the provisions of this Order, or any rights in respect thereto, or failure of Buyer to exercise any election therein provided, shall in no way be considered to be a waiver of the right to thereafter enforce such

provisions or rights or exercise any subsequent elections.

A-8 Technical Direction and Contractor Responsibilities

All communication between Seller and Buyer affecting the Statement of Work or Description of Supplies or Services to be Furnished shall be through the Buyer's Purchasing Representative.

- (1) Buyer's technical personnel may, from time to time, provide written or oral technical direction. "Technical Direction" is defined as a directive to the Seller within the requirements of the scope of work of the Order which approves approaches, solutions, designs, or refinements; fills in detail or otherwise completes the general description of work; shifts emphasis among work areas or tasks; or otherwise furnishes guidance to the Seller. Technical direction and management surveillance shall not have the right and is not authorized to impose tasks and requirements upon the Seller, additional to or different from, the general tasks and requirements stated in the Order. Technical direction shall not commit Buyer to any adjustment of the estimated cost or other contract provisions.
- (2) In the event that any technical direction is interpreted by the Seller to fall within the clause entitled "Changes", the Seller shall not implement such direction, but shall notify Buyer's Purchasing Representative in writing of such interpretation within ten (10) working days after the Seller receives such direction. Such notice shall include: (1) the reason upon which the Seller bases its belief that the technical direction falls within the purview of the "Changes" clause; and (2) the Seller's best estimate of the cost and schedule impact that would result from implementing the technical direction.

A-9 Patent Infringement Indemnity

- (1) Seller shall defend Buyer, Buyer's customers, Buyer's affiliates and any subsequent owners, sellers, it's directors, officers, agents, employees, representatives, subcontractors, users or operators of the items delivered under this Order against all claims, demands, actions or causes of action that are asserted against any Indemnity by any

person or entity and that arise out of, directly or indirectly relate to or are in any way incident to the services and or deliverables provided by Seller to Buyer hereunder, or which otherwise result in whole or in part from the act or omissions of Seller, together with all damages, liabilities, losses, costs or expenses (including attorney's fees) for all proceedings alleging infringement of any United States or foreign patent or copyright in the manufacture or sale of any item delivered under this Order whereby any Indemnity suffers or incurs as a result thereof. Additionally, Seller shall hold said parties harmless from any resulting liabilities and losses; provided that Seller is reasonably notified in writing of such claims and proceedings, and further provided that said parties give Seller authority, information and assistance at Seller's expenses for the defense of same. Seller's obligation shall not apply to items manufactured pursuant to designs developed and furnished by Buyer or to any alleged infringement arising from the use or sale of items delivered under this Order in combination with items not delivered by Seller if such alleged infringement would not have occurred from the use or sale of such items solely for the purpose for which they were designed or sold to Buyer.

- (2) When this Order is performed under the authorization and consent of the United States Government to infringe United States patents (see FAR 52.227-1 referenced at Section B), Seller's liability for infringement of such patents pursuant to such performance shall be limited to the extent of the obligation of Buyer to indemnify or hold harmless the United States Government.

A-10 Buyer-Furnished Property

Buyer shall retain title to all property furnished to and utilized by Seller in the performance of this Order, including, but not limited to, dies, molds, jigs, tools, and materials. Seller shall label, maintain, and dispose of Buyer's property, including scrap, according to Buyer's written direction, and Seller shall be responsible for all loss or damage to Buyer's property in Seller's possession. If Seller does not receive timely written direction from Buyer concerning the maintenance and disposal of Buyer's property, including scrap, then Buyer shall be liable to Seller for the reasonable expense of maintaining,

Storing, or disposing of such property. This clause does not govern Seller's handling, use, maintenance or disposal of Government-furnished property that may come into Seller's possession during Seller's performance of this Order; such handling, use, maintenance or disposal is governed by the government-furnished property clause referenced in Section B of this Order.

A-11 Assignments and Subcontracts

This Order is not assignable and shall not be assigned by Seller without the prior written consent of Buyer. Further, Seller agrees to obtain Buyer's approval before subcontracting this Order or any substantial portion thereof; provided, however, that this limitation shall not apply to the purchase of standard commercial supplies or material. In no event shall Seller furnish to any assignee any part of this Order that is marked "Top Secret," or "Confidential."

A-12 Indemnification for Defective Pricing, Noncompliance with Cost Accounting Standards, and Violation of the Anti-Kickback Statute and the Procurement Integrity Act

Seller, its subcontractors, agents, and/or employees agree to indemnify and save harmless and defend Buyer from and against any and all fines, penalties, offsets, claims, demands, actions, debts, liabilities, judgments, costs and attorney's fees, costs and profit disallowed or reduced by Buyer's customer arising out of claims on account of, or in any manner predicated upon (1) submission by Seller, its subcontractors, agents, and/or employees of alleged or confirmed defective pricing data, or (2) cost submitted by Seller which are deemed unallowable costs under FAR/DFARS, either by Buyer or applicable governmental agency, or (3) violation or noncompliance with any clause in FAR/DFARS entitled "Cost Accounting Standards," or the rules or regulations pursuant thereto, or (4) violation of the Anti-Kickback Act of 1986 (41 U.S.C. Section 51-58) by Seller or any of its subcontractors, agents, and/or employees, or (5) violation of the Procurement Integrity Act (41 U.S.C. 423 Section 27), or (6) any other government or contractual requirement for cost or pricing data submitted by the Seller, its subcontractors, agents, and/or employees to Buyer or any other relevant party to this Order.

A-13 Set-Off

Buyer shall be entitled at all times to set-off any amount owing at any time from Seller to Buyer, or any of its affiliated companies, against any

amount payable at any time to Buyer or any of its affiliated companies to Seller.

A-14 Liability

Seller is solely and exclusively liable to all parties for all costs incurred by Seller and its affiliates for all claims of damages against Seller and its affiliates arising out of or based on performance of this Contract. Seller shall hold Buyer harmless against all liabilities or loss, demands, suits, damages and against all claims or actions, fines or judgments (including costs, attorney's and witnesses' fees and expenses incident thereto) based upon or arising out of damage, or injury (including death) to persons or property caused by or sustained in connection with the performance of this contract. Seller shall also assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required with respect to the performance of this contract.

A-15 Disputes/Arbitration

In the event of any dispute, claim, question, or disagreement arising from or relating to this Order or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of sixty (60) calendar days, then, upon notice to either party to the other, all disputes, claims, questions, or differences shall be finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules. The arbitrators shall award to the prevailing party, if any, as determined by the arbitrators, of all its costs and fees. "Cost and Fees" means all reasonable pre-award expenses of the arbitration, including but not limited to the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying, and telephone, court costs, witness fees, and attorneys' fees. Pending the outcome of the arbitration, the Seller shall proceed diligently with performance of the Order.

A-16 Precautions, Indemnity, and Insurance

Seller will defend at Seller's expense any suit or action, criminal or civil, arising out of Seller's performance.

Seller shall procure and carry:

- (1) automobile liability insurance protecting the Seller from automobile bodily injury, property damage liability with limits of at least \$1,000,000 per person and \$1,000,000 per occurrence for bodily injury and \$1,000,000 per occurrence for property damage; and
- (2) a broad form general liability insurance policy which includes property damage, product and professional liability coverage with contractual liability endorsement with limits no lower than \$1,000,000. Such policy shall be on an Occurrence Form; and
- (3) such insurance of employees as may be required by any Workers' Compensation act or other law regulation or ordinance which may apply in the circumstances and shall, at Buyer's request, furnish certificates of such insurance to Buyer.

For (1) and (2) above, such policies shall name the Buyer as an additional insured.

If Seller's work under this Order involves operations by Seller on Buyer's premises, Seller agrees to take all proper precautions in its operations against the occurrence of injury to any person or damage to property, and to be responsible for and to hold Buyer harmless from all loss and any claim by reason of injury, including death, to any person or damage to property in connection with such work, and from all fines, penalties, or loss incurred by reason of failure to comply with this clause.

A-17 Choice of Law

This order and any dispute arising hereunder shall be governed by the substantive and procedural laws of the State of California, except, however, that California's Choice of Law provisions shall not apply.

A-18 Communication with GA Customer

Buyer shall be solely responsible for all liaison and coordination with the GA customer, including the U.S. Government, as it affects the applicable Prime Contract, this Contract, and any related contract. Unless otherwise directed in writing by Buyer's authorized procurement representative, all documentation requiring submittal to, or action by, the government or the Contracting Officer shall be routed to, or through, the Buyer's procurement representative, or as otherwise permitted by this Order.

A-19 Export Control

Seller agrees to comply with all applicable U.S. export control laws and regulations, including, but not limited to, the requirements of the Arms Export Control Act (including the International Traffic in Arms Regulations (ITAR)) and the Export Administration Act (including the Export Administration Regulations), and will obtain any necessary export licenses or agreements. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services received under this Order to any foreign person or to a foreign entity, including foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the prior authority of an export license, agreement, or applicable exemption or exception.

Seller agrees to provide certification to Buyer that Seller's personnel meet the definition of a U.S. Person (as defined in ITAR – 22 CFR 120.15) if required by Buyer and as necessary to comply with this clause.

Seller agrees to notify Buyer if any deliverable (or component of any deliverable) under this Order is restricted by export control laws or regulations. Seller agrees to provide the export classification information for such deliverables or components of deliverables (e.g., the Export Control Classification Numbers or United States Munitions List category and subcategory), along with documentation or other information that supports or confirms this representation.

Seller shall immediately notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.

If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller hereby certifies that it is registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

Where Seller is a signatory under a General Atomics export license or export agreement (e.g., Technical Assistance Agreement (TAA)), Seller shall provide prompt notification to Buyer in the event of changed circumstances including ineligibility, a violation or potential violation of the ITAR, or the initiation or existence of a U.S. Government investigation that could affect the

Seller's performance under this Order. Should the Seller's products or services originate from a foreign location, those products may also be subject to the export control laws and regulations of the country in which the articles or services originate. Seller agrees to abide by all applicable export control laws and regulations of that originating country.

Seller shall indemnify Buyer for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

A-20 E-Verify

This clause applies if this Order is for services or construction and it exceeds \$3,000, except for commercially available off-the-shelf items. Verification does not apply to employees hired before November 6, 1986.

Seller agrees to use the electronic employment eligibility verification system "E-Verify," designated by the Secretary of Homeland Security (www.uscis.gov) as follows:

- (1) Sellers already enrolled in E-Verify at time of contract award must:
 - (a) Begin the E-verify process for each employee assigned to this Order within 90 calendar days after the date of Order award or within 30 days after assignment to this Order, whichever is later. (Employees assigned to this Order do not include those who perform support work, such as indirect or overhead functions, or those who do not perform any substantial duties under this Order.)

- (b) Within 90 days of enrollment in E-Verify, begin the E-Verify process for all new hires within three business days of the date of hire. This applies to all personnel hired by the Seller after the date of enrollment in E-Verify, including those who do not perform duties under this Order and those who perform indirect or overhead functions.

- (2) Sellers not already enrolled in E-Verify at time of contract award must:

- (a) Enroll in E-Verify within 30 calendar days of order award.
- (b) Begin the E-verify process for each employee assigned to this Order within 90 calendar days after the date of enrollment or within 30 days of the employee's assignment to this Order, whichever is later.

- (c) Within 90 days of enrollment in E-Verify, begin the E-Verify process for all new hires within three business days of the date of hire. This applies to all personnel hired by the Seller after the date of enrollment in E-Verify, including those who do not perform duties under this Order and those who perform indirect or overhead functions.

- (3) Option to verify all employees:

Instead of only verifying employees assigned to this Order and other new hires, the Seller may elect to verify all employees. To utilize this option, the Seller must verify every employee within 180 days of (a) enrollment in E-Verify; or (b) notifying E-Verify Operations of the Seller's decision to exercise this option.

B. FAR AND DFARS PROVISIONS

The following clauses in the Federal Acquisition Regulation (FAR) and the Department of Defense supplement to the FAR (DFARS) are each incorporated herein by this reference and made a part of this Order, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of this Order. To the extent that an earlier version of any clause is included in the prime contract or subcontract under which this Order is issued, the date of the clause as it appears in such prime contract or subcontract shall be controlling and said version shall be incorporated herein. In all FAR and DFARS clauses, the term "Contractor" or "prime contractor" shall mean "Seller", the term "Contract" or "Schedule" shall mean "this Order", and the term "Government Contracting Officer", or equivalent phrases, shall mean "Buyer" as applicable; except that in those clauses relating to Patent and Data Rights, the term "Government" or "Contracting Officer" shall retain its literal meaning and is

not to be construed as “Buyer”, except where otherwise indicated herein. It is intended that the clauses in FAR and DFARS as listed herein shall apply to Seller in such manner as is necessary to reflect the position of Seller as a subcontractor to Buyer, to ensure Seller’s obligations to Buyer and to the United States Government, and to enable Buyer to meet its obligations under its prime contract or subcontract. Seller agrees to flow-down, as required, all applicable FAR and DFARS clauses to its lower-tier subcontractors. Lastly, any reference to a “Disputes” clause in a referenced FAR or DFARS clause shall mean clause A-15, “Disputes/Arbitration” of these terms and conditions.

B-1 PROVISIONS APPLICABLE TO ALL NONCOMMERCIAL ORDERS

The following clauses of the FAR and DFARS are specifically incorporated herein by reference.

<u>FAR REFERENCE</u>	<u>CLAUSE</u>
52.203-3	GRATUITIES – Applicable if this Order is for an amount equal to or greater than the simplified acquisition threshold of \$100,000.
52.203-5	COVENANT AGAINST CONTINGENT FEES – This clause applies if this Order exceeds \$100,000.
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT - This clause applies if this Order exceeds \$100,000.
52.203-7	ANTI-KICKBACK PROCEDURES – This clause applies if this Order exceeds the simplified acquisition threshold amount of \$100,000, including paragraph (c)(5) except that paragraph (c)(1) is not included in this Order. Paragraph (c) (4) is revised by deleting “The Contracting Officer may” and inserting “To the extent the Contracting Officer has affected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may ...”
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY – This clause applies if this Order exceeds the simplified acquisition threshold amount of \$100,000. Furthermore, this clause applies if the Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this contract. The Seller shall indemnify Buyer for any and all losses suffered by the Buyer due to violations of the Act (as set forth in this clause) by Seller or its subcontractors at any tier.
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY – This clause applies if this Order exceeds the simplified acquisition threshold amount of \$100,000. If the Government reduces Buyer’s price or fee for violations of the Office of Federal Procurement Policy Act (41 U.S.C. 423), as amended by section 4304 of the National Defense Authorization Act for Fiscal Year 1996 (the Act) by Seller or its subcontractors at any tier, Buyer may withhold sums owed to the Seller in the amount of the reduction.
52.203-11	CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS – This clause applies if this Order is in excess of \$100,000.
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS – This clause applies if this Order is in excess of \$100,000.
52.203-13	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT – This clause applies if this Order is in excess of \$5,000,000.

- 52.203-15 **WHISTLEBLOWER PROTECTIONS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009** – This clause applies for Orders funded by the American Recovery and Reinvestment Act of 2009.
- 52.203-14 **DISPLAY OF HOTLINE POSTER** – This clause applies if this Order is in excess of \$5,000,000.
- 52.204-2 **SECURITY REQUIREMENTS** – This clause (but excluding any reference to the “Changes” clause) applies if this Order involves access to classified information, including but not limited to “confidential,” “secret,” or “top secret” information. Reference to ‘Department of Defense Industrial Security Manual for Safeguarding Classified Information’ in Paragraph (b) is deleted and replaced by “National Industrial Security Program Operating Manual.” “Government” in paragraph (c) does not change to “Buyer.”
- 52.204-5 **WOMEN-OWNED BUSINESS OTHER THAN SMALL BUSINESS** – This clause applies if this Order is not set aside for small business concerns; exceeds the simplified acquisition threshold of \$100,000 and will be performed in the United States or its outlying areas.
- 52.204-11 **AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 – REPORTING REQUIREMENTS** - This clause is applicable if the funding is provided by the American Recovery and Reinvestment Act of 2009. Except in paragraph (c), reports shall be provided to Buyer no later than the 5th day after the end of each calendar quarter. Reports shall be furnished to Buyer in accordance with paragraph (d)(10).
- 52.208-8 **REQUIRED SOURCES FOR HELIUM AND HELIUM USAGE DATA** – This clause applies if this Order involves a major helium requirement.
- 52.209-6 **PROTECTING THE GOVERNMENT’S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED OR PROPOSED FOR DEBARMENT** – This clause applies if this Order will exceed \$30,000.
- 52.211-5 **MATERIAL REQUIREMENTS** – This clause applies if this Order includes supplies that are not commercial items.
- 52.211-15 **DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS** – This clause applies if this Order is a rated Order certified for national defense use. (The rating designation will appear on the face of the Order).
- 52.215-2 **AUDIT AND RECORDS - NEGOTIATION** – This clause applies if this Order exceeds the simplified acquisition threshold of \$100,000 and is a cost-reimbursement, incentive, time and material, or labor hour order.
- 52.215-2 **AUDIT AND RECORDS – NEGOTIATION - ALTERNATE I** — This clause applies if this Order is funded under the American Recovery and Reinvestment Act of 2009.
- 52.215-10 **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA** – This clause applies when contracting by negotiation when it is contemplated that cost or pricing data will be required. In paragraph (c) the term “Contracting Officer” does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller’s failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any

loss, damage or expense (excluding Buyer's overhead and profit) resulting from such failure.

- 52.215-11 **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA – MODIFICATIONS** – This clause applies when it is contemplated that cost or pricing data will be required for the pricing of contract modifications, and the clause, 52.215-10 is not applicable. This clause shall become operative only for any modification to this Order involving a pricing adjustment expected to exceed the threshold for submission of cost or pricing data in the amount of \$650,000. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's overhead and profit) resulting from such failure.
- 52.215-12 **SUBCONTRACTOR COST OR PRICING DATA** – This clause is applicable when clause 52.215-10 is applicable to this Order. In addition, Seller shall indemnify and hold Buyer harmless from and against any loss, cost or damage incurred by Buyer under Buyer's contract with its customers as a result of Seller or Seller's Subcontractors providing defective cost or pricing data in connection with this provision.
- 52.215-13 **SUBCONTRACTOR COST OR PRICING DATA – MODIFICATIONS** – This clause applies when it is contemplated that cost or pricing data will be required for the pricing of contract modifications, and clause 52.215-11 is included in this Order. This clause shall become operative only for any modification to this Order involving a pricing adjustment expected to exceed the threshold for submission of cost or pricing data in the amount of \$650,000. In addition, Seller shall indemnify and hold Buyer harmless from and against any loss, cost or damage incurred by Buyer under Buyer's contract with its customers as a result of Seller or Seller's Subcontractors providing defective cost or pricing data in connection with this provision.
- 52.215-14 **INTEGRITY OF UNIT PRICES** – This clause applies if this Order does not include the following: (1) acquisitions at or below the simplified acquisition threshold of \$100,000; (2) construction or architect engineer services under Part 36; (3) utility services under Part 41; (4) service contracts where supplies are not required; (5) acquisitions of commercial items; and (6) contracts for petroleum products.
- 52.215-15 **PENSION ADJUSTMENTS AND ASSET REVERSIONS** – This clause applies if it is anticipated that certified cost or pricing data will be required, or for which any pre-award or post award cost determinations will be subject to FAR part 31 dealing with cost principles and procedures for cost analysis contracts, subcontracts or modifications.
- 52.215-16 **FACILITIES CAPITAL COST OF MONEY** – This clause applies if it is anticipated that this Order is subject to cost principles for contracts with commercial organizations.
- 52.215-17 **WAIVER OF FACILITIES CAPITAL COST OF MONEY** – This clause applies if Seller does not propose facilities capital cost of money in its offer.
- 52.215-18 **REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS** – This clause applies in Orders for which it is anticipated that cost or pricing data will be required or for which any pre-award or post-award cost determination will be subject to FAR part 31.

- 52.215-19 **NOTIFICATION OF OWNERSHIP CHANGES** – This clause applies in Orders for which it is contemplated that cost or pricing data will be required, or for which any pre-award or post-award cost determination will be subject to FAR Subpart 31.2.
- 52.219-8 **UTILIZATION OF SMALL, SMALL DISADVANTAGED AND WOMEN OWNED SMALL BUSINESS CONCERNS** – This clause is applicable if this Order is expected to exceed the simplified acquisition threshold amount of \$100,000 unless a personal services contract is contemplated or the contract together with all of its subcontracts will be performed entirely outside of the U.S. and its outlying areas.
- 52.219-9 **SMALL BUSINESS SUBCONTRACTING PLAN** – This clause does not apply to small business concerns. It applies only if this Order exceeds \$550,000 and offers further subcontracting opportunities. Furthermore, this clause requires inclusion of the clause at 52.219-8 Utilization of Small Business Concerns, in sub-tier subcontracts.
- 52.219-16 **LIQUIDATED DAMAGES – SUBCONTRACTING PLAN** – This clause is applicable to all Orders to large businesses that exceed \$550,000 and offer further subcontracting opportunities.
- 52.222-1 **NOTICE TO GOVERNMENT OF LABOR DISPUTES**
- 52.222-3 **CONVICT LABOR**
- 52.222-4 **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT – OVERTIME COMPENSATION** - This clause is applicable if this Order exceeds \$100,000 and may involve the employment of laborers or mechanics, except for additional exceptions identified at FAR 22.305.
- 52.222-19 **CHILD LABOR – COOPERATION WITH AUTHORITIES AND REMEDIES**
- 52.222-20 **WALSH-HEALY PUBLIC CONTRACTS ACT**
- 52.222-21 **PROHIBITION OF SEGREGATED FACILITIES**
- 52.222-26 **EQUAL OPPORTUNITY** - This clause is applicable if this Order is expected to exceed \$10,000.
- 52.222-27 **AFFIRMATIVE ACTIONS COMPLIANCE REQUIREMENTS FOR CONSTRUCTION** – This clause applies if any portion of the work involves construction in excess of \$10,000.
- 52.222-35 **EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS** – This clause applies if this Order is \$100,000 or more.
- 52.222-36 **AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES** – This clause applies if this Order is \$10,000 or more.
- 52.222-37 **EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS** – This clause applies if this Order is \$100,000 or more.
- 52-222-39 **NOTIFICATION OF EMPLOYEE RIGHTS COVERING PAYMENT OF UNION DUES OR FEES (E.O. 13201)** – This clause applies of this Order is \$100,000 or more.

- 52.222-41 **SERVICE CONTRACT ACT OF 1965, AS AMENDED** – This clause applies if this Order is subject to the Service Contract Act of 1965 and is over \$2,500.
- 52.222-50 **COMBATING TRAFFICKING IN PERSONS**
- 52.223-7 **NOTICE OF RADIOACTIVE MATERIALS** – This clause applies if this Order involves supplies which are, or which contain: (a) radioactive material requiring specific licensing under regulations issued pursuant to the Atomic Energy Act of 1954; or (b) 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.
- 52.223-14 **TOXIC CHEMICAL RELEASE REPORTING** – This clause applies if this Order exceeds \$100,000.
- 52.225-1 **BUY AMERICAN ACT – SUPPLIES** – This clause applies to Orders valued at \$25,000 or less and Orders in excess of \$25,000 if none of clauses prescribed in paragraphs (b) and (c) apply (subject to specified exceptions listed in sub-paragraphs (i) through (iii)).
- 52-225-3 **BUY AMERICAN ACT – FREE TRADE AGREEMENT – ISRAELI TRADE ACT** – This clause applies to Orders for supplies for use in the United States, and the value is \$25,000 or more, but is less than \$194,000 and the Order is not for information technology that is a commercial item.
- 52.225-5 **TRADE AGREEMENTS** – This clause applies to Orders valued at \$194,000 or more if the acquisition is covered by the WTO GPA and the Contracting Officer has determined that the restrictions of the Buy American Act are not applicable.
- 52.225-13 **RESTRICTIONS ON CERTAIN FOREIGN PURCHASES**
- 52.227-1 **AUTHORIZATION AND CONSENT** – This clause applies if this Order is for supplies or services except when both complete performance and delivery are outside the U.S., its possessions and Puerto Rico. Alternate I is applicable if this Order is for Research and Development (R&D).
- 52.227-2 **NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT** – This clause applies if this Order is for supply, service, or R&D with an expected value above the simplified acquisition threshold amount of \$100,000.
- 52.227-10 **FILING OF PATENT APPLICATIONS – CLASSIFIED SUBJECT MATTER**- This clause applies if this Order covers classified subject matter or where the nature of the work or classified subject matter involved in the work reasonably might be expected to result in a patent application containing classified subject matter.
- 52.227-11 **PATENT RIGHTS - OWNERSHIP BY THE CONTRACTOR** - This clause applies if this order is for experimental, developmental, or research work or construction that includes experimental, development or research work.
- 52.227-14 **RIGHTS IN DATA – GENERAL** – Including Alternates I, II, III, IV, V if it is contemplated that data will be produced, furnished, or acquired under this Order.

- 52.229-3 **FEDERAL, STATE, AND LOCAL TAXES** – This clause is applicable if this Order is to be performed wholly or partly in the U.S.; a fixed-price contract is contemplated; and this Order is expected to exceed the simplified acquisition threshold amount of \$100,000.
- 52.230-2 **COST ACCOUNTING STANDARDS** – This clause except paragraph (b), applies to this Order if the value is in excess of \$650,000, and to all subcontracts of any tier, unless the Order is subject to modified coverage.
- 52.230-3 **DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES** – This clause applies if this Order is over \$650,000 but less than \$50 million and the Seller certified it is eligible for and elects to use modified CAS coverage (see 48 CFR 9903.201-2 (FAR Appendix)).
- 52.230-5 **COST ACCOUNTING STANDARDS -- EDUCATIONAL INSTITUTION**, Applicable to Orders in excess of \$650,000 awarded to educational institutions, except for CAS-covered orders issued to FFRDCs operated by an educational institution unless the order is exempted (see 48 CFR 9903.201-1 (FAR Appendix)), the contract is to be performed by an FFRDC (see 48 CFR 9903.201-2(c)(5) (FAR Appendix)), or FAR 52.230-2 applies.
- 52.230-6 **ADMINISTRATION OF COST ACCOUNTING STANDARDS** – Applies if FAR 52.230-2, FAR 52.230-3 or FAR 52.230-5 applies.
- 52.242-15 **STOP WORK ORDER** – This applies if this Order is for supplies, services, or R&D. If this is a cost-reimbursement Order, Alternate I also applies.
- 52.244-2 **SUBCONTRACTS**
- 52.245-1 **GOVERNMENT PROPERTY** – This clause is applicable if this Order is: (i) a cost reimbursable, time and material, or labor-hour type order; or (ii) fixed-price order when the Buyer or the Government will provide government property, and/or (iii) order or modifications awarded under FAR Part 12 (Commercial) procedures where Government property that exceeds the simplified acquisition threshold, as defined in FAR 2.101, is furnished or where the contractor is directed to acquire property for use under the order that is titled in the Government.
- 52.247-63 **PREFERENCE FOR U.S. - FLAG AIR CARRIERS** – This clause applies to this Order whenever it is possible that U.S. Government-financed international air transportation of personnel (and their personal effects) or property will occur in the performance of the Order. This clause does not apply to Orders awarded using simplified acquisition procedures or to Orders for commercial items.
- 52.247-64 **PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS**

THE FOLLOWING DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) CLAUSES ARE INCORPORATED HEREIN BY REFERENCE.

- 252.203-7001 **PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT RELATED FELONIES** – This clause applies to all first tier subcontracts only if this Order exceeds the simplified acquisition threshold amount of \$100,000. “Government” is not changed in this clause. A new paragraph (f) has been added as follows: “Seller shall not employ or allow to serve, as director or consultant of Seller, any person in contravention of paragraph (b).” 252.203-7001 (f) is changed to (g) and the flowdown provision at 252.203-7001(g) has been deleted.

- 252.204-7000 **DISCLOSURE OF INFORMATION** – This clause is applicable to this Order if the Seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public. In paragraph (c) “Contracting Officer” means “Contracting Officer.”
- 252.211-7000 **ACQUISITION STREAMLINING** – This clause is applicable if this Order is for a systems acquisition program exceeding \$1,000,000.
- 252.211-7003 **ITEM IDENTIFICATION AND VALUATION** – This clause is applicable if subassemblies, components or parts embedded within deliverables are defined as requiring DOD unique item identification as specified in the Order.
- 252.211-7007 **REPORTING OF GOVERNMENT-FURNISHED EQUIPMENT IN THE DOD ITEM UNIQUE IDENTIFICATION (IUID) REGISTRY**
- 252.215-7002 **COST ESTIMATING SYSTEM REQUIREMENTS** – This clause applies to all subcontracts awarded on the basis of cost or pricing data.
- 252.215-7003 **EXCESSIVE PASS-THROUGH CHARGES – IDENTIFICATION OF SUBCONTRACT EFFORT** – This clause applies to all subcontracts with the exception of: (i) Firm Fixed price subcontracts, including subcontracts with economic price adjustment, awarded on the basis of adequate price competition, and (ii) Firm Fixed Price subcontracts, including subcontracts with economic price adjustment, for the acquisition of a commercial item.
- 252.215-7004 **EXCESSIVE PASS-THROUGH CHARGES** – This clause applies to all subcontracts with the exception of: (i) Firm Fixed price subcontracts, including subcontracts with economic price adjustment, awarded on the basis of adequate price competition, and (ii) Firm Fixed Price subcontracts, including subcontracts with economic price adjustment, for the acquisition of a commercial item.
- 252.219-7003 **SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)** – This clause does not apply to small business concerns. It applies only if this Order exceeds \$550,000 (\$1,000,000 for construction of a public facility).
- 252.223-7006 **PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS** – Applicable to Order performed, even partly, on a Department of Defense Installation. This clause is applicable if this Order requires, may require, or permits the treatment or disposal of non-DOD-owned toxic or hazardous materials.
- 252.225-7001 **BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM** – This clause applies if the Seller is supplying an item that is an end product under the Buyer’s Prime Contract and the Prime Contract includes the clause unless all line items will be acquired from a particular source, all line items must be domestic or qualifying country end products, an exception applies, or one or both of the following clauses will apply to all line items in the contract. “Government” is not changed in this clause.
- 252.225-7002 **QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS**
- 252.225-7006 **QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES** – Applies to Orders with a value exceeding \$550,000 except those for commercial items, construction, ores, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.

- 252.225-7007 **PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES** – Applies to Orders involving the delivery of items covered by the United States Munitions List.
- 252.225-7012 **PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES** – This clause is applicable if this Order exceeds the simplified acquisition threshold amount of \$100,000.
- 252.225-7013 **DUTY-FREE ENTRY** – This clause applies in lieu of FAR 52.225-8 to Orders involving supplies that will enter the customs territory of the United States if such supplies will be accorded duty-free entry under the Prime Contract.
- 252.225-7014 **PREFERENCE FOR DOMESTIC SPECIALTY METALS** -- Applies to Orders exceeding the simplified acquisition threshold of \$100,000 that require delivery of an article containing specialty metals. Alternate I to the clause applies to Orders requiring delivery, for one of the following major programs, of an article containing specialty metals: (i) Aircraft, (ii) Missile and space systems, (iii) Ships, (iv) Tank-automotive, (v) Weapons, (vi) Ammunition.
- 252.225-7015 **RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS** -- Applicable to Orders exceeding the simplified acquisition threshold that require delivery of hand or measuring tools.
- 252.225-7016 **RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS** – This clause is applicable to this Order in all subcontracts except for commercial items other than ball or roller bearings acquired as end items; or items that do not contain ball or roller bearings.
- 252.225-7021 **TRADE AGREEMENTS** – This clause applies in lieu of DFARS 252.225-7001, Buy American Act and Balance of Payments Program, for Orders exceeding \$100,000 for supplies for use outside the United States or for construction to be performed outside the United States only if the Seller is supplying an item that is an end product under the Prime Contract and the Prime Contract contains the equivalent clause.
- 252.225-7025 **RESTRICTION ON ACQUISITION OF FORGINGS** – This clause is applicable if this Order is for forging items or for other items that contain forging items.
- 252.225-7027 **RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES**
- 252.225-7030 **RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE** – Applicable to Orders that (a) require the delivery to the Government of carbon, alloy, or armor steel plate that will be used in a Government Owned or controlled facility.
- 252.225-7033 **WAIVER OF UNITED KINGDOM LEVIES** -- Applicable to Orders exceeding \$1 million to U.K. firms.
- 252.225-7036 **BUY AMERICAN ACT – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM** – This clause applies only if the Seller is supplying an item that is an end product under the Prime Contract, the Prime Contract contains the equivalent clause and the Order is for the items listed at 225.401-70, when the estimated value equals or exceeds \$25,000, but is less than \$194,000, and a Free Trade Agreement applies to the acquisition. Alternate I to the clause applies when the Order's estimated value equals or exceeds \$25,000 but is less than \$67,826. The basic clause applies when the estimated value equals or exceeds \$67,826.

- 252.225-7038 **RESTRICTION ON ACQUISITION OF AIR CIRCUIT BREAKERS** – applicable to Orders requiring delivery of air circuit breakers for naval vessels to the Government.
- 252.225-7040 **CONTRACTOR PERSONNEL AUTHORIZED TO ACCOMPANY U.S. ARMED FORCES DEPLOYED OUTSIDE THE UNITED STATES** – Applicable to Orders when contract performance requires that Seller’s personnel accompany U.S. Armed Forces deployed outside the United States in (1) Contingency operations (2) Humanitarian or peacekeeping operations (3) Other military operations; or (4) Military exercises designated by the combatant commander.
- 252.225-7043 **ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES** – Applicable to Orders that require performance or travel outside the United States.
- 252.225-7044 **BALANCE OF PAYMENTS PROGRAM -- CONSTRUCTION MATERIAL** – Applicable to Orders for construction to be performed outside the United States with a value greater than the simplified acquisition threshold of \$100,000 but less than \$7,443,000 when the clause is included in the Prime Contract.
- 252.225-7045 **BALANCE OF PAYMENTS PROGRAM --CONSTRUCTION MATERIAL UNDER TRADE AGREEMENTS** – Applicable to Orders for construction to be performed outside the United States with a value of \$7,443,000 or more when the clause is included in the Prime Contract. For Orders with a value of \$7,443,000 or more, but less than \$8,817,449, Alternate I to the clause applies.
- 252.226-7001 **UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS – DOD CONTRACTS** – This clause applies if the Order exceeds \$500,000 and further subcontracting opportunities may exist.
- 252.227-7013 **RIGHTS IN TECHNICAL DATA – NONCOMMERCIAL ITEMS** – This clause is applicable when technical data, but not software, will be delivered to the Government by the prime contractor from the subcontractor. “[T]o the Contractor” has been deleted from (b)(1)(vi) and “contract or” and “thereunder” have been deleted from (b)(1)(ix). “Buyer or” is added before “Government” in (c) and (i). The second and third occurrences of “Contracting Officer” are changed to “Government” in (e)(4). “And the Government” is added after “parties” in (h)(1). In (h)(2) “sixty (60)” is changed to “fifty (50)” days. No substitutions for “Government” have been made.
- 252.227-7014 **RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION** – This clause is not applicable when the only deliverable items are technical data (other than computer software documentation), commercial computer software or commercial computer software documentation, Commercial items, special works, or contracts under the SBIR Program. This clause is applicable when software and software documentation will be delivered to the Government by the Buyer from the Seller. “[T]o the Contractor” has been deleted from (b)(i)(iii) and “contract or” and “thereunder” have been deleted from (b)(1)(vi). “Buyer or” is added before “Government” in (i). The second and third occurrences of “Contracting Officer” have been changed to “Government” in (e)(4). “And the Government” is added after “parties” in (h)(1). In (h)(2) “sixty (60)” is changed to “fifty (50)” days. No substitutions for “Government” have been made.

- 252.227-7016 **RIGHTS IN BID OR PROPOSAL INFORMATION**
- 252.227-7019 **VALIDATION OF ASSERTED RESTRICTIONS – COMPUTER SOFTWARE** – This clause is applicable if the Seller will be furnishing computer software to the Government in the performance of this Order.
- 252.227-7025 **LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT–FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS**
- 252.227-7026 **DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE** – This clause is applicable if this Order requires delivery of technical data or computer software, but does not contain a time for delivery. The obligation of Seller to deliver such technical data expires two years after the date the Buyer accepts the last item from the Seller for use in the performance of the contract. The Order will specify which technical data or computer software will be subject to deferred delivery.
- 252.227-7027 **DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE** – This clause is applicable when a firm requirement for a particular data item(s) has not been established prior to Order award but there is a potential need for the data. The obligation of Seller to deliver such data expires three years after the date the Buyer accepts the last item under the Order.
- 252.227-7028 **TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT** – In this clause, the terms “contract” and “subcontract” shall not change in meaning. This clause is applicable if this Order will require the Seller to deliver computer software or computer software documentation.
- 252.227-7030 **TECHNICAL DATA - WITHHOLDING OF PAYMENT**
- 252.227-7037 **VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA –** This clause is applicable if this Order requires the delivery of technical data, except contractual instruments for commercial items or commercial components.
- 252.227-7039 **PATENTS – REPORTING OF SUBJECT INVENTIONS**
- 252.231-7000 **SUPPLEMENTAL COST PRINCIPLES**
- 252.235-7003 **FREQUENCY AUTHORIZATION** – This clause applies to all Orders requiring the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.
- 252.242-7004 **MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM** – This clause applies on Orders exceeding the simplified acquisition threshold amount of \$100,000 that are cost reimbursement type or fixed price with progress payments.
- 252.244-7000 **SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS)** – This clause is applicable to Orders under Prime Contracts for other than commercial supplies.
- 252.246-7001 **WARRANTY OF DATA**
- 252.247-7023 **TRANSPORTATION OF SUPPLIES BY SEA** – This clause is applicable to Orders in excess of \$100,000 except for direct purchase of ocean transportation services or an anticipated value at or below the simplified

acquisition threshold. "Prime contractor" in paragraph (a)(5) is changed to "Seller" and "the prime contract" to "this Order". Paragraph (c), second sentence has been modified as to read "The Seller and its subcontractors may request that the Buyer obtain Government authorization for shipment..." In paragraph (d) "Contracting Officer" is changed to "Buyer" in the second sentence. "45" is changed to "60" days in paragraph (d) and "30" to "25" in paragraph (d). In paragraph (e) "and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590," is deleted. Paragraph (g) is deleted.

252.247-7024

NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA – This clause applies to subcontracts when the Seller's original response to the solicitation stated that no transportation by sea was contemplated. Paragraph (a) second sentence is modified to read "If, after award of this Order, the Seller learns that supplies...."

252.249-7002

NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION – This clause is applicable to first-tier Orders of \$550,000 or more and thereafter to lower tier subcontracts of \$100,000 or more. "Buyer" is substituted for "Contracting Officer" throughout.

B-2 PROVISIONS APPLICABLE TO NONCOMMERCIAL FIXED PRICE ORDERS

In addition to the General Provisions of Section A and the FAR and DFARS provisions of Section B-1, the following clauses of the FAR and DFARS are applicable if this is a fixed price order.

52.227-9

REFUND OF ROYALTIES

52.228-5

INSURANCE – WORK ON A GOVERNMENT INSTALLATION – This clause is applicable if this Order is expected to exceed the simplified acquisition threshold amount of \$100,000 and work will be required on a Government installation.

52.229-3

FEDERAL, STATE, AND LOCAL TAXES – This clause is applicable if this Order is to be performed wholly or partly in the U.S.; a fixed-price contract is contemplated; and this Order is expected to exceed the simplified acquisition threshold amount of \$100,000.

52.232-1

PAYMENTS – This clause is applicable if this Order is a fixed-price supply contract, a fixed-price service contract, or a contract for nonregulated communication services.

52.232-2

PAYMENTS UNDER FIXED-PRICE RESEARCH AND DEVELOPMENT CONTRACTS – Applicable to Orders for research and development.

52.232-5

PAYMENTS UNDER FIXED-PRICE CONSTRUCTION CONTRACTS – Applicable to Orders for construction.

52.232-11

EXTRAS – This clause is applicable if this Order is a fixed-price supply, fixed-price service contract or a transportation contract.

52.232-16

PROGRESS PAYMENTS – This clause is applicable if this Order provides for progress payments based on costs; the clause includes Alternate I if the Seller is a small business. Alternate II applies if the Order is not definitized.

52.232-17

INTEREST

52.243-1

CHANGES — FIXED-PRICE - Alternate I of this clause is applicable if this Order is a fixed-price contract for supplies. Alternate II is applicable if the

requirement is for services (other than architect-engineer services, transportation, or research and development) and supplies are to be furnished.

- 52.246-2 **INSPECTION OF SUPPLIES - FIXED PRICE** – This clause is applicable if this Order is for supplies or services that involve the furnishing of supplies, and the amount is expected to exceed the simplified acquisition threshold amount of \$100,000.
- 52.246-4 **INSPECTION OF SERVICES – FIXED PRICE** – This clause is applicable if this Order is for services or supplies that involve the furnishing of services, and the amount is expected to exceed the simplified acquisition threshold amount of \$100,000.
- 52.246-16 **RESPONSIBILITY FOR SUPPLIES** – This clause is applicable if this Order is for (a) supplies, (b) services involving the furnishing of supplies, or (c) research and development, when the amount is expected to exceed the simplified acquisition threshold amount of \$100,000.
- 52.246-17 **WARRANTY OF SUPPLIES OF A NONCOMPLEX NATURE** – This clause is applicable if this Order is for noncomplex items in paragraph (b) (1) and (c) (1) insert the words, “one year after acceptance.”
- 52.246-18 **WARRANTY OF SUPPLIES OF A COMPLEX NATURE**, – Applicable to Orders for deliverable complex items. In paragraph (b) (1) and (c) (1) insert the words, “one year after acceptance”.
- 52.249-1 **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SHORT FORM)** – This clause applies only if at the time of termination; this Order does not exceed \$100,000.
- 52.249-2 **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE)** – This clause applies only if at the time of termination, the Order exceeds \$100,000.
- 52.249-8 **DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)** – This clause is applicable if this Order exceeds the simplified acquisition threshold amount of \$100,000.
- 252.243-7001 **PRICING OF CONTRACT MODIFICATIONS**
- 252.246-7001 **WARRANTY OF DATA**, Alternate II
- 252.246-7001 **WARRANTY OF DATA**, Alternate I – Applicable to fixed price incentive Orders.

B-3 PROVISIONS APPLICABLE TO NONCOMMERCIAL COST REIMBURSEMENT ORDERS

In addition to the General Provisions of Section A and the FAR and DFARS provisions of Section B-1, the following clauses of the FAR and DFARS are applicable if this is a cost reimbursable order.

- 52.216-7 **ALLOWABLE COST AND PAYMENT** – If this Order is with an educational institution, modify the clause by deleting from paragraph (a) the words “Subpart 31.2” and substituting them with “Subpart 31.3.” If this Order is with a State or local government, modify the clause by deleting from paragraph (a) the words “Subpart 31.2” and substituting for them “Subpart 31.6.” If this Order is with a nonprofit organization other than an educational institution, a State or local government, or a nonprofit organization exempted under OMB Circular No. A-122, modify the clause by deleting from paragraph (a) the words “subpart 31.2” and substituting for them “Subpart 31.7.”

- 52.216-8 **FIXED FEE** – This clause is applicable if this Order is a cost-plus-fixed-fee contract (other than a facilities or construction contract).
- 52.222-2 **PAYMENT FOR OVERTIME PREMIUMS** - This clause applies only for cost reimbursement orders exceeding \$100,000. The authorized overtime premium in paragraph (a) is \$0, unless otherwise specified on the face of the Order.
- 52.229-10 **STATE OF NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAX** – Applicable if the Order will be for services to be performed in whole or in part within the State of New Mexico and if this Order directs or authorizes the Seller to acquire tangible personal property as a direct cost under this Order and title to such property passes directly to and vests in the United States upon delivery of the property by the vendor.
- 52.232-20 **LIMITATION OF COST**
- 52.232-22 **LIMITATION OF FUNDS** – This clause applies only if this order is incrementally funded.
- 52.242-3 **PENALTIES FOR UNALLOWABLE COSTS** – This clause applies if this Order exceeds \$650,000, except fixed-price contracts without cost incentives or any firm-fixed-price contract for the purchase of commercial items.
- 52.243-2 **CHANGES - COST REIMBURSEMENT (ALTERNATE II)** – Alternate II is applicable if the requirement is for services and supplies are to be furnished.
- 52.246-3 **INSPECTION OF SUPPLIES - COST REIMBURSEMENT**
- 52.246-5 **INSPECTION OF SERVICES - COST REIMBURSEMENT**
- 52.249-6 **TERMINATION (COST REIMBURSEMENT)** – This clause applies except if this Order is for R&D with an educational or nonprofit institution on a no-fee basis.
- 52.249-14 **EXCUSABLE DELAYS**

B-4 PROVISIONS APPLICABLE TO NONCOMMERCIAL TIME & MATERIAL OR LABOR HOUR ORDERS

In addition to the General Provisions of Section A and the FAR and DFARS provisions of Section B-1, the following clauses of the FAR and DFARS are applicable if this is a time and material or labor-hour order.

- 52.232-7 **PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR HOUR CONTRACTS**
- 52.243-3 **CHANGES – TIME AND MATERIALS OR LABOR-HOURS**
- 52.246-6 **INSPECTION - TIME-AND-MATERIAL AND LABOR-HOUR**
- 52.249-6 **TERMINATION (COST REIMBURSEMENT)** – This clause is applicable except if this Order is for R&D with an educational or nonprofit institution on a no-fee basis.
- 52.249-8 **DEFAULT (FIXED PRICE SUPPLY AND SERVICE)** – This clause is applicable if this Order is a fixed-price contract and the amount is expected to exceed the simplified acquisition threshold amount of \$100,000.
- 52.249-14 **EXCUSABLE DELAYS**