

Common Terms and Conditions Guide
Section 5 – Government Contract Requirements

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MODIFICATIONS TO GENERAL TERMS AND CONDITIONS
GFY 2000 INERTIAL EQUIP/HDWE/TECH SUPPORT PROGRAM
PRIME CONTRACT N00030-00-C-0006

If Form GP1 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 29. If Form GP2 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 27. If Form GP3 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 40. If Form GP4 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 31.

(A) The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller. Unless otherwise provided, the clauses are those in effect as of the date of this contract.

52.203-6 Restrictions on Subcontractor Sales to the Government. This clause applies only if this contract exceeds \$100,000.

52.203-7 Anti-Kickback Procedures (excluding subparagraph (c)(1)). Buyer may withhold sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract. \$100,000

52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity. This clause applies to this contract if the Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this contract. The Seller shall indemnify Buyer for any and all losses suffered by the Buyer due to violations of the Act (as set forth in this clause) by Seller or its subcontractors at any tier.

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity. This clause applies only if this contract exceeds the simplified acquisition threshold. If the Government reduces Buyer's price or fee for violations of the Act by Seller or its subcontractors at any tier, Buyer may withhold from sums owed Seller the amount of the reduction.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions. This clause applies only if this Contract exceeds \$100,000.

52.204-2 Security Requirements. "Changes clause" means the changes clause of this contract. This clause applies only if access to classified material is required.

52.211-5 New Material. Any notice will be given to Buyer rather than the Contracting Officer.

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52.211-15 Defense Priority and Allocation Requirements. This clause is applicable if a priority rating is noted in this contract.

52.215-2 Audit and Records - Negotiation. This clause applies only if this contract exceeds the simplified acquisition threshold.

52.215-10 Price Reduction for Defective Cost or Pricing Data, with the following changes: (a) In subdivision (3) of paragraph (a) insert "of this contract" after "price or cost", (b) In paragraph (c) "Contracting Officer" means "Contracting Officer or Buyer", (c) In paragraphs (c)(1)(ii) and (c)(2)(i) "Contracting Officer" means Contracting Officer or Buyer. In paragraph (c)(2)(i)(A) delete "to the Contracting Officer". In paragraph (c)(2)(ii)(B) "Government" means Government or Buyer. This clause applies only if this contract exceeds \$500,000 unless otherwise exempt.

52.215-12 Subcontractor Cost or Pricing Data. The certificate required by paragraph (c) is that set forth in FAR 15.406-2, substituting Buyer's name for "Contracting Officer". This clause applies only if this contract exceeds \$500,000 unless otherwise exempt.

52.215-14 Integrity of Unit Prices (excluding subparagraph (b)). This clause applies except for contracts at or below the simplified acquisition threshold (as defined in FAR Part 2; construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; commercial items; and petroleum products.

52.215-15 Termination of Defined Benefit Pension Plans. This Clause applies to this contract if it meets the requirements of FAR 15.408(g).

52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB). This Clause applies to this contract if it meets the requirements of FAR 15.408(j).

52.219-8 Utilization of Small, Small Disadvantaged and Woman-Owned Small Business Concerns.

52.219-9 Small, Small Disadvantaged and Woman-Owned Small Business Subcontracting Plan. In paragraph (c), "Contracting Officer" means Buyer. Paragraph (j)(1) is modified to read as follows: "Standard Form 294, Subcontracting Report for Individual Contracts. This report shall be submitted to the Government and the Buyer, in accordance with the instructions on the form or as provided in agency regulations, semiannually and at contract completion. The report covers subcontract award data related to this contract. This report is not required for commercial plans." This clause applies only if this contract exceeds \$500,000. and Seller is not a small business concern.

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52.222-1 Notice to Government of Labor Disputes. “Contracting Officer” means Buyer.

52.222-4 Contract Work Hours and Safety Standards Act — Overtime Compensation. This clause applies only if this contract exceeds \$100,000. Buyer may withhold or recover from Seller the amount of any sums the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.

52.222-20 Walsh-Healy Public Contracts Act. This clause applies only if this contract exceeds \$10,000.

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)).

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans. This clause applies only if this contract exceeds \$10,000.

52.222-36 Affirmative Action for Handicapped Workers. This clause applies only if this contract exceeds \$2,500.

52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Viet Nam Era. This clause applies only if this contract exceeds \$10,000.

52.222-41 Service Contract Act of 1965, As Amended. This clause only applies to contracts which are subject to this act.

52.223-2 Clean Air and Water. This clause applies only if this contract exceeds \$100,000.

52.223-7 Notice of Radioactive Materials. The period for giving the notice is 60 days.

52.223-14 Toxic Chemical Release Reporting (excluding subparagraph (e)). This clause applies only if this contract exceeds \$100,000.

52.224-2 Privacy Act. This clause applies only if Seller is required to design, develop, or operate a system of records contemplated by this clause.

52.225-10 Duty-free Entry. This clause applies only if this contract identifies supplies to be afforded duty-free entry or if foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States.

52.225-11 Restrictions on Certain Foreign Purchases.

52.227-1 Authorization and Consent.

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52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement. A copy of each notice sent to the Government will be sent to Buyer. This clause applies only if this contract exceeds the simplified acquisition threshold.

52.227-10 Filing of Patent Applications — Classified Subject Matter.

52.227-12 Patent Rights - Retention by the Contractor (Long Form). This clause only applies if this Contract is for experimental, developmental, or research work and Seller is other than a small business firm or nonprofit organization.

52.229-6 Taxes - Foreign Fixed-Price Contracts. The terms "Contracting Officer" and "Government" mean Buyer.

52.229-7 Taxes - Fixed-Price Contracts with Foreign Governments.

52.229-8 Taxes - Foreign Cost-Reimbursement Contracts.

52.230-2 Cost Accounting Standards. Delete paragraph (b). This clause applies only if this contract exceeds \$500,000 unless otherwise exempt.

52.230-6 Administration of Cost Accounting Standards. Add "Buyer and the" before "Contracting Officer" in paragraph (c). This clause applies only if this contract exceeds \$500,000 unless otherwise exempt.

52.232-27 Prompt Payment for Construction Contracts (excluding paragraphs (a) and (b)). The term "subcontractor" means Seller's lower tier subcontractors.

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

52.242-15 Stop Work Order. The terms "Contracting Officer" and "Government" mean Buyer.

52-244-6 Subcontracts for Commercial Items and Commercial Components.

52.245-2 Government Property.

52.245-18 Special Test Equipment.

52.247-63 Preference for U.S.-Flag Air Carriers.

52.248-1 Value Engineering (excluding subparagraph (f)). The term "Contracting Officer" means Buyer. This clause applies only if this contract is for \$100,000 or more. If Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant, concurrent and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of the net acquisition savings and collateral savings shall

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not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.

- (B) DoD Contracts. If this Contract is placed under a Department of Defense Contract, the following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller except as otherwise noted. Unless otherwise provided, the clauses are those in effect as of the date of this contract.

252.203-7001 Special Prohibition on Employment (excluding paragraph (g)). This clause applies only if this contract exceeds the FAR Part 13 simplified acquisition threshold and does not apply to the purchase of commercial items or commercial components.

252.204-7000 Disclosure of Information. Seller will submit requests for authorization to release through Buyer.

252.209-7000 Acquisition From Subcontractors Subject to On-site Inspection Under the Intermediate-Range Nuclear Forces Treaty. This clause applies only if this contract exceeds the FAR Part 13 simplified acquisition threshold and does not apply to the purchase of commercial items or commercial components.

252.223-7002 Safety Precautions for Ammunition and Explosives. This clause applies only if Seller delivers ammunition or explosives under this contract.

252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials. This clause applies to this contract if it requires, may require, or permits Seller to treat or dispose of non-DoD-owned toxic or hazardous materials as defined in this clause.

252.225-7001 Buy American Act and Balance of Payment Program.

252.225-7009 Duty-free Entry — Qualifying Country End Products and Supplies.

252.225-7010 Duty-free Entry — Additional Provisions. This clause applies in addition to FAR 52.225-10. Additional information referenced in this clause is available on request.

252.225-7014 and Alt. 1 Preference for Domestic Specialty Metals.

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings. This clause does not apply to the purchase of commercial items other than ball or roller bearings or to items which contain no ball or roller bearings.

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252.225-7026 Reporting of Contract Performance Outside the United States. This clause applies only if this contract exceeds \$500,000.

252.225-7027 Limitation on Sales Commissions and Fees. This clause applies only if this contract is for Foreign Military Sales.

252.225-7028 Exclusionary Policies and Practices of Foreign Governments. This clause applies only if this contract is for Foreign Military Sales.

252.225-7032 Waiver of United Kingdom Levies. This clause applies if this contract is over \$1,000,000 and is with an United Kingdom firm.

252.227-7013 Rights in Technical Data - Noncommercial Items. This clause applies only if the delivery of data is required for noncommercial items under this contract.

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation. This clause applies only if the delivery of noncommercial computer software or noncommercial computer documentation may be originated, developed or delivered under this contract.

252.227-7016 Rights in Bid or Proposal Information.

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

252.227-7019 Validation of Asserted Restrictions - Computer Software. This clause applies only if computer software may be originated, developed, or delivered under this contract.

252.227-7026 Deferred Delivery of Technical Data or Computer Software. This clause applies only if the delivery of data is required or if computer software may be originated, developed or delivered under this contract.

252.227-7027 Deferred Ordering of Technical Data or Computer Software. This clause applies only if technical data or computer software may be generated as part of the performance of this contract.

252.227-7030 Technical Data — Withholding of Payment. “Government” and “Contracting Officer” mean Buyer. This clause applies only if the delivery of data is required by this contract.

252.227-7036 Certification of Technical Data Conformity. This clause applies only if the delivery of data is required by this contract.

252.227-7037 Validation of Restrictive Markings on Technical Data. This clause applies only if the delivery of data is required by this contract.

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

252.235-7003 Frequency Authorization. This clause applies only if this contract requires the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.

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

252.245-7001 Reports of Government Property.

252.246-7001 Warranty of Data. The warranty period in paragraph (b) is three years from the Government's acceptance of the final items of data under this contract. "Government" and "Contracting Officer" mean Buyer.

252.247-7023 Transportation of Supplies by Sea. This clause applies only if this contract exceeds the Simplified Acquisition Threshold in FAR Part 13.

252.247-7024 Notification of Transportation of Supplies by Sea. "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" mean Buyer. This clause does not apply to the procurement of commercial items or commercial components.

252.249-7002 Notification of Proposed Program Termination or Reduction. This clause applies only if this contract is for \$500,000 or more.

(C) If goods or services being procured under this contract are for commercial the foregoing Government clauses are deleted and the following FAR and DFARS clauses are inserted in lieu thereof:

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)).

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans. This clause applies only if this contract exceeds \$10,000.

52.222-36 Affirmative Action for Handicapped Workers. This clause applies only if this contract exceeds \$2,500.

252.225-7014 and Alt. 1 Preference for Domestic Specialty Metals.

THE FOLLOWING "DISPUTES" PROVISION APPLIES ONLY TO THE CLAUSES OF THIS CONTRACT LISTED BELOW:

PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA
PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA -
MODIFICATIONS

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COST ACCOUNTING STANDARDS

DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES

1. Any dispute that arises under or is related to this contract concerning the above named clauses that cannot be settled by mutual agreement of the parties may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this contract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.
2. If a decision arising under the prime contract is made by the Contracting Officer and such decision is also related to the above named clauses of this order, said decision, if binding upon Buyer under the prime contract, shall in turn be binding upon Buyer and Seller with respect to such decision insofar as it relates to this order; provided, however, that if Seller is adversely affected by any such decision made by the Contracting Officer, and if Buyer elects not to appeal such decision pursuant to the "Disputes" clause of the prime contract, Buyer shall promptly notify Seller. If Seller thereafter timely requests Buyer to appeal such decision, Buyer shall do so. If Buyer appeals such decision, whether at its election or at Seller's request, any decision upon such an appeal, if binding upon Buyer under the prime contract, shall in turn be binding upon Buyer and Seller under this order with respect to such decision insofar as it relates to this order.
3. If any such appeal is denied or otherwise decided adversely to Seller's interest, or if Seller is otherwise adversely affected by any decision made by any representative of the Government on any decision arising under the prime contract which is also related to this order, from which an appeal under the "Disputes" clause in the prime contract is not available, said decision, if binding upon Buyer under the prime contract, shall in turn be binding upon Buyer and Seller with respect to such decision insofar as it relates to this order; provided, however, that if Seller is adversely affected by any such decision, and if Buyer elects not to bring suit against the Government with respect to such decision, Buyer shall notify Seller with reasonable promptness. If Seller timely requests Buyer to bring suit against the Government, Buyer shall do so. If Buyer brings suit against the Government with respect to any such decision, whether at its election or at Seller's request, a final judgment in any such suit, if binding upon Buyer under the prime contract shall in turn be binding upon Seller and Buyer under this order with respect to the decision insofar as it relates to this order.
4. If necessary for jurisdiction under the Contract Disputes Act, Buyer shall certify Seller's claim and proceed with the appeal only if Buyer is satisfied that the Seller's claim is in good faith, that the supporting data are accurate and complete to the best of its knowledge and belief, and that the amount requested accurately reflects the contract adjustment for which the Buyer believes the Government is liable. Buyer's position on whether or not it is satisfied shall be reasonable and shall not be used to arbitrarily deny Seller certification. Seller shall indemnify Buyer against any liability incurred as a result of acting hereunder at Seller's request, including furnishing such certification.

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5. If any such appeal or suit is taken or brought by Buyer, whether at its election or at Seller's request, Seller shall assist Buyer in its prosecution thereof in every reasonable manner and Seller shall be afforded reasonable opportunity to participate in the prosecution thereof to the extent Seller's interest may be affected. To the extent requested by Buyer, Seller shall prosecute for Buyer any appeal or suit taken or brought at Seller's request and, in such event, Buyer shall assist Seller in every reasonable manner. All costs and expenses incurred by Seller and Buyer in prosecuting any appeal or suit taken or brought at Seller's request shall be paid by Seller. Where possible, Buyer shall in good faith consult with Seller concerning the presentation to the Contracting Officer or other cognizant representatives of the Government of the matters referred to in Paragraphs B and C above to the extent they may affect Seller's interest.
6. If as a result of any decision or judgment which is binding upon seller and Buyer, as above provided, Buyer is unable to obtain reimbursement from the Government under the prime contract for, or is required to refund or credit to the Government, any amount with respect to any item of cost or fee for which Buyer has reimbursed Seller, Seller shall, on demand, promptly repay such amount to Buyer.
7. The rights and obligations described herein shall survive completion of and final payment under this order.