

Common Terms and Conditions Guide
Section 5 – Government Contract Requirements

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DAAH01-03-C-R074

ADVANCED SIMULATION CENTER OPERATION AND MAINTENANCE SUPPORT

- (a) The following contract clauses are incorporated by reference with full force and effect, as if set out in full text, from the Federal Acquisition Regulation and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" shall mean Seller.
- (1) 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995). This clause applies only if this contract exceeds \$100,000.
 - (2) 52.203-7 Anti-Kickback Procedures (JUL 1995) [excluding subparagraph (c)(1)]. This clause applies only if this contract exceeds \$100,000. Buyer may withhold from 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.
 - (3) 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997). This clause applies to this contract if Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this contract. Seller shall indemnify Buyer for any and all losses suffered by Buyer due to violations of the Act (as set forth in this clause) by Seller or its subcontractors at any tier.
 - (4) 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997). This clause applies only if this contract exceeds \$100,000. 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 or recover from Seller the amount of the reduction.
 - (5) 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991). This clause applies only if this contract exceeds \$100,000.
 - (6) 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 1997). This clause applies only if this contract exceeds \$100,000. Paragraph (c) (4) is modified to read as follows: "(c) (4) Seller will promptly submit any disclosure required (with written notice to Buyer) directly to the PCO for the prime contract. Buyer will identify the cognizant Government PCO at Seller's request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor."
 - (7) 52.204-2 Security Requirements (AUG 1996) This clause applies only if access to classified information is required. All references to "the Changes clause of this contract" are changed to "the Changes article of the General Provisions of the subcontract in effect between Buyer and Seller".

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- (8) 52.211-15 Defense Priority and Allocation Requirements (SEP 1990)
- (9) 52.215-2 Audit and Records -- Negotiation (JUN 1999). This clause applies only if this contract exceeds \$100,000 and (i) is cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these types; (ii) Seller was required to provide cost or pricing data, or (iii) Seller is required to furnish reports as discussed in paragraph (e) of the referenced clause.
- (10) 52.215-10 Price Reduction For Defective Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds \$550,000. In subparagraph (3) of paragraph (a), insert "of this contract" after "price or cost." In Paragraph (c), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Paragraphs (c)(1), (c)(1)(ii), and (c)(2)(i), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Subparagraph (c)(2)(i)(A), delete "to the Contracting Officer." In Subparagraph (c)(2)(ii)(B), "Government" shall mean "Government or Buyer." In Paragraph (d), "United States" shall mean "United States or Buyer."
- (11) 52.215-12 Subcontractor Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds \$550,000. The certificate required by paragraph (b) of the referenced clause shall be modified as follows: delete "to the Contracting Officer or the Contracting Officer's representative" and substitute in lieu thereof "The Boeing Company or any of its wholly owned subsidiaries."
- (12) 52.215-14 Integrity of Unit Prices (OCT 1997) [excluding paragraph (b)]
- (13) 52.219-8 Utilization of Small Business Concerns (OCT 2000)
- (14) 52.219-9 Small Business Subcontracting Plan (JAN 2002). This clause applies only if this contract exceeds \$500,000 and Seller is not a small business concern. In paragraph (c), "Contracting Officer" shall mean Buyer.
- (15) 52.222-4 Contract Work Hours and Safety Standards Act -- Overtime Compensation (SEP 2002). This clause applies only if this contract exceeds \$100,000. 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 clause.
- (16) 52.222-26 Equal Opportunity (APR 2002) [subparagraphs (b)(1) through (11)]
- (17) 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds \$25,000.
- (18) 52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998). This clause applies only if this contract exceeds \$10,000.

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- (19) 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds \$25,000.
 - (20) 52.222-41 Service Contract Act of 1965, as amended (MAY 1989). This clause applies only if this contract is subject to the Act.
 - (21) 52.225-13 Restrictions on Certain Foreign Purchases (JUL 2000)
 - (22) 52.227-1 Authorization and Consent (JUL 1995), Alternate I (APR 1984)
 - (23) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996). This clause applies only if this contract exceeds \$100,000. A copy of each notice sent to the Government will be sent to Buyer.
 - (24) 52.230-6 Administration of Cost Accounting Standards (NOV 1999). This clause applies only if clause 3050 or 3051 is incorporated in this contract. Add "Buyer and the" before "Contracting Officer" in paragraph (f).
 - (25) 52.245-2 Government Property (Fixed-Price Contracts) (DEC 1989)
- (b) The following contract clauses are incorporated by reference with full force and effect, as if set out in full text, from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" shall mean Seller.
- (1) 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (MAR 1999). This clause applies only if this contract exceeds \$100,000.
 - (2) 252.209-7000 Acquisition From Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty (NOV 1995). This clause applies only if this contract exceeds \$100,000.
 - (3) 252.225-7001 Buy American Act and Balance of Payments Program (MAR 1998)
 - (4) 252.225-7002 Qualifying Country Sources as Subcontractors (DEC 1991)
 - (5) 252.225-7010 Duty-Free Entry -- Additional Provisions (AUG 2000). Additional information referenced in this clause is available on request.
 - (6) 252.225-7012 Preference for Certain Domestic Commodities (APR 2002)
 - (7) 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (DEC 2000). This clause applies unless this contract is for items that do not contain ball or roller bearings.

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- (8) 252.225-7025 Restriction on Acquisition of Forgings (JUN 1997). This clause applies only if this contract is for goods that contain restricted forging items per paragraphs (a) and (b) of the referenced clause.
 - (9) 252.225-7032 Waiver of United Kingdom Levies (OCT 1992). This clause applies only if a lower tier subcontract over \$1 million with a U.K. firm is anticipated.
 - (10) 252.227-7013 Rights in Technical Data – Noncommercial Items (NOV 1995).
 - (11) 252.227-7036 Declaration of Technical Data Conformity (JAN 1997). This clause applies only if the delivery of technical data is required under this contract.
 - (12) 252.231-7000 Supplemental Cost Principles (DEC 1991). This clause only applies if the contract is a cost reimbursement contract using GP4 as the general provisions. This clause never applies if the general provisions are GP1, GP2, or GP3.
- (c) Cost Accounting Standards
- (1) The version of FAR 52.230-2, Cost Accounting Standards, incorporated by clause 3050 is the version dated April 1998.
 - (2) The version of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, incorporated by clause 3051 is the version dated April 1998.
- (d) Replacement Preservative for Pentachlorophenol (USAAMCOM)
- As required by prime contract clause D-1, if packaging requirements of this subcontract specify the use of wood products and a preservative is required, Pentachlorophenol, commonly referred to as “Penta” or “PCP” is prohibited. Replacement preservatives are 2 percent copper naphthenate, 3 percent zinc naphthenate or 1.8 percent copper 8 quinolinolate.
- (e) Safety Requirements at Redstone Arsenal, Alabama
- As required by prime contract clause H-3, in performance of work under this subcontract at Redstone Arsenal, Alabama, the Seller and the Seller’s employees, subcontractors, and agents, shall observe all of the rules and regulations of Redstone Arsenal, Alabama, pertaining to conduct, safety, and security. AMCR 385-100, Safety Manual, is incorporated by reference herein and made a part hereof.
- (f) Organizational Conflict of Interest Clause
- (1) It is recognized by the parties hereto that the effort as set forth in the prime contract is of such a nature that it may create potential organizational

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conflicts of interest such as are contemplated by subpart 9.5 of the Federal Acquisition Regulation. It is the intention of the parties that the Seller will not engage in any contractual activities which could cause a conflict of interest with its position under this subcontract which may impair its ability to render unbiased advice and recommendations or in which it may have an unfair competitive advantage as a result of the knowledge, information, and experience gained during the performance of this subcontract.

- (2) The Seller agrees it will not perform any technical support services in support of the Advanced Simulations Center (ASC) for simulator operations, maintenance, modifications or improvements as called out in the subcontract relating to items which the Seller, as a prime contractor, subcontractor or consultant either designed, developed, produced, or which the Seller, as a prime contractor, subcontractor, or consultant either sells or will sell to the United States of America Government. In the event the Seller is requested to perform tasks or efforts as previously described, the Seller agrees to promptly notify the Buyer's Authorized Procurement Agent in writing.
- (3) The Seller agrees that it will execute agreements with any firm whose proprietary data is used in connection with performance of this subcontract to protect all proprietary information from unauthorized disclosure or use for as long as it remains proprietary, to furnish the Buyer's Authorized Procurement Agent with executed copies of all such agreements (the Buyer will in turn furnish the executed copies to the contracting officer, as required by clause H-4 of the prime contract)), and to refrain from using any proprietary information in supplying to the United States of America Government goods and services, or for any purpose other than that for which it was intended. The Seller agrees that any data furnished by the United States of America Government (directly, or via the Buyer) to the Seller not generally available to the Seller shall be used only for performance under this subcontract, and all copies of such data shall be returned to the Buyer (for return by the Buyer to the United States of America Government, as required by clause H-4 of the prime contract) upon completion of the effort. Any data furnished by the United States of America Government containing trade secrets or commercial or financial data of other parties (other United States of America prime contractors or subcontractors) shall be treated as proprietary data. These restrictions are not intended to protect information furnished without limitations on its use or available to the United States of America Government, Buyer, or Seller from other sources without restriction.
- (4) For purpose of this clause, the terms "Seller" and "Buyer" both mean the Seller or Buyer, as stated, its subsidiaries and affiliates, any joint venture involving the Seller or Buyer, as stated, any entity with which the Seller or Buyer, as stated, may hereafter merge or affiliate, or any other successor or assignee of the Seller or Buyer, as stated.
- (5) The provisions of this clause are not subject to negotiation.

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- (6) The Seller shall incorporate paragraphs (1) through (6) of this organizational conflict of interest provision into any subcontracts awarded by the Seller for performance under this subcontract.

- (7) The provisions of this clause are quoted from prime contract clause H-4. The only modifications made were to identify the relationship between the Buyer and the Seller, and to reverse the order of the final two paragraphs. Due to paragraph (5), above, any deviation from the above language in subcontracts issued by the Seller requires the prior consent of the Buyer's Authorized Procurement Representative (who must in turn obtain prior consent from the Buyer's Self Governance organization or from the prime contract contracting officer). In the event of a conflict between this clause and the article titled CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS or CONFIDENTIAL, PROPRIETARY, AND TRADE SECRET INFORMATION AND ITEMS in the General Provisions, this article has precedence and controls.