

CINCINNATI GEARING SYSTEMS, INC.

GENERAL FLOW DOWN REQUIREMENTS

Prime Contract Number N00024-17-C-2480

DPAS Rating DO A3

6. COUNTERFEIT PARTS PREVENTION.

(a) For purposes of this Order, "Counterfeit Part" means a product or separately-identifiable component that: (i) is produced or altered to resemble or imitate an original or genuine product or new item without the authority or right to do so; (ii) does not contain the proper external or internal materials or components required by the original equipment manufacturer or original component manufacturer (collectively, "OEM"), nor constructed in accordance with the OEM's specification; (iii) are not traceable to an OEM sufficient to ensure authenticity in the OEM design or manufacture; (iv) has not successfully passed all OEM required testing, verification, screening, and quality control processes; or (v) may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. A part is a suspect Counterfeit Part if visual inspection, testing, or other information provide reason to believe that the part may be a Counterfeit Part.

(b) Seller represents and warrants that only new and authentic materials are used in Products to be delivered to Buyer under this Order and that the Products delivered contain no Counterfeit Parts or suspect Counterfeit Parts.

(c) Seller shall only purchase products to be delivered or incorporated as Products to Buyer directly from the OEM, or through an OEM authorized distributor chain. Such products shall not be acquired from independent distributors or brokers unless approved in advance in writing by Buyer. Seller must make available to Buyer, at Buyer's request, OEM documentation that authenticates traceability of the components to the applicable OEM.

(d) If this Order is issued under a U.S. Government contract and Seller is providing electronic parts or assemblies containing electronic parts to Buyer, then DFARS Clauses 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System and 252.246.7008, Sources of Electronic Parts, are hereby incorporated into this Order and Seller shall comply with all requirements contained therein.

(e) Seller shall immediately notify Buyer with the pertinent facts if Seller becomes aware that it has furnished Counterfeit Parts or suspect Counterfeit Parts to Buyer. Seller shall cooperate with Buyer in any investigation relating to such Counterfeit Parts or suspect Counterfeit Parts, including the impounding by Buyer or government agencies of the Counterfeit Parts or suspect Counterfeit Parts for purposes of investigation.

(f) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Order addressing the authenticity of Products. To the extent such provisions conflict with this clause, this clause shall prevail.

(g) In the event that Products delivered under this Order constitutes or includes Counterfeit Parts or suspect Counterfeit Parts, Seller shall, at its expense, promptly replace such Products so as to conform to the requirements of this Order. Notwithstanding any other provision in this Order, Seller shall be liable for all costs relating to Counterfeit Parts or suspect Counterfeit Parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts, including without limitation Buyer's and Buyer's Customer's costs of removing Counterfeit Parts, of installing replacement Products and of any testing necessitated by the reinstallation of the Products after Counterfeit Parts have been exchanged. All such costs shall be deemed direct damages. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity or under other provisions of this Order.

(h) Seller shall include the requirements of this paragraph or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Products to Buyer.

27. SPECIAL TOOLS AND/OR SPECIAL TEST EQUIPMENT.

(a) Unless otherwise provided herein, special tools means equipment, dies, jigs, fixtures molds, patterns, taps, gauges, and patterns all components of these items (hereinafter collectively referred to as "Special Tooling"), used in the manufacture of Products shall be furnished by and at the expense of Seller, shall be kept in good condition, and, when necessary, shall be replaced by Seller without expense to Buyer. Special Test Equipment means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing (hereinafter collectively referred to as "Special Test Equipment") in performing this Order.

(b) If the price stated on the face of this Order does not include the cost of the Special Tooling and/or Special Test Equipment, Buyer may, at any time, reimburse Seller for the actual cost of any of the Special Tooling and/or Special Test Equipment and become the owner of same. Upon receipt of Buyer's payment for the Special Tooling and/or Special Test Equipment, Seller agrees to immediately deliver possession of the Special Tooling and/or Special Test Equipment to Buyer. If the price stated on the face of this Order does include the cost of any Special Tooling and/or Special Test Equipment fabricated or acquired by Seller for the purpose of filling this Order, such Special Tooling and/or Special Test Equipment, and any process sheets related thereto, shall become the property of Buyer and shall be identified by Seller as such. Unless otherwise specified in this Order, Buyer shall make payment for the Special Tooling and/or Special Test Equipment only upon acceptance of the first run of Products fabricated therewith. In the event that any

Special Tooling and/or Special Test Equipment becomes the property of Buyer, Seller shall, at its own expense, (i) maintain such Special Tooling and/or Special Test Equipment in proper working order, (ii) be responsible for such Special Tooling and/or Special Test Equipment as set forth in Clause 28, Furnished Property, below, and (iii) shall use the same only for the production of Products for Buyer, unless otherwise authorized in writing. Seller shall follow its normal industrial practice in maintaining property control records for such Special Tooling and/or Special Test Equipment, and, when this Order has been completed, such Special Tooling and/or Special Test Equipment shall be disposed of as Buyer may direct.

(c) Seller shall include the substance of this clause in all purchase orders and subcontracts issued by it hereunder.

36. EXPORT/IMPORT COMPLIANCE.

(a) Export Compliance. The following restrictions shall apply to all designs, drawings, and other technical documents and information (hereinafter referred to as "Technical Data") and defense service, as defined in 22 CFR 120.9, (hereinafter referred to as "Technical Assistance") furnished or disclosed to Seller by Buyer and to any Products manufactured by Seller, its subsidiaries, affiliates, and Suppliers, by use of such Technical Data and/or Technical Assistance. In connection with the disclosure, delivery, or export of Technical Data or Technical Assistance by Buyer to Seller, Seller shall comply, and shall cause its subsidiaries, affiliates, and Suppliers at all tiers, to comply with any export controls under the Arms Export Control Act of 1976 (22 USC 2751-2779), the International Traffic in Arms Regulation (ITAR) (22 CFR 120-128 and 130) or the provisions of the Export Administration Act of 1979 (50 USC 2401-2420) and the Export Administration Regulations (15 CFR 768-799) and their successor and supplemental laws and regulations (collectively hereinafter "Export Laws and Regulations"). The parties acknowledge that these statutes and regulations impose restrictions on import, export, and transfer to third countries of certain categories of Technical Data, Technical Assistance and Products, and that authorization from the U.S. Department of State and/or U.S. Department of Commerce may be required before such Technical Data, Technical Assistance and Products can be disclosed, transferred or exported to a Foreign Person (as defined in ITAR Part 120.16) and that such export authorizations may impose further restrictions on the use of such Technical Data, Technical Assistance and Products. Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense, including lost profit, attorney's fees and court costs, for any failure or alleged failure of Seller to comply with any applicable laws, statutes, rules, regulations or orders, including, without limitation, the export/import laws of the United States. Seller represents and warrants that it is either: (1) a U.S. Person as that term is defined in Part 120.15 of the ITAR or (2) that it has disclosed to Buyer in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and U.S. immigration status. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued there under.

Seller shall provide appropriate certification to Buyer regarding the classification of the Product(s) procured under this Order on either the United States Munitions List (USML) the Commerce Control List (CCL) or the applicable Country's equivalent thereof. Furthermore, Seller shall provide the

USML Category or Export Control Classification Number (ECCN) to Buyer, as applicable.

(b) Registration and Certification. If Seller is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it is registered with the Directorate of Defense Trade Controls, as required by the ITAR and it maintains an effective export and import compliance program in accordance with the ITAR.

(c) Foreign Person. Seller shall not give any Foreign Person access to Technical Data, software or defense articles, or provide an unauthorized defense service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient's citizenship(s) and status under 8 U.S.C 1324 (the Immigration and Naturalization Act), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller's request under this paragraph (c) shall relieve Seller of its obligations to comply with the provisions of paragraph (a) of this clause or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph (a) hereinabove, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.

(d) Indemnification. Seller shall indemnify, hold Buyer harmless, and at Buyer's election, defend Buyer and its customer(s) and their respective officers, directors, employees, and agents from and against all damages, liabilities, penalties, fines, costs, and expenses, including attorneys' fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of this clause and breach of the warranty set forth in paragraph (a). Any failure of Seller to comply with the requirements or any breach of the warranty contained in this clause shall be a material breach of this Order.

(e) Subcontracts. The substance of this clause shall be incorporated into any lower-tier subcontract or purchase order entered into by Seller for the performance of any part of the work under this Order.

45. ADVERTISING, ANNOUNCEMENTS AND NEWS RELEASES. Except as required by law, Seller shall not, and shall require that its Suppliers at any tier shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish or issue any news release or make any public announcements or denial or confirmation of same concerning the fact that Seller has furnished or contracted to furnish Buyer the Products herein mentioned. Seller shall include the substance of this clause in all purchase orders and subcontracts issued by it hereunder and shall be responsible to Buyer for any breach of such obligation by any subcontractor.

ADDITIONAL TERMS AND CONDITIONS

The full text for FAR Clauses can be obtained at the following web site:

<http://farsite.hill.af.mil>

When the Order includes Products which are for use in connection with a U.S. Government prime contract or subcontract, the following additional terms and conditions shall apply as required by the terms of the prime contract or by operation of law or regulation. Buyer is flowing down to Seller certain provisions and clauses from the Federal Acquisition Regulations (FAR), Department of Defense (DoD) FAR Supplement (DFARS), or NASA FAR Supplement (NFS) (collectively, "FAR Clauses"). These FAR Clauses are hereby incorporated by reference, as applicable, and in the manner set forth below, as modified by any parenthetical information. FAR Clauses inapplicable to the performance of this Order under Buyer's Government contract are self-deleting. If the substance of a FAR Clause is different than the substance of the clause actually incorporated in Buyer's Government contract, then the substance of the clause actually incorporated in Buyer's Government contract shall apply instead. The parties hereby agree to include in these Supplemental Terms and Conditions any additional or revised FAR Clauses incorporated in Buyer's Government contract that are applicable to the performance of this Order. The parties shall handle any amendments to these Supplemental Terms and Conditions under Clause 10, Changes. Seller shall flow down to its lower-tier subcontractors all applicable FAR Clauses and any other requirements of this Order and applicable law so as to enable and ensure that Buyer and Seller comply with all applicable requirements of Buyer's Government contract. It is intended by the parties that these FAR Clauses shall apply to Seller in such manner as is necessary to reflect the position of Seller as a subcontractor to Buyer, and to insure Seller complies with its obligations to Buyer and to the Government, and to enable Buyer to meet its own contract obligations to the Government. Consequently, in interpreting and applying FAR Clauses flowed down to Seller, and as context requires, the terms "Contractor" and "Offeror" shall mean Seller, the term "Contract" shall mean this Order, and the term "Government", "United States", "Contracting Officer", "Administrative Contracting Officer" and equivalent phrases shall mean Buyer and/or Buyer's Procurement Representative. In addition, the term "Commercial Item" means a commercial item as defined in FAR 2.101. However, as an exception to the foregoing, the terms "Government" and "Contracting Officer" do not change in the following circumstances:

- (a) in the phrases "Government Property", "Government-Furnished Property" and "Government-Owned Property";
- (b) in the patent rights clauses incorporated herein, if any;
- (c) when a right, act, authorization or obligation can be granted or performed only by the Government or a Contracting Officer or his/her duly-authorized representative;
- (d) when title to property is to be transferred directly to the Government; and
- (e) when access to proprietary financial information or other proprietary data is required, except as otherwise provided in this Order.

FAR Clauses flowed down by Buyer to Seller pursuant to this provision may require submission of certificates. All such required representations and certifications made by Seller in connection with these FAR Clauses, including all such certifications submitted by Seller with its offer, are hereby incorporated in this Order by reference. Seller shall, with respect to applicable FAR Clauses flowed down pursuant to this provision, furnish to Buyer (or directly to the Government upon request of Buyer) any certificate required to be furnished by any FAR Clause and any certificate required by any further U.S. law, ordinance, or regulation with respect to Seller's compliance

with the terms and provisions of U.S. laws, ordinances, or regulations. As used in this paragraph, the word "certificate" shall include any plan or course of action or record keeping function, as, for example, a small business subcontracting plan for which flow down is required. Seller shall indemnify, hold Buyer harmless, and at Buyer's election, defend Buyer and its Customer(s) and their respective officers, directors, employees, and agents from and against any price reduction in Buyer's contract, as well as Buyer's reasonable attorney fees and other direct costs to defend contract claims from Buyer's Customers when said reduction is attributable to the failure of Seller or Seller's Suppliers at any tier to properly discharge applicable duties under the Truth in Negotiation Act, Cost Accounting Standards and other applicable clauses incorporated by reference in accordance with this provision. These Supplemental Terms and Conditions are in addition to and not in derogation of the General Terms and Conditions and any "other" terms and conditions of this Order; however, in the event that any Supplemental Term or Condition is determined to be inconsistent with any printed General Term or Condition or any "other" term and condition of this Order, the Supplemental Term or Condition shall govern.

I. FAR (48 CFR Chapter 1) Clauses Incorporated by Reference (Specific applicability stated within parentheses.)

A. GENERAL – FOR ALL APPLICABLE ORDERS

52.203-18 Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements – Representation (Applicable to all Solicitations except those for a personal services contract with an individual)

52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Applicable to all Solicitations except those for a personal services contract with an individual.)

52.204-2 Security Requirements (Applicable if Order requires access to classified information excluding any reference to any changes clause in the prime contract.)

52.204-9 Personal Identity Verification of Contractor Personnel (Applicable if Seller will have routine physical access to a federally-controlled facility and/or routine access to a federally- controlled information system.)

52.204-11 American Recovery and Reinvestment Act – Reporting Requirements (Applicable if contract is funded in whole or in part with Recovery Act funds.)

52.204-21 Basic Safeguarding of Covered Contractor Information Systems (Applicable to all Orders, except commercially available off-the-shelf items, in which Seller may have Federal contract information residing in or transiting through its information systems.)

52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities

52.211-5 Material Requirements (Applicable for all Orders for supplies that are not commercial items.)

52.215-22 Limitations on Pass-Through Charges – Identification of Subcontract Effort

52.222-1 Notice to the Government of Labor Disputes

52.222-20 Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000

52.222-21 Prohibition of Segregated Facilities

52.222-26 Equal Opportunity (Applicable for all Orders and for subparagraphs (c)(1) through (11) only.)

52.222-41 Service Contract Labor Standards (Applicable if this Order/ Contract is subject to the Service Contract Act.)

52.222-50 Combating Trafficking in Persons

52.222-54 Employment Eligibility Verification (Applicable if this Order; (1) is for commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item) or construction; (2) has a value of more than \$3,500; and (3) includes work performed in the United States.)

52.222-62 Paid Sick Leave Under Executive Order 13706 (Applicable if the prime contract includes 52.222-6, Construction Wage Rate Requirements, or 52.222-41, Service Contract Labor Standards, where work is to be performed, in whole or in part, in the United States (the 50 States and the District of Columbia)).

52.223-3 Hazardous Material Identification and Material Safety Data (Applicable if this Order involves hazardous material.)

52.223-11 Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (Applicable if the end Products were manufactured with or contain ozone-depleting substances.)

52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving

52.224-3 Privacy Training (Applicable for all Orders when the Supplier employees will; (a) Have access to a system of records; (b) Create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or (c) Design, develop, maintain, or operate a system of records.)

52.225-1 Buy American Act – Supplies (Applicable if the Seller's products contain other than domestic components.)

52.225-13 Restrictions on Certain Foreign Purchases

52.225-19 Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States (Applicable if Sellers' personnel are performing work OCONUS in an area designated for contingency operations, humanitarian/peacekeeping operations, or military exercises, or when supporting a diplomatic/consular mission.)

52.225-20 Prohibition on Conducting Restricted Business Operations in Sudan – Certification

52.227-1 Authorization and Consent (Applicable if the prime contract contains this clause.)

52.227-10 Filing of Patent Applications -- Classified Subject Matter (Applicable if Sellers products or any patent application may cover classified subject matter.)

52.227-11 Patent Rights -- Ownership by the Contractor (Applicable if this Order includes, at any tier, experimental, developmental or research work, and Seller is a small business or domestic nonprofit organization.)

52.227-13 Patent Rights -- Ownership by the Government (Applicable if this Order/Contract is for experimental, developmental, or research work and made applicable by FAR 27.3 or Buyer's Prime Contract. Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact the Buyer's Procurement Representative identified on the face of this Order.)

52.227-14 Rights in Data – General (Applicable if data will be produced, furnished or acquired under this Order.)

52.227-16 Additional Data Requirements

52.228-3 Workers Compensation Insurance (Defense Base Act) (Applicable if the requirements at FAR 28.309(a) applies to this Contract.)

52.228-4 Workers Compensation and War-Hazard Insurance Overseas (Applicable if the requirements as FAR 28.309(b) apply to this Contract.)

52.232-17 Interest (Seller shall indemnify Buyer for all interest assessed under this clause for Seller or its low-tier subcontractors' acts or omissions. Applicable unless any of the categories specified in FAR 32.611(a) applies.)

52.232-40 Providing Accelerated Payments to Small Business Subcontractors (Applicable for small business subcontractors.)

52.234-1 Industrial Resources Developed Under Title III, Defense Production Act

52.242-15 Stop-Work Order

52.244-6 Subcontracts for Commercial Items

52.245-1 Government Property (Alternates 1 and 2 apply. Applicable if Government property is furnished in the performance of this Contract. Substitute "Buyer" for "Government" or "United States" as applicable throughout this clause, except in the phrases "Government property," "Government-furnished property," and in references to title to property. Substitute "Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause. The following is added as paragraph (n): Seller shall provide to Buyer immediate notice of any disapproval, withdrawal of approval, or non acceptance by the Government of its property control system.)

52.247-63 Preference for U.S.-Flag Air Carriers (Applicable if this Order involves international air transportation.)

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

B. ALL ORDERS EQUAL TO OR GREATER THAN \$10,000

52.222-40 Notification of Employee Rights Under the National Labor Relations Act Section 503 of Equal Employment Opportunity (EEO) Clause – This Rehabilitation contractor and subcontractor shall abide by the Act requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

C. ALL ORDERS EQUAL TO OR GREATER THAN \$15,000

52.222-36 Equal Opportunity for Workers with Disabilities

D. ALL ORDERS EQUAL TO OR GREATER THAN \$35,000

52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (Applicable if not a subcontract for commercial items.)

E. ALL ORDERS EQUAL TO OR GREATER THAN \$100,000

VEVRAA Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) Equal Employment Opportunity (EEO) Clause – This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 60-741.5 (a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

F. ALL ORDERS EQUAL TO OR GREATER THAN \$150,000

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions

52.203-12 Limitation on Payments to Influence Certain Federal Transactions

52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this FAR clause.)

52.222-35 Equal Opportunity for Veterans

52.222-37 Employment Reports on Veterans

G. ALL ORDERS EQUAL TO OR GREATER THAN \$250,000

52.202-1 Definitions

52.203-3 Gratuities (Except Orders for personal services and those between military departments or defense agencies and foreign governments that do not obligate any funds appropriated to the Department of Defense.)

52.203-5 Covenant Against Contingent Fees (Except Orders for commercial items (see FAR Parts 2 and 12).)

52.203-6 Restrictions on Subcontractor Sales to the Government

52.203-7 Anti-Kickback Procedures (Delete paragraph (c)(1). In (c)(2), a copy of such reports must also be provided to Buyer. Buyer will have the right to withhold from Seller, the amount, if any, that the Contracting Officer directs Buyer to withhold from Seller or any amounts the Government withholds from Buyer as a result of Seller's violation of this clause.)

52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (Applicable if Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this Order.) (Applicable for other than commercial items.)

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (Applicable for other than commercial items.)

52.203-16 Preventing Personal Conflicts of Interest (Applicable if Seller will perform acquisition functions closely associated with inherently governmental functions)

52.215-2 Audit and Records – Negotiation (Clause shall not only retain the original meaning of those terms as written in FAR, but shall also mean Buyer.)

52.215-14 Integrity of Unit Prices (Excluding paragraph (b).)

52.219-8 Utilization of Small Business Concerns

52.222-17 Non-Displacement of Qualified Workers (Applicable for non-exempted service contracts that succeed contracts for the same work at the same location.)

52.225-8 Duty-Free Entry

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Applicable if the prime contract contains FAR 52.227-1.)

52.228-5 Insurance -- Work on a Government Installation

52.242-13 Bankruptcy (Within the clause, replace "government" with "Buyer".)

52.244-2 Subcontracts

52.248-1 Value Engineering

52.249-2 Termination for Convenience of the Government (Fixed-Price) (Applicable for fixed price type Orders. In paragraph (c), change "120 days" to "45 days"; in paragraph (d) "15 days" is changed to "30 days", and "45 days" is changed to "60 days"; in paragraph (e) change "1 year" to "60 days"; paragraph (j) is deleted; in paragraph (l) change "90 days" to "45 days".)

H. ALL ORDERS EQUAL TO OR GREATER THAN \$500,000

52.222-56 Certification Regarding Trafficking in Persons Compliance Plan (Applicable for all Solicitations which may be performed outside the United States and is not entirely for commercially available off-the-shelf items.)

**I. ALL ORDERS EQUAL TO OR GREATER THAN
\$700,000**

52.219-9 Small Business Subcontracting Plan (Applicable when Seller is not a small business.)

52.219-16 Liquidated Damages -- Subcontracting Plan (Applicable when Seller is not a small business.)

**J. ALL ORDERS EQUAL TO OR GREATER THAN
\$750,000**

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (Clause shall not only retain the original meaning of those terms as written in FAR, but shall also mean Buyer.)

52.215-11 Price Reduction for Defective Certified Cost or Pricing Data -- Modifications (Clause shall not only retain the original meaning of those terms as written in FAR, but shall also mean Buyer.)

52.215-12 Subcontractor Certified Cost or Pricing Data

52.215-13 Subcontractor Certified Cost or Pricing Data -- Modifications (Applicable if Order is not otherwise exempt under FAR 15.403.)

52.215-15 Pension Adjustments and Asset Reversions (Applicable if Order meets the applicability requirements of FAR 15.408(g).)

52.215-16 Facilities Capital Cost of Money (Applicable if Order is subject to the Cost Principles at FAR Subpart 31.2 and Seller proposed facilities capital cost of money in its offer.)

52.215-17 Waiver of Facilities Capital Cost of Money (Applicable if Order is subject to the Cost Principles at FAR Subpart 31.2 and Seller did not propose facilities capital cost of money in its offer.)

52.215-18 Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other Than Pensions (Applicable if this Order/Contract meets the applicability requirements of FAR 15.408(j).)

52.215-19 Notification of Ownership Changes (Applicable if Order meets the applicability requirements of FAR 15.408(k).)

52.215-20 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data

52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications

52.215-23 Limitations on Pass-Through Charges

52.230-2 Cost Accounting Standards (Clause excluding paragraph (b).)

52.230-3 Disclosure and Consistency of Cost Accounting Practices (Applicable if this Contract value is more than \$750,000 but less than \$50 million and the Seller is eligible

for and elects to use modified CAS Coverage in accordance with FAR 30.201-4(b)(1).)

52.230-6 Administration of Cost Accounting Standards (Applicable for subcontracts containing the clause or substance of the clause at FAR 52.230-4 or FAR 52.230-5)

**K. ALL ORDERS EQUAL TO OR GREATER THAN
\$2,000,000 AND IF DoD CLASS DEVIATION 2018-O0015
IS REFERENCED WITHIN THE PRIME CONTRACT OR
MODIFICATION AWARDED AFTER JULY 1, 2018**

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (Clause shall not only retain the original meaning of those terms as written in the FAR but shall also mean Buyer.) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-11 Price Reduction for Defective Certified Cost or Pricing Data -- Modifications (Clause shall not only retain the original meaning of those terms as written in the FAR but shall also mean Buyer.) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-12 Subcontractor Certified Cost or Pricing Data (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-13 Subcontractor Certified Cost or Pricing Data -- Modifications (Applicable if Order is not otherwise exempt under FAR 15.403.) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-15 Pension Adjustments and Asset Reversions (Applicable if Order meets the applicability requirements of FAR 15.408(g).) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-16 Facilities Capital Cost of Money (Applicable if Order is subject to the Cost Principles at FAR Subpart 31.2 and Seller proposed facilities capital cost of money in its offer.) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-17 Waiver of Facilities Capital Cost of Money (Applicable if Order is subject to the Cost Principles at FAR Subpart 31.2 and Seller did not propose facilities capital cost of money in its offer.) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-18 Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other Than Pensions (Applicable if this Order/Contract meets the applicability requirements of FAR 15.408(j).) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-19 Notification of Ownership Changes (Applicable if Order meets the applicability requirements of FAR 15.408(k).) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-20 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.215-23 Limitations on Pass-Through Charges (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.230-2 Cost Accounting Standards (Clause excluding paragraph (b).) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.230-3 Disclosure and Consistency of Cost Accounting Practices (Applicable if this Contract value is more than \$2,000,000 but less than \$50 million and the Seller is eligible for and elects to use modified CAS Coverage in accordance with FAR 30.201-4(b)(1).) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

52.230-6 Administration of Cost Accounting Standards (Applicable for subcontracts containing the clause or substance of the clause at FAR 52.230-4 or FAR 52.230-5) (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

L. ALL ORDERS EQUAL TO OR GREATER THAN \$5,500,000

52.203-13 Contractor Code of Business Ethics and Conduct (Applicable if the Orders period of performance is more than 120 days.)

52.203-14 Display of Hotline Poster(s) (Applicable except if the Order is for the acquisition of a commercial item or is performed entirely outside the United States.)

M. ALL ORDERS EQUAL TO OR GREATER THAN \$10,000,000

52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation

N. ALL DPAS RATED ORDERS

52.211-15 Defense Priority and Allocation Requirements (Applicable if a priority rating is noted within this Order.)

II. In addition to those Supplemental Terms and Conditions for Fixed Price Orders set forth above, the following additional FAR Clauses apply to Fixed Price Orders.

52.227-9 Refund of Royalties (Applicable for all fixed price Orders when reported royalty exceeds \$250.)

52.242-1 Notice of Intent to Disallow Costs (Applicable if Order is cost reimbursable, fixed-price incentive or contract with price redetermination.)

52.243-1 Changes -- Fixed-Price (Applicable for all fixed price Orders, except within paragraph (c) change "30 days" to "20 days", and within paragraph (e) delete the first sentence.)

52.246-2 Inspection of Supplies -- Fixed-Price (Applicable for fixed price type Orders.)

52.246-4 Inspection of Services -- Fixed-Price (Applicable for fixed price type Orders.)

52.249-1 Termination for Convenience of the Government (Fixed-Price) (Short Form) (Applicable for fixed price type Orders less than \$250,000)

52.249-2 Termination for Convenience of the Government (Fixed-Price) (Applicable for fixed price type Orders equal to or greater than \$250,000. In paragraph (c), change "120 days" to "45 days"; in paragraph (d) "15 days" is changed to "30 days", and "45 days" is changed to "60 days"; in paragraph (e) change "1 year" to "60 days"; paragraph (j) is deleted; in paragraph (l) change "90 days" to "45 days".)

52.249-4 Termination for Convenience of the Government (Services) (Short Form) (Applicable for fixed price type services Orders.)

III. In addition to those clauses set forth above, the following additional FAR Clauses apply to Cost-Reimbursable, Time-and-Materials and/or Labor-Hour Orders.

52.216-7 Allowable Cost and Payment (Applicable if Order is cost reimbursable or time and materials type.)

52.216-8 Fixed Fee (Applicable if Seller is entitled to receive a fixed fee under the Order.)

52.216-10 Incentive Fee (Applicable if Seller is entitled to receive an incentive fee under the Order.)

52.232-7 Payments Under Time-and-Materials and Labor-Hour Contracts (Applicable for time-and-materials and labor-hours Orders only.)

52.232-20 Limitation of Cost (Applicable for cost reimbursable type Orders.)

52.232-22 Limitation of Funds (Applicable for incrementally funded, cost reimbursable type Orders.)

52.242-1 Notice of Intent to Disallow Costs (Applicable if Order is cost reimbursable, fixed-price incentive or contract with price redetermination.)

52.243-2 Changes -- Cost-Reimbursement (Applicable for all cost reimbursable Orders except, within paragraph (c) change "30 days" to "20 days", and within paragraph (d) delete the first sentence.)

52.246-3 Inspection of Supplies -- Cost-Reimbursement (Applicable for cost reimbursement type Orders.)

52.246-5 Inspection of Services -- Cost-Reimbursement (Applicable for cost reimbursement type Orders.)

52.249-6 Termination (Cost-Reimbursement) (Applicable for cost reimbursement type Orders. Also in paragraph (d) change "120 days" to "45 days"; in paragraph (e) "15 days" is changed to "30 days", and "45 days" is changed to "60 days"; in paragraph (f) change "1 year" to "60 days"; and paragraph (j) is deleted)

IV. DFARS (48 CFR Chapter 2) Clauses Incorporated by Reference (Specific applicability stated within parentheses.)

A. GENERAL – FOR ALL APPLICABLE ORDERS

52.203-7002 Requirement to Inform Employees of Whistleblower Rights

52.204-7000 Disclosure of Information

52.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (Applicable for all Orders for services that include support for the U.S. Government's activities related to safeguarding covered defense information and cyber incident reporting.)

52.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (Applicable for all Orders if covered defense information is resident or transiting on or through Seller's information systems. In paragraph (c)(1)(ii), add "and to CGS' Procurement Representative" to the end of the sentence.)

52.211-7003 Item Unique Identification and Valuation

52.211-7007 Reporting of Government-Furnished Property

52.222-7000 Restrictions on Employment of Personnel

52.223-7001 Hazard Warning Labels

52.223-7002 Safety Precautions for Ammunition and Explosives (Applicable for all Orders that involve ammunition or explosives.)

52.223-7003 Change in Place of Performance--Ammunition and Explosives (Applicable for all Orders that involve ammunition or explosives.)

52.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials – Basic

52.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials – Alternate I (Applicable When the Secretary of the Military Department issues a determination under the exception at DFARS 223.7104(a)(10))

52.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives

52.223-7008 Prohibition of Hexavalent Chromium

52.225-7001 Buy American and Balance of Payments Program – Basic

252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (Applicable for all Orders if Seller is supplying items on the U.S. Munitions List.)

252.225-7008 Restriction on Acquisition of Specialty Metals (Applicable if Seller is supplying items which contain specialty metals.)

252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (Paragraph (d) is deleted)

252.225-7010 Commercial Derivative Military Article – Specialty Metals Compliance Certificate (Applicable if DFAR

252.225-7009 is applicable and commercial derivative military Articles will be delivered under this Contract.)

252.225-7013 Duty-Free Entry

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings

252.225-7019 Restriction on Acquisition of Foreign Anchor and Mooring Chain

252.225-7021 Trade Agreements – Basic (Applicable if the Order contains other than U.S.-made, qualifying country, or designated country end products. Applicable in lieu of FAR 52.225-5.)

252.225-7025 Restriction on Acquisition of Forgings

252.225-7028 Exclusionary Policies and Practices of Foreign Governments

252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate

252.225-7040 Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States (Applicable in lieu of FAR 52.225-19.)

252.225-7043 Antiterrorism/Force Protection for Defense Contractors Outside the United States

252.225-7048 Export-Controlled Items

252.227-7013 Rights in Technical Data – Noncommercial Items

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation

252.227-7015 Technical Data – Commercial Items

252.227-7016 Rights in Bid or Proposal Information

252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions

252.227-7018 Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program

252.227-7019 Validation of Asserted Restrictions – Computer Software

252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (Applicable for Orders when DFARS 252.227-7013 or DFARS 252.227-7014 are used and/or referenced within the prime contract.)

252.227-7026 Deferred Delivery of Technical Data or Computer Software

252.227-7027 Deferred Ordering of Technical Data or Computer Software

252.227-7028 Technical Data or Computer Software Previously Delivered to the Government

252.227-7030 Technical Data – Withholding of Payment (Applicable for Orders when DFARS 252.227-7013 or DFARS 252.227-7018 is used and/or referenced within the prime contract.)

252.227-7032 Rights in Technical Data and Computer Software (Foreign) (Applicable for all Orders with foreign contractors to be performed overseas, except Canada.)

252.227-7033 Rights in Shop Drawings

252.227-7037 Validation of Restrictive Markings on Technical Data (Applicable for all Orders when DFARS 252.227-7013, DFARS 252-227-7014 or DFARS 252.227-7015 are used and/or referenced within the prime contract.)

252.227-7038 Patent Rights – Ownership by the Contractor (Large Business) (Applicable for all Orders for experimental, developmental, or research work or construction that includes experimental, development or research work to be performed by a large business for a Defense agency.)

252.227-7039 Patents – Reporting of Subject Inventions

252.228-7001 Ground and Flight Risk

252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles

252.229-7011 Reporting of Foreign Taxes – U.S. Assistance Programs (Applicable for all Orders if Contract is funded with U.S. assistance appropriations provided in the annual foreign operations appropriations act.)

252.235-7003 Frequency Authorization – Basic

252.239-7010 Cloud Computing Services (Applicable for all Orders if Seller expects to use, involve, or may involve, cloud services)

252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (Applicable if this Order requires securing telecommunications.)

252.239-7018 Supply Chain Risk (Applicable when Order includes products or services involving "information technology" as defined by clause.)

252.243-7001 Pricing of Contract Modifications

252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts)

252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property (Applicable for all Orders when FAR 52.245-1, Government Property is used and/or referenced within the prime contract.)

252.246-7001 Warranty of Data – Basic (Applicable for all Orders. Additional liability provisions at paragraph (d)(3) are applicable only if the Alternate I or II version of this clause is included in the prime contract.)

252.246-7003 Notification of Potential Safety Issues

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (Applicable for all subcontracts for electronic parts or assemblies containing electronic parts)

252.246-7008 Sources of Electronic Parts (Applicable to all Solicitations/Orders including subcontracts for commercial items that are for electronic parts or assemblies containing electronic parts, unless the subcontractor is the original manufacturer.)

252.247-7023 Transportation of Supplies by Sea – Basic

252.247-7024 Notification of Transportation of Supplies by Sea

B. ALL ORDERS EQUAL TO OR GREATER THAN \$35,000

252.209-7004 Subcontracting with Firms That Are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism

C. ALL ORDERS EQUAL TO OR GREATER THAN \$150,000

252.249-7002 Notification of Anticipated Contract Termination or Reduction (Applicable to all Orders of \$700,000 or more when Seller is first-tier subcontractor or Orders on of \$150,000 or more when Seller is lower-tier subcontractor.)

D. ALL ORDERS EQUAL TO OR GREATER THAN \$250,000

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense- Contract-Related Felonies (Within the clause, delete paragraph (g).)

252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (Applicable unless it has been determined items being acquired do not contain precious metals in their manufacture.)

252.225-7012 Preference for Certain Domestic Commodities

E. ALL ORDERS EQUAL TO OR GREATER THAN \$500,000

252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns

F. ALL ORDERS EQUAL TO OR GREATER THAN \$700,000

252.219-7003 Small Business Subcontracting Plan (DoD Contracts) – Basic

252.225-7004 Report of Intended Performance Outside the United States and Canada – Submission after Award

G. ALL ORDERS EQUAL TO OR GREATER THAN \$750,000

252.215-7002 Cost Estimating System Requirements

252.231-7000 Supplemental Cost Principles

H. ALL ORDERS EQUAL TO OR GREATER THAN \$1,000,000

252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements

252.225-7033 Waiver of United Kingdom Levies (Applicable if Order is with UK Sellers.)

I. ALL ORDERS EQUAL TO OR GREATER THAN \$1,500,000

252.211-7000 Acquisition Streamlining

J. ALL ORDERS EQUAL TO OR GREATER THAN \$2,000,000 AND IF DoD CLASS DEVIATION 2018-O0015 IS REFERENCED WITHIN THE PRIME CONTRACT OR MODIFICATION AWARDED AFTER JULY 1, 2018

252.215-7002 Cost Estimating System Requirements (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

252.231-7000 Supplemental Cost Principles (Applicable if DoD Class Deviation 2018-O0015 is referenced within the prime contract or modification award after July 1, 2018.)

K. ALL ORDERS EQUAL TO OR GREATER THAN \$5,500,000

252.203-7004 Display of Fraud Hotline Poster(s)

L. ALL ORDERS EQUAL TO OR GREATER THAN \$50,000,000

252.234-7004 Cost and Software Data Reporting System

The Federal Acquisition Regulations, DoD FAR Supplement, and Federal and Defense Acquisition Supplements are available from the address below or the Hill AFB FAR website.

<http://farsite.hill.af.mil>.

**The Superintendent of Documents
U.S. Printing Office
Washington, DC 20401**

**GENERAL PROVISIONS
(FIXED PRICE SUBCONTRACTS)
Revision C
Ship to Shore Connector (SSC)
PRIME CONTRACT NUMBER:
N00024-17-C-2480**

The provisions set forth in the following listed sections of the Federal Acquisition Regulations (FAR)/DOD FAR Supplement Regulations (DFAR) are incorporated into this Subcontract/Purchase Order by this reference, as though set forth in full. When used in these clauses, the term "Government" shall, except as noted below where the clause is referenced, include the words "and Buyer"; the term "Contracting Officer" shall mean "Buyer"; the term "Contract" shall mean "This Subcontract/Purchase Order"; the term "Contractor" shall mean "Seller"; the term "Subcontractor" shall mean "Lower-Tier Subcontractor"; and the term "Prime Contractor" shall mean the United States Government Contract to Textron Marine & Land Systems (TM&LS) under which this Subcontract/Purchase Order is issued. Copies of FAR may be obtained from the U.S. Government Printing Office, Washington, D.C.

FLOWDOWN TERMS AND CONDITIONS

D0A3 Rating

FAR/DFAR SUPPLEMENT PROVISIONS

The following Federal Acquisition Regulation clause and Defense Federal Acquisition Regulation Supplement clause are incorporated herein by reference, with the same force and effect as if they were given in full text. The full text of a clause may be accessed electronically at this address: <http://farsite.hill.af.mil>.

Whenever necessary, to make such clauses applicable, the term "Contractor" shall mean "Seller", and the term "Contract" shall mean "Order", the term "Government", and equivalent shall include the words "and Textron Marine & Land Systems (TMLS)", and the terms "Contracting Officer" and equivalent shall include the words "and TMLS Buyer/Subcontract Administrator", provided the use of such terms shall convey data and patent rights only to the U.S. Government, and that in provisions relating to Government property or audit or compliance with federal regulations, the U.S. Government will act on its own behalf. All Terms and Conditions are subject to FAR 52.202-1, Definitions.

SUPPLEMENTAL TERMS AND CONDITIONS

1. 52.203-17 Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights Apr-2014
2. 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards Oct-2018
3. 52.209-10 Prohibition on Contracting with Inverted Domestic Corporations Nov-2015
4. 52.215-14 Alt I Integrity of Unit Prices (Oct 2010) - Alternate I Oct-1997

5. 52.219-9 Alt II Small Business Subcontracting Plan (NOV 2016) Alternate II Nov-2016
6. 52.222-19 Child Labor -- Cooperation with Authorities and Remedies Jan-2018
7. 52.232-12 Advance Payments May-2001
8. 52.232-16 Progress Payments Apr-2012
9. 52.232-32 Performance-Based Payments Apr-2012
10. 52.232-39 Unenforceability of Unauthorized Obligations Jun-2013
11. 52.233-3 Protest After Award Aug-1996
12. 52.233-3 Alt I Protest After Award (Aug 1996) - Alternate I Jun-1985
13. 52.234-4 Earned Value Management System Nov-2016
14. 52.237-3 Continuity of Services Jan-1991
15. 52.242-3 Penalties for Unallowable Costs May-2014
16. 52.242-17 Government Delay of Work Apr-1984
17. 52.243-1 Alt II Changes--Fixed-Price (Aug 1987) - Alternate II Apr-1984
18. 52.243-2 Alt I Changes--Cost-Reimbursement (Aug 1987) - Alternate I Apr-1984
19. 52.243-6 Change Order Accounting Apr-1984
20. 52.245-2 Government Property Installation Operation Services Apr-2012
21. 52.245-9 Use and Charges Apr-2012
22. 22. 52.247-29 F.O.B. Origin Feb-2006
23. 52.247-68 Report of Shipment (REPSHIP) Feb-2006
24. 52.249-8 Default (Fixed-Price Supply & Service) Apr-1984
25. 52.253-1 Computer Generated Forms Jan-1991
26. 252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors May-2016
27. 252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support May-2016
28. 252.209-7009 Organizational Conflict of Interest--Major Defense Acquisition Program Oct-2015
29. 252.211-7005 Substitutions for Military or Federal Specifications and Standards Nov-2005
30. 252.211-7006 Passive Radio Frequency Identification Jun-2016
31. 252.211-7008 Use of Government-Assigned Serial Numbers Sep-2010
32. 252.219-7003 (Dev) Small Business Subcontracting Plan (DOD Contracts) --Basic (Deviation 2016-O0009) Aug-2016
33. 252.219-7004 Small Business Subcontracting Plan (Test Program) Oct-2014
34. 252.225-7002 Qualifying Country Sources as Subcontractors Dec-2016
35. 252.225-7006 Acquisition of the American Flag Aug-2015
36. 252.225-7038 Restriction on Acquisition of Air Circuit Breakers Jun-2005
37. 252.227-7013 Alt I Rights in Technical Data--Noncommercial Items (FEB 2014) - Alternate I Jun-1995
38. 252.237-7010 Prohibition on Interrogation of Detainees by Contractor Personnel Jun-2013
39. 252.244-7001 Contractor Purchasing System Administration May-2014
40. 252.244-7001 Alt I Contractor Purchasing System Administration (May 2014) --Alternate I May-2014
41. 252.245-7002 Reporting Loss of Government Property Apr-2012
42. 252.245-7003 Contractor Property Management System Administration Apr-2012
43. 252.246-7000 Material Inspection and Receiving Report Mar-2008
44. 252.246-7001 Alt I Warranty Of Data (Mar 2014) - Alternate I Mar-2014
45. 252.246-7001 Alt II Warranty Of Data (Mar 2014) - Alternate II Mar-2014
46. 252.246-7006 Warranty Tracking of Serialized Items Mar-2016

FLOWDOWN PROVISIONS INCORPORATED IN FULL TEXT

C-202-H002 ADDITIONAL DEFINITIONS--ALTERNATE I (NAVSEA) (OCT 2018)

(a) Department - means the Department of the Navy.

(b) Commander, Naval Sea Systems Command - means the Commander of the Naval Sea Systems Command of the Department of the Navy or his duly appointed successor.

(c) References to The Federal Acquisition Regulation (FAR) - All references to the FAR in this contract shall be deemed to also reference the appropriate sections of the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.

(d) National Stock Numbers - Whenever the term Federal Item Identification Number and its acronym FIIN or the term Federal Stock Number and its acronym FSN appear in the contract, order or their cited specifications and standards, the terms and acronyms shall be interpreted as National Item Identification Number (NIIN) and National Stock Number (NSN) respectively which shall be defined as follows:

(1) National Item Identification Number (NIIN). The number assigned to each approved Item Identification under the Federal Cataloging Program. It consists of nine numeric characters, the first two of which are the National Codification Bureau (NCB) Code. The remaining positions consist of a seven digit non-significant number.

(2) National Stock Number (NSN). The National Stock Number (NSN) for an item of supply consists of the applicable four-position Federal Supply Class (FSC) plus the applicable nine-position NIIN assigned to the item of supply.

(e) NAVSEA 08 - means the Deputy Commander, Nuclear Propulsion Directorate, Naval Sea Systems Command of the Department of the Navy.

(f) Lead Shipbuilder, Lead Yard or Lead Shipyard - mean (List contractor) in its capacity as Contractor under Contract No. (List Contract) for the construction of the (List first ship of the class).

(g) Follow Shipbuilder, Follow Yard or Follow Shipyard - mean a prime contractor performing a contract for the construction of follow ships of the (List ship class) Class.

(h) Lead Ship or First Ship of the Class - mean the (List first ship.)

(i) Follow Ship - means any ship of the (List class) Class other than the first ship.

(j) Design Agent - means (List contractor) in its capacity as Design Agent, not in its capacity as shipbuilding contractor. (End of text)

5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (APR 2015)

(a) The Contractor shall participate in the appropriate interchange of the Government-Industry Data Exchange Program (GIDEP) in accordance with GIDEP PUBLICATION 1 dated April 2008. Data entered is retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve the Contractor from complying with any other requirement of the contract.

(b) The Contractor agrees to insert paragraph (a) of this requirement in any subcontract hereunder exceeding \$500,000.00. When so inserted, the word "Contractor" shall be changed to "Subcontractor".

(c) GIDEP materials, software and information are available without charge from:

GIDEP Operations Center
P.O. Box 8000
Corona, CA 92878-8000
Phone: (951) 898-3207
FAX: (951) 898-3250
Internet: <http://www.gidep.org>

5252.227-9112 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998)

(a) This requirement applies whenever the contract specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called "repair parts") for a ship component or item of equipment.

(b) With respect to ship components or equipments manufactured other than in the United States or Canada, the Contractor agrees that, in addition to any other data required by this contract, it will furnish under this contract sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the ship components or equipments shall have made arrangements satisfactory to the Contractor and approved by the Contracting Officer for the manufacturing of repair parts in the United States or Canada. For the purpose of this requirement, "sufficient data" shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operation or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall be in the English language and according to the United States system of weights and measures, and drawings for components, assemblies, subassemblies and parts protected by U.S. patents shall contain a prominent notation to that effect fully identifying the patent or patents involved, and bearing the number of this contract.

(c) In order to satisfy the requirements of paragraph (b), above, unless the supplier of the ship components or equipments shall have made arrangements, satisfactory to the Contractor and approved by the Contracting Officer, for the manufacture of such repair parts in the United States or Canada, the Contractor shall include in all subcontracts for the purchase of ship components or equipments from foreign sources a clause, acceptable to the Contracting Officer, granting to the United States Government for a period of seven (7) years, "Government Purpose Rights" (as defined in paragraph (a)(12) of the clause of this contract entitled "RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS" (DFARS 252.227 7013) in all technical data necessary to manufacture spare and repair parts for such components or equipments.

5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (AT) - ALTERNATE I (APR 1999)

(a) For the purposes of this requirement, the term "change" includes not only a change that is made pursuant to a written order designated as a "change order" but also (i) an engineering change proposed by the Government or the Contractor pursuant to the "Other Change Proposals" or other requirements of this contract and (ii) any act or omission to act on the part of the Government in respect of which a request is made for equitable adjustment under the "CHANGES" clause or any other article or requirement of this contract.

(b) Whenever the Contractor requests or proposes an equitable adjustment of \$100,000 or more per vessel in respect of a change made pursuant to a written order designated as a "change order" or in respect of a proposed engineering change and whenever the Contractor requests an equitable adjustment in any amount in respect of any other act or omission to act on the part of the Government, the proposal supporting such request shall include the following information for each individual item or element of the request:

(1) A description

(i) of the work required by the contract before the change, which has been deleted by the change, and

(ii) of the work deleted by the change which already has been completed. The description is to include a list of identifiable components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of identifiable raw material, purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by the Contractor, are to be listed for later disposition;

(2) Description of work necessary to undo work already completed which has been deleted by the change;

(3) Description of work which is substituted or added by the change. A list of identifiable components and equipment (not bulk materials or items) involved, should be included. Separate descriptions are to be furnished for design work and production work;

(4) Description of interference and inefficiencies in performing the change;

(5) Description of disruption attributable solely to the change; which description shall include the following information:

(i) Description of each identifiable element of disruption and how work has been, or may be, disrupted;

(ii) The calendar period of time during which disruption occurred, or may occur;

(iii) Area(s) of the Contractor's operations where disruption occurred, or may occur;

(iv) Trade(s) or functions disrupted, with a breakdown of manhours and material for each trade or function;

(v) Scheduling of trades before, during, and after period of disruption insofar as such scheduling may relate to or be affected by the estimated disruption;

(vi) Description of any measures taken to lessen the disruptive effect of the change;

(6) Delay in delivery attributable solely to the change;

(7) Other work or increased costs attributable to the change;

(8) Supplementing the foregoing, a narrative statement of the nature of the alleged Government act or

omission, when the alleged Government act or omission occurred, and the "causal" relationship between the alleged Government act or omission and the claimed consequences thereof, cross-referenced to the detailed information provided as required above.

(c) Each proposal submitted in accordance with this requirement shall include a copy of the Contractor's ship's labor budget at the cost level in effect as of the date the event began, the cost incurred at the cost level as of the same date, and the proposed effect of the change at the cost class level.

(d) It is recognized that individual claims for equitable adjustment may not include all of the factors listed in subparagraphs (b)(1) through (b)(8) above, or that the Contractor may not reasonably be able to furnish complete information on all of the factors listed in subparagraph (b)(1) through (b)(8) above. Accordingly, the Contractor is only required to set forth in its request for equitable adjustment information with respect to those factors which are relevant to the individual request for equitable adjustment, or in the level of detail which is reasonably available to the Contractor.

(e) In addition to any information required under paragraph (b) above, each proposal submitted in support of a claim for equitable adjustment, under any requirement of this contract, in an amount which requires certified cost or pricing data, shall contain such cost or pricing data as the Contracting Officer shall require with respect to each individual claim item, and shall be in sufficient detail to permit the Contracting Officer to cross reference the claimed increased costs, or delay in delivery, or both, as appropriate, with the information submitted pursuant to subparagraphs (b)(1) through (b)(8) hereof.

C-233-H003 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (OCT 2018)

(a) Whenever the Contractor, after receipt of a change made pursuant to the clause of this contract entitled "Changes" or after affirmation of a constructive change under the clause entitled "Notification Of Changes", submits any claim for equitable adjustment under the foregoing, such claim shall include all types of adjustments in the total amounts to which the foregoing entitle the Contractor, including but not limited to adjustments arising out of delays or disruptions or both caused by such change.

(b) Further, the Contractor agrees (except as the parties may otherwise agree) that, if required by the Contracting Officer, it will execute a release, in form and substance satisfactory to the Contracting Officer, as part of the supplemental agreement setting forth the aforesaid equitable adjustment, and that such release shall discharge the Government, its officers, agents and employees, from any further claims including but not limited to further claims arising out of delays or disruptions or both, caused by the aforesaid change.

(End of text)

HC C-2-0011 COMPUTER SOFTWARE AND/OR COMPUTER DATABASE(S) DELIVERED TO AND/OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (APR 2004)

(a) The Contractor agrees to test for viruses all computer software and/or computer databases, as defined in the

clause entitled "RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION" (DFARS 252.227-7014), before delivery of that computer software or computer database in whatever media and on whatever system the software is delivered. The Contractor warrants that any such computer software and/or computer database will be free of viruses when delivered.

(b) The Contractor agrees to test any computer software and/or computer database(s) received from the Government for viruses prior to use under this contract.

(c) Unless otherwise agreed in writing, any license agreement governing the use of any computer software to be delivered as a result of this contract must be paid-up and perpetual, or so nearly perpetual as to allow the use of the computer software or computer data base with the equipment for which it is obtained, or any replacement equipment, for so long as such equipment is used. Otherwise the computer software or computer database does not meet the minimum functional requirements of this contract. In the event that there is any routine to disable the computer software or computer database after the software is developed for or delivered to the Government, that routine shall not disable the computer software or computer database until at least twenty-five calendar years after the delivery date of the affected computer software or computer database to the Government.

(d) No copy protection devices or systems shall be used in any computer software or computer database delivered under this contract to restrict or limit the Government from making copies. This does not prohibit license agreements from specifying the maximum amount of copies that can be made.

(e) Delivery by the Contractor to the Government of certain technical data and other data is now frequently required in digital form rather than as hard copy. Such delivery may cause confusion between data rights and computer software rights. It is agreed that, to the extent that any such data is computer software by virtue of its delivery in digital form, the Government will be licensed to use that digital-form with exactly the same rights and limitations as if the data had been delivered as hard copy.

(f) Any limited rights legends or other allowed legends placed by a Contractor on technical data or other data delivered in digital form shall be digitally included on the same media as the digital-form data and must be associated with the corresponding digital-form technical data to which the legends apply to the extent possible. Such legends shall also be placed in human readable form on a visible surface of the media carrying the digital-form data as delivered, to the extent possible.

HQ C-2-0002 ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)

(a) Performance under this contract may require that the Contractor have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, the Contractor shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum, (1) access to, and use of, the proprietary data or software exclusively for the

purposes of performance of the work required by this contract, and (2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Contracting Officer. The Government may unilaterally modify the contract to list those third parties with which the Contractor has agreement(s).

(b) The Contractor agrees to: (1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted; (2) not disclose the data or software to another party or other Contractor personnel except as authorized by the Contracting Officer; (3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement; (4) not disclose the data or software to any other party, including, but not limited to, joint venturer, affiliate, successor, or assign of the Contractor; and (5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.

(c) The restrictions on use and disclosure of the data and software described above also apply to such information received from the Government through any means to which the Contractor has access in the performance of this contract that contains proprietary or other restrictive markings.

(d) The Contractor agrees that it will promptly notify the Contracting Officer of any attempt by an individual, company, or Government representative not directly involved in the effort to be performed under this contract to gain access to such proprietary information. Such notification shall include the name and organization of the individual, company, or Government representative seeking access to such information.

(e) The Contractor shall include this requirement in subcontracts of any tier which involve access to information covered by paragraph (a), substituting "subcontractor" for "Contractor" where appropriate.

(f) Compliance with this requirement is a material requirement of this contract.

SSC SOFTWARE DEVELOPED OR MODIFIED UNDER THIS PURCHASE ORDER

The purpose of this clause is to further clarify the Government's requirements regarding Software developed or modified under this Purchase Order in accordance with DFARS 252.227-7014:

For all software developed under this Purchase Order, the Subcontractor shall provide source code via applicable SDRLs, in a compliant format, with all necessary tools and documentation to reproduce and maintain the software. For all Commercial Software (as defined in FAR 2.101) requiring hardware and/or software modifications for use on the SSC under this Purchase Order, the Subcontractor shall provide Technical Data (TD) and Computer Software Documentation (CSD), via applicable SDRLs, describing in sufficient detail all steps necessary to duplicate the required hardware/software modifications. Source code for software modifications to Commercial Software, required for use on

the SSC under this Purchase Order, shall be delivered, in a compliant format, via applicable SDRLs.

NOTE: The Government does not require delivery of source code for Commercial Software that is not modified for use on the SSC under this contract.

The Government desires Government Purpose Rights (GPR) to all software developed and integrated under its Prime Contract. The Subcontractor shall provide at least GPR to all noncommercial software and software modifications to Commercial Software that are developed and/or integrated for, and required to be delivered under, this Purchase Order, and is at least partially or fully funded by the Government.

TM&LS is required to inspect file headers and any other company markings found in the source code delivered under this purchase order to ensure clear indication that the Government has Government Purpose Rights to use the software that is developed and/or integrated for, and required to be delivered under the Prime Contract, and is at least partially or fully funded by the Government.

HQ C-2-0007 APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)

Approval by the Government as required under this contract and applicable specifications shall not relieve the Contractor of its obligation to comply with the specifications and with all other requirements of the contract, nor shall it impose upon the Government any liability it would not have had in the absence of such approval.

HQ C-2-0008 ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993)

To the extent that National Stock Numbers (NSNs) or preliminary NSNs are assigned by the Government for the identification of parts, pieces, items, subassemblies or assemblies to be furnished under this contract, the Contractor shall use such NSNs or preliminary NSNs in the preparation of provisioning lists, package labels, packing lists, shipping containers and shipping documents as required by applicable specifications, standards or Data item Descriptions of the contract or as required by orders for spare and repair parts. The cognizant Government Contract Administration Office shall be responsible for providing the Contractor such NSNs or preliminary NSNs which may be assigned and which are not already in possession of the Contractor.

C-222-H002 DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (NAVSEA) (OCT 2018)

Attention of the Contractor is directed to Public Law 91-596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "Occupational Safety and Health Act of 1970" and to the "Occupational Safety and Health

Standards for Shipyard Employment" promulgated thereunder by the Secretary of Labor (29 CFR. 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations which it may have for compliance with the aforesaid regulations.

(End of text)

HQ C-2-0023 EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)

Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this contract.

C-245-H004 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT—BASIC (NAVSEA) (OCT 2018)

(a) Contract Specifications. The Government will furnish, if not included as an attachment to the contract, any unique contract specifications set forth in Section C.

(b) Contract Drawings and Data. The Government will furnish contract drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited or referenced in Section C or in the contract specification as mandatory for use or for contract performance.

(c) Government Furnished Information (GFI). GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material identified in an attachment in Section J.

The Government shall furnish only the GFI identified in an attachment in Section J. The GFI furnished to the contractor need not be in any particular format. Further, the Government reserves the right to revise the listing of GFI as follows:

(1) The Contracting Officer may at any time by written order:

(i) delete, supersede, or revise, in whole or in part, data identified in an attachment in Section J; or

(ii) add items of data or information to the attachment identified in Section J; or

(iii) establish or revise due dates for items of data or information in the attachment identified in Section J.

(2) If any action taken by the Contracting Officer pursuant to subparagraph (1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the work under this contract, the contractor may be entitled to an equitable adjustment in the contract price and delivery schedule in accordance with the procedures provided for in the clause of this contract entitled "Changes--Fixed-Price" (FAR 52.243-1).

(d) Except for the Government information and data specified by paragraphs (a), (b), and (c) above, the Government will not be obligated to furnish the Contractor any specification, standard, drawing, technical documentation, or other publication, notwithstanding anything to the contrary in the contract specifications, the GFI identified in an attachment in Section J, the clause of this contract entitled "Government Property" (FAR 52.245-1) or "Government Property Installation Operation Services" (FAR 52.245-2), as applicable, or any other term or condition of this contract.

(e) Referenced Documentation. The Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, which are referenced directly or indirectly in the contract specifications set forth in Section

C and which are applicable to this contract as specifications. Such referenced documentation may be obtained:

(1) From the ASSIST database via the internet at <http://assist.daps.dla.mil/>; or

(2) By submitting a request to the Department of Defense Single Stock Point (DoDSSP) Building 4, Section D 700 Robbins Avenue Philadelphia, Pennsylvania 19111-5094 Telephone (215) 697-6396 Facsimile (215) 697-9398.

Commercial specifications and standards, which may be referenced in the contract specification or any sub-tier specification or standard, are not available from Government sources and should be obtained from the publishers. (End of text)

MINIMUM INSURANCE REQUIREMENTS (NAVSEA) (SEP 1990)

In accordance with the clause of this contract entitled "INSURANCE--WORK ON A GOVERNMENT INSTALLATION" (FAR 52.228-5), the Contractor shall procure and maintain insurance, of at least the kinds and minimum amounts set forth below:

- (a) Workers' Compensation and Employer's Liability coverage shall be at least \$100,000, except as provided in FAR 28.307(a).
- (b) Bodily injury liability insurance coverage shall be written on the comprehensive form of policy of at least \$500,000 per occurrence.
- (c) Automobile Liability policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

HQ C-2-0051 SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

- (a) Definitions.
 - (i) A "zero-tier reference" is a specification, standard, or drawing that is cited in the contract (including its attachments).
 - (ii) A "first-tier reference" is either:
 - (1) a specification, standard, or drawing cited in a zero-tier reference, or
 - (2) a specification cited in a first-tier drawing.
- (b) Requirements:
All zero-tier and first-tier references, as defined above, are mandatory for use. All lower tier references shall be used for guidance only.

HQ E-2-0014 QUALITY IN SOFTWARE DEVELOPMENT AND PRODUCTION (NAVSEA) (MAY 1995)

Quality in Software Development and Production: The contractor's software quality program shall be an integral part of the overall Quality Assurance Program. Software quality program controls shall be applicable to all project software that is developed, maintained, or modified within the following categories:

- (a) All deliverable software
- (b) All deliverable software that is included as part of deliverable hardware or firmware.
- (c) Non deliverable software (commercially available or user-developed) used for development, fabrication, testing, or acceptance of deliverable software or hardware (includes automated fabrication, test, and inspection/acceptance equipment software and software design, test, and inspection tools).
- (d) Commercially available, reusable, or Government software designated as part of a deliverable item.

HQ E-2-0017 USE OF CONTRACTOR'S INSPECTION EQUIPMENT (NAVSEA) (MAY 1995)

Use of Contractor's Inspection Equipment: The contractor's gages, and measuring and testing devices shall be made available for use by the Government when required to determine conformance with contract requirements. If conditions warrant, the contractor's personnel shall be made available for operations of such devices and for verification of their accuracy and condition.

52.215-12 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA (DEVIATION 2018-00015) (MAY 2018)

- (a) Unless an exception under FAR 15.403-1 applies, the Contractor shall require the subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), in accordance with FAR 15.408, Table 15-2 (to include any information reasonably required to explain the subcontractor's estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price) –
 - (1) Before awarding any subcontract expected to exceed \$750,000 prior to July 1, 2018, or modifying any subcontract that was awarded prior to July 1, 2018, involving a pricing adjustment expected to exceed \$750,000, or
 - (2) Before awarding any subcontract expected to exceed \$2 million on or after July 1, 2018, or modifying any subcontract that was awarded on or after July 1, 2018, involving a pricing adjustment expected to exceed \$2 million.
- (b) The Contractor shall require the subcontractor to certify in substantially the form prescribed in FAR 15.406-2 that, to the best of its knowledge and belief, the data submitted under paragraph (a) of this clause were accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification.

(c) In each subcontract that exceeds the threshold for submission of certified cost or pricing data at FAR 15.403-4, when entered into, the Contractor shall insert either –

(1) The substance of this clause, including this paragraph (c), if paragraph (a) of this clause requires submission of certified cost or pricing data for the subcontract; or

(2) The substance of the clause at FAR 52.215-13, Subcontractor Certified Cost or Pricing Data–Modifications (DEVIATION 2018-00015).
(End of clause)”

52.215-13 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA–MODIFICATIONS (DEVIATION 2018-00015) (MAY 2018)

(a) The requirements of paragraphs (b) and (c) of this clause shall –

(1) Become operative only for any modification of a subcontract that was awarded prior to July 1, 2018, involving a pricing adjustment expected to exceed \$750,000, or any modification of a subcontract that awarded on or after July 1, 2018, involving a pricing adjustment expected to exceed \$2 million; and

(2) Be limited to such modifications.

(b) Unless an exception under FAR 15.403-1 applies, the Contractor shall require the subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), in accordance with FAR 15.408, Table 15-2 (to include any information reasonably required to explain the subcontractor’s estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price)—

(1) Before modifying any subcontract that was awarded prior to July 1, 2018, involving a pricing adjustment expected to exceed \$750,000, or

(2) Before modifying any subcontract that was awarded on or after July 1, 2018, involving a pricing adjustment expected to exceed \$2 million.

(c) The Contractor shall require the subcontractor to certify in substantially the form prescribed in FAR 15.406-2 that, to the best of its knowledge and belief, the data submitted under paragraph (b) of this clause were accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in each subcontract that exceeds \$2 million
(End of clause)”

52.230-2 COST ACCOUNTING STANDARDS (DEVIATION 2018-00015) (MAY 2018)

(a) Unless the contract is exempt under 48 CFR 9903.201-1 and 9903.201-2, the provisions of 48 CFR Part 9903 are incorporated herein by reference and the Contractor, in connection with this contract, shall—

(1) (CAS-covered Contracts Only) By submission of a Disclosure Statement, disclose in writing the Contractor’s

cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5, including methods of distinguishing direct costs from indirect costs and the basis used for allocating indirect costs. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(2) Follow consistently the Contractor’s cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change must be applied prospectively to this contract and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with paragraph (a)(4) or (a)(5) of this clause, as appropriate.

(3) Comply with all CAS, including any modifications and interpretations indicated thereto contained in 48 CFR Part 9904, in effect on the date of award of this contract or, if the Contractor has submitted certified cost or pricing data, on the date of final agreement on price as shown on the Contractor’s signed certificate of current cost or pricing data. The Contractor shall also comply with any CAS (or modifications to CAS) which hereafter become applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)(i) (Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a change which, pursuant to paragraph (a)(3) of this clause, the Contractor is required to make to the Contractor’s established cost accounting practices.

(ii) Negotiate with the Contracting Officer to determine the terms and conditions under which a change may be made to a cost accounting practice, other than a change made under other provisions of paragraph (a)(4) of this clause; provided that no agreement may be made under this provision that will increase costs paid by the United States.

(iii) When the parties agree to a change to a cost accounting practice, other than a change under subdivision (a)(4)(i) of this clause, negotiate an equitable adjustment as provided in the Changes clause of this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice consistently and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)) for such period, from the time the payment by the United States was made to the time the adjustment is effected. In no case shall the Government recover costs greater than the

increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or should have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable CAS in 48 CFR 9904 or a CAS rule or regulation in 48 CFR 9903 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under 41 U.S.C. chapter 71, Contract Disputes.

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all CAS in effect on the subcontractor's award date or if the subcontractor has submitted certified cost or pricing data, on the date of final agreement on price as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data. If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal Acquisition Regulation shall be inserted. This requirement shall apply only to negotiated subcontracts in excess of \$2 million, except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.
(End of clause)"