



Enter P.O./ Agreement Number Below:

INU TEQ

**ASRC Federal Holding
Company
and Subsidiary Companies
(BUYER)**

**General Provisions and FAR Flowdown Provisions
for Noncommercial Items Under a U.S.
Government Prime Contract**

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Section I – General Provisions

Formation of Contract and Terms and Conditions

(a) This Contract is BUYER's offer to SELLER. SELLER's signature on the Contract, acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract. SELLER's acceptance of this Contract creates a binding Contract between BUYER and SELLER, which shall be governed by the provisions of this Contract.

(b) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the Parties.

(c) Additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment hereof are hereby objected to by BUYER and have no effect unless accepted in writing by BUYER.

1) ACCEPTANCE – This order is not an acceptance of any offer to sell but is an offer to purchase. It may be accepted within five (5) days of the order's date only by Buyer receiving Seller's written acknowledgement or by commencement of performance by Seller. Acceptance is expressly limited to the terms and conditions of this offer. By acceptance in either manner described hereinabove, Seller expressly assents to the terms and conditions contained herein to the exclusion of all other terms and conditions, including any contained in any acknowledgement, acceptance, letter, quote, or other writing of Seller prior to, simultaneously with, or after acceptance.

Any proposal for additional or different terms or any attempt by Seller to vary, in any degree, any of terms in this offer in Seller's acceptance or acknowledgement shall not operate as a rejection of this offer, and this offer shall be deemed accepted by the Seller without said additional or different terms.

2) ADDITIONAL OR DIFFERENT TERMS – The terms contained in this order, with any attachments, will constitute the entire and only agreement of the parties and will supersede all prior discussions, representations, writings, oral agreements, and understandings or any language in the acknowledgement or acceptance of Seller to the contrary. Buyer objects to addition to, change, modification of, revision of, deletion, or waiver of any of the terms and conditions of this order. Irrespective of whether such different or additional terms and conditions materially alter this order, such different of additional terms and conditions will be invalid and rejected unless specifically agreed to in writing by Buyer.

3) ALLOWABLE COST AND PAYMENT (applies to cost-reimbursable agreements only)

(a) **Invoicing.** Buyer shall make payments to the Seller when requested as Work progresses, but not more often than once every two (2) weeks, in amounts determined to be allowable by Buyer in accordance with the terms of this Contract and Subpart 31.2 of the Federal Acquisition Regulation (FAR) and agency supplements as appropriate, in effect on the date of this Contract. If the Contract is with an educational institution, FAR Subpart 31.3 shall apply; if with a nonprofit organization other than an educational institution, FAR Subpart 31.7 shall apply. The Seller may submit to the Buyer Purchasing Representative, 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.

(b) **Reimbursing costs.**

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

- a) Those recorded a cost that, at the time of the request for reimbursement, the Seller has paid by cash, check, or other form of actual payment for items or services purchased directly for the Contract.
- b) When the Seller is not delinquent in paying costs of Contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for:
 - (i) Materials issued from the Seller's inventory and placed in the production process for use on the Contract
 - (ii) Direct labor
 - (iii) Direct travel
 - (iv) Other direct in-house costs, and
 - (v) Properly allocable and allowable indirect costs, as shown in the records maintained by the Seller for purposes of obtaining reimbursement under government contracts.

(c) The amount of progress payments that have been paid to the Seller's subcontractors under similar cost standards.

(2) Seller contributions to any pension, profit sharing, or employee stock ownership plan funds that are paid quarterly or more often may be included in indirect costs for payment purposes, provided that the Seller pays the contribution to the fund within thirty (30) days.

(3) Payments made thirty (30) days or more after the close of a period shall not be included until the Seller actually makes the payment. Accrued costs for such contributions that are paid less often than quarterly shall be excluded from indirect costs for payment purposes until the Seller actually makes the payment.



- (4) 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.
- (5) Except as otherwise expressly provided to the contrary in these provisions or in the schedule of this Contract, any statements in specifications or other documents incorporated in this Contract by reference designating performance of services or furnishing of materials at the Seller's expense or at no cost to Buyer shall be disregarded for purposes of cost reimbursement under this clause.

(c) **Small business concerns.** A small business concern may be paid as often as every two (2) weeks and may invoice and be paid for recorded costs for items or services purchased directly for the Contract even though the concern has not yet paid for those items or services.

(d) **Final indirect cost rates.** Buyer shall reimburse Seller on the basis of final annual indirect cost rates and the appropriate bases established by Seller and the government in effect for the period covered by the indirect cost rate proposal. Such rates and bases shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this Contract. The rates and bases shall be deemed incorporated into this Contract upon execution.

(e) **Billing rates.** There shall be included as allowable indirect costs such overhead rates as may be established by Seller and the cognizant government agency in accordance with the principles of the Federal Acquisition Regulation and applicable FAR Supplement. Pending establishment of final overhead rates for any period, Seller shall be reimbursed at billing rates approved by the cognizant government agency, which may be revised from time to time subject to approval and subject to appropriate adjustment when the final rates for that period are established.

(f) **Quick closeout procedures.** When the Seller and Buyer agree, the quick closeout procedures of Subpart 42.7 of the FAR may be used.

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

(h) **Final payment.**

- (1) The Seller shall submit a completion invoice or voucher, designated as such, promptly upon completion of the Work, but no later than one (1) year (or longer, as Buyer may approve in writing) from the completion date. Upon approval of that invoice or voucher, and upon the Seller's compliance with all terms of this Contract, Buyer shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.
- (2) The Seller shall pay to Buyer any refunds, rebates, credits, or other amounts (including interest if any) accruing to or received by the Seller or any assignee under this Contract to the extent that those amounts are properly allocable to costs for which the Seller has been reimbursed by Buyer. Reasonable expenses incurred by the Seller for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by Buyer. Before final payment under this Contract, the Seller and each assignee whose assignment is in effect at the time of final payment shall execute and deliver:
 - (i) An assignment to Buyer, in form and substance satisfactory to Buyer, of refunds, rebates, credits, or other amounts (including interest if any) properly allocable to costs for which the Seller has been reimbursed by Buyer under this Contract and
 - (ii) A release discharging Buyer, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this Contract, except for specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known.
- (i) **Subcontracts.** No subcontract placed under this Contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement subcontracts shall not exceed the fee limitations in paragraph 15.404-4(c) (4) (i) of the FAR.

4) APPLICABLE LAW – This Contract shall be governed by the laws of the state of Maryland, excluding its choice of laws rules, except that any provision in this Contract is (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR), (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR, or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, Boards of Contracts Appeals, and quasi-judicial agencies of the federal Government.

5) ASSIGNMENT –

- (a) Any assignment of SELLER's contract rights or delegation of duties shall be void, unless prior written consent is given by BUYER. However, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if BUYER is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of BUYER against SELLER. BUYER shall have the right to make settlements and adjustments in price with SELLER without notice to the assignee.
- (b) Without BUYER's written consent, SELLER will not subcontract for the design, development, or procurement of any portion of goods or services under this Contract. This limitation does not apply to SELLER's purchases of standard commercial supplies or raw materials.



6) CAPTIONS – The captions appearing at the beginning of each paragraph of these terms and conditions are for convenience only and are not to be construed as a substantive part of said terms and conditions.

7) CHANGES – Buyer may, at any time, by written notice and without notice to sureties or assignees, make Changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance, or point of delivery; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property; and, if this Contract includes services, (vi) description of services to be performed; (vii) quantity of services (i.e., hours to be worked); (viii) time of performance (e.g., hours of the day, days of the week); and (ix) place of performance. Seller shall comply immediately with such direction.

If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Contract, Buyer shall make an equitable adjustment in the Contract price or delivery schedule or both and modify the Contract accordingly. Changes to the delivery schedule will be subject to a price adjustment.

Any claim for an equitable adjustment by Seller must be submitted in writing to the Buyer Procurement Representative within thirty (30) days unless the Parties agree in writing to a longer period.

Failure to agree to any adjustment shall be resolved in accordance with the *Disputes* clause of this Contract. However, nothing contained in this *Changes* clause shall excuse Seller from proceeding without delay in the performance of this Contract as changed.

8) COMMUNICATION with BUYER CUSTOMER – Buyer shall be solely responsible for all liaison and coordination with the Buyer 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 the authorized Buyer Procurement Representative, all documentation requiring submittal to, or action by, the government or the Contracting Officer shall be routed to, or through, the Buyer Procurement Representative or as otherwise permitted by this Contract.

9) COMPLIANCE WITH LAWS – Seller agrees to comply fully with all applicable laws, ordinances, rules, regulations, and orders of all foreign nations (or governmental subdivision thereof) and all applicable domestic (United States of America) federal, state, and local laws, ordinances, rules, regulations, and orders pertaining to the production and sale of the goods or services ordered, and, upon request, Seller shall furnish Buyer certificates of compliance. These laws shall include, without limitation, the following: The Fair Labor Standards Act of 1938, as amended; Federal and State OSHA requirements; the equal opportunity clause in §202 of Executive Order #11246 as amended; Veterans Employment and Readjustment Act of 1972 (amending the Vietnam Era Veterans Readjustment Assistance Act of 1972); the rules and regulations of the Office of Federal Contract Compliance; §503 of the Rehabilitation Act, Toxic Substances Control and The Federal Hazardous Substances Act. With specific references to the Toxic Substances Control Act, Seller warrants that each chemical substance delivered under this order shall be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to §8 of the Toxic Substances Act. If this order is placed, directly or indirectly, under a contract to which the United States or any state or other governmental authority is a party, then all terms and conditions required by law or regulation or contained in the government contract with respect to this order are incorporated herein by reference. Seller expressly agrees to indemnify and hold harmless Buyer, its successors, assigns, customers, and users of its products from any costs, losses, expenses, damages, claims, suits, fines, penalties, or any liability whatsoever, including attorney's fees, resulting from the failure of Seller to comply, in the furnishing of goods or services under this order, with all applicable foreign or domestic federal, state, or local laws, ordinances, rules, regulations, or orders as set out hereinabove.

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

10) CONFIDENTIALITY

BUYER'S Information

Information provided by BUYER to SELLER remains the property of BUYER. SELLER agrees to comply with the terms of any confidential disclosure agreement with BUYER and to comply with all proprietary information markings and restrictive legends applied by BUYER to anything provided hereunder to SELLER. SELLER agrees not to use any BUYER-provided information for any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of BUYER.



SELLER's Information

SELLER shall not provide any proprietary information to BUYER without prior execution by BUYER of a confidential disclosure agreement.

11) CONTRACT DIRECTION – Only the Buyer Procurement Representative has authority to amend this Contract. Such amendments must be in writing.

Buyer engineering and technical personnel may render assistance or give technical advice or discuss or affect an exchange of information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the **Changes** clause of this Contract and shall not be the basis for equitable adjustment.

Action or direction by any Buyer customer shall not be deemed to be a change under the **Changes** clause of this Contract and shall not be the basis for equitable adjustment.

Except as otherwise provided herein; all notices to be furnished by the Seller shall be sent to the Buyer Procurement Representative.

12) DEFAULT – If Seller's financial condition, based on reasonable and objective criteria, is found to be or becomes unsatisfactory to Buyer during the term of this contract, or if Seller fails to make reasonable progress in its performance of this contract, Buyer reserves the right, without incurring any liability to Seller, to cancel this order by written notice and terminate this contract and receive a refund of any deposits, down payments, or other advance payment (except for goods or services already delivered). Buyer also reserves the right similarly to terminate all other contracts covering purchases by Buyer of Seller's products or services whether or not Seller may otherwise be in default, and no rights shall accrue to Seller against Buyer on account of such termination. The foregoing rights of Buyer are in addition to, and not in lieu of, any rights Buyer may possess under provisions of the Uniform Commercial Code or other provisions of the law. If Seller fails to perform as specified in this order or breaches any of the terms hereof, Buyer reserves the right, without incurring any liability to Seller and, upon giving Seller written notice, to: (a) Cancel this order in whole or in part, and Seller shall be liable to Buyer for all damages, losses and liability incurred by Buyer directly or indirectly resulting from Seller's breach, (b) obtain the goods or services ordered herein from another source, with any excess cost resulting therefore chargeable to Seller, or (c) setoff or reduce all claims for money due or to become due to Buyer from Seller to the extent Buyer is damaged by Seller's failure to perform. The remedies herein provided shall be cumulative and in addition to any other remedies provided at law or in equity. Buyer's failure to insist on performance of any of the terms and conditions herein or to exercise any right or privilege, or Buyer's waiver of any breach hereunder, shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

13) DEFINITIONS – The following terms shall have the meanings set forth below:

“Contract” means the instrument of contracting (e.g. PO, Purchase Order, or other such designation), including all referenced documents, exhibits, and attachments. If these terms and conditions are incorporated into a master agreement that provides for releases (in the form of a Purchase Order or other such document), the term “Contract” shall also mean the release document for the Work to be performed.

“FAR” means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of the Federal Regulations.

“Buyer” means ASRC Federal Holding Company.

“Buyer Procurement Representative” means the person authorized by Buyer's cognizant procurement organization to administer this Contract.

“PO” or “Purchase Order” as used in any document constituting a part of this Contract shall mean this Contract.

“Seller” means the Party identified on the title page of the Contract, with whom Buyer is contracting.

“Work” means all required articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

14) DISPUTES –

(a) Notwithstanding any provisions herein to the contrary:

- (1) If a decision relating to the Prime Contract is made by the Contracting Officer and such decision is also related to this Subcontract, said decision, if binding upon Buyer under the Prime Contract shall in turn be binding upon Buyer and Seller with respect to such matter; provided, however, that if Seller disagrees with any such decision made by the Contracting Officer and Buyer elects not to appeal such decision, Seller shall have the right reserved to Buyer under the Prime Contract with the Government to prosecute a timely appeal in the name of Buyer, as permitted by the Prime Contract or by law, Seller to bear its own legal and other costs. If Buyer elects not to appeal any such decision, Buyer agrees to notify Seller in a timely fashion after receipt of such decision and to assist Seller in its prosecution of any such appeal in every reasonable manner. If Buyer elects to



appeal any such decision of the Contracting Officer, Buyer agrees to furnish Seller promptly with a copy of such appeal. Any decision upon appeal, if binding upon Buyer, shall in turn be binding upon Seller. Pending the making of any decision, either by the Contracting Officer or on appeal, Seller shall proceed diligently with performance of this Subcontract.

- (2) If, as a result of any decision or judgment which is binding upon Seller and Buyer, as provided above, Buyer is unable to obtain payment or reimbursement from the Government under the Prime Contract for, or is required to refund or credit to the Government, any amount with respect to any item or matter for which Buyer has reimbursed or paid Seller, Seller shall, on demand, promptly repay such amount to Buyer. Additionally, pending the final conclusion of any appeal hereunder, Seller shall, on demand, promptly repay any such amount to Buyer. Buyer's maximum liability for any matter connected with or related to this Subcontract which was properly the subject of a claim against the Government under the Prime Contract shall not exceed the amount of Buyer's recovery from the Government.
- (3) If this Subcontract is issued by Buyer under a Government Subcontract rather than a Prime Contract, and if Buyer has the right under such Subcontract to appeal a decision made by the Contracting Officer under the Prime Contract in the name of the Prime Contractor (or if Buyer is subject to any arbitrator's decision under the terms of its subcontract), and said decision is also related to this Subcontract, this Disputes Clause shall also apply to Seller in a manner consistent with its intent and similar to its application had this Subcontract been issued by Buyer under a Prime Contract with the Government.
- (4) Seller agrees to provide certification that data supporting any claim made by Seller hereunder is made in good faith and that the supporting data is accurate and complete to the best of Seller's knowledge or belief, all in accordance with the requirements of the Subcontract Disputes Act of 1978 (41USC601-613) and implementing regulations. If any claim of Seller is determined to be based upon fraud or misrepresentation, Seller agrees to defend, indemnify and hold Buyer harmless for any and all liability, loss, cost or expense resulting therefrom.

(b) Any dispute not addressed in paragraph (a) above shall be settled in the following manner.

- (1) Buyer and Seller agree to enter into negotiations to resolve any dispute. Both parties agree to negotiate in good faith to reach a mutually agreeable settlement within a reasonable amount of time.
- (2) If negotiations are unsuccessful, the dispute may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this Subcontract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.
- (3) Pending any decision, appeal or judgment referred to in this provision or the settlement of any dispute arising under this Subcontract, Seller shall proceed diligently with the performance of this Subcontract.

15) EQUIPMENT, BUYER'S PROPERTY – All equipment, tools, materials, vehicles, and/or other articles required for Seller's performance of this order shall be furnished by Seller, maintained in good condition, and replaced when necessary at Seller's expense. Title to and a right of immediate possession of any property of any nature whatsoever furnished or paid for by Buyer shall remain in Buyer's possession.

16) EXPORT CONTROL – Seller agrees to comply fully with all applicable U.S. export control laws and regulations as they may apply to any hardware, software, information, or direct product of such information furnished to Seller under this Contract. Seller agrees that it will not permit the re-export of any the above—including to foreign nationals employed by, associated with, or under contract to Seller or Seller's lower-tier suppliers—without the authority of an Export License or applicable License Exception.

Seller agrees to notify Buyer if export control laws or regulations restrict any deliverable Work under this Contract.

Seller shall immediately notify the Buyer Procurement Representative if Seller is 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. At Buyer's request, Seller will provide Buyer with all data Buyer may need to apply for and obtain an Export License or applicable License Exception.

17) FORCE MAJEURE – In the event of fire, accidents, abnormal weather conditions, governmental acts, strikes or other labor disputes, Acts of God, war, riots, and other civil disturbances, or any other conditions beyond either party's reasonable control which prevent manufacture, transportation, delivery, acceptance, or Buyer's prompt utilization of the goods or services covered by this order, the affected party may, without any liability or penalty, delay delivery, manufacture, transportation, acceptance, or utilization by written notice effective when received by the other party until such event and the consequences of such event of force majeure have terminated. Said notice of an event of force majeure shall contain the reason for any delay which the notifying party considers to be an event of force majeure under the provisions of this paragraph. An event of force majeure shall not include events within the total or partial control of the party giving notice, including, but not limited to, poor business judgment or estimates, material or labor shortages, or unanticipated engineering or technical difficulties. To be excused from performance under this clause, the affected party shall submit, within ten (10) calendar days of the start of



the qualifying event, a written notice stating a complete and detailed description of such event, the date of commencement, an estimate of the probable period of delay, and explanation indicating how such event was beyond the party's control.

18) FURNISHED PROPERTY – Buyer may provide to Seller property owned by either Buyer or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.

Buyer or its customer shall retain title to Furnished Property. Seller shall clearly mark (if not already marked) all Furnished Property to show ownership.

Except for reasonable wear and tear, Seller assumes all risk of loss, destruction, or damage of Furnished Property while in Seller's possession, custody, or control. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss. Seller shall promptly notify Buyer of any loss or damage. Without additional charge, Seller shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

19) GRATUITIES and KICKBACKS – No gratuities (in the form of entertainment, gifts, or otherwise) or kickbacks shall be offered or given Seller to any employee of Buyer with a view toward securing favorable treatment as a supplier.

By accepting this Contract, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c) (1) of FAR 52.203-7 shall not apply.

20) INDEMNIFICATION – Except to the extent that any injury or damage is due solely and directly to Buyer's negligence, Seller agrees to indemnify and hold harmless Buyer, its successors, assigns, customers, and users of its products against all suits at law or in equity and from all damages, claims and demands arising out of death of or injury to any person or damage to any property alleged to have resulted from the goods or services hereby ordered and, upon the tendering of any suit or claim to Seller, to defend the same at Seller's expense as to all costs, losses, expenses, damages, claims, suits, or any liability whatsoever, including attorney's fees. The foregoing indemnification shall apply whether the death, injury, or property damage is caused by the sole or concurrent negligence of Seller. To the extent that Seller's agents, employees, or subcontractors enter upon the premises of Buyer, Seller shall take all necessary precautions to prevent injury or death to any persons or damage to property arising out of acts or omissions of such agents, employees, or subcontractor and, except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, shall indemnify, defend, and hold Buyer, its officers, employees, and agents, harmless from any and all costs, losses, expenses, damages, claims, suits, or any liability whatsoever, including attorney's fees, arising out of any act or omission of Seller, its agents, employees, or subcontractors. Seller shall maintain and require its subcontractors to maintain: (a) Public liability and property damage insurance (including contractual liability), both general and vehicle, in amounts sufficient to cover obligations set forth above, and (b) worker's compensation and employer's liability insurance covering all employees engaged in the performance of this order. Seller shall furnish, upon Buyer's request, certificates evidencing such insurance.

Unless otherwise specified in this Contract, commercial off-the-shelf software delivered hereunder shall be the most recent revision issued by Seller. If Seller issues a new version within 120 days after delivery to Buyer, Seller shall provide to Buyer, at no additional charge, a usable copy of the new version and an equivalent license.

21) INSPECTION and TESTS – All goods ordered hereunder will be subject to inspection and testing by Buyer at all reasonable times and places, including Seller's facilities. It is expressly agreed that inspections and/or payments prior to, at the time of, or after delivery will not constitute a final acceptance of the goods or services.

No such inspection shall relieve Seller of its obligations to furnish all Work in accordance with the requirements of this Contract. Buyer's final inspection and acceptance shall be at destination unless otherwise specified in this Contract.

Seller shall not tender rejected work without disclosing the corrective action taken.

22) INSURANCE for ENTRY on BUYER's/GOVERNMENT PROPERTY- In the event that SELLER, its employees, agents, or subcontractors enter BUYER's or its customer's premises for any reason in connection with this Contract, SELLER, as well as its subcontractors and lower-tier subcontractors, shall procure and maintain worker's compensation, comprehensive general liability, bodily injury, and property damage insurance in reasonable amounts, and such other insurance as BUYER may require and shall comply with all site requirements. Such insurance shall be written through a licensed carrier, with a financial rating of no less than A-, in the respective state of operation and shall meet all legal minimum requirements of same state. SELLER shall indemnify and hold harmless BUYER, its officers, employees, and agents from any and all losses, costs, claims, causes of action, damages, liabilities, and expenses, including (but not limited to) attorneys' fees, all expenses of litigation and settlement, and court costs, by reason of property damage or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier. SELLER shall provide BUYER thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a Certificate of Insurance showing SELLER's compliance with these requirements. SELLER shall name BUYER as an additional insured for the duration of this Contract.



Insurance maintained pursuant to this clause shall be considered primary as respects the interest of BUYER and is not contributory with any insurance which BUYER may carry.

23) INTELLECTUAL PROPERTY

- (a) Unless otherwise agreed by BUYER and SELLER, SELLER agrees and understands that the Work performed hereunder is Work for Hire and as such SELLER agrees that BUYER shall be the owner of all inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information, and other information conceived, developed, or otherwise generated in the performance of this Contract by or on behalf of SELLER. SELLER hereby assigns and agrees to assign all right, title, and interest in the foregoing to BUYER, including (without limitation) all copyrights, patent rights, and other intellectual property rights therein and further agrees to execute, at BUYER's request and expense, all documentation necessary to perfect title therein in BUYER. SELLER agrees that it will maintain and disclose to BUYER written records of, and otherwise provide BUYER with full access to, the subject matter covered by this clause and that all such subject matter will be deemed information of BUYER and subject to the protection provisions of the clause entitled Information of BUYER. SELLER agrees to assist BUYER, at BUYER's request and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause.
- (b) If SELLER and BUYER agree that performance under this Contract requires the provision or use of any proprietary programs of SELLER or of SELLER's suppliers such that BUYER and SELLER agree that paragraph (a) of this clause is not applicable to a portion of the Work, then, absent agreement of BUYER and SELLER to the contrary, SELLER shall specifically identify such proprietary programs to BUYER and shall grant to BUYER a perpetual worldwide, paid-up license or sublicense to use, copy, modify, sublicense, and create derivative works from any such proprietary programs. Upon request by BUYER, SELLER shall provide all documentation supporting such licensing rights, including copies of licenses granted by SELLER's suppliers to SELLER. SELLER shall defend and hold BUYER harmless from any and all claims arising in whole or in part from SELLER's failure to comply with this section. There shall be no additional charge for such license or sublicense beyond the price for the work to be performed under this Contract.
- (c) SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER agrees to defend, indemnify, and hold harmless BUYER and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any action by a third party that is based on a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.
- (d) Unless otherwise specified in this Contract, commercial off-the-shelf software delivered hereunder shall be the most recent revision issued by SELLER. If SELLER issues a new version within 120 days after delivery to BUYER, SELLER shall provide to BUYER at no additional charge a usable copy of the new version and an equivalent license.

24) LANGUAGE and STANDARDS- All reports, correspondence, drawings, notices, markings, and other communications shall be in the English language. The English version of the Contract shall prevail. Unless otherwise provided in writing, all documentation and Work shall use the units of U.S. standard weights and measures.

25) LIMITATION OF FUNDS (Applicable if this Contract is incrementally funded.)

- (a) The Parties estimate that performance of this Contract will not cost Buyer more than the estimated cost specified in the Schedule. The Seller agrees to use its best efforts to perform the Work specified in the Schedule and all obligations under this Contract within the estimated cost.
- (b) The Schedule specifies the amount presently available for payment by Buyer and allotted to this Contract, the items covered, and the period of performance that the allotted amount is estimated to cover. The Parties contemplate that Buyer will, from time to time, allot additional funds to the Contract up to the full estimated cost specified in the Schedule, inclusive of any fee. The Seller agrees to perform, or have performed, Work on the Contract up to the point at which the total amount, including fee, paid and payable by Buyer under the Contract approximates but does not exceed the total amount actually allotted by Buyer to the Contract.
- (c) The Seller shall notify Buyer in writing whenever it has reason to believe that the costs it expects to incur under this Contract plus allocable fee in the next sixty (60) days, when added to all costs previously incurred and allocable fee, will exceed seventy-five percent (75%) of the total amount then allotted to the Contract. The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the Schedule.
- (d) Sixty (60) days before the end of the period specified in the Schedule, the Seller shall notify Buyer in writing of the estimated amount of additional funds, if any, required to continue timely performance under the Contract or for any further period specified in the Schedule or otherwise agreed upon and when the funds will be required.
- (e) If, after notification, additional funds are not allotted by the end of the period specified in the Schedule or another agreed-upon date, upon the Seller's written request, Buyer will terminate this Contract on that date in accordance with the provisions of the *Termination* clause of this Contract (FAR 52.249-6).

26) NEW MATERIALS – The Work to be delivered hereunder shall consist of new materials, as defined in FAR 52.211-5 (not used, reconditioned, remanufactured, or of such age as to impair usefulness or safety).



Unless otherwise specified, all Work is to be packed in accordance with good commercial practice to prevent damage and deterioration during shipping, handling, and storage.

A complete packing list shall be enclosed with all shipments. Seller shall mark containers or packages with necessary lifting, loading, and shipping information, including the AFHC Purchase Order number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Purchase Order number.

27) PACKAGING and DELIVERY – Time is of the essence in this order, and substitutions outside of or overruns above normal accepted standards will not be accepted unless agreed upon by Buyer in writing. Goods shipped shall be at Seller's risk until no longer in possession of Seller and title has passed to Buyer. Unless otherwise specified in writing, place for delivery of goods is Buyer's business. Buyer may invoke and Seller shall pay a late delivery penalty if Seller is delinquent in meeting the delivery as agreed to on this Purchase Order. Seller shall be charged at the rate of one percent (1%) of the price of delayed item(s) per day, to a maximum of five percent (5%) of the total Purchase Order value. Any applicable Late Delivery Penalty will be deducted from future invoice payments.

28) PATENT AND INTELLECTUAL PROPERTY RIGHT INDEMNIFICATION – Seller shall indemnify and save harmless Buyer, its successors, assigns, customers or users of its products, or Buyer's officers, employees, and agents, from and against all costs, losses, expenses, damages, claims, suits, or any liability whatsoever, including attorney's fees, resulting from any claim that the manufacture, use sale or resale of any goods or services supplied under this order infringe any patent, copyright, trademark or other intellectual property rights; and Seller, when notified, shall, at Buyer's sole option, either defend any action or claim of such infringement at its own expense, or reimburse Buyer's expenses, attorney's fees, and other costs defending such action or claim.

29) PAYMENTS, TAXES and DUTIES – Unless otherwise provided, terms of payment shall be Net 45 days from the latest of the following: (i) Buyer's receipt of the Seller's proper invoice, (ii) scheduled delivery date of the Work, or (iii) actual delivery of the Work. Buyer shall have a right of setoff against payments due or at issue under this Contract or any other Contract between the Parties.

Unless otherwise specified, prices include all applicable federal, state, and local taxes, as well as duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice. Prices shall not include any taxes, impositions, charges, or exactions for which BUYER has furnished a valid exemption certificate or other evidence of exemption.

30) PRECEDENCE – Any inconsistencies in this Contract shall be resolved in accordance with the following (in descending order of precedence): (1) face of the Purchase Order, release document, or schedule (which shall include continuation sheets), as applicable, including any special terms and conditions; (2) any master agreement, such as corporate, sector, or blanket agreements; (3) these General Provisions; and (4) Statement of Work.

31) PRIORITY RATING- If so identified, this Contract is a "rated order," certified for national defense use, and the SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

32) QUALITY CONTROL SYSTEM- When the Purchase Order requires;

(a) SELLER shall provide and maintain a quality control system to an industry-recognized quality standard for the Work covered by this Contract.

(b) Records of all quality control inspection work by SELLER shall be kept complete and made available to BUYER and its customers during the performance of this Contract and for such longer periods as may be specified in the Purchase Order.

33) RELEASE OF INFORMATION- Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of BUYER.

34) SEVERABILITY – The terms and conditions of this order are severable, and if any terms and conditions or portions of any terms and conditions herein are stricken or declared illegal, invalid, or unenforceable for any reason whatsoever, the legality, validity, or enforceability of the remaining terms and conditions shall not be affected thereby.



35) SOURCE SURVEILLANCE – In addition to inspections as otherwise provided in this Contract, and at no increase in Contract price, Buyer may assign product assurance representatives to Seller's facilities to conduct and maintain surveillance as necessary to ensure quality and reliability. Seller likewise shall reserve such right to Buyer with respect to Seller's lower-tier subcontractors. If such examination is made, Seller shall provide, and require its subcontractors to provide, such representatives with reasonable facilities, equipment, and unescorted access (except in areas where proprietary processes or data are located, in which case access shall be on an escorted basis) to all areas essential to the proper conduct of the above described activity.

36) STOP WORK ORDER – Seller shall stop Work for up to ninety (90) days in accordance with the terms of any written notice received from Buyer, or for such longer period of time as the Parties may agree, and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work covered by this Contract during the period of Work stoppage.

Within such period, Buyer shall either terminate or continue the Work by written order to Seller. In the event of a continuation, an equitable adjustment, in accordance with the principles of the Changes clause, shall be made to price, delivery schedule, or other provision affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after such continuation.

37) SUBCONTRACTS – If this Contract is primarily for the purpose of furnishing services, no subcontract shall be made by the Seller with any other Party for furnishing all or substantially all of the Work or services herein contracted for without the advance written approval of Buyer; however, this provision shall not be construed to require the approval of contracts of employment between the Seller and personnel assigned for services hereunder.

The Seller shall give Buyer immediate written notice of any action or suit filed and prompt notice of any claim made against the Seller by any subcontractor or vendor that, in the opinion of the Seller, may result in litigation related in any way to this Contract, with respect to which the Seller may be entitled to reimbursement from Buyer.

No subcontract placed under this Contract shall provide for payment on a cost-plus-a-percentage-of-cost-basis, and any fee payable under cost-reimbursement, lower-tier subcontracts shall not exceed the fee limitations in paragraph 15.404-4(c)(4) (formerly 15.903(d)) of the FAR.

38) Survivability- If this Contract is terminated for default or convenience, SELLER shall not be relieved of those obligations contained in this Contract for the following provisions:

- (a) Applicable Laws, Clause No. 4
- Confidentiality, Clause No. 10
- Export Control, Clause No. 16
- Insurance or Entry on BUYER Property, Clause No. 0
- Intellectual Property, Clause No. 23
- Release of Information, Clause No. 33
- Warranty, Clause No. 42
- (b) Those U.S. Government flowdown provisions that, by their nature, should survive.

39) TERMINATION for CONVENIENCE – Buyer may terminate performance of the work under this order, in whole or in part, by written notice to Seller. Upon receipt of such notice, Seller shall immediately discontinue all work and the placing of all orders for materials, facilities, and supplies pursuant to this order. Upon termination by Buyer under this paragraph for reasons other than force majeure (as set out in 17) or certain remedies of the defaults clause (as set out in 12), Buyer shall negotiate payment to Seller based on Seller's non-recoverable, reasonable, and actual documented costs and expenses; in no case, however, shall payments made under this paragraph exceed the aggregate price specified in this purchase order less payments otherwise made or to be made. Nothing contained in this paragraph shall be construed to limit or affect any remedies, which Buyer may have as provided in paragraphs 12 and 36, the default clause and the stop work clause respectively.

In no event shall Buyer be liable for lost or anticipated profits, unabsorbed indirect costs or overhead, or any sum in excess of the total Contract price. Seller's termination claim shall be submitted within ninety (90) days from the effective date of the termination.

For other than specially performed Work, Buyer may terminate part or all of the Contract for its convenience by giving written notice to Seller, and Buyer's only obligation to Seller shall be payment of a mutually agreed-upon restocking or service charge. Seller shall continue all Work not terminated.

40) Timely Performance

- (a) Time is of the essence in this Contract. SELLER's timely performance is a critical element of this Contract.



- (b) Unless advance shipment has been authorized in writing by BUYER, BUYER may store, at SELLER's expense, or return, shipping charges collect and at SELLER's risk, all Work received in advance of the scheduled delivery date.
- (c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall promptly notify BUYER, in writing, giving pertinent details. This notification shall not change any delivery schedule.
- (d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless BUYER has given prior written consent.

41) USE OF INFORMATION – The Seller agrees that all information furnished or disclosed to Buyer by Seller in connection with this order is furnished or disclosed as part of the consideration of this order. Notwithstanding the foregoing, if Seller clearly identifies in writing information which Seller considers to be confidential or proprietary, Buyer will protect and not disclose such information except for information: (a) which is already known to Buyer through Buyer's own development prior to Buyer's first receipt of information relating to Seller's development from Seller, (b) which is or generally becomes available to the public through no fault of Buyer, or (c) which is properly obtained from a third party who has the right to make such disclosure.

42) Waiver, Approval, and Remedies

- (a) Failure by BUYER to enforce any of the provisions of this Contract shall not be construed as a waiver of the requirements of such provisions, or as a waiver of the right of BUYER thereafter to enforce each and every such provision.
- (b) BUYER's approval of documents shall not relieve SELLER from complying with any requirements of this Contract.
- (c) The rights and remedies of BUYER in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

43) WARRANTY – In addition to Seller's standard warranty, Seller warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. All warranties shall survive inspection, test and acceptance of, and payment for, the Work. All warranties shall run to Buyer and its successors, assigns, and customers. The warranty shall extend for a period of one (1) year after Buyer's final acceptance unless a different period is set forth elsewhere in this Contract. If any nonconformity of the Work appears within that time, Seller shall promptly repair, replace, or re-perform the Work at Buyer's option. Transportation of replacement Work, return of nonconforming Work, and repeat performance of Work shall be at Seller's expense. Work required to be corrected or replaced shall be subject to this provision and the Inspection and Acceptance provision of this Contract in the same manner and to the same extent as Work originally delivered under this Contract. If repair, replacement, or re-performance of Work is not timely, Buyer may elect to return the nonconforming Work or repair, replace Work, or procure the Work at Seller's expense.



Section II: FAR Flowdown Provisions

A. Incorporation of FAR Clauses

The Federal Acquisition Regulation (FAR) clauses referenced below are incorporated herein by reference with the same force and effect as if they were given in full text and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead.

B. Government Subcontract

This Contract is entered into by the Parties in support of a U.S. Government contract.

As used in the FAR clauses referenced below and otherwise in this Contract:

1. "Contract" means this Contract.
2. "Contractor" means the Seller, as defined previously in the "Definitions" provision of this document, acting as the immediate (first-tier) subcontractor to Buyer.
3. "Prime Contract" means the Contract between Buyer and the U.S. Government or between Buyer and its higher-tier contractor who has a contract with the U.S. Government.
4. "Subcontract" means any Contract placed by the Contractor or lower-tier subcontractors under this Contract.

C. Notes

1. Substitute "Buyer" for "Government" or "United States" as applicable throughout this clause.
2. Substitute "Buyer Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause.
3. Insert "and Buyer" after "Government" or "Contracting Officer", as appropriate, throughout this clause.
4. Insert "or Buyer" after "Government" throughout this clause.
5. Communication and notification required under this clause from or to the Contractor and to or from the Contracting Officer shall be through Buyer.
6. "Contracting Officer" shall mean the U.S. Government Contracting Officer for Buyer's government Prime Contract under which this Contract is entered.

D. Amendments Required by Prime Contract

Contractor agrees that upon the request of Buyer it will negotiate in good faith with Buyer relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as Buyer may reasonably deem necessary in order to comply with the provisions of the applicable prime contract or with the provisions of amendments to such prime contract. If any such amendment to this Contract causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.



E. FAR Flowdown Clauses

REFERENCE TITLE

1. The following FAR clauses apply to this Contract:

- (a) 52.211-5 Material Requirements (August 2000) (See Note 2 from section II, C above)
- (b) 52.219-8 Utilization of Small Business Concerns (May 2004)
- (c) 52.222-2 Payment for Overtime Premiums (July 1990) (Insert ZERO in the blank. See Notes 2 and 3 from section II, C above)
- (d) 52.222-21 Prohibition of Segregated Facilities (February 1999)
- (e) 52.222-26 Equal Opportunity (Mar. 2007) (Only subparagraphs (b)(1)–(b)(11) apply)
- (f) 52.223-11 Ozone-Depleting Substances (May 2001) (Applicable if the Work was manufactured with or contains ozone-depleting substances.)
- (g) 52.225-13 Restrictions on Certain Foreign Purchases (June 2008) (In paragraph (a), see Notes 5 and 6 from section II, C above)
- (h) 52.227-14 Rights in Data—General (Dec. 2007)
- (i) 52.232-20 Limitation of Cost (April 1984) (Applicable when this Contract becomes fully funded, whether or not the contract provides payment of a fee. See Notes 1 and 2 from section II, C above)
- (j) 52.232-22 Limitation of Funds (April 1984) (Applicable if this Contract is incrementally funded. When the Contract becomes fully funded FAR 52.232-20 shall apply in lieu of this clause. See Notes 1 and 2 from section II, C above)
- (k) 52.234-1 Industrial Resources Developed Under Defense Production Act Title III (December 1994) (See Note 2 from section II, C above)
- (l) 52.242-13 Bankruptcy (July 1995) (See Note 2 from section II, C above)
- (m) 52.242-15 Stop-Work Order (August 1989) (See Notes 1 and 2 from section II, C above)
- (n) 52.243-2 Changes – Cost Reimbursement (August 1987) (See Notes 1 and 2 from section II, C above; delete the reference to the “Disputes” clause in subparagraph (d).)
- (o) 52.244-6 Subcontracts for Commercial Items (Dec. 2008)
- (p) 52.246-3 Inspection of Supplies – Cost Reimbursement (May 2001) (From section II, C above, see Note 1 except in subparagraphs (b), (c), and (d) where Note 3 applies, and in paragraph (k) where the term “Government” is unchanged. In subparagraph (e), change “60 days” to “120 days,” and in subparagraph (f) change “6 months” to “12 months.”)
- (q) 52.246-5 Inspection of Services – Cost Reimbursement (April 1984) (From section II, C above, see Note 3 in subparagraphs (b) and (c). See Note 1 in subparagraph (d) and (e) from section II, C above)
- (r) 52.246-6 Inspection – Time-and-Material and Labor Hour (May 2001)
- (s) 52.249-6 Termination (Cost-Reimbursement) (May 2004) (From section II, C above, See Notes 1 and 2. Substitute “90 days” for “120 days” and “90-day” for “120-day” in subparagraph (d). Substitute “180 days” for “1 year” in subparagraph (f). Delete subparagraph (j). Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)
- (t) 52.249-8 Default (Fixed-Price Supply and Service) (April 1984) (Applicable only for fixed-price contracts. See Notes 1 and 2 from section II, C above, except Note 1 is not applicable to paragraph (e). Timely performance is a material element of this Contract.)

2. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$15,000:



(a) 52.222-36 Affirmative Action for Workers with Disabilities (June 1998)

2. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$100,000:

(f) 52.222-35 Affirmative Action for Disabled Veterans and Vietnam Era Veterans (Sept. 2006)

(b) 52.222-37 Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (January 1999)

3. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$150,000:

(a) 52.203-6 Restrictions on Subcontractor Sales to the Government (Sept. 2006)

(b) 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (Sept. 2007) (see Note 5 from section II, C above)

(c) 52.215-2 Audit and Records-Negotiation (Oct. 2010) (Insert "and the BUYER Purchasing Representative" after "the Contracting Officer or representatives of the Contracting Officer" or after "... representatives of the Contracting Officer who are employees of the government," where indicated throughout the clause.)

(d) 52.215-14 Integrity of Unit Prices (Oct. 2008) (Delete paragraph (b) of the clause.)

(e) 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (July 2005) (Applicable as prescribed at FAR 22.305.)

(f) 52.223-14 Reserved

(g) 52.227-1 Authorization and Consent (Dec. 2007) (Applicable only if the Prime Contract contains this clause. In the clause, in paragraph (a)(1), from section II, C above, see Note 4, and in paragraph (a)(2)(ii) see Note 2.)

(h) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Dec. 2007) (See Notes 2 and 4 from section II, C above)

(i) 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb. 2006) (See Note 2 from section II, C above)

(j) 52.248-1 Value Engineering (Oct. 2010) (From section II, C above, See Note 1, except in subparagraphs (c)(5) and (m), see Note 3.)

4. The following FAR clause applies to this Contract if the value of this Contract equals or exceeds \$650,000:

(a) 52.219-9 Small Business Subcontracting Plan (Jan. 2011) (Applicable if the CONTRACTOR is not a small business; see Notes 1 and 2 from section II, C above, applicable to subparagraph (c) only; the CONTRACTOR's subcontracting plan is incorporated herein by reference.)

5. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$700,000:

(a) 52.215-12 Subcontractor Cost or Pricing Data (Oct. 2010) (Applicable if not otherwise exempt under FAR 15.403.)

(b) 52.215-13 Subcontractor Cost or Pricing Data – Modifications (Oct. 2010) (Applicable for modifications if not otherwise exempt under FAR 15.403.)

6. The following FAR Clauses apply to this contract if the value of the contract is expected to exceed \$5,000,000 and the performance period is 120 days or more:

(a) 52.203-13 Contractor Code of Business Ethics and Conduct (Apr. 2010) (Applicable in solicitations and contracts if the value of the contract is expected to exceed \$5,000,000 and the performance period is 120 days or more.)

(b) 52.203-14 Display of Hotline Poster(s) (Dec. 2007)(Applicable if the contract exceeds \$5,000,000 or a lesser amount established by the agency; and the agency has a fraud hotline poster, or the contract is funded with disaster assistance funds.)

7. The following FAR clauses apply to this Contract only if the stipulation in the relevant parenthetical applies:



- (a) 52.204-2 Security Requirements (Aug. 1996) (Applicable if the Work requires access to classified information; delete paragraph (c) of the clause.)
- (b) 52.215-10 Price Reduction for Defective Cost or Pricing Data (Aug. 2011) (Applicable if FAR 52.215-12 applies to this Contract. See Notes 2 and 4 from section II, C above. Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)
- (c) 52.215-11 Price Reduction for Defective Cost or Pricing Data – Modifications (Aug. 2011) (Applicable if FAR 52.215-13 applies to this Contract, and FAR 52.215-10 is not applicable. See Notes 2 and 4 from section II, C above. Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)
- (d) 52.215-15 Pension Adjustments and Asset Reversions (Oct. 2010) (Applicable if this Contract meets the applicability requirements of FAR 15.408(g); see Note 5 from section II, C above)
- (e) 52.215-16 Facilities Capital Cost of Money (June 2003) (Applicable only if the Contract is subject to the cost principles at FAR Subpart 31.2 and the CONTRACTOR proposed facilities capital cost of money in its offer.)
- (f) 52.215-17 Waiver of Facilities Capital Cost of Money (October 1997) (Applicable only if the Contract is subject to the cost principles at FAR Subpart 31.2 for Contracts with commercial organizations, and the CONTRACTOR did not propose facilities capital cost of money in its offer.)
- (g) 52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions (July 2005) (Applicable if this Contract meets the applicability requirements of FAR 15.408(j); see Note 5 from section II, C above)
- (h) 52.215-19 Notification of Ownership Changes (October 1997) (Applicable if this Contract meets the applicability requirements of FAR 15.408(k); See Note 2 from section II, C above.)
- (i) 52.215-20 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (Oct. 2010) (See Note 2 from section II, C above)
- (j) 52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (Oct 2010) (See Note 2 from section II, C above)
- (k) 52.223-3 Hazardous Material Identification and Material Safety Data (January 1997) (Applicable if the Contract involves hazardous material. See Notes 2 and 3 from section II, C above)
- (l) 52.223-7 Notice of Radioactive Materials (January 1997) (Applicable to Work containing covered radioactive material. Insert “30” in the blank; see Notes 1 and 2 from section II, C above)
- (m) 52.225-1 Buy American Act – Balance of Payments Program – Supplies (February 2009) (Applicable if the Work contains other than domestic components.)
- (n) 52.225-8 Duty-Free Entry (Oct. 2010) (Applicable if supplies will be imported into the Customs Territory of the United States. In paragraph (c) (1), the notice provision shall be 45 days. See Notes 3, 5, and 6 from section II, C above)
- (o) 52.227-9 Refund of Royalties (April 1984) (Applicable when reported royalty exceeds \$250; see Notes 1 and 2 from section II, C above)
- (p) 52.227-10 Filing of Patent Applications – Classified Subject Matter (Dec. 2007) (Applicable if the Work or any patent application may cover classified subject matter.)
- (q) 52.227-11 Patent Rights – Ownership by the Contractor (Short Form) (Dec. 2007) (Applicable if CONTRACTOR is a small business or nonprofit organization performing experimental or research and development (R&D) work.)
- (r) 52.227-12 Reserved
- (s) 52.228-5 Insurance – Work on a Government Installation (January 1997) (Applicable if Work performed on government installation. See Note 2 from section II, C above)
- (t) 52.230-2 Cost Accounting Standards (Oct. 2010) (When referenced in the Contract, full CAS coverage applies. In subparagraph (a) (4) (ii) and (a) (5), see Note 1 from section II, C above. Delete paragraph (b) of the clause.)



- (u) 52.230-3 Disclosure and Consistency of Cost Accounting Practices (Oct. 2008) (When referenced in the Contract, modified CAS coverage applies. In subparagraphs (a) (3) (ii) and (a) (4), see Note 1 from section II, C above. Delete paragraph (b) of the clause.)
- (v) 52.230-6 Administration of Cost Accounting Standards (June 2010) (Applicable if FAR 52.230-2 or FAR 52.230-3 applies.)
- (w) 52.233-3 Protest After Award (August 1996) (In the event BUYER's customer has directed BUYER to stop performance of the work under the Prime Contract under which this Contract is issued pursuant to FAR 33.1, BUYER may, by written order to SELLER, direct SELLER to stop performance of the Work called for by this Contract; "30 days" means "20 days" in paragraph (b)(2); Note 1 applies from section II, C above, except the first time it appears in paragraph (f); in paragraph (f) add "and recovers those costs from BUYER" after "33.104(h)(1)"; See Note 2 from section II, C above)
- (x) 52.237-2 Protection of Government Buildings, Equipment, and Vegetation (April 1984) (Applicable if Work performed on government installation. See Note 2 from section II, C above)
- (y) 52.243-6 Change Order Accounting (April 1984) (Applicable only if Prime Contract requires change order accounting. See Note 2 from section II, C above; delete reference to the "Disputes" clause in the last sentence.)
- (z) 52.247-63 Preference for U.S.-Flag Air Carriers (June 2010) (Applicable if this Contract involves international air transportation.)

F. Certifications and Representations

1. FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (SEPT 2007)

(Applicable to solicitations and contracts exceeding \$150,000)

(a) Definitions. As used in this provision—

"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8).

The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).

- (b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.
- (c) Certification. Contractor hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.
- (d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, Contractor shall complete and submit, with its offer, to ASRC FEDERAL HOLDING COMPANY OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. Contractor need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.
- (e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

2. FAR 52.209-5 Certification Regarding Responsibility Matters (APR 2010)

(Applicable to solicitations and contracts exceeding \$150,000)

- (a) Contractor certifies that, to the best of its knowledge and belief, that CONTRACTOR and/or any of its Principals, (as defined in FAR 52.209-5,) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
- (b) Contractor shall provide immediate written notice to ASRC FEDERAL HOLDING COMPANY if, any time prior to award of any contract, it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

3. FAR 52.222-22 Previous Contracts and Compliance Reports (FEB 1999)



(Applicable to solicitations and contracts exceeding \$10,000)

Contractor represents that if Contractor has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26) (a) Contractor has filed all required compliance reports and (b) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

4. FAR 52.222-25 Affirmative Action Compliance (APRIL 1984)

(Applicable to solicitations and contracts when FAR 52.222-26 is included)

Contractor represents: (a) that Contractor has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) that in the event such a program does not presently exist, Contractor will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.

5. FAR 52.223-13, Reserved