

N61340-17-C-0007_P00055_TCTS II Flowdowns_03-11-2024

U.S. GOVERNMENT CLAUSES

Prime Contract Number: N61340-17-C-0007

Modification/Rev. Number: P00055

Date Updated: 03-11-2024

The following customer contract requirements apply to any Purchase Order referencing the above U.S. Government prime contract number and are hereby incorporated into the Purchase Order by full text or by reference with the same force and effect as if they were given in full text. The terms and conditions of the versions of the “Flowdown of U.S. Government Contract Clauses Under U.S. Government Contracts” and “Flowdown Updates” documents in effect on the date of the particular Order shall also apply. These documents are made available at the RTX Supplier Site. The full text of FAR/DFARS clauses may be accessed at <https://www.acquisition.gov/>.

In all provisions and clauses listed herein, terms shall be revised to suitably identify the party to establish Supplier's obligations to Buyer and to the Government, and to enable Buyer to meet its obligations under the prime contract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term “Government” and equivalent phrases shall mean “Buyer”, the term “Contracting Officer” shall mean “Buyer's Purchasing Representative”, the term “Contractor” or “Offeror” shall mean “Supplier”, “Subcontractor” shall mean “Supplier's Subcontractor” under this Purchase Order, and the term “Contract” shall mean this “Purchase Order”. For the avoidance of doubt, the words “Government” and “Contracting Officer” do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, such as in FAR 52.227-1 and FAR 52.227-2 or (2) when title to property is to be transferred directly to the Government. Supplier shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable FAR and DFARS provisions and clauses in accordance with the flow down requirements specified in such clauses. Nothing in this Purchase Order grants Supplier a direct right of action against the Government. If any of the following FAR or DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting.

Buyer or Buyer Affiliates reserve the right to add or update any FAR or DFAR clause or special contract provision based on customer contract directives

Capitalized words used herein and not otherwise defined shall have the meanings ascribed to them in the Terms and Conditions.

The requirements below are in accordance with the U.S. Government prime contract and are not modified by Buyer for each individual Supplier. Supplier will remain at all times responsible for providing to any government agency, Buyer, or Buyer's customer, evidence of compliance with the requirements herein or that such requirements are not applicable to the extent satisfactory to the requesting party.

CLAUSES INCORPORATED BY REFERENCE:

FAR CLAUSES

Clause	Date	Reference
52.202-1	NOV 2013	Definitions
52.203-3	APR 1984	Gratuities
52.203-5	MAY 2014	Covenant Against Contingent Fees
52.203-6	SEP 2006	Restrictions On Subcontractor Sales To The Government
52.203-7	MAY 2014	Anti-Kickback Procedures
52.203-8	MAY 2014	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
52.203-10	MAY 2014	Price Or Fee Adjustment For Illegal Or Improper Activity
52.203-12	OCT 2010	Limitation On Payments To Influence Certain Federal Transactions
52.203-13	OCT 2015	Contractor Code of Business Ethics and Conduct
52.203-17	APR 2014	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights
52.204-2	AUG 1996	Security Requirements
52.204-4	MAY 2011	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper
52.204-9	JAN 2011	Personal Identity Verification of Contractor Personnel
52.204-10	OCT 2016	Reporting Executive Compensation and First-Tier Subcontract Awards
52.204-13	OCT 2016	System for Award Management Maintenance
52.204-14	OCT 2016	Service Contract Reporting Requirements
52.204-19	DEC 2014	Incorporation by Reference of Representations and Certifications.
52.204-27	JUN 2023	Prohibition on a ByteDance Covered Application
52.209-3	SEP 1989	First Article Approval-Contractor Testing
52.209-6	OCT 2015	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment
52.209-9	JUL 2013	Updates of Publicly Available Information Regarding Responsibility Matters
52.209-10	NOV 2015	Prohibition on Contracting With Inverted Domestic Corporations
52.210-1	APR 2011	Market Research
52.211-5	AUG 2000	Material Requirements
52.211-15	APR 2008	Defense Priority And Allocation Requirements
52.214-7	NOV 1999	Late Submissions Modifications and Withdrawals of Bids
52.214-16	APR 1984	Minimum Bid Acceptance Period
52.215-1	NOV 2021	Instructions to Offerors-Competitive Acquisition
52.215-2	OCT 2010	Audit and Records--Negotiation
52.215-8	OCT 1997	Order of Precedence--Uniform Contract Format
52.215-11	OCT 2021	Price Reduction for Defective Certified Cost or Pricing Data-Modifications
52.215-13	OCT 2021	Subcontractor Certified Cost or Pricing Data-Modifications
52.215-14	OCT 2010	Integrity of Unit Prices
52.215-15	OCT 2010	Pension Adjustments and Asset Reversions
52.215-18	JUL 2005	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions
52.215-19	OCT 1997	Notification of Ownership Changes
52.215-21	OCT 2010	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications
52.215-23 Alt I	OCT 2009	Limitations on Pass-Through Charges (Oct 2009) - Alternate I
52.216-2	NOV 2021	Economic Price Adjustment-Standard Supplies
52.216-3	NOV 2021	Economic Price Adjustment-Semistandard Supplies
52.216-4	JAN 2017	Economic Price Adjustment-Labor and Material
52.216-7	JUN 2013	Allowable Cost and Payment
52.216-10	JUN 2011	Incentive Fee
52.216-16	OCT 1997	Incentive Price Revision-Firm Target

Clause	Date	Reference
52.216-17	OCT 1997	Incentive Price Revision-Successive Targets
52.216-25	OCT 2010	Contract Definitization
52.216-25 ALT I		Contract Definitization – ALTERNATE I
52.217-6	FEB 2022	Option for Increased Quantity
52.217-7	MAR 1989	Option for Increased Quantity-Separately Priced Line Item
52.217-8	AUG 2016	Option to Extend Services
52.217-9	MAR 2000	Option to Extend the Term of the Contract
52.219-4	OCT 2014	Notice of Price Evaluation Preference for HUBZone Small Business Concerns
52.219-8	NOV 2016	Utilization of Small Business Concerns
52.219-9 Alt II	JAN 2017	Small Business Subcontracting Plan. Alternate II
52.219-16	JAN 1999	Liquidated Damages-Subcontracting Plan
52.219-28	JUL 2013	Post-Award Small Business Program Representation
52.222-3	JUN 2003	Convict Labor
52.222-19	OCT 2016	Child Labor -- Cooperation with Authorities and Remedies
52.222-20	MAY 2014	Contracts for Materials, Supplies, Articles, and Equipment
52.222-21	APR 2015	Prohibition Of Segregated Facilities
52.222-26	SEP 2016	Equal Opportunity
52.222-35	OCT 2015	Equal Opportunity for Veterans
52.222-36	JUL 2014	Equal Opportunity for Workers with Disabilities
52.222-37	FEB 2016	Employment Reports on Veterans
52.222-40	DEC 2010	Notification of Employee Rights Under the National Labor Relations Act
52.222-50	MAR 2015	Combating Trafficking in Persons
52.222-54	OCT 2015	Employment Eligibility Verification
52.223-3	JAN 1997	Hazardous Material Identification and Material Safety Data
52.223-5	MAY 2011	Pollution Prevention and Right-to-Know Information
52.223-6	MAY 2001	Drug-Free Workplace
52.223-18	AUG 2011	Encouraging Contractor Policies To Ban Text Messaging While Driving
52.225-13	JUN 2008	Restrictions on Certain Foreign Purchases
52.227-1 Alt I	APR 1984	Authorization And Consent (Dec 2007) - Alternate I
52.227-2	DEC 2007	Notice And Assistance Regarding Patent And Copyright Infringement
52.227-10	DEC 2007	Filing Of Patent Applications--Classified Subject Matter
52.227-19	DEC 2007	Commercial Computer Software License
52.228-5	JAN 1997	Insurance - Work On A Government Installation
52.228-7	MAR 1996	Insurance--Liability To Third Persons
52.229-3	FEB 2013	Federal, State And Local Taxes
52.230-2	OCT 2015	Cost Accounting Standards
52.230-6	JUN 2010	Administration of Cost Accounting Standards
52.232-1	APR 1984	Payments
52.232-8	FEB 2002	Discounts For Prompt Payment
52.232-9	APR 1984	Limitation On Withholding Of Payments
52.232-11	APR 1984	Extras
52.232-16	JUN 2020	Progress Payments
52.232-17	MAY 2014	Interest
52.232-18	APR 1984	Availability Of Funds
52.232-22	APR 1984	Limitation Of Funds
52.232-23	MAY 2014	Assignment Of Claims
52.232-25	JAN 2017	Prompt Payment
52.232-32	APR 2012	Performance-Based Payments
52.232-33	JUL 2013	Payment by Electronic Funds Transfer--System for Award Management
52.232-39	JUN 2013	Unenforceability of Unauthorized Obligations
52.232-40	DEC 2013	Providing Accelerated Payments to Small Business Subcontractors
52.233-1	MAY 2014	Disputes

Clause	Date	Reference
52.233-3 Alt I	JUN 1985	Protest After Award (Aug 1996) - Alternate I
52.233-4	OCT 2004	Applicable Law for Breach of Contract Claim
52.237-3	JAN 1991	Continuity Of Services
52.239-1	AUG 1996	Privacy or Security Safeguards
52.242-1	APR 1984	Notice of Intent to Disallow Costs
52.242-3	MAY 2014	Penalties for Unallowable Costs
52.242-4	JAN 1997	Certification of Final Indirect Costs
52.242-13	JUL 1995	Bankruptcy
52.242-15	AUG 1989	Stop-Work Order
52.242-15 Alt I	APR 1984	Stop-Work Order (Aug 1989) – Alternate I
52.242-17	APR 1984	Government Delay of Work
52.243-1	AUG 1987	Changes--Fixed Price
52.243-2	AUG 1987	Changes--Cost-Reimbursement
52.243-6	APR 1984	Change Order Accounting
52.243-7	JAN 2017	Notification of Changes
52.244-2	OCT 2010	Subcontracts
52.244-5	DEC 1996	Competition In Subcontracting
52.244-6	JAN 2017	Subcontracts for Commercial Items
52.245-1	JAN 2017	Government Property
52.245-9	APR 2012	Use And Charges
52.246-2	AUG 1996	Inspection Of Supplies—Fixed Price
52.246-2 Alt I	JUL 1985	Inspection Of Supplies Fixed Price (Aug 1996) - Alternate I
52.246-3	MAY 2001	Inspection Of Supplies Cost-Reimbursement
52.246-4	AUG 1996	Inspection of Services—Fixed Price
52.246-11	DEC 2014	Higher-Level Contract Quality Requirement
52.246-16	APR 1984	Responsibility For Supplies
52.246-23	FEB 1997	Limitation Of Liability
52.246-24 Alt I	APR 1984	Limitation Of Liability--High Value Items (Feb 1997) - Alternate I
52.246-25	FEB 1997	Limitation Of Liability--Services
52.247-30	FEB 2006	F.O.B. Origin, Contractor's Facility
52.247-34	NOV 1991	F.O.B. Destination
52.247-55	JUN 2003	F.O.B. Point For Delivery Of Government-Furnished Property
52.247-68	FEB 2006	Report of Shipment (REPSHIP)
52.248-1	OCT 2010	Value Engineering
52.249-2	APR 2012	Termination For Convenience Of The Government (Fixed-Price)
52.249-4	APR 1984	Termination For Convenience Of The Government (Services) (Short Form)
52.249-6	MAY 2004	Termination (Cost Reimbursement)
52.249-8	APR 1984	Default (Fixed-Price Supply & Service)
52.249-14	APR 1984	Excusable Delays
52.252-2	FEB 1998	Clauses Incorporated by Reference
52.252-6	APR 1984	Authorized Deviations in Clauses
52.253-1	JAN 1991	Computer Generated Forms

DFARS CLAUSES

Clause	Date	Reference
252.203-7000	SEP 2011	Requirements Relating to Compensation of Former DoD Officials
252.203-7001	DEC 2008	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
252.203-7002	SEP 2013	Requirement to Inform Employees of Whistleblower Rights
252.203-7003	DEC 2012	Agency Office of the Inspector General
252.203-7004	OCT 2016	Display of Hotline Posters

Clause	Date	Reference
252.204-0001	SEP 2009	252.204-0001 Line Item Specific: Single Funding
252.204-0002	SEP 2009	252.204-0002 Line Item Specific: Sequential ACRN Order
252.204-0004	SEP 2009	252.204-0004 Line Item Specific: By Fiscal Year
252.204-7003	APR 1992	Control Of Government Personnel Work Product
252.204-7004 Alt A	FEB 2014	System for Award Management Alternate A
252.204-7005	NOV 2001	Oral Attestation of Security Responsibilities
252.204-7006	OCT 2005	Billing Instructions
252.204-7012	OCT 2016	Safeguarding Covered Defense Information and Cyber Incident Reporting
252.204-7014	JAN 2023	Limitations on the Use or Disclosure of Information by Litigation Support Contractors
252.205-7000	DEC 1991	Provision Of Information To Cooperative Agreement Holders
252.209-7004	OCT 2015	Subcontracting With Firms That Are Owned or Controlled By The Government of a Country that is a State Sponsor of Terrorism
252.211-7000	OCT 2010	Acquisition Streamlining
252.211-7003	JAN 2023	Item Unique Identification and Validation
252.211-7007	AUG 2012	Reporting of Government-Furnished Property
252.211-7008	SEP 2010	Use of Government-Assigned Serial Numbers
252.215-7000	DEC 2012	Pricing Adjustments
252.217-7027	MAY 2023	Contract Definitization
252.217-7028	DEC 1991	Over and Above Work
252.222-7002	JUN 1997	Compliance With Local Labor Laws (Overseas)
252.222-7006	DEC 2010	Restrictions on the Use of Mandatory Arbitration Agreements
252.223-7001	DEC 1991	Hazard Warning Labels
252.223-7004	SEP 1988	Drug Free Work Force
252.223-7006	SEP 2014	Prohibition On Storage, Treatment, and Disposal of Toxic or Hazardous Materials
252.223-7008	JUN 2013	Prohibition of Hexavalent Chromium
252.225-7001	DEC 2016	Buy American And Balance Of Payments Program-- Basic (Dec 2016)
252.225-7002	DEC 2016	Qualifying Country Sources As Subcontractors
252.225-7004	OCT 2015	Report of Intended Performance Outside the United States and Canada-- Submission after Award
252.225-7005	JUN 2005	Identification Of Expenditures In The United States
252.225-7012	DEC 2016	Preference For Certain Domestic Commodities
252.225-7013	MAY 2016	Duty-Free Entry--Basic (May 2016)
252.225-7016	JUN 2011	Restriction On Acquisition Of Ball and Roller Bearings
252.225-7041	JUN 1997	Correspondence in English
252.225-7043	JUN 2015	Antiterrorism/Force Projection Policy for Defense Contractors Outside the United States
252.225-7048	JUN 2013	Export-Controlled Items
252.226-7001	SEP 2004	Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.227-7013	FEB 2014	Rights in Technical Data--Noncommercial Items
252.227-7014	FEB 2014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation
252.227-7015	FEB 2014	Technical Data--Commercial Items
252.227-7016	JAN 2011	Rights in Bid or Proposal Information
252.227-7017	JAN 2023	Identification and Assertion of Use, Release, or Disclosure Restrictions
252.227-7018	FEB 2014	Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program
252.227-7019	SEP 2016	Validation of Asserted Restrictions--Computer Software
252.227-7020	JUN 1995	Rights In Special Works

Clause	Date	Reference
252.227-7025	MAY 2013	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
252.227-7027	APR 1988	Deferred Ordering Of Technical Data Or Computer Software
252.227-7028	JUN 1995	Technical Data or Computer Software Previously Delivered to the Government
252.227-7030	MAR 2000	Technical Data--Withholding Of Payment
252.227-7037	SEP 2016	Validation of Restrictive Markings on Technical Data
252.227-7038	JUN 2012	Patent Rights--Ownership by the Contractor (Large Business)
252.231-7000	DEC 1991	Supplemental Cost Principles
252.232-7003	JUN 2012	Electronic Submission of Payment Requests and Receiving Reports
252.232-7006	MAY 2013	Wide Area Workflow Payment Instructions
252.232-7007	APR 2014	Limitation of Government's Obligations
252.232-7010	DEC 2006	Levies on Contract Payments
252.234-7002	SEP 2015	Earned Value Management System (DEVIATION 2015-00017)
252.239-7000	JUN 2004	Protection Against Compromising Emanations
252.239-7001	JAN 2008	Information Assurance Contractor Training and Certification
252.242-7004	MAY 2011	Material Management And Accounting System
252.242-7005	FEB 2012	Contractor Business Systems
252.242-7006	FEB 2012	Accounting System Administration
252.243-7001	DEC 1991	Pricing Of Contract Modifications
252.243-7002	DEC 2012	Requests for Equitable Adjustment
252.244-7000	JUN 2013	Subcontracts for Commercial Items
252.244-7001	MAY 2014	Contractor Purchasing System Administration
252.245-7001	APR 2012	Tagging, Labeling, and Marking of Government-Furnished Property
252.245-7002	APR 2012	Reporting Loss of Government Property
252.245-7003	APR 2012	Contractor Property Management System Administration
252.245-7004	SEP 2016	Reporting, Reutilization, and Disposal
252.246-7000	MAR 2008	Material Inspection and Receiving Report
252.246-7001	MAR 2014	Warranty Of Data
252.246-7003	JUN 2013	Notification of Potential Safety Issues
252.246-7007	AUG 2016	Contractor Counterfeit Electronic Part Detection and Avoidance System
252.247-7023	APR 2014	Transportation of Supplies by Sea

OTHER CLAUSES

Clause	Date	Reference
5252.201-9500	SEP 2012	Technical Point of Contact (TPOC) (NAVAIR)
5252.201-9502	OCT 2005	Contractor's Authorized Contract Coordinator and Technical Liaison (NAVAIR)
5252.204-9501	MAR 2007	National Stock Numbers (NAVAIR)
5252.204-9503	JAN 2007	Expediting Contract Closeout (NAVAIR)
5252.204-9505	SEP 2012	System Authorization Access Request Navy (SAAR-N) Requirements for Information Technology (IT) (NAVAIR)
5252.211-9506	FEB 1995	Provisioned Items
5252.217-9500	OCT 2005	Ordering – Provisioned Items (Fixed-Price) (NAVAIR)
5252.217-9507	OCT 2005	Over and Above Work Requests (NAVAIR)
5252.217-9509	OCT 2006	Liability for Government Property Undergoing Services, Repairs or Modifications (NAVAIR)
5252.223-9501	APR 2009	Material Safety Data Sheet (MSDS) (NAVAIR)
5252.223-9502	APR 2009	Hazardous Material (NAVAIR)
5252.227-9501	MAY 1998	Invention Disclosures and Reports (NAVAIR)

Clause	Date	Reference
5252.227-9505	AUG 1987	Technical Data and Computer Software Identification in Engineering Change Proposals (ECPs) (NAVAIR)
5252.227-9511	FEB 2009	Disclosure, Use and Protection of Proprietary Information (NAVAIR)
5252.228-9501	MAR 1999	Liability Insurance (NAVAIR)
5252.232-9516	JUL 1985	Allotment Of Funds – Incrementally Funded Cost-Reimbursement Contract Other Than Cost-Sharing Contract
5252.232-9516	DEC 2023	to reflect the incremental funding amount; 9) Extend the performance period of CLIN 0001 to 29
5252.242-9511	SEP 2012	Contract Administration Data (NAVAIR)
5252.243-9505	OCT 2005	Engineering Changes (NAVAIR)
5252.246-9503	JUL 2009	Significance of Systems Engineering Technical Reviews Required Under this Contract (NAVAIR)
5252.246-9512	OCT 2005	Inspection and Acceptance (NAVAIR)
5252.246-9514	Feb 1995	Inspection and Acceptance of Technical Data and Informaiton (NAVAIR)
5252.246-9517	MAR 1999	Constructive Acceptance Period (NAVAIR)
5252.246-9526	OCT 2005	Provisional Acceptance Under Special Conditions (NAVAIR)
5252.246-9528	OCT 2005	(NAVAIR)
5252.247-9502	OCT 1994	Unpacking Instructions: Complex or Delicate Equipment (NAVAIR)
5252.247-9505	FEB 1995	Technical Data and Information (NAVAIR)
5252.247-9507	OCT 2005	Packaging and Marking of Reports (NAVAIR)
5252.247-9508	JUN 1998	Prohibited Packing Materials (NAVAIR)
5252.247-9509	JUL 1998	Preservation, Packing, Packing and Marking (NAVAIR)
5252.247-9514	SEP 1999	Technical Data Packing Instructions (NAVAIR)
5252.247-9517	FEB 2002	Containing Non-Manufactured Wood Packing Materials (NAVAIR)
5252.947-9520	OCT 2005	Preservation, Packaging, and Packing (NAVAIR)

CLAUSES INCORPORATED IN FULL TEXT:**P00021**

The parties agree that the revisions contained in this modification make full provision and represent the complete agreement for any and all matters related to the revisions pertaining to the change of supply or service requirements described herein. The contractor agrees to and does, for itself, its successors and assignor, remise, release and forever discharge the Government from any and all liabilities, obligations, claims and demands whatsoever in law and equity, without reservation, whether now known or unknown, whether latent or patent, whether or not heretofore asserted in writing, or whether or not made on behalf of the contractor or made through the contractor on behalf of a subcontractor, vendor, surety, insurer, or other creditor of the contractor, under or arising out of, or relating to this supplemental agreement.

All other contract terms and conditions remain unchanged. This agreement constitutes the full, complete, and equitable settlement of all matters resulting from changes generated by this modification. The Contractor hereby releases the Government from all liability for any equitable adjustments either direct or indirectly related to this action. The Contractor is not releasing the Government from any liability unrelated to this modification.

P00034

The parties agree that the revisions contained in this modification make full provision and represent the complete agreement for any and all matters related to the revisions pertaining to the change of supply or service requirements described herein. The contractor agrees to and does, for itself, its successors and assignor, remise, release and forever discharge the Government from any and all liabilities, obligations, claims and demands whatsoever in law and equity, without reservation, whether now known or unknown, whether latent or patent, whether or not heretofore asserted in writing, or whether or not made on behalf of the contractor or made through the contractor on behalf of a subcontractor, vendor, surety, insurer, or other creditor of the contractor, under or arising out of, or relating to this supplemental agreement.

All other contract terms and conditions remain unchanged. This agreement constitutes the full, complete, and equitable settlement of all matters resulting from changes generated by this modification. The Contractor hereby releases the Government from all liability for any equitable adjustments either direct or indirectly related to this action. The Contractor is not releasing the Government from any liability unrelated to this modification.

5252.204-9501 NATIONAL STOCK NUMBERS (NAVAIR)(MAR 2007)

(a) This clause applies to supplies that are stock numbered under Federal Catalog System procedures.

(b) Unless otherwise authorized by the Contracting Officer, in writing, the Contractor shall not deliver any supplies until the supplies have been marked with a National Stock Number. All available National Stock Numbers will be furnished by the Government. If National Stock Numbers are not furnished by the Government in time to meet the delivery schedule for the supplies, the Contractor may present the supplies that are scheduled for delivery to the Contracting Officer for acceptance. The Contracting Officer may accept such supplies without National Stock Numbers and the Government will pay the Contractor, provided that title to the supplies is vested in the Government.

(c) The term "Federal Stock Number" (FSN), which may be referred to in the specifications of this contract or elsewhere in this contract, shall mean "National Stock Number" (NSN), and the term "Federal Item Identification Number", wherever it appears, shall mean "National Item Identification Number".

(As used in the foregoing clause, the term "Contracting Officer" shall mean the "Administrative Contracting Officer" (ACO) with respect to provisioned items and other supplies ordered by the ACO.)

C-TXT-ECMRA REQUIRED ENTERPRISE-WIDE CONTRACTOR MANPOWER REPORTING APPLICATION (ECMRA) INFORMATION

The contractor shall report contractor labor hours (including subcontractor labor hours) required for performance of services provided under this contract for the TCTS Inc II Field Tech Rep, ICS and CLS CLINs via a secure data collection site. Contracted services, excluded from reporting are based on Product Service Codes (PSCs). The excluded PSCs are:

- (1) W, Lease/Rental of Equipment;
- (2) X, Lease/Rental of Facilities;
- (3) Y, Construction of Structures and Facilities;
- (4) D, Automatic Data Processing and Telecommunications, IT and Telecom - Telecommunications Transmission (D304) and Internet (D322) ONLY.
- (5) S, Utilities ONLY;
- (6) V, Freight and Shipping ONLY.

The contractor is required to completely fill in all required data fields using the following web address "<https://doncmra.nmci.navy.mil>".

Reporting inputs will be for the labor executed during the period of performance during each Government fiscal year (FY), which runs October 1 through September 30. While inputs may be reported any time during the FY, all data shall be reported no later than October 31 of each calendar year. Contractors may direct questions to the help desk, linked at "<https://doncmra.nmci.navy.mil>".

Applicable CLINs: 8000, 9000, 9001, 9002, 9003, 9004, 9005

252.223-7001 HAZARD WARNING LABELS (DEC 1991)

(a) "Hazardous material," as used in this clause, is defined in the Hazardous Material Identification and Material Safety Data clause of this contract.

(b) The Contractor shall label the item package (unit container) of any hazardous material to be delivered under this contract in accordance with the Hazard Communication Standard (29 CFR 1910.1200 et seq). The Standard requires that the hazard warning label conform to the requirements of the standard unless the material is otherwise subject to the labeling requirements of one of the following statutes:

- (1) Federal Insecticide, Fungicide and Rodenticide Act;
- (2) Federal Food, Drug and Cosmetics Act;
- (3) Consumer Product Safety Act;
- (4) Federal Hazardous Substances Act; or
- (5) Federal Alcohol Administration Act.

(c) The Offeror shall list which hazardous material listed in the Hazardous Material Identification and Material Safety Data clause of this contract will be labeled in accordance with one of the Acts in paragraphs (b)(1) through (5) of this clause instead of the Hazard Communication Standard. Any hazardous material not listed will be interpreted to mean that a label is required in accordance with the Hazard Communication Standard.

MATERIAL (If None, Insert "None.")

ACT

NONE

(d) The apparently successful Offeror agrees to submit, before award, a copy of the hazard warning label for all hazardous materials not listed in paragraph (c) of this clause. The Offeror shall submit the label with the Material Safety Data Sheet being furnished under the Hazardous Material Identification and Material Safety Data clause of this contract.

(e) The Contractor shall also comply with MIL-STD-129, Marking for Shipment and Storage (including revisions adopted during the term of this contract).

5252.223-9502 HAZARDOUS MATERIAL (NAVAIR)(APR 2009) -

(a) Packaging, Packing, Marking, Labeling and Certification of Hazardous materials for shipment by any mode or combination of transportation modes shall be prepared (properly classed, described, packaged, marked, labeled, transport vehicle placarded, etc.) for shipment in accordance with MIL-STD-129 and Title 49 Code of Federal Regulations (CFR), Part 100-199 as applicable. In the event of any contradictions between the documents, 49 CFR shall govern or the applicable modal transport regulation.

(b) In the event of a conflict between specific requirements in the contract or order and existing applicable modal transport regulations, the regulations shall take precedence. Under no circumstances shall the contractor knowingly use materials, markings or procedures that are not in accordance with laws and regulations applicable to the mode of transportation employed.

(c) To ascertain which Department of Defense, or local installation regulations, concerning hazardous materials may have impact on this contract, the contractor should contact: the TPOC, who will coordinate with the Environmental Director at each site.

5252.247-9502 UNPACKING INSTRUCTIONS: COMPLEX OR DELICATE EQUIPMENT (NAVAIR) (OCT 1994)

(a) Location on Container. When practical, one set of the unpacking instructions will be placed in a heavy water-proof envelope prominently marked "UNPACKING INFORMATION" and firmly affixed to the outside of the shipping container in a protected location, preferably between the cleats on the end of the container adjacent to the identification marking. If the instructions cover a set of equipment packed in multiple containers, the instructions will be affixed to the number one container of the set. When the unpacking instructions are too voluminous to be affixed to the exterior of the container, they will be placed inside and directions for locating them will be provided in the envelope marked "UNPACKING INFORMATION".

(b) Marking Containers. When unpacking instructions are provided, shipping containers will be stenciled "CAUTION - THIS EQUIPMENT MAY BE SERIOUSLY DAMAGED UNLESS UNPACKING INSTRUCTIONS ARE CAREFULLY FOLLOWED. UNPACKING INSTRUCTIONS ARE LOCATED (state where located)." When practical, this marking will be applied adjacent to the identification marking on the side of the container.

(c) Marking. All shipping containers that must be unpacked in a specific order or stacked in a particular order will be marked appropriately to identify order for unpacking.

5252.247-9507 PACKAGING AND MARKING OF REPORTS (NAVAIR)(OCT 2005)

(a) All unclassified data shall be prepared for shipment in accordance with best commercial practice. Classified reports, data and documentation, if any, shall be prepared for shipment in accordance with the National Industry Security Program Operating Manual, DoD 5220.22-M.

(b) The contractor shall prominently display on the cover of each report the following information:

- (1) Name and business address of contractor.
- (2) Contract Number/Delivery/Task order number.
- (3) Contract/Delivery/Task order dollar amount.
- (4) Whether the contract was competitively or non-competitively awarded.
- (5) Name of sponsoring individual.
- (6) Name and address of requiring activity.

5252.247-9508 PROHIBITED PACKING MATERIALS (NAVAIR)(JUN 1998)

The use of asbestos, excelsior, newspaper or shredded paper (all types including waxed paper, computer paper and similar hygroscopic or non-neutral material) is prohibited. In addition, loose fill polystyrene is prohibited for shipboard use.

5252.247-9509 PRESERVATION, PACKAGING, PACKING AND MARKING (NAVAIR)(JUL 1998)

(a) Preservation, packaging and packing shall conform to prevailing industry standards for the type of commodity purchased under this contract.

(b) All packages will be clearly marked with applicable contract number/delivery order number, and will contain appropriate packing slip. All deliveries will be marked for and/or consigned as follows:

See Section F.

(c) In the event of any discrepancy in material shipped (overage, technical rejection, damage), the contractor shall, immediately upon request of the Contracting Officer, furnish disposition instructions. Normally, such disposition instruction shall be a properly completed Commercial Bill of Lading, which includes, but is not limited to, the mode of shipment, routing, special handling, and so forth.

(d) If the contractor is required to install equipment upon delivery, then the contractor shall inform the Government of the date of shipment from the contractor's facilities and the anticipated date of arrival at the site. This report shall be made no later than the actual date that the shipment is made from the contractor's facilities. The report may be made by facsimile or e-mail, to the point of contact listed in Section G. All transportation, rigging, drayage, packing, unpacking, and handling necessary to accomplish the installation shall be the responsibility of the contractor.

5252.247-9514 TECHNICAL DATA PACKING INSTRUCTIONS (NAVAIR) (SEP 1999)

Technical Data and Information shall be packed and packaged for domestic shipment in accordance with best commercial practices. The package or envelope should be clearly marked with any special markings specified in this contract (or delivery/task order), e.g., Contract Number, CLIN, Device No., and document title must be

on the outside of the package. Classified reports, data and documentation, if applicable, shall be prepared for shipment in accordance with Defense Industrial Manual for Safeguarding Classified Information, DoD 5220.22M.

5252.247-9517 PACKAGING REQUIREMENTS FOR SHIPMENTS CONTAINING NON-MANUFACTURED WOOD PACKING MATERIALS (NAVAIR) (FEB 2002)

All non-manufactured, wooden pallets, reels, or containers shipped or used for shipment under this contract shall be heat treated and marked in accordance with the American Lumber Standards Committee, Incorporated Non-Manufactured Wood Packing Policy and Non-Manufactured Wood Packing Enforcement Regulations, both dated 30 May 2001.

5252.247-9520 PRESERVATION, PACKAGING, AND PACKING (NAVAIR)(OCT 2005)

(a) The contractor shall preserve, pack and package items procured for system stock, overseas destinations or ships at sea, in accordance with the MIL-STD-2073-1 Level A requirements delineated in the schedule or elsewhere in the contract or order. If specific requirements are not included in the contract or order, the contractor shall preserve and package in accordance with previously approved level A requirements, within the technical parameters contained in MIL-STD-2073-1. Preservation and packing materials shall be fire retardant/non-combustible as prescribed in the specific packaging requirements in the contract or order, and to the maximum extent practicable.

(b) If the packaging materials specified in the contract or order are not fire retardant, and fire retardant varieties are included in commodity specifications for these materials, the contractor shall use fire retardant varieties. Fire retardant packaging materials are not required for items not used aboard ship. The use of plastic packaging materials is prohibited unless prescribed in specific packaging requirements in the contract or order, or unless required to adequately protect the item from damage.

(c) For items procured for installation/immediate use, the contractor shall preserve and package in accordance with the Level C requirements of MIL-STD-2073-1. Packing for shipment (i.e., shipping container) shall be in accordance with MIL-STD-2073-1, Level A, for overseas surface shipments that are not containerized and all deliveries to ships at sea; Level B for all remaining overseas shipments; Level C or domestic shipments of items consumed at first destination. Fire retardant materials are not required in packing (i.e., shipping container) operations. All units, intermediate and shipping containers, shall be marked in accordance with MIL-STD-129. The use of shredded paper, excelsior, polystyrene and other loose-fill materials as a cushion is prohibited in all packaging and packing operation.

(d) In accordance with 29 CFR, the contractor shall ensure that the following caution label is placed on all units, intermediate and shipping containers for all items containing asbestos in a form that can be inhaled:

CAUTION
CONTAINS ASBESTOS FIBERS
AVOID CREATING DUST
BREATHING ASBESTOS DUST MAY CAUSE SERIOUS BODILY HARM

(e) All items containing asbestos in a form that can be inhaled shall be packaged in sealed, impermeable bags or other impermeable containers, as required by 29 CFR.

NOTE TO SUPPLIERS: If the supplies to be furnished on this document require the asbestos caution label described above, the contractor shall notify the contract administrator indicated in the schedule prior to shipment.

52.246-11 HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT (DEC 2014)

(a) The Contractor shall comply with the higher-level quality standard selected below.

Quality Management Systems-Requirements for Aviation, Space, and Defense Organizations, SAE AS9100C, January 2009

Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition, SAE AS5553A, January 2013

(b) The Contractor shall include applicable requirements of the higher-level quality standard(s) listed in paragraph (a) of this clause and the requirement to flow down such standards, as applicable, to lower-tier subcontracts, in--

(1) Any subcontract for critical and complex items (see 46.203(b) and (c)); or

(2) When the technical requirements of a subcontract require-- (i) Control of such things as design, work operations, in-process control, testing, and inspection; or (ii) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

5252.246-9512 INSPECTION AND ACCEPTANCE (NAVAIR) (OCT 2005)

(a) Inspection and acceptance of the supplies or services to be furnished hereunder shall be performed by ACO or TPOC.*

(b) Acceptance of all Contract Line Items/Sub Line Items (CLINs/SLINs) shall be made by signature of the accepting authority on a DD 250 submitted through the WAWF system. Acceptance will only occur when the accepting authority is sure that inspections performed demonstrate compliance with contract requirements.

* Inspections will occur at source and acceptance will occur at destination.

Applicable CLINs: 0001, 0003, 0004, 1000, 1001, 1002, 1003, 1004, 2000, 2001, 2002, 2003, 2004, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3011, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, 5009, 7001

5252.246-9514 INSPECTION AND ACCEPTANCE OF TECHNICAL DATA AND INFORMATION (NAVAIR) (FEB 1995)

Inspection and acceptance of technical data and information will be performed by the Procuring Contracting Officer (PCO) or his duly authorized representative. Inspection of technical data and information will be performed by ensuring successful completion of the requirements set forth in the DD Form 1423, Contract Data Requirements List (CDRL) and incorporation/resolution of Government review comments on the data items. Acceptance will be evidenced by execution of an unconditional DD Form 250, Material Inspection and Receiving Report, as appropriate, and/or upon receipt of a second endorsement acceptance by the PCO on the attachment to this contract NAWCTSD 4330/60 Data Item Transmittal/Acceptance/Rejection Form. The attached form will not be used for high cost data such as drawings, specifications, and technical manuals.

Applicable CLINs: 0002, 0005, 1005, 2005, 3010, 4010, 5010, 6000, 7000

5252.246-9517 CONSTRUCTIVE ACCEPTANCE PERIOD (NAVAIR) (MAR 1999)

For the purpose of FAR Clause 52.232-25, "Prompt Payment", paragraph (a)(5)(i), Government acceptance shall be deemed to have occurred constructively on the 90th day after the contractor delivered the supplies or performed the services.

5252.246-9528 INSPECTION AND ACCEPTANCE (SPECIAL CONDITIONS) (NAVAIR) (OCT 2005)

(a) Initial inspection of the supplies to be furnished hereunder shall be made by DCMA at the contractor's or subcontractor's plant located at TBD. Final inspection and acceptance shall be made by TPOC or other Government appointed personnel within See Table below.

CLIN	Inspection	Plant Location Shipped from
CLINs 0001 and 0002	Final inspection and acceptance shall be made by TPOC within 60 days after successful completion of the Physical Configuration Audit. If LRIP period not exercised in accordance with 52.217-7, final inspection and acceptance shall be 60 days after DTB-4.	Contractor- Cedar Rapids, IA
CLINs 1000, 1001, 1002, 1003, 2000, 2001, 2002, 2003, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, and 5009	Final inspection and acceptance shall be made by TPOC within 90 days of delivery and installation at site.	Subcontractor- Fort Walton Beach, FL for CLIN 1000, 2000, 3000, 3001, 3002, 3003, 4000, 4001, 4002, 4003, 5000, 5001, 5002, 5003 Contractor- Cedar Rapids, IA for: 1004, 1005, 2004, 2005, 3010, 3011, 4010, Contractor- Richardson, TX for: 1001, 1002, 1003, 2001, 2002, 2003, 3004, 3005, 3006, 3007, 3008, 3009, 4004, 4005, 4006, 4007, 4008, 4009, 5004, 5005, 5006, 5007, 5008, 5009

(b) Initial inspection shall consist of quality assurance at point of manufacture and/or assembly and check/test prior to shipment. Final inspection and acceptance will be made by the Receiving Activity after installation/check out testing of the supplies.

Applicable CLINs: 0001, 1000, 1001, 1002, 1003, 2000, 2001, 2002, 2003, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, 5009

5252.211-9506 PROVISIONED ITEMS (FEB 1995)

Provisioned items shall be delivered in accordance with individual Provisioned Items Orders (PIOs) issued pursuant to 5252.217-9500. The Government may order provisioned items for a period of up to twelve (12) months following delivery of the last unit delivered under FRP Lot III.

5252.247-9505 TECHNICAL DATA AND INFORMATION (NAVAIR) (FEB 1995)

Technical Data and Information shall be delivered in accordance with the requirements of the Contract Data Requirements List, DD Form 1423, Exhibits A-F, attached hereto, and the following:

(a) The contractor shall concurrently deliver technical data and information per DD Form 1423, Blocks 12 and 13 (date of first/subsequent submission) to the following points of contact:

(1) PCO, Andrea Gordon-Eubanks via the Contract Specialist Christiana Williams at christiana.m.williams2.civ@us.navy.mil; 12211 Science Dr. Orlando, FL 32826-3224; 407-380-8654.

(2) ACO, Jason Hulbut at jason.e.hulbut.civ@mail.mil and Contract Administrator, Ronnie Hudson at Ronnie.Hudson@dcma.mil; DCMA Twin Cities; dcmatwincitiescasd@dcma.mil; 952-259-5403; B.H. Whipple Fed Building, RM 1150, 1 Federal Drive, Ft. Snelling, MN 55111

(3) PMA205 Data Manager Denise Destiche denise.destiche@navy.mil; 47123 Buse Rd, B2272, RM 345, Patuxent River, MD 20670; 301-757-8100.

(b) Partial delivery of data is not acceptable unless specifically authorized on the DD Form 1423, or unless approved in writing by the PCO.

(c) The Government review period provided on the DD Form 1423 for each item commences upon receipt of all required data by the technical activity designated in Block 6.

(d) A copy of all other correspondence addressed to the Contracting Officer relating to data item requirements (i.e., status of delivery) shall also be provided to the codes reflected above and the technical activity responsible for the data item per Block 6, if not one of the activities listed above.

(e) The PCO reserves the right to issue unilateral modifications to change the destination codes and addresses for all technical data and information at no additional cost to the Government.

(f) Unless otherwise specified in writing, rejected data items shall be resubmitted within thirty (30) days after receipt of notice of rejection.

252.204-0001 LINE ITEM SPECIFIC: SINGLE FUNDING (SEP 2009)

The payment office shall make payment using the ACRN funding of the line item being billed.

Applicable CLINs: 0003, 0004, 0005, 1000, 1001, 1002, 1003, 1004, 1005, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, 5009, 5010, 6000, 7000, 7001, 8000

252.204-0002 LINE ITEM SPECIFIC: SEQUENTIAL ACRN ORDER (SEP 2009)

The payment office shall make payment in sequential ACRN order within the line item, exhausting all funds in the previous ACRN before paying from the next ACRN using the following sequential order: Alpha/Alpha; Alpha/numeric; numeric/alpha; and numeric/numeric.

Applicable CLINs: 9000, 9001, 9002, 9003, 9004, 9005

252.204-0004 LINE ITEM SPECIFIC: BY FISCAL YEAR (SEP 2009)

The payment office shall make payment using the oldest fiscal year appropriations first, exhausting all funds in the previous fiscal year before disbursing from the next fiscal year. In the event there is more than one ACRN associated with the same fiscal year, the payment amount shall be disbursed from each ACRN within a fiscal year in the same proportion as the amount of funding obligated for each ACRN within the fiscal year.

Applicable CLINs: 0001, 0002

252.232-7006 WIDE AREA WORKFLOW PAYMENT INSTRUCTIONS (MAY 2013)

(a) Definitions. as used in this clause--

"Department of Defense Activity Address Code (DoDAAC)" is a six position code that uniquely identifies a unit, activity, or organization.

"Document type" means the type of payment request or receiving report available for creation in Wide Area WorkFlow (WAWF).

"Local processing office (LPO)" is the office responsible for payment certification when payment certification is done external to the entitlement system.

(b) Electronic invoicing. The WAWF system is the method to electronically process vendor payment requests and receiving reports, as authorized by DFARS 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports.

(c) WAWF access. To access WAWF, the Contractor shall--

(1) Have a designated electronic business point of contact in the System for Award Management at <https://www.acquisition.gov>; and

(2) Be registered to use WAWF at <https://wawf.eb.mil/> following the step-by-step procedures for self-registration available at this Web site.

(d) WAWF training. The Contractor should follow the training instructions of the WAWF Web-Based Training Course and use the Practice Training Site before submitting payment requests through WAWF. Both can be accessed by selecting the "Web Based Training" link on the WAWF home page at <https://wawf.eb.mil/>.

(e) WAWF methods of document submission. Document submissions may be via Web entry, Electronic Data Interchange, or File Transfer Protocol.

(f) WAWF payment instructions. The Contractor must use the following information when submitting payment requests and receiving reports in WAWF for this contract/order:

(1) Document type. The Contractor shall use the following document type(s).

CLIN	Document Type
CLINs 0001, 0002, 0100, and 0101	COST VOUCHER
CLINs 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3014, 3015, 3016, 3017, 3018, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 5000, 5001, 5002,	PROGRESS PAYMENT

5003, 5004, 5005, 5006, 5007, 5008, 5009, 5010, 6000, and 7000	
CLINs 0003, 0004, 0005, 7001, 8000, 9000, 9001, 9002, 9003, 9004, and 9005	INVOICE AND RECEIVING REPORT (COMBO) <i>Note: If a "Combo" document type is identified but not supportable by the Contractor's business systems, an "Invoice" (stand-alone) and "Received Report" (stand-alone) document type may be used instead.</i>

(2) Inspection/acceptance location. The Contractor shall select the following inspection/acceptance location(s) in WAWF, as specified by the contracting officer. See Section E.

(3) Document routing. The Contractor shall use the information in the Routing Data Table below only to fill in applicable fields in WAWF when creating payment requests and receiving reports in the system.

Routing Data Table*

Field Name in WAWF	Data to be entered in WAWF
Pay Official DoDAAC:	HQ0339
Issue By DoDAAC:	N61340
Admin DoDAAC:	S2401A
Inspect By DoDAAC:	N61340
Ship To Code:	See Section F
Ship From Code:	Vendor's CAGE Code
Mark For Code:	N61340
Service Approver (DoDAAC):	S2401A
Service Acceptor (DoDAAC):	Not Applicable
Accept at Other DoDAAC:	N61340
LPO DoDAAC:	Not Applicable
DCAA Auditor DoDAAC:	HAA475
Other DoDAAC(s):	N61340

(4) Payment request and supporting documentation. The Contractor shall ensure a payment request includes appropriate contract line item and subline item descriptions of the work performed or supplies delivered, unit price/cost per unit, fee (if applicable), and all relevant back-up documentation, as defined in DFARS Appendix F, (e.g. timesheets) in support of each payment request.

(5) WAWF email notifications. The Contractor shall enter the email address identified below in the "Send Additional Email Notifications" field of WAWF once a document is submitted in the system.

Name	Email	Phone Number	Role
Andrea Gordon-Eubanks	andrea.l.gordoneubanks.civ@us.navy.mil	407-380-4997	View Only
Christiana Williams	christiana.m.williams2.civ@us.navy.mil	407-380-8654	View Only
Technical Points of Contact	See: 5252.201-9500	See: 5252.201-9500	Acceptor

(g) WAWF point of contact. (1) The Contractor may obtain clarification regarding invoicing in WAWF from the following contracting activity's WAWF point of contact. For Navy WAWF questions call DFAS Customer Care 1-800-756-4571 option 6

(2) For technical WAWF help, contact the WAWF helpdesk at 866-618-5988.

252.232-7007 LIMITATION OF GOVERNMENT'S OBLIGATION (APR 2014)

(a) Contract line item(s) 0001, 0007, and 0100 are incrementally funded. For this/these item(s), the sum of \$208,458,084.94 of the total price is presently available for payment and allotted to this contract. An allotment schedule is set forth in paragraph (j) of this clause.

(b) For item(s) identified in paragraph (a) of this clause, the Contractor agrees to perform up to the point at which the total amount payable by the Government, including reimbursement in the event of termination of those item(s) for the Government's convenience, approximates the total amount currently allotted to the contract. The Contractor is not authorized to continue work on those item(s) beyond that point. The Government will not be obligated in any event to reimburse the Contractor in excess of the amount allotted to the contract for those item(s) regardless of anything to the contrary in the clause entitled "Termination for Convenience of the Government." As used in this clause, the total amount payable by the Government in the event of termination of applicable contract line item(s) for convenience includes costs, profit, and estimated termination settlement costs for those item(s).

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (j) of this clause, the Contractor will notify the Contracting Officer in writing at least ninety days prior to the date when, in the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including any cost for termination for convenience, will approximate 85 percent of the total amount then allotted to the contract for performance of the applicable item(s). The notification will state (1) the estimated date when that point will be reached and (2) an estimate of additional funding, if any, needed to continue performance of applicable line items up to the next scheduled date for allotment of funds identified in paragraph (j) of this clause, or to a mutually agreed upon substitute date. The notification will also advise the Contracting Officer of the estimated amount of additional funds that will be required for the timely performance of the item(s) funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (j) of this clause or otherwise agreed to by the parties. If after such notification additional funds are not allotted by the date identified in the Contractor's notification, or by an agreed substitute date, the Contracting Officer will terminate any item(s) for which additional funds have not been allotted, pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(d) When additional funds are allotted for continued performance of the contract line item(s) identified in paragraph (a) of this clause, the parties will agree as to the period of contract performance which will be covered by the funds. The provisions of paragraphs (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the contract will be modified accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds, by the dates indicated below, in amounts sufficient for timely performance of the contract line item(s) identified in paragraph (a) of this clause, the Contractor incurs additional costs or is delayed in the performance of the work under this contract and if additional funds are allotted, an equitable adjustment will be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the item(s), or in the time of delivery, or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause entitled "Disputes."

(f) The Government may at any time prior to termination allot additional funds for the performance of the contract line item(s) identified in paragraph (a) of this clause.

(g) The termination provisions of this clause do not limit the rights of the Government under the clause entitled "Default." The provisions of this clause are limited to the work and allotment of funds for the contract line item(s) set forth in paragraph (a) of this clause. This clause no longer applies once the contract is fully funded except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) and (e) of this clause.

(h) Nothing in this clause affects the right of the Government to terminate this contract pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(i) Nothing in this clause shall be construed as authorization of voluntary services whose acceptance is otherwise prohibited under 31 U.S.C. 1342.

(j) The parties contemplate that the Government will allot funds to this contract in accordance with the following schedule:

On execution of contract		\$ 8,318,444.
02/25/2019	\$ 18,000,000	CLIN/SLIN 000110
09/11/2019	\$ 1,516,258	CLIN/SLIN 000111
09/11/2019	\$ 1,033,691	CLIN/SLIN 000112
10/16/2019	\$12,000,000	CLIN/SLIN 000113
10/16/2019	\$587,693.00	CLIN/SLIN 000114
12/13/2019	\$2,270,000	CLIN/SLIN 000115
01/21/2020	\$2,300,000	CLIN/SLIN 000116
03/24/2020	\$2,871,393.34	CLIN/SLIN 000117
03/24/2020	\$23,641,107	CLIN/SLIN 000118
09/28/2020	\$1,543,403	CLIN/SLIN 000119
09/28/2020	\$89,293.14	CLIN/SLIN 000120
11/05/2020	\$4,194,280.02	CLIN/SLIN 000121
11/05/2020	\$1,074,719.98	CLIN/SLIN 000701
01/29/2021	\$10,247,000.00	CLIN/SLIN 000122
04/28/2021	\$4,050,722.82	CLIN/SLIN 000123
04/28/2021	\$730,000.00	CLIN/SLIN 000124
07/20/2021	\$3,054,473.20	CLIN/SLIN 000125
07/20/2021	\$2,500,774.37	CLIN/SLIN 000126
09/29/2021	\$2,341,000.00	CLIN/SLIN 000127
11/18/2021	\$5,000,000.00	CLIN/SLIN 000128
01/11/2022	\$5,000,000.00	CLIN/SLIN 000129
05/23/2022	\$1,942,625.60	CLIN/SLIN 000130
07/29/2022	\$2,699,000.00	CLIN/SLIN 000131
08/22/2022	\$2,331,753.00	CLIN/SLIN 000132
09/21/2022	\$500,000.00	CLIN/SLIN 000133
09/27/2022	\$1,100,000.42	CLIN/SLIN 000134
11/10/2022	\$1,400,000.00	CLIN/SLIN 000135
12/13/2022	\$5,265,000.00	CLIN/SLIN 000136
03/20/2023	\$4,700,000.00	CLIN/SLIN 000137
07/19/2023	\$3,600,000.00	CLIN/SLIN 000138
08/17/2023	\$600,000.00	CLIN/SLIN 000139
08/17/2023	\$5,547,955.00	CLIN/SLIN 010001
11/08/2023	\$4,500,000.00	CLIN/SLIN 000140
11/08/2023	\$3,000,000.00	CLIN/SLIN 010002
02/07/2024	\$2,500,000.00	CLIN/SLIN 010003

To be updated as Options are exercised and funded.

Applicable CLINs: 9000, 9001, 9002, 9003, 9004, 9005

5252.201-9500 TECHNICAL POINT OF CONTACT (TPOC)(NAVAIR)(SEP 2012)

(a) The Technical Points of Contact (TPOCs) for this contract are:

Primary TPOC
George Reichard
47123 Buse Rd. # 2272R345
Patuxent River, MD 20670-1547
george.m.reichard.civ@us.navy.mil
301-247-4247

(b) This individual is not a Contracting Officer nor a Contracting Officer's Representative (COR) and has no authority to make changes, verbally or otherwise, to the existing contract or order. Further, no authority has been delegated to this individual by the Procuring Contracting Officer (PCO).

(c) The contractor may use this technical POC the following:

1. Accept services and/or deliverables when completed, unless otherwise specified in the contract or order, and certify when all deliverables have been accepted by the government;
2. Provide clarification on any of the technical documentation and answer technical questions; so long as the clarification does not make any commitment or change that affects price, quality, quantity, delivery, or other terms and conditions of the contract;
3. Notify and provide recommended corrective action to the contracting officer and superior of any of the following:
 - (a) any violation of or deviation from the technical requirements of the contract or order;
 - (b) inefficient or wasteful methods in use by the contractor, including the contractor exceeding the requirements of the order or contract;
 - (c) any contractor request for changes to the contract;
 - (d) issues that require clarification or resolution;
 - (e) inconsistencies between invoiced charges and performance, including the use of improper labor categories;
 - (f) instances where funds may be insufficient to complete the contract or order; and,
 - (g) improper use of government material, equipment, or property.
4. Review engineering studies, design, or value engineering proposals submitted by the contractor to determine their feasibility;
5. Coordinate with Environmental Directors at each site in support of NAVAIR Clause 5252.223-9502 Hazardous Materials; and
6. When required, review, comment, and report on the annual and final performance reports of the contractor as to compliance with technical instructions, timeliness, and any problems associated with the contract or order.
7. Also, as a representative of the requiring activity, the TPOC may perform or assist in such areas as: base access forms, security related issues, IT access requirements, Contractor Performance Assessment Reporting System (CPARS), clarification of technical requirements, and statement of work inquiries.

(d) The contractor shall immediately notify the Procuring Contracting Officer in writing if the contractor interprets any action by the TPOC to be a change to the existing contract.

5252.201-9502 CONTRACTOR'S AUTHORIZED CONTRACT COORDINATOR AND TECHNICAL LIAISON (NAVAIR)(OCT 2005)

(a) The contractor shall state below the name and telephone numbers of the contractor's employees responsible for coordination of contract functions/liaison with the Contracting Officer and/or Contract administrator, and providing technical assistance as required regarding product specifications, functionality, etc.

CONTRACT COORDINATOR:

NAME: Angela Arioti, Principal Contract Manager

PHONE (BUS): 410 960 5908

PHONE (AFTER HOURS):

ALTERNATE:

NAME: Eric Hepler, Senior Contracts Manager

PHONE (BUS): 407 482 4662

PHONE (AFTER HOURS):

NAME: Anu Ambati, VSL

PHONE (BUS): 319 295 3389

PHONE (AFTER HOURS):

(b) The contractor shall notify the Contracting Officer and/or Contract Administrator in advance, in writing, of any changes in the above listed personnel.

5252.204-9503 EXPEDITING CONTRACT CLOSEOUT (NAVAIR) (JAN 2007)

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of \$1,000 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of determining residual dollar amounts, offsets of money owed by one party against money that would otherwise be paid by that party might be considered to the extent permitted by law.

(b) This agreement to waive entitlement to residual dollar amounts has been considered by both parties. It is agreed that the administrative costs for either party associated with collecting such small dollar amounts could exceed the amount to be recovered.

5252.242-9511 CONTRACT ADMINISTRATION DATA (NAVAIR)(SEP 2012)

(a) Contract Administration Office.

(1) Contract administration functions (see FAR 42.302(a) and DFARS 242.302(a)) are assigned to:
See the ADMINISTERED BY Block on the face page of the contract, modification, or order.

(b) Special Instructions (see FAR 42.202(b) and (c)):

(1) The following contract administration functions are retained (see FAR 42.302(a) and DFARS 242.302(a)):

Functions Retained	Functions Retained
Retained for Performance By:	Retained for Performance By:
42.302(a)(3) Post-Award Conference	42.302(a)(3) Post-Award Conference

(2) The following additional contract administration functions are assigned (see FAR 42.302(b)):

Additional Functions	Retained for Performance By:
N/A	

(c) Inquiries regarding payment should be referred to: MyInvoice at <https://myinvoice.csd.disa.mil/index.html>.

Section H - Special Contract Requirements

H1. All clauses within this section apply to each CLIN unless otherwise stated

H2. Data Rights Special License For Omit Maintenance & Sustainment

The intent of this clause is to supplement DFARS Part 227.

a. Definitions. As used in this clause:

1. The terms "Organizational level (O-Level) Maintenance," "Intermediate level (I-Level) Maintenance," and "Depot level (D-Level) Maintenance" are defined as the effort required to perform aircraft maintenance in accordance with COMNAVAIRFORINST 4790.2B Chapter-1, 15 Jun 2013, paragraph 3.1.1.1, 3.1.1.2 and as described within SOW paragraph 6.1.

2. Operations, Maintenance, Installation and Training data, referred to as "OMIT Data," is defined as all technical data, development tools, graphics, computer software and computer software documentation necessary for operation, maintenance, installation, or training purposes (other than detailed manufacturing or process data) pertaining to the TCTS Inc II program and equipment associated with its life cycle support sustainment, with the exception of those items to be delivered under CLIN 0005.

3. OMIT Data includes all technical data and computer software required to accomplish all levels of maintenance (i.e., organizational, intermediate and depot level maintenance in accordance with COMNAVAIRFORINST4790.2B and as described within SOW paragraph 6.1), including Navy sustainment of the technical data and computer software itself. All organizational, intermediate and depot level maintenance publications provisioning data and associated CDRLs to be delivered under this contract are considered to be OMIT Data.

4. Other terms used in this clause have the same meaning as set forth in the following clauses:

- A. DFARS 252.227-7013;
- B. DFARS 252.227-7014;
- C. DFARS 252.227-7015;
- D. DFARS 252.227-7017; and
- E. DFARS 252.227-7018.

b. Delivery Requirements. The Government requirements for technical data and computer software for organizational, intermediate and depot level maintenance shall comply with the contract TMCR requirements and shall include no less information or detail than industry standards, nor less than the contractor typically requires to perform such maintenance. Additional information or detail necessary for military purposes related

to maintenance as sourced from Commercial-Off-The-Shelf (COTS) technical and computer software OMIT data shall be subject to MIL-PRF-32216 compliance for use.

c. Special License Rights.

1. Pursuant to the contract clauses and regulations governing rights in technical data and noncommercial computer software (e.g., DFARS Subparts 227.71 and 227.72, 227.7202, 252.227-7013, 252.227-7014, and 252.227-7015), the Government is granted unlimited or unrestricted rights in all technical data and noncommercial computer software necessary for operation, maintenance, installation, or training (i.e., "OMIT Data," as defined in paragraph a.2 above. Accordingly, the technical data and noncommercial computer software defined as OMIT to be delivered under this contract shall be subject to unlimited or unrestricted rights, except as set forth in paragraph (c)(2) below.

2. Although the Government is granted unlimited or unrestricted rights to the technical data and noncommercial computer software defined as OMIT delivered under this contract, for the organizational, intermediate and depot level maintenance data exclusively, the Government will accept less than unlimited rights (i.e. Specially Negotiated License Rights) if the OMIT deliverables are for Commercial-Off-The-Shelf items or require application of special, unique, or critical manufacturing process or inspection controls that are considered as detailed manufacturing or process data identified under the Data Assertion List. This data will be subject to a special license which will incorporate the terms and conditions of a government purpose rights license with the following exceptions:

A. If the contractor proposes Government Purpose Rights that do not convert to unlimited rights after a period of five years, then a Specially Negotiated License Rights shall be proposed as described under DFARS 252.227-7013(b)(4) and DFARS 252.227-7014(b)(4). Upon expiration of this period, the Government shall have unlimited rights.

B. The definition of the term "Covered Government support contractor" as used for purposes of this special license shall include a contractor under a contract, the primary purpose of which is to furnish an end item or service to accomplish organizational level, intermediate level and/or depot level maintenance and shall not be limited only to contractors furnishing independent and impartial advice.

C. Technical data, computer software documentation and noncommercial computer software delivered under the terms of the special license in this clause shall be marked with the legend for Special License Rights in 252.227-7013(f) or 252-227-7014(f), as appropriate.

3. Commercial computer software to be delivered as part of required OMIT Data shall be subject to a commercial license as set forth in the special H-clause titled "Commercial Computer Software License Agreement."

d. Technical Data and Computer Software of Subcontractors and Suppliers. The terms and conditions of this clause shall apply to all technical data and computer software, including all technical data or computer software developed, delivered, or otherwise provided by subcontractors or suppliers at any tier, and regardless of whether the computer software or technical data is or relates to commercial items or noncommercial items. The contractor shall include these requirements in its subcontracts or other contractual or legal instruments with its subcontractors or suppliers at any tier.

e. Identification and Assertion of Restrictions. The contractor shall not deliver or otherwise provide to the Government any technical data or computer software with restrictive markings (or otherwise subject to restrictions on access, use, modification, reproduction, release, performance, display, or disclosure) unless the technical data or computer software has been identified in accordance with the following requirements:

1. Pre-Award Identification and Assertion. In Section J of this contract, the contractor shall submit an attachment titled "Contractor's Data Rights Assertion List" pursuant to DFARS 252.227-7017. The

Government intends to use this information as a material consideration during source selection. The contractor shall identify all subcontractor's, suppliers, lower-tiered vendors, and other party asserting restrictions whose technical data and computer software it proposes to be delivered or otherwise provided (including all Option CLINs as if the Option was exercised) with less than unlimited rights as follows:

A. Noncommercial Technologies. Noncommercial technical data and noncommercial computer software shall be identified pursuant to DFARS 252.227-7017.

B. Commercial Technologies. The contractor shall identify and assert any restrictions for all commercial computer software and commercial technical data (i.e., technical data pertaining to a commercial item) by providing the same types of information, using a similar format, and following the same procedures and requirements as specified at DFARS 252.227-7017.

C. Contractor Assertions. The contractor shall specifically identify and provide the basis for any assertions that the Government is to receive less than unlimited rights with respect to technical data and computer software including source code, object code, executable code, documentation, software support tools, S/SEE (software/systems engineering environment) documentation, Systems/Software Requirement Documents, Interface Control Documents, etc., including any computer software that is modified or developed either exclusively or partially at Government expense.

D. With respect to each such assertion, the Contractor shall specify the CLIN, the CDRL/Supporting Data Item number and the SOW paragraph(s) WBS allocation to which the technical data or computer software deliverable pertains. This information shall be the first information set forth in the column titled "Technical Data or Computer Software to be Furnished With Restrictions*" as prescribed by DFARS 252.227-7017.

2. Data subject to the special license pursuant to subsection (c) of this clause shall include a statement whether the data or software was developed exclusively or partially at private expense in the "Basis for Assertion" column and shall indicate that the data or software will be marked in accordance with the Special License Rights legend in the "Asserted Rights Category."

f. Copies of Negotiated, Commercial, and Other Non-Standard Licenses. The Contractor shall provide copies of all proposed specifically negotiated licenses, commercial licenses for technical data pertaining to commercial items, and any other asserted restrictions other than Government purpose rights; limited rights; restricted rights; Small Business Innovation Research (SBIR) Program data rights for which the protection period has not expired; or Government's minimum rights as specified in the clause at 252.227-7015.

g. Validation of Asserted Restrictions and Restrictive Markings. Nothing in this clause limits or otherwise affects the parties' rights or obligations specified in DFARS 252.227-7019 or DFARS 252.227-7037.

h. Deferred Ordering. The terms and conditions of this clause shall apply to any data or software delivered under this contract pursuant to DFARS 252.227-7027.

H3. Data Rights And Licenses In Support Of Test Activities

(a) Verification data, as used in this clause, is defined as test data, and data gathered/collected in support of demonstration, analysis, similarity, inspection, and evaluation verification methods. Test Data, as used in this clause, is defined as any non-commercial test unique processed or unprocessed on-board or off-board system data collected or processed in support of Modeling and Simulation, laboratory integration and test activities, installed systems ground and flight test evolutions, and test reporting. All Test Data shall be delivered in the form(s) in which the information is ordinarily maintained as true native files, meaning that metadata is intact enabling the same ability as the contractor to access, search, manipulate, and display the information.

Metadata is defined as computer data such as date/created/modified/author and the hidden material that does not appear when a document is printed (e.g. hidden rows, cells and formulas, track changes).

(b) All Verification Data produced under this contract shall be delivered to the Government, shall be marked with and carry the appropriate data rights assertions as previously disclosed via the DFARS 252.227-7017 clause, per DFARS 252.227-7013, DFARS 252.227-7014, DFARS 252.227-7015, and DFARS 252.227-7018. Should the contractor assert any rights other than unlimited rights or Government Purpose Rights, the contractor shall prepare the documentation in two parts: 1) the portion that is being provided with Unlimited or Government Purpose Rights, and 2) the portion that is being marked with a restrictive legend other than Government Purpose Rights (to be submitted as a separate annex or attachment to the Unlimited/Government Purpose Rights portion). All Verification Data collected to support requirements verification, pursuant to the VCRMs associated with all specifications attached under section J shall be made available to the Government. Upon written request by the Government, any Verification Data not otherwise specified elsewhere in this contract (e.g. CDRLs, Specification Documents, and Supporting Data List) shall be delivered to the Government within 20 working days unless otherwise mutually agreed to by the parties.

(c) The contractor shall maximize the use of Government and COTS and open source items and tools free of data rights assertion encumbrance. If the contractor uses commercial, data rights assertion encumbered tools, the contractor shall provide to the Government an enterprise suite license for a minimum of 100 Government/Covered Government Support Contractor users for a five year period after contract award (inclusive of software updates) for any proprietary data analysis tool(s) used in support of the test program. The contractor shall provide to the Government an equivalent level of access for tool usage to support the test program. These tools shall be provided in a media enabling independent government installation and upgrades to new and existing pre-configured systems. The licenses shall allow the Government the right to use, modify, reproduce, release, perform, display, manipulate, or disclose the Verification Data. The price of all licenses combined shall not exceed \$175,000, and shall be included in the cost for CLIN 0001. Costs exceeding this value will be considered to be expressly unallowable costs per FAR Part 31 and may not be submitted for reimbursement under this contract. Copies of the license shall be provided for incorporation into the contract.

H4. License Rights For Supporting Data Items And Data Accession List (Dal) Items

a. Supporting Data Items are technical data produced under this contract which are considered delivered when uploaded to the IDE and shall be considered an element of performance per DFARS 252.227-7013(b)(1)(ii). The Contractor and all subcontractor's, suppliers, lower-tiered vendors, and other party asserting restrictions shall compliantly mark any required with DFARS mandated data rights assertion marking the items in accordance with DFARS 252.227-7013, 252.227-7014, 252.227-7015, and 252.227-7018. Any copyrighted data, or software, including third-party copyrighted data or software, shall conform to the DFARS requirements (DFARS 252.227-7013(d), 252.227-7014(d) and 252.227-7015(b)(2)).

b. For technical data and computer hardware and software identified on the Data Accession List (DAL) (CDRL B001) the Contractor shall permit the Government and Covered Government support contractors (as defined in DFARS 252.227-7013, 252.227-7014, 252.227-7015, et al) to use, modify, reproduce, release, perform, disclose, and display the data in accordance with the applicable DFARS clauses. Starting at award, every month throughout the period of performance, to include any options exercised, and within 90 days from the end of the period of performance the Contractor shall deliver one (1) digital data copy of all DAL items.

H5. Commercial Computer Software License Agreement

(a) It is anticipated that the contractor will procure and deliver "commercial computer software" as defined by DFARS 252.227-7014(a)(1) and the commercial computer software license agreements identified in Section J Attachment (23) Commercial Computer Software License Agreement Addendums. Attachment (23) shall be

updated throughout the duration of the contract, as any additional commercial computer software licenses are added to the TCTS Inc II systems.

(b) Open source software (OSS) is generally regarded as commercial computer software. It is sometimes licensed under terms that require the user to make freely available in source code form: (i) the user's modifications to the OSS or (ii) any software that the user "combines" with the OSS. If the Contractor uses OSS in the performance of this contract, the Contractor must ensure that the use of the OSS complies with subsection (c) of this clause.

(c) The Contractor shall acquire the commercial computer software under the licenses customarily provided to the public, except to the extent that the licenses are inconsistent with Federal procurement law or do not otherwise satisfy user needs (see DFARS 227.7202-1(a)). A list of common material terms and conditions of commercial computer software license agreements NAVAIR has determined are inconsistent with Federal procurement law or do not otherwise satisfy user needs has been provided as GFI titled "Commercial Computer Software License Agreement Addendum." The Contractor shall execute this addendum as part of the license being delivered to the Government or ensure that the license being delivered to the Government complies with the list of all terms and conditions set forth on the addendum.

(d) The contractor shall provide copies of the license agreements within 90 calendar days of license purchase or at least 90 days prior to delivery, whichever occurs first. These licenses shall be captured through updates to Section J Attachment (23).

H6. Options

Should the Government not receive full budget authority by the close of the option exercise window listed below, a bilateral modification will be executed upon mutual agreement of the parties in advance of the option exercise expiration, to extend the option exercise window. In addition, the PCO may unilaterally adjust the dates shown below to the extent the delay in exercise of the option is due to contractor-caused delays.

H7.

REOPENER CLAUSE - PENDING EXTERNAL RESTRUCTURING ADVANCE AGREEMENT-(MAY 2021)

(a) The forward pricing rates used in pricing this contract may include the impact of the sale of Rockwell Collins, Inc. Global System Business to BAE Systems which relates to the United Technologies Corporation merger with Raytheon to form Raytheon Technologies. In the event that a determination is not obtained on the restructuring costs' allowability pursuant to DFARS 231.205-70(c)(4)(i), the contract price will be subject to a downward adjustment in accordance with this clause. The total dollar value subject to a downward adjustment is \$17,688,078 applicable to the fixed price CLINs 1000-1009, 6000AA, 6000AF, and 7000 in support of the LRIP I effort.

(b) In the event where a Government written determination is made that any external restructuring costs included in the rates do not meet the allowability requirements of DFARS 231.205-70(c), Rockwell Collins, Inc. shall notify the Procuring Contracting Officer of the total estimated impact of the revised rates on the contract price. The effect of cost accounting practice changes which may impact the amount of the adjustment will be administered in accordance with the Cost Accounting Standard Clause (FAR 52.230-2). The revised indirect rates will include the effect of accounting system changes and contract modifications that may impact the amount of the adjustment. In no event will an upward adjustment result.

(i) If the total estimated impact of the revised rates on the contract price results in a downward adjustment of

more than 1% of the total negotiated dollar value, then Rockwell Collins, Inc. shall submit a supplemental proposal to the Procuring Contracting Officer within 60 days of the Government written determination. The supplemental proposal shall: (1) use the methodology, direct costs, and profit consistent with the original negotiated proposal and (2) be supported by cost or pricing data (FAR 15.401), and a Certificate of Current Cost or Pricing Data (FAR 15.406-2). Bid and proposal preparation costs associated with the supplemental proposal is allowable, and if incurred, said bid and proposal costs (if found allocable and reasonable) shall not exceed the savings due to the Government. In no event will an upward adjustment result.

(ii) If the total estimated impact of the revised rates on the contract price is less than 1% of the total negotiated dollar value, Rockwell Collins, Inc. shall provide a letter to the Procuring Contracting Officer stating the total estimated impact.

(c) If determined necessary by the Procuring Contracting Officer, Rockwell Collins, Inc. agrees to commence negotiations concerning the amount of the adjustment once the Government completes its review and evaluation of the supplemental proposal. Rockwell Collins, Inc. shall prepare a schedule of calculations by fiscal year to document the negotiated settlement. Once an agreement between the parties is reached, the parties will execute a bilateral contract modification to decrease the aforementioned CLIN prices and deobligate excess funds.

(d) Should Rockwell Collins, Inc. fail to submit the information in paragraph (b), or should there be no agreement as to the amount of the price adjustment contemplated by this clause, then the Procuring Contracting Officer may make a unilateral determination and modify the contract accordingly. Failure to agree with such change in the contract price shall be resolved in accordance with the Disputes clause of this contract.

(e) Rockwell Collins, Inc. shall not include in the contract price any other allowance for the indirect rate repricing contingency except as shown above.

252.217-7028 OVER AND ABOVE WORK (DEC 1991)

(a) "Definitions."

As used in this clause --

(1) "Over and above work" means work discovered during the course of performing overhaul, maintenance, and repair efforts that is --

(i) Within the general scope of the contract;

(ii) Not covered by the line item(s) for the basic work under the contract; and

(iii) Necessary in order to satisfactorily complete the contract.

(2) "Work request" means a document prepared by the Contractor which describes over and above work being proposed.

(b) The Contractor and Administrative Contracting Officer shall mutually agree to procedures for Government administration and Contractor performance of over and above work requests. If the parties cannot agree upon the procedures, the Administrative Contracting Officer has the unilateral right to direct the over and above work procedures to be followed. These procedures shall, as a minimum, cover --

(1) The format, content, and submission of work requests by the Contractor. Work requests shall contain data on the type of discrepancy disclosed, the specific location of the discrepancy, and the estimated labor hours and material required to correct the discrepancy. Data shall be sufficient to

- satisfy contract requirements and obtain the authorization of the Contracting Officer to perform the proposed work;
- (2) Government review, verification, and authorization of the work; and
 - (3) Proposal pricing, submission, negotiation, and definitization.
- (c) Upon discovery of the need for over and above work, the Contractor shall prepare and furnish to the Government a work request in accordance with the agreed-to procedures.
- (d) The Government shall --
- (1) Promptly review the work request;
 - (2) Verify that the proposed work is required and not covered under the basic contract line item(s);
 - (3) Verify that the proposed corrective action is appropriate; and
 - (4) Authorize over and above work as necessary.
- (e) The Contractor shall promptly submit to the Contracting Officer, a proposal for the over and above work. The Government and Contractor will then negotiate a settlement for the over and above work. Contract modifications will be executed to definitize all over and above work.
- (f) Failure to agree on the price of over and above work shall be a dispute within the meaning of the Disputes clause of this contract.

Applicable CLINs: 8000, 9000, 9001, 9002, 9003, 9004, 9005

252.234-7002 EARNED VALUE MANAGEMENT SYSTEM (DEVIATION 2015-O0017)(SEP 2015)

*Not applicable to CLIN 0100 pursuant to C.17 SITL Stage 1 EVM requirements are not applicable to CLIN 0100.

(a) Definitions. As used in this clause--

"Acceptable earned value management system" means an earned value management system that generally complies with system criteria in paragraph (b) of this clause.

"Earned value management system" means an earned value management system that complies with the earned value management system guidelines in the ANSI/EIA-748.

"Significant deficiency" means a shortcoming in the system that materially affects the ability of officials of the Department of Defense to rely upon information produced by the system that is needed for management purposes.

(b) System criteria. In the performance of this contract, the Contractor shall use—

- (1) An Earned Value Management System (EVMS) that complies with the EVMS guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (ANSI/EIA-748); and
 - (2) Management procedures that provide for generation of timely, reliable, and verifiable information for the Contract Performance Report (CPR) and the Integrated Master Schedule (IMS) required by the CPR and IMS data items of this contract.
- (c) If this contract has a value of \$100 million or more, the Contractor shall use an EVMS that has been determined to be acceptable by the Cognizant Federal Agency (CFA). If, at the time of award, the Contractor's

EVMS has not been determined by the CFA to be in compliance with the EVMS guidelines as stated in paragraph (b)(1) of this clause, the Contractor shall apply its current system to the contract and shall take necessary actions to meet the milestones in the Contractor's EVMS plan.

(d) If this contract has a value of less than \$100 million, the Government will not make a formal determination that the Contractor's EVMS complies with the EVMS guidelines in ANSI/EIA-748 with respect to the contract. The use of the Contractor's EVMS for this contract does not imply a Government determination of the Contractor's compliance with the EVMS guidelines in ANSI/EIA-748 for application to future contracts. The Government will allow the use of a Contractor's EVMS that has been formally reviewed and determined by the CFA to be in compliance with the EVMS guidelines in ANSI/EIA-748.

(e) The Contractor shall submit notification of any proposed substantive changes to the EVMS procedures and the impact of those changes to the CFA. If this contract has a value of \$100 million or more, unless a waiver is granted by the CFA, any EVMS changes proposed by the Contractor require approval of the CFA prior to implementation. The CFA will advise the Contractor of the acceptability of such changes as soon as practicable (generally within 30 calendar days) after receipt of the Contractor's notice of proposed changes. If the CFA waives the advance approval requirements, the Contractor shall disclose EVMS changes to the CFA at least 14 calendar days prior to the effective date of implementation.

(f) The Government will schedule integrated baseline reviews as early as practicable, and the review process will be conducted not later than 180 calendar days after--

- (1) Contract award;
- (2) The exercise of significant contract options; and
- (3) The incorporation of major modifications.

During such reviews, the Government and the Contractor will jointly assess the Contractor's baseline to be used for performance measurement to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks.

(g) The Contractor shall provide access to all pertinent records and data requested by the Contracting Officer or duly authorized representative as necessary to permit Government surveillance to ensure that the EVMS complies, and continues to comply, with the performance criteria referenced in paragraph (b) of this clause.

(h) When indicated by contract performance, the Contractor shall submit a request for approval to initiate an over-target baseline or over-target schedule to the Contracting Officer. The request shall include a top-level projection of cost and/or schedule growth, a determination of whether or not performance variances will be retained, and a schedule of implementation for the rebaselining. The Government will acknowledge receipt of the request in a timely manner (generally within 30 calendar days).

(i) Significant deficiencies. (1) The Contracting Officer will provide an initial determination to the Contractor, in writing, on any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.

(2) The Contractor shall respond within 30 days to a written initial determination from the Contracting Officer that identifies significant deficiencies in the Contractor's EVMS. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing.

(3) The Contracting Officer will evaluate the Contractor's response and notify the Contractor, in writing, of the Contracting Officer's final determination concerning--

- (i) Remaining significant deficiencies;
- (ii) The adequacy of any proposed or completed corrective action;

(iii) System noncompliance, when the Contractor's existing EVMS fails to comply with the earned value management system guidelines in the ANSI/EIA-748; and

(iv) System disapproval, if initial EVMS validation is not successfully completed within the timeframe approved by the Contracting Officer, or if the Contracting Officer determines that the Contractor's earned value management system contains one or more significant deficiencies in high-risk guidelines in ANSI/EIA-748 standards (guidelines 1, 3, 6, 7, 8, 9, 10, 12, 16, 21, 23, 26, 27, 28, 30, or 32). When the Contracting Officer determines that the existing earned value management system contains one or more significant deficiencies in one or more of the remaining 16 guidelines in ANSI/EIA-748 standards, the Contracting Officer will use discretion to disapprove the system based on input received from functional specialists and the auditor.

(4) If the Contractor receives the Contracting Officer's final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the significant deficiencies.

(j) Withholding payments. If the Contracting Officer makes a final determination to disapprove the Contractor's EVMS, and the contract includes the clause at 252.242-7005, Contractor Business Systems, the Contracting Officer will withhold payments in accordance with that clause.

(k) With the exception of paragraphs (i) and (j) of this clause, the Contractor shall require its subcontractors to comply with EVMS requirements as follows:

(1) For subcontracts valued at \$100 million or more, the following subcontractors shall comply with the requirements of this clause:

(2) For subcontracts valued at less than \$100 million, the following subcontractors shall comply with the requirements of this clause, excluding the requirements of paragraph (c) of this clause:

All non-firm-fixed-price subcontractors exceeding \$20,000,000 in then year dollars
All firm-fixed-price subcontractors greater than \$20,000,000 that exceed 12 months in duration
All subcontractors performing on critical items (End Item Cryptography Unit, Cross Domain Solution, Internal Mount Chassis, Datalink, GPS/Time Space Position Module, Participant Subsystem Host Processor, Airborne Subsystem Tube, Airborne Subsystem (Forward, Center, Aft Hanger) Hangar Band Assembly, and Nose-Cone Assembly & External Antennas)

5252.204-9505 SYSTEM AUTHORIZATION ACCESS REQUEST NAVY (SAAR-N) REQUIREMENTS FOR INFORMATION TECHNOLOGY (IT)(NAVAIR) (SEP 2012)

(a) Contractor personnel assigned to perform work under this contract may require access to Navy Information Technology (IT) resources (e.g., computers, laptops, personal electronic devices/personal digital assistants (PEDs/PDAs), NMCI, RDT&E networks, websites such as MyNAVAIR, and Navy Web servers requiring Common Access Card (CAC) Public Key Infrastructure (PKI)). Contractor personnel (prime, subcontractor, consultants, and temporary employees) requiring access to Navy IT resources (including those personnel who previously signed SAAR DD Form 2875) shall submit a completed System Authorization Access Request Navy (SAAR-N), OPNAV 5239/14 (Jul 2008) form or latest version thereof, and have initiated the requisite background investigation (or provide proof of a current background investigation) prior to accessing any Navy

IT resources. The form and instructions for processing the SAAR-N form are available at: http://www.cnrc.navy.mil/publications/Forms/OPNAV_5239_14_SAAR_N.pdf.

(b) SAAR-N forms will be submitted to the Government Sponsor or Technical Point of Contact (TPOC) via the contractor's Facility Security Officer (FSO). The designated SAAR-N Government Sponsor or TPOC for contractor employees requiring IT access, Glenn Cross (301-757-8109, glenn.cross@navy.mil) shall be responsible for signing and processing the SAAR-N forms. For those contractors that do not have a FSO, SAAR-N forms shall be submitted directly to the designated SAAR-N Government Sponsor or TPOC. Copies of the approved SAAR-N forms may be obtained through the designated SAAR-N Government Sponsor or TPOC. Requests for access should be routed through the NAVAIR_SAAR.fct@navy.mil mailbox.

(c) In order to maintain access to Navy IT resources, the contractor shall ensure completion of initial and annual IA training, monitor expiration of requisite background investigations, and initiate re-investigations as required. If requested, the contractor shall provide to the designated SAAR-N Government Sponsor or TPOC documentation sufficient to prove that it is monitoring/tracking the SAAR-N requirements for its employees who are accessing Navy IT resources. For those contractor personnel not in compliance with the requirements of this clause, access to Navy IT resources will be denied/revoked.

(d) The SAAR-N form remains valid throughout contractual performance, inclusive of performance extensions and option exercises where the contract number does not change. Contractor personnel are required to submit a new SAAR-N form only when they begin work on a new or different contract.

5252.211- 9510 CONTRACTOR EMPLOYEES (NAVAIR)(MAY 2011)

(a) In all situations where contractor personnel status is not obvious, all contractor personnel are required to identify themselves to avoid creating an impression to the public, agency officials, or Congress that such contractor personnel are Government officials. This can occur during meeting attendance, through written (letter or email) correspondence or verbal discussions (in person or telephonic), when making presentations, or in other situations where their contractor status is not obvious to third parties. This list is not exhaustive. Therefore, the contractor employee(s) shall:

- (1) Not by word or deed give the impression or appearance of being a Government employee;
 - (2) Wear appropriate badges visible above the waist that identify them as contractor employees when in Government spaces, at a Government-sponsored event, or an event outside normal work spaces in support of the contract/order;
 - (3) Clearly identify themselves as contractor employees in telephone conversations and in all formal and informal written and electronic correspondence. Identification shall include the name of the company for whom they work;
 - (4) Identify themselves by name, their company name, if they are a subcontractor the name of the prime contractor their company is supporting, as well as the Government office they are supporting when participating in meetings, conferences, and other interactions in which all parties are not in daily contact with the individual contractor employee; and
 - (5) Be able to provide, when asked, the full number of the contract/order under which they are performing, and the name of the Contracting Officer's Representative.
- (b) If wearing a badge is a risk to safety and/or security, then an alternative means of identification maybe utilized if endorsed by the Contracting Officer's Representative and approved by the Contracting Officer.
- (c) The Contracting Officer will make final determination of compliance with regulations with regard to proper identification of contractor employees.

5252.217-9500 ORDERING - PROVISIONED ITEMS (FIXED-PRICE) (NAVAIR)(OCT 2005)

(a) Contract Modification - Provisioned Items and Other Requirements to be Furnished When Ordered by the Government. The contractor shall furnish supplies or other requirements under the Item(s) set forth in this clause when a contract modification is issued by the Government in accordance with the procedures specified herein. The Government shall not be liable for any expenses incurred by the contractor under any Item set forth herein until a contract modification is issued by the Government.

(b) Contractor Qualifying Proposal - Requirements Being Ordered. When required by the Procuring Contracting Officer (PCO), the contractor shall submit a qualifying proposal for the requirements the Government contemplates ordering hereunder. Such proposal shall be supported by cost or pricing data as prescribed in FAR 15.403 and DFARS 215.403 unless such requirement has been waived for orders under the contract pursuant to FAR 15.403. Certification of the cost or pricing data shall be made upon agreement on price.

(c) Ordering Period and Terminal Date for Delivery or Performance. Contract modifications for supplies or other requirements may be issued during the period covered by this contract at any time prior to the delivery date of the last article under the applicable Item called for in Section B hereof for which the supplies or other requirements are being procured. Contract modifications issued in accordance with this clause shall provide that deliveries or performance shall be completed not later than fourteen (14) months after the delivery of the last article under the applicable Item called for in Section B hereof, for which the supplies or other requirements are being procured.

(d) Ordering. For the purposes of this contract, the PCO is the ordering activity. The PCO will issue contract modifications for supplies or other requirements to be furnished by the contractor in accordance with requirements specified by the cognizant provisioning or requiring activity designated in paragraph (q) below. Each contract modification issued in accordance with paragraph (e) or (f) below shall -

- (1) be prepared on Standard Form 30 (Amendment of Solicitation/Modification of Contract);
- (2) be numbered as a modification to this contract in accordance with DFARS 204.7106;
- (3) state that the contract modification is issued in accordance with this clause;
- (4) identify the Item number set forth in Section B of the Schedule under which the supplies or other requirements are being procured (new contract line item number(s) shall not be assigned in any contract modification issued by the ACO.
- (5) set forth in full detail the supplies or other requirements and the quantities being procured (deliverable requirements shall be set forth in a contract exhibit (see paragraph (m) below));
- (6) include as an Exhibit, DD Form 1423, Contract Data Requirements List, using the exhibit identifier designated in Section B for the Item number, whenever data is ordered under any contract line item number which does not refer to a contract exhibit attached to the contract;
- (7) set forth packing and marking requirements for supplies being procured (see FAR 47.305-10 and DFARS 247.305-10);
- (8) set forth consignment instructions for supplies being procured to the extent they are known at the time the contract modification is issued (see FAR 47.305-10 and DFARS 247.305-10);
- (9) set forth the negotiated delivery or performance dates;
- (10) identify those items, if any, subject to the "Limitation of Liability - High-Value Items" clause, if included in this contract;
- (11) obligate funds to cover priced orders issued under paragraph (e) below or ceiling priced orders issued under paragraph (f) below;

(12) set forth the applicable accounting and appropriation data (to be provided to the Cognizant Contracting Officer by the cognizant provisioning or requiring activity (see paragraph (q) below)); and

(13) be given the same distribution as this contract, except that distribution of voluminous contract exhibits shall be limited to: (i) the contractor; (ii) the contract administration office; (iii) the cognizant provisioning or requiring activity; (iv) the paying office, and (v) the accounting office.

(e) Issuance of Contract Modifications Covering Priced Orders. For each order placed pursuant to this clause, the Cognizant Contracting Officer will prepare a supplemental agreement to this contract in the form of a priced order when supplies or other requirements are to be furnished by the contractor unless otherwise provided for under paragraph (f) below. The supplies or other requirements being procured shall be clearly defined in the supplemental agreement. Such supplemental agreement shall be priced and otherwise definitive at the time of issuance and shall be signed by the contractor and the Cognizant Contracting Officer.

(f) Issuance of Contract Modifications Covering Ceiling Priced Orders. In those cases where it is not possible to price supplies or other requirements in accordance with paragraph (e) above due to urgency such as safety-of-flight or readiness impact, the Cognizant Contracting Officer will prepare a supplemental agreement to this contract in the form of a ceiling priced order. A ceiling priced order shall not be used to obtain contractor support services. Each ceiling priced order shall clearly define the supplies or other requirements being procured and shall set forth a not-to-exceed ceiling price and shall specify the total ceiling price for the DFARS Clause 252.217-7027, "Contract Definitization". The ceiling price set forth in any ceiling priced order shall not be used as a billing price for delivered items. Each ceiling priced order shall provide for total performance of the order for the specified ceiling price and such ceiling price shall bear a reasonable relationship to the work to be performed. A milestone schedule which culminates in a mutually agreed date upon which complete definitization will occur shall be included in each ceiling priced order. The milestone schedule established in the ceiling priced order concerned shall be within the period set forth in paragraph (h) below. Provisioned Items Orders shall comply with the applicable requirements set forth in DFARS 217.7602-2. Each supplemental agreement covering a ceiling priced order shall be signed by the contractor and the Cognizant Contracting Officer. Additional requirements or quantities shall not be added to any ceiling priced order issued hereunder.

(g) Limitation of Government Liability Under Ceiling Priced Orders. The firm price of each ceiling priced order shall not exceed the ceiling price as established in accordance with paragraph (h). The ceiling price shall be the maximum amount for which the Government shall be liable if the ceiling priced order is terminated before the firm price is established. If at any time the contractor has reason to believe that the total price to the Government for the supplies or other requirements called for in any ceiling priced order will be substantially less than the ceiling price specified therefore, the contractor shall promptly notify the Cognizant Contracting Officer, in writing, with a copy to the cognizant provisioning or requiring activity. The Cognizant Contracting Officer will, based upon such notification, decrease the ceiling price of the ceiling priced order concerned. A decrease in the ceiling price of any ceiling priced order shall be set forth in a supplemental agreement to this contract and shall be signed by the contractor and the Cognizant Contracting Officer.

(h) Establishment of Firm Prices of Ceiling Priced Orders. The contractor shall submit to the Cognizant Contracting Officer not later than 45 days after the issuance of each ceiling priced order a qualifying proposal for the supplies or other requirements ordered by the Government that shall include:

(1) a statement of costs incurred and an estimate of the costs expected to be incurred in the performance of the ceiling priced order together with sufficient data to support the accuracy and reliability of such estimate and

(2) supporting cost or pricing data (see paragraph (o) below), except that if a qualifying proposal including supporting cost or pricing data was submitted to the Cognizant Contracting Officer before the issuance of the ceiling priced order concerned, only revisions to such qualifying proposal and the supporting cost or pricing data are required to be submitted to the Cognizant Contracting Officer.

Upon submission of the contractor's qualifying proposal, or revisions thereto, the contractor and the Cognizant Contracting Officer shall promptly negotiate and establish a firm price for the supplies or other requirements called for in the ceiling priced order concerned. The firm price for the supplies or other requirements, as agreed upon by the contractor and the Cognizant Contracting Officer, shall be set forth in a supplemental agreement to this contract. The item identifications shown in the applicable ceiling priced order shall be set forth in such supplemental agreement. Except for ceiling priced orders issued against contract line items for initial spares identified in Section B, the firm price of each ceiling priced order shall be established within one hundred eighty (180) days after the issuance of the ceiling priced order, or the date on which the funds expended by the Government equal fifty (50%) percent of the ceiling price, whichever occurs earlier. The definitization schedule may be extended, but not exceed, one hundred eighty (180) days after submission of the contractor's qualifying proposal. The firm price of each ceiling priced order for initial spares shall be established at most within one hundred eighty (180) days after the issuance of the ceiling priced order. If agreement on a definitive supplemental agreement to establish the firm price of any ceiling priced order is not reached within the period specified above, the Cognizant Contracting Officer may unilaterally determine a reasonable price for the ceiling priced order concerned in accordance with FAR 15.4 and Part 31 subject to appeal by the contractor as provided in the "Disputes" clause of this contract.

(i) Identification of Costs of Ceiling Priced Orders. The contractor shall identify by order all incurred costs (less allocable credits) for work allocable to each ceiling priced order issued pursuant to paragraph (f) above. The requirement for the contractor to segregate the costs of each ceiling priced order shall continue until the firm price is established by a supplemental agreement to this contract.

(j) Progress Payments - Withholding or Suspension - Ceiling Priced Orders. Submission by the contractor of a qualifying proposal for each ceiling priced order issued hereunder is a material requirement of this contracting order that complete definitization will occur within the period specified in paragraph (h) above. Therefore, if the contractor fails to submit a qualifying proposal for any ceiling priced order, progress payments may be reduced or suspended for the order concerned as provided in paragraph (c)(1) of the Progress Payments clause of this contract unless such failure of the contractor is due to causes beyond its control and without its fault or negligence. Cognizant Contracting Officer will notify the contractor, in writing, as to any reduction or suspension of progress payments pursuant to FAR 32.503-6.

(k) Expenditure Limitation for Ceiling Priced Orders. (This paragraph (k) shall not apply to ceiling priced orders issued against contract line items for initial spares identified in Section B or orders under \$25,000.) Pending the establishment of firm prices, progress payments, as well as total expenditures by the Government in the case of acceptance, shall be fifty (50%) percent of the ceiling price of each ceiling priced order for which the contractor has not submitted to the Cognizant Contracting Officer a qualifying proposal for definitization, or seventy-five (75%) percent of the ceiling price of each ceiling priced order for which a qualifying proposal has been submitted to the Cognizant Contracting Officer. The contractor shall identify in an attachment to Standard Form 1443, Contractor Request for Progress Payment, for each ceiling priced order, the progress payment amount requested for each ceiling priced order, and shall state the maximum expenditure limitation specified by this paragraph (k) for the ceiling priced order. In the event of acceptance, the Government shall identify any expenditure limitations specified in this paragraph (k).

(l) Qualifying Proposals for Priced Orders and Ceiling Priced Orders. The term "qualifying proposal", as used herein, means, at a minimum, a proposal which contains sufficient information to enable the Government to conduct complete and meaningful audits of the information contained in the proposal and of any other information which the Government is entitled to review in connection with any priced order issued under paragraph (e) above, or any ceiling priced order issued under paragraph (f) above, as determined by the Cognizant Contracting Officer.

(m) Contract Exhibits Covering Priced Orders and Ceiling Priced Orders. The contractor shall prepare a contract exhibit in accordance with DFARS 204.7105 covering the deliverable requirements (other than data), being procured under a priced order issued under paragraph (e) above or a ceiling priced order issued under paragraph (f) above. Each contract exhibit shall use the appropriate exhibit identifier assigned in Section B of

the Schedule for the contract line item number under which deliverable requirements (other than data) are being procured. Each contract exhibit shall apply only to the contract line item number designated in Section B (or shall apply to one alpha suffix subline item number only if established within the designated contract line item number when the order is issued). The applicable contract line item number (or the applicable alpha suffix subline item number, if established) and the applicable exhibit identifier shall be cited on each contract exhibit. If all available exhibit line item numbers are used within each exhibit (identifier) assigned in Section B for the particular contract line item number(s), the contractor shall notify the Procuring Contracting Officer (PCO), in writing, and request that additional exhibit identifier(s) be assigned for the contract line item number(s) concerned. Any additional exhibit identifier(s) assigned for any contract line item number will be set forth in a unilateral modification to this contract signed by the PCO. This paragraph (m) does not apply to any contract line item number set forth in Section B that calls for data.

(n) Modifications to Priced Orders or Ceiling Priced Orders. Modifications to priced orders or to ceiling priced orders issued hereunder shall be effected in accordance with the procedures for issuing contract modifications specified in this clause. Modifications to ceiling priced orders issued pursuant to paragraph (f) above shall not include additional requirements or quantities. Any claim for charges resulting from a decrease in the supplies or other requirements ordered in any priced order or in any ceiling priced order shall be processed in accordance with the termination procedures of this contract. Items of supplies or other requirements set forth in modifications to priced orders and contract exhibits attached thereto shall be numbered in accordance with the applicable procedure set forth in DFARS 204.7106, except that new contract line item numbers shall not be assigned in contract modifications issued by the ACO. The applicable contract line item numbers (or alpha suffix subline item numbers, if any) or exhibit line item numbers cited in priced orders or in ceiling priced orders issued pursuant to this clause shall be cited in appropriate modifications to such orders.

(o) Cost or Pricing Data. Whenever cost or pricing data, as defined in FAR 15.403, are required in accordance with FAR 15.403 and DFARS 215.403, the Contractor shall submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(p) Provisioning Document, Specifications, or Description of Work. The applicable provisioning document or specification or the description of the work is set forth below. To the extent of any inconsistency between any provisioning document or specification referred to below and the Schedule, the Schedule shall control.

Provisioning Document,

Specification or

CLINs 1001-1003, 2000-2003, 2005-2008, 3000-3009, 4000-4009, and 5000-5009

(q) Provisioning or Requiring Activity. The cognizant provisioning or requiring activity designated below will determine appropriate requirements (see paragraph (d) above) to be set forth in priced orders issued under paragraph (e) above or in ceiling priced orders issued pursuant to paragraph (f) above. If the cognizant provisioning or requiring activity is a U.S. Navy activity, a signed Certification of Urgency shall be provided to the Cognizant Contracting Officer before the issuance of any ceiling priced order for requirements specified by such activity.

Activity- N/A

5252.217-9507 OVER AND ABOVE WORK REQUESTS (NAVAIR) (OCT 2005)

(a) These procedures apply when the contractor identifies needed repairs that are over and above the requirements of the contract and recommends corrective action during contract performance in accordance with DFARS 252.217-7028, "Over and Above Work".

(b) The contractor shall prepare and submit the applicable Over and Above Work Request (OAWR) Form similar to the one attached to this contract to the PCO, via the TPOC, for authorization to proceed. The contractor shall use the OAWR to describe the over and above work that needs to be performed, including any

parts and materials, in such detail as necessary to permit a thorough evaluation. The contractor shall attach competitive subcontractor quotes, or, if such quotes are not available, the contractor shall justify the total cost by specifying direct hours by labor category, as well as the type, quantity and cost of the material needed to perform the repair or replacement. The contractor shall also propose a schedule to complete the needed repair or replacement.

(c) The TPOC will review the OAWR submitted by the contractor, and then forward the form to the PMA205 with a recommendation of approval or disapproval, with one copy to PCO. The TPOC will annotate the form with the reasons for the recommendation.

(d) The PCO shall take one of the following actions:

(1) Disapprove the OAWR. In this event, the OAWR will be returned to the contractor. A copy will also be provided to the TPOC.

(2) Authorize the OAWR. In this event, a modification (Standard Form 30) will be issued. Upon issuance of the modification, the contractor shall proceed with the repair or replacement effort.

(e) To the maximum extent practical, a FFP will be negotiated for this effort prior to the start of the work. In the event that the urgency of the effort does not permit the negotiation of an FFP, then the authorizing modification will establish not-to-exceed (NTE) prices. A sub-line item, under the OAWR line item, will be established to fund the effort. The Government is not responsible for any costs incurred by the contractor that exceed the NTE price established by the modification.

(f) Modifications to an OAWR will be effected by Standard Form 30.

(g) If the OAWR is issued on an NTE basis, the contractor shall promptly submit a proposal for the OAWR to the PCO. The PCO is responsible for negotiating a FFP for the OAWR and issuing an appropriate modification which establishes a FFP for that amount. The definitizing modification should include the following information:

(1) Reference to the OAWR and modification number and any later modification, which relates to that OAWR.

(2) The applicable ACRN and fund citation provided in the Accounting and Appropriation Data Block. Any excess funds are to be deobligated.

Applicable CLINs: 8000, 9000, 9001, 9002, 9003, 9004, 9005

5252.217-9509 LIABILITY FOR GOVERNMENT PROPERTY UNDERGOING SERVICES, REPAIRS OR MODIFICATIONS (NAVAIR)(OCT 2006)

(a) As to Government property delivered to or picked up by the contractor for servicing, repairs, modification or for services preliminary thereto, the contractor shall be fully liable as an insurer for any loss of or damage to such equipment or property while in his care, custody or control arising from any cause whatsoever and he agrees to reimburse the Government in full for his account. Unless otherwise specified in the contract schedule, the Government retains title to any and all scraps, salvage or other residual materials originating from said equipment or property.

(b) Subject to the "Disputes" clause of this contract, the Contracting Officer may make an equitable adjustment downward in the contract price, or in any monies due to the contractor, to compensate the Government in whole or in part for loss or damage for which the contractor is liable hereunder.

Applicable CLINs: 8000, 9000, 9001, 9002, 9003, 9004, 9005

5252.223-9501 MATERIAL SAFETY DATA SHEET (MSDS)(NAVAIR) (APR 2009)

(a) The contractor shall forward an electronic copy of the Material Safety Data Sheet (MSDS) required under FAR Clause 52.223-3, "Hazardous Material Identification and Material Safety Data", to Mar-navyhmirs@med.navy.mil and the Naval Inventory Control Point (NICP) at wraps.prime.fct@navy.mil.

(b) One copy of the MSDS shall be enclosed with the shipping documents. If the shipment is received without an attached copy of the MSDS, the Government has the right to refuse receipt.

5252.227-9501 INVENTION DISCLOSURES AND REPORTS (NAVAIR) (MAY 1998)

(a) In accordance with the requirements of the Patent Rights clause of this contract, the contractor shall submit "Report of Inventions and Subcontracts" (DD Form 882) along with written disclosure of inventions to the designated Contract Administrator.

(b) The Contract Administrator will forward such reports and disclosures directly to the appropriate Patent Counsel, designated below, for review and recommendations, after which the reports will be returned to the Contract Administrator.

Name and address of Patent Counsel:

Charles D. Buskey, Patent Attorney
NAWCAD/NAVAIR Office of Counsel
Bldg 435 Suite A
47076 Liljencrantz Road
Patuxent River, MD 20670-1550

(c) The above designated Patent Counsel will represent the Procurement Contracting Officer with regard to invention reporting matters arising under this contract.

(d) A copy of each report and disclosure shall be forwarded to the Procuring Contracting Officer.

(e) The contractor shall furnish the Contracting Officer a final report within three (3) months after completion of the contracted work listing all subject inventions or certifying that there were no such inventions, and listing all subcontracts at any tier containing a patent rights clause or certifying that there were no such subcontracts.

5252.227-9505 TECHNICAL DATA AND COMPUTER SOFTWARE IDENTIFICATION IN ENGINEERING CHANGE PROPOSALS (ECPs) (NAVAIR)(AUG 1987)

Each Engineering Change Proposal (ECP) submitted by the Contractor shall identify each item of technical data and computer software delivered by the Contractor under any prior Navy contract required to be revised as a result of the proposed change and shall include an estimated price and cost proposal to furnish the revisions.

5252.227-9511 DISCLOSURE, USE AND PROTECTION OF PROPRIETARY INFORMATION (NAVAIR)(FEB 2009)

(a) During the performance of this contract, the Government may use an independent services contractor (ISC), who is neither an agent nor employee of the Government. The ISC may be used to conduct reviews, evaluations, or independent verification and validations of technical documents submitted to the Government during performance.

(b) The use of an ISC is solely for the convenience of the Government. The ISC has no obligation to the prime contractor. The prime contractor is required to provide full cooperation, working facilities and access to the ISC for the purposes stated in paragraph (a) above.

(c) Since the ISC is neither an employee nor an agent of the Government, any findings, recommendations, analyses, or conclusions of such a contractor are not those of the Government.

(d) The prime contractor acknowledges that the Government has the right to use ISCs as stated in paragraph (a) above. It is possible that under such an arrangement the ISC may require access to or the use of information (other than restricted cost or pricing data), which is proprietary to the prime contractor.

(e) To protect any such proprietary information from disclosure or use, and to establish the respective rights and duties of both the ISC and prime contractor, the prime contractor agrees to enter into a direct agreement with any ISC as the Government requires. A properly executed copy (per FAR 9.505-4) of the agreement will be provided to the Procuring Contracting Officer.

5252.228-9501 LIABILITY INSURANCE (NAVAIR) (MAR 1999)

The following types of insurance are required in accordance with the clause entitled, FAR 52.228-5, Insurance-Work on a Government Installation and shall be maintained in the minimum amounts shown:

(a) Commercial General Liability: \$200,000 per person and \$500,000 per accident for bodily injury.

(b) Automobile Insurance: \$200,000 per person and \$500,000 per accident for bodily injury and \$500,000 per accident for property damage.

(c) Standard Workman's Compensation and Employer's Liability Insurance (or, where maritime employment is involved, Longshoremen's and Harbor Worker's Compensation Insurance) in the minimum amount of \$100,000.

(d) Aircraft public and passenger liability: \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability; \$200,000 per occurrence for property damage. Passenger bodily injury liability limits of \$200,000 per passenger, multiplied by the number of seats or number of passengers, whichever is greater.

5252.243-9505 ENGINEERING CHANGES (NAVAIR)(OCT 2005)

(a) After contract award, the Contracting Officer may solicit, and the contractor is encouraged to propose independently, engineering changes to the equipment, software specifications or other requirements of this contract. These changes may be proposed for reasons of economy, improved performance, or to resolve increased data processing requirements. If the proposed changes are acceptable to both parties, the contractor shall submit a price change proposal to the Government for evaluation. Those proposed engineering changes that are acceptable to the Government will be processed as modifications to the contract.

(b) This applies only to those proposed changes identified by the contractor, as a proposal submitted pursuant to the provisions of this clause. As a minimum, the following information shall be submitted by the contractor with each proposal:

(1) A description of the difference between the existing contract requirement and the proposed change, and the comparative advantages and disadvantages of each.

(2) Itemized requirements of the contract that must be changed if the proposal is adopted, and the proposed revision to the contract for each such change.

- (3) An estimate of the changes in performance costs, if any, that will result from adoption of the proposal.
 - (4) An evaluation of the effects the proposed change would have on collateral costs to the Government such as Government-furnished property costs, costs of related items, and costs of maintenance and operation.
 - (5) A statement of the time by which the change order adopting the proposal must be issued so as to obtain the maximum benefits of the changes during the remainder of this contract. Also, any effect on the contract completion time or delivery schedule shall be identified.
- (c) Engineering change proposals submitted to the Contracting Officer shall be processed expeditiously. The Government shall not be liable for proposal preparation costs or any delay in acting upon any proposal submitted pursuant to this clause. The contractor has the right to withdraw, in whole or in part, any engineering change proposal not accepted by the Government within the period specified in the engineering change proposal. The decision of the Contracting Officer as to the acceptance of any such proposal under this contract shall be final and shall not be subject to the "Disputes" clause of the contract.
- (d) The Contracting Officer may accept any engineering change proposal submitted pursuant to this clause by giving the contractor written notice thereof. This written notice may be given by issuance of a modification to this contract. Unless and until a modification is executed to incorporate an engineering change proposal under this contract, the contractor shall remain obligated to perform in accordance with the terms of the existing contract.
- (e) If an engineering change proposal pursuant to this clause is accepted and applied to this contract, an equitable adjustment in the contract price and in any other affected provisions of this contract shall be made in accordance with the "Changes" clause.
- (f) The contractor is requested to identify specifically any information contained in its engineering change proposal which it considers confidential and/or proprietary and which it prefers not to be disclosed to the public. The identification of information as confidential and/or proprietary is for information purposes only and shall not be binding on the Government to prevent disclosure of such information. Offerors are advised that such information may be subject to release upon request pursuant to the Freedom of Information Act (5 U.S.C. 552).

5252.246-9503 SIGNIFICANCE OF SYSTEMS ENGINEERING TECHNICAL REVIEWS REQUIRED UNDER THIS CONTRACT (NAVAIR) (JUL 2009)

- (a) The effort to be performed under this contract includes a series of systems engineering technical reviews to review the design/development of the system and assess the progress towards meeting the technical and/or performance requirements set forth in this contract. The reviews will provide an independent assessment of the emerging design/development of the system against the contractual requirements and user's capabilities requirements.
- (b) Government express or implied approval of any particular technical approach or deliverable does not alter the Contractor's responsibility to meet the requirements of the contract. The contractor maintains design responsibility for the system at all times.

5252.246-9526 PROVISIONAL ACCEPTANCE UNDER SPECIAL CONDITIONS (NAVAIR)(OCT 2005)

- (a) Acceptance under Special Conditions. The Government may, at the discretion of the Contracting Officer, finally or provisionally accept any supply prior to completion of work on such supply in the following situations:

- (1) When the contractor, despite the exercise of due diligence, encounters unavoidable delay in securing contractor-furnished property;
 - (2) When Government-furnished property suitable for installation in any supply to be furnished hereunder is not delivered to the contractor in sufficient time to permit installation by the contractor prior to the date the supply is scheduled for delivery; or,
 - (3) When defects or deficiencies are known to exist in the supply, but when correction of the defects or deficiencies is not practicable within the delivery schedule set forth in the contract.
- (b) Pending completion of any supply provisionally accepted under this provision, the Contracting Officer shall withhold an amount as he determines to be appropriate from the contract price that represents the estimated value of the work remaining to be performed. The withhold will be released after final acceptance.

RENT-FREE USE OF GOVERNMENT PROPERTY ACCOUNTABLE UNDER AN ALTERNATE GOVERNMENT CONTRACT (NAVAIR)(MAY 2016)

(a) Pursuant to FAR 45.301, authorization is granted to use the Government property identified below on a non-interference basis without rental charge in the performance of this contract and subcontracts of any tier issued hereunder. Government property currently accountable and managed under the following contracts:

See Attachment (14)- GFP TCTS Inc II

- (b) The said property shall be governed by the terms and conditions of the contract(s) under which it is accountable.
- (c) The contractor is responsible for scheduling the use of the said property. The Government shall not be responsible for conflicts, delay or disruptions to any work performed by the contractor due to use of the property under this contract or any other contracts under which use of such property is authorized.

52.209-3 FIRST ARTICLE APPROVAL--GOVERNMENT TESTING (SEP 1989) - ALT II (SEP 1989) & ALT I (JAN 1997)

- (a) The Contractor shall deliver 1 AS, 1 JSF (IM), 1 RS, 1 FGS, 1 RRU, and 1 PSE unit(s) of LRIP I as specified in this contract. At least 30 calendar days before the beginning of first article tests, the Contractor shall notify the Contracting Officer, in writing, of the time and location of the testing so that the Government may witness the tests.
- (b) The Contractor shall submit the first article test report within 30 calendar days from the date of test completion to See DD1423 (A079) marked "First Article Test Report: Contract No. N61340-17-C-0007 , Lot/Item No. I " Within 15 calendar days after the Government receives the test report, the Contracting Officer shall notify the Contractor, in writing, of the conditional approval, approval, or disapproval of the first article. The notice of conditional approval or approval shall not relieve the Contractor from complying with all requirements of the specifications and all other terms and conditions of this contract. A notice of conditional approval shall state any further action required of the Contractor. A notice of disapproval shall cite reasons for the disapproval.
- (c) If the first article is disapproved, the Contractor, upon Government request, shall repeat any or all first article tests. After each request for additional tests, the Contractor shall make any necessary changes, modifications, or repairs to the first article or select another first article for testing. All costs related to these tests are to be borne by the Contractor, including any and all costs for additional tests following a disapproval. The Contractor shall then conduct the tests and deliver another report to the Government under the terms and conditions and within the time specified by the Government. The Government shall take action on this report within the time

specified in paragraph (b) above. The Government reserves the right to require an equitable adjustment of the contract price for any extension of the delivery schedule, or for any additional costs to the Government related to these tests.

(d) If the Contractor fails to deliver any first article report on time, or the Contracting Officer disapproves any first article, the Contractor shall be deemed to have failed to make delivery within the meaning of the Default clause of this contract.

(e) Unless otherwise provided in the contract, and if the approved first article is not consumed or destroyed in testing, the Contractor may deliver the approved first article as part of the contract quantity if it meets all contract requirements for acceptance.

(f) If the Government does not act within the time specified in paragraph (b) or (c) above, the Contracting Officer shall, upon timely written request from the Contractor, equitably adjust under the changes clause of this contract the delivery or performance dates and/or the contract price, and any other contractual term affected by the delay.

(g) Before first article approval, the Contracting Officer may, by written authorization, authorize the Contractor to acquire specific materials or components or to commence production to the extent essential to meet the delivery schedules. Until first article approval is granted, only costs for the first article and costs incurred under this authorization are allocable to this contract for (1) progress payments, or (2) termination settlements if the contract is terminated for the convenience of the Government. If first article tests reveal deviations from contract requirements, the Contractor shall, at the location designated by the Government, make the required changes or replace all items produced under this contract at no change in the contract price.

(h) The Government may waive the requirement for first article approval test where supplies identical or similar to those called for in the schedule have been previously furnished by the offeror/contractor and have been accepted by the Government. The offeror/contractor may request a waiver.

(i) The Contractor shall produce both the first article and the production quantity at the same facility.

52.216-7 ALLOWABLE COST AND PAYMENT (JUN 2013)

(a) Invoicing.

(1) The Government will make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) Subpart 31.2 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(2) Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act. Interim payments made prior to the final payment under the contract are contract financing payments, except interim payments if this contract contains Alternate I to the clause at 52.232-25.

(3) The designated payment office will make interim payments for contract financing on the 30th day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) Reimbursing costs.

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

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for --

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made-

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of financing payments that have been paid by cash, check or other form of payment to subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless-

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) of this clause, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) of this clause.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

(A) Summary of all claimed indirect expense rates, including pool, base, and calculated indirect rate.

(B) General and Administrative expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(C) Overhead expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.

(D) Occupancy expenses (intermediate indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.

(E) Claimed allocation bases, by element of cost, used to distribute indirect costs.

(F) Facilities capital cost of money factors computation.

(G) Reconciliation of books of account (i.e., General Ledger) and claimed direct costs by major cost element.

(H) Schedule of direct costs by contract and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.

(I) Schedule of cumulative direct and indirect costs claimed and billed by contract and subcontract.

(J) Subcontract information. Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the subcontractor name, address, and point of contact information).

(K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.

(L) Reconciliation of total payroll per IRS form 941 to total labor costs distribution.

(M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.

(N) Certificate of final indirect costs (see 52.242-4, Certification of Final Indirect Costs).

(O) Contract closing information for contracts physically completed in this fiscal year (include contract number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General Organizational information and limitation on allowability of compensation for certain contractor personnel. See 31.205-6(p). Additional salary reference information is available at http://www.whitehouse.gov/omb/procurement_index_exec_comp/.

(C) Identification of prime contracts under which the contractor performs as a subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (e.g., trial balance, compilation, review, etc.).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph (G) of this section.

(I) List of all internal audit reports issued since the last disclosure of internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10-K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: Contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify

- (i) the agreed-upon final annual indirect cost rates,
- (ii) the bases to which the rates apply,
- (iii) the periods for which the rates apply,
- (iv) any specific indirect cost items treated as direct costs in the settlement, and
- (v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates.

The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime contractor is responsible for settling subcontractor amounts and rates included in the completion invoice or voucher and providing status of subcontractor audits to the contracting officer upon request.

(6)(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may--

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates --

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) Quick-closeout procedures. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be --

(1) Reduced by amounts found by the Contracting Officer not to constitute allowable costs; or

(2) Adjusted for prior overpayments or underpayments.

(h) Final payment.

(1) Upon approval of a completion invoice or voucher submitted by the Contractor in accordance with paragraph (d)(5) of this clause, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver --

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except --

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;

(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

Applicable CLINs: 0001, 0002

52.216-10 INCENTIVE FEE (JUN 2011)

(a) General. The Government shall pay the Contractor for performing this contract a fee determined as provided in this contract.

(b) Target cost and target fee. The target cost and target fee specified in the Schedule are subject to adjustment if the contract is modified in accordance with paragraph (d) below.

(1) "Target cost," as used in this contract, means the estimated cost of this contract as initially negotiated, adjusted in accordance with paragraph (d) below.

(2) "Target fee," as used in this contract, means the fee initially negotiated on the assumption that this contract would be performed for a cost equal to the estimated cost initially negotiated, adjusted in accordance with paragraph (d) below.

(c) Withholding of payment. (1) Normally, the Government shall pay the fee to the Contractor as specified in the Schedule. However, when the Contracting Officer considers that performance or cost indicates that the Contractor will not achieve target, the Government shall pay on the basis of an appropriate lesser fee. When the Contractor demonstrates that performance or cost clearly indicates that the Contractor will earn a fee significantly above the target fee, the Government may, at the sole discretion of the Contracting Officer, pay on the basis of an appropriate higher fee.

(2) Payment of the incentive fee shall be made as specified in the Schedule; provided that the Contracting Officer withholds a reserve not to exceed 15 percent of the total incentive fee or \$100,000, whichever is less, to protect the Government's interest. The Contracting Officer shall release 75 percent of all fee withholds under this contract after receipt of an adequate certified final indirect cost rate proposal covering the year of physical completion of this contract, provided the Contractor has satisfied all other contract terms and conditions, including the submission of the final patent and royalty reports, and is not delinquent in submitting final vouchers on prior years' settlements. The Contracting Officer may release up to 90 percent of the fee withholds under this contract based on the Contractor's past performance related to the submission and settlement of final indirect cost rate proposals.

(d) Equitable adjustments. When the work under this contract is increased or decreased by a modification to this contract or when any equitable adjustment in the target cost is authorized under any other clause, equitable adjustments in the target cost, target fee, minimum fee, and maximum fee, as appropriate, shall be stated in a supplemental agreement to this contract.

(e) Fee payable.

(1) The fee payable under this contract shall be the target fee increased by 50 cents for every dollar that the total allowable cost is less than the target cost or decreased by 50 cents for every dollar that the total allowable cost exceeds the target cost. In no event shall the fee be greater than 10 percent or less than 1 percent of the target cost.

(2) The fee shall be subject to adjustment, to the extent provided in paragraph (d) above, and within the minimum and maximum fee limitations in subparagraph (1) above, when the total allowable cost is increased or decreased as a consequence of (i) payments made under assignments or (ii) claims excepted from the release as required by paragraph (h)(2) of the Allowable Cost and Payment clause.

(3) If this contract is terminated in its entirety, the portion of the target fee payable shall not be subject to an increase or decrease as provided in this paragraph. The termination shall be accomplished in accordance with other applicable clauses of this contract.

(4) For the purpose of fee adjustment, "total allowable cost" shall not include allowable costs arising out of--

(i) Any of the causes covered by the Excusable Delays clause to the extent that they are beyond the control and without the fault or negligence of the Contractor or any subcontractor;

(ii) The taking effect, after negotiating the target cost, of a statute, court decision, written ruling, or regulation that results in the Contractor's being required to pay or bear the burden of any tax or duty or rate increase in a tax or duty;

(iii) Any direct cost attributed to the Contractor's involvement in litigation as required by the Contracting Officer pursuant to a clause of this contract, including furnishing evidence and information requested pursuant to the Notice and Assistance Regarding Patent and Copyright Infringement clause;

(iv) The purchase and maintenance of additional insurance not in the target cost and required by the Contracting Officer, or claims for reimbursement for liabilities to third persons pursuant to the Insurance-Liability to Third Persons clause;

(v) Any claim, loss, or damage resulting from a risk for which the Contractor has been relieved of liability by the Government Property clause; or

(vi) Any claim, loss, or damage resulting from a risk defined in the contract as unusually hazardous or as a nuclear risk and against which the Government has expressly agreed to indemnify the Contractor.

(5) All other allowable costs are included in "total allowable cost" for fee adjustment in accordance with this paragraph (e), unless otherwise specifically provided in this contract.

(f) Contract modification. The total allowable cost and the adjusted fee determined as provided in this clause shall be evidenced by a modification to this contract signed by the Contractor and Contracting Officer.

(g) Inconsistencies. In the event of any language inconsistencies between this clause and provisioning documents or Government options under this contract, compensation for spare parts or other supplies and services ordered under such documents shall be determined in accordance with this clause.

Applicable CLINs: 0001, 0002

52.216-16 INCENTIVE PRICE REVISION-FIRM TARGET (OCT 1997) ALT I (APR 1984)

(a) General . The supplies or services identified in the Schedule as Items 1000, 1001, 1002, 1003, 1004, 2000, 2001, 2002, 2003, 2004, 2006, 2007, 2008, 2009, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, and 3009 are subject to price revision in accordance with this clause; provided, that in no event shall the total final price of these items exceed the ceiling price of one hundred and nine percent of the target cost for each Item.

Any supplies or services that are to be

(1) ordered separately under, or otherwise added to, this contract and

(2) subject to price revision in accordance with the terms of this clause shall be identified as such in a modification to this contract.

(b) Definition. "Costs", as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

(c) Data submission .

(1) Within 60 days after the end of the month in which the Contractor has delivered the last unit of supplies and completed the services specified by item number in paragraph (a) of this clause, the Contractor shall submit in the format of Table 15-2, FAR 15.408, or in any other form on which the parties agree --

- (i) A detailed statement of all costs incurred up to the end of that month in performing all work under the items;
- (ii) An estimate of costs of further performance, if any, that may be necessary to complete performance of all work under the items;
- (iii) A list of all residual inventory and an estimate of its value; and
- (iv) Any other relevant data that the Contracting Officer may reasonably require.

(2) If the Contractor fails to submit the data required by subparagraph (c)(1) of this clause within the time specified and it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the Interest clause.

(d) Price revision. Upon the Contracting Officer's receipt of the data required by paragraph (c) of this clause, the Contracting Officer and the Contractor shall promptly establish the total final price of the items specified in (a) of this clause by applying to final negotiated cost an adjustment for profit or loss, as follows:

(1) On the basis of the information required by paragraph (c) of this clause, together with any other pertinent information, the parties shall negotiate the total final cost incurred or to be incurred for supplies delivered (or services performed) and accepted by the Government and which are subject to price revision under this clause.

(2) The total final price shall be established by applying to the total final negotiated cost an adjustment for profit or loss, as follows:

(i) If the total final negotiated cost is equal to the total target cost, the adjustment is the total target profit.

(ii) If the total final negotiated cost is greater than the total target cost, the adjustment is the total target profit, less 50 percent of the amount by which the total final negotiated cost exceeds the total target cost.

(iii) If the final negotiated cost is less than the total target cost, the adjustment is the total target profit plus 50 percent of the amount by which the total final negotiated cost is less than the total target cost.

(e) Contract modification . The total final price of the items specified in paragraph (a) of this clause shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer. This price shall not be subject to revision, notwithstanding any changes in the cost of performing the contract, except to the extent that --

(1) The parties may agree in writing, before the determination of total final price, to exclude specific elements of cost from this price and to a procedure for subsequent disposition of those elements; and

(2) Adjustments or credits are explicitly permitted or required by this or any other clause in this contract.

(f) Adjusting billing prices .

(1) Pending execution of the contract modification (see paragraph (e) of this clause), the Contractor shall submit invoices or vouchers in accordance with billing prices as provided in this paragraph. The billing prices shall be the target prices shown in this contract.

(2) If at any time it appears from information provided by the contractor under subparagraph (g)(2) of this clause that the then-current billing prices will be substantially greater than the estimated final prices, the parties shall negotiate a reduction in the billing prices. Similarly, the parties may negotiate an increase in billing prices by any or all of the difference between the target prices and the ceiling price, upon the Contractor's submission of factual data showing that final cost under this contract will be substantially greater than the target cost.

(3) Any billing price adjustment shall be reflected in a contract modification and shall not affect the determination of the total final price under paragraph (d) of this clause. After the contract modification establishing the total final price is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the total final price, and any resulting additional payments, refunds, or credits shall be made promptly.

(g) Quarterly limitation on payments statement . This paragraph (g) shall apply until final price revision under this contract has been completed.

(1) Within 45 days after the end of each quarter of the Contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter, the Contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing --

(i) The total contract price of all supplies delivered (or services performed) and accepted by the Government and for which final prices have been established;

(ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established;

(iii) The portion of the total target profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (g)) that is in direct proportion to the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established -- increased or decreased in accordance with subparagraph (d)(2) of this clause, when the amount stated under subdivision (g)(1)(ii) of this clause differs from the aggregate target costs of the supplies or services; and

(iv) The total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(2) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (g)(1)(iv) of this clause exceeds the sum due the Contractor, as computed in accordance with subdivisions (g)(1)(i), (ii), and (iii) of this clause, the Contractor shall immediately refund or credit to the Government the amount of this excess. The Contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the Contractor under 26 U.S.C. 1481 and by the amount of previous refunds or credits effected under this clause. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account consistent with the Progress Payments clause. The Contractor shall provide complete details to support any claimed reductions in refunds.

(3) If the Contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly

statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

(h) Subcontracts . No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

(i) Disagreements . If the Contractor and the Contracting Officer fail to agree upon the total final price within 60 days (or within such other period as the Contracting Officer may specify) after the date on which the data required by paragraph (c) of this clause are to be submitted, the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause.

(j) Termination . If this contract is terminated before the total final price is established, prices of supplies or services subject to price revision shall be established in accordance with this clause for

(1) completed supplies and services accepted by the Government and

(2) those supplies and services not terminated under a partial termination.

All other elements of the termination shall be resolved in accordance with other applicable clauses of this contract.

(k) Equitable adjustment under other clauses . If an equitable adjustment in the contract price is made under any other clause of this contract before the total final price is established, the adjustment shall be made in the total target cost and may be made in the maximum dollar limit on the total final price, the total target profit, or both. If the adjustment is made after the total final price is established, only the total final price shall be adjusted.

(l) Exclusion from target price and total final price . If any clause of this contract provides that the contract price does not or will not include an amount for a specific purpose, then neither any target price nor the total final price includes or will include any amount for that purpose.

(m) Separate reimbursement . If any clause of this contract expressly provides that the cost of performance of an obligation shall be at Government expense, that expense shall not be included in any target price or in the total final price, but shall be reimbursed separately.

(n) Taxes . As used in the Federal, State, and Local Taxes clause or in any other clause that provides for certain taxes or duties to be included in, or excluded from, the contract price, the term "contract price" includes the total target price or, if it has been established, the total final price. When any of these clauses requires that the contract price be increased or decreased as a result of changes in the obligation of the Contractor to pay or bear the burden of certain taxes or duties, the increase or decrease shall be made in the total target price or, if it has been established, in the total final price, so that it will not affect the Contractor's profit or loss on this contract.

(o) Provisioning and options. Parts, other supplies, or services that are to be furnished under this contract on the basis of a provisioning document or Government option shall be subject to price revision in accordance with this clause. Any prices established for these parts, other supplies, or services under a provisioning document or Government option shall be treated as target prices. Target cost and profit covering these parts, other supplies, or services may be established separately, in the aggregate, or in any combination, as the parties may agree.

Applicable CLINs: 1000, 1001, 1002, 1003, 1004, 2000, 2001, 2002, 2003, 2004, 2006, 2007, 2008, 2009, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009

52.216-17 INCENTIVE PRICE REVISION--SUCCESSIVE TARGETS (OCT 1997) ALT I (APR 1984)

(a) General. The supplies or services identified in the Schedule as Items 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, and 5009 are subject to price revision in accordance with this clause; provided, that in no event shall the total final price of these items exceed the ceiling price of one hundred and nine percent of the target cost of each Item. The prices of these items shown in the Schedule are the initial target prices, which include an initial target profit of nine percent of the initial target cost. Any supplies or services that are to be --

(1) Ordered separately under, or otherwise added to, this contract; and

(2) Subject to price revision in accordance with this clause shall be identified as such in a modification to this contract.

(b) Definition. "Costs", as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

(c) Submitting data for establishing the firm fixed price or a final profit adjustment formula.

(1) Within 60 days after the end of the month in which the Contractor has completed each SLIN, the Contractor shall submit the following data:

(i) A proposed firm fixed price or total firm target price for supplies delivered and to be delivered and services performed and to be performed.

(ii) A detailed statement of all costs incurred in the performance of this contract through the end of the month specified above, in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties may agree), with sufficient supporting data to disclose unit costs and cost trends for --

(A) Supplies delivered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).

(iii) An estimate of costs of all supplies delivered and to be delivered and all services performed and to be performed under this contract, using the statement of costs incurred plus an estimate of costs to complete performance, in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties may agree), together with --

(A) Sufficient data to support the accuracy and reliability of the estimate; and

(B) An explanation of the differences between this estimate and the original estimate used to establish the initial target prices.

(2) The Contractor shall also submit, to the extent that it becomes available before negotiations establishing the total firm price are concluded --

(i) Supplemental statements of costs incurred after the end of the month specified in subparagraph (1) of this section for --

(A) Supplies delivered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and

that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of

the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the Interest clause.

(d) Establishing firm fixed price or final profit adjustment formula. Upon the Contracting Officer's receipt of the data required by paragraph (c) of this section, the Contracting Officer and the Contractor shall promptly establish either a firm fixed price or a profit adjustment formula for determining final profit, as follows:

(1) The parties shall negotiate a total firm target cost, based upon the data submitted under paragraph (c) of this section.

(2) If the total firm target cost is more than the total initial target cost, the total initial target profit shall be decreased. If the total firm target cost is less than the total initial target cost, the total initial target profit shall be increased. The initial target profit shall be increased or decreased by 50 percent of the difference between the total initial target cost and the total firm target cost. The resulting amount shall be the total firm target profit; provided that in no event shall the total firm target profit be less than 2 percent or more than 13 percent of the total initial cost.

(3) If the total firm target cost plus the total firm target profit represent a reasonable price for performing that part of the contract subject to price revision under this clause, the parties may agree on a firm fixed price, which shall be evidenced by a contract modification signed by the Contractor and the Contracting Officer.

(4) Failure of the parties to agree to a firm fixed price shall not constitute a dispute under the Disputes clause. If agreement is not reached, or if establishment of a firm fixed price is inappropriate, the Contractor and the Contracting Officer shall establish a profit adjustment formula under which the total final price shall be established by applying to the total final negotiated cost an adjustment for profit or loss, determined as follows:

(i) If the total final negotiated cost is equal to the total firm target cost, the adjustment is the total firm target profit.

(ii) If the total final negotiated cost is greater than the total firm target cost, the adjustment is the total firm target profit, less 50 percent of the amount by which the total final negotiated cost exceeds the total firm target cost.

(iii) If the total final negotiated cost is less than the total firm target cost, the adjustment is the total firm target profit, plus 50 percent of the amount by which the total final negotiated cost is less than the total firm target cost.

(iv) The total firm target cost, total firm target profit, and the profit adjustment formula for determining final profit shall be evidenced by a modification to this contract signed by the Contractor and the Contracting Officer.

(e) Submitting data for final price revision. Unless a firm fixed price has been established in accordance with paragraph (d) of this section within 60 days after the end of the month in which the Contractor has delivered the last unit of supplies and completed the services specified by item number in paragraph (a) of this section, the Contractor shall submit in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties agree) --

(1) A detailed statement of all costs incurred up to the end of that month in performing all work under the items;

(2) An estimate of costs of further performance, if any, that may be necessary to complete performance of all work under the items;

- (3) A list of all residual inventory and an estimate of its value; and
 - (4) Any other relevant data that the Contracting Officer may reasonably require.
- (f) Final price revision. Unless a firm fixed price has been agreed to in accordance with paragraph (d) of this section, the Contractor and the Contracting Officer shall, promptly after submission of the data required by paragraph (e) of this section, establish the total final price, as follows:
- (1) On the basis of the information required by paragraph (e) of this section, together with any other pertinent information, the parties shall negotiate the total final cost incurred or to be incurred for the supplies delivered (or services performed) and accepted by the Government and which are subject to price revision under this clause.
 - (2) The total final price shall be established by applying to the total final negotiated cost an adjustment for final profit or loss determined as agreed upon under subparagraph (d)(4) of this section.
- (g) Contract modification. The total final price of the items specified in paragraph (a) of this section shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer. This price shall not be subject to revision, notwithstanding any changes in the cost of performing the contract, except to the extent that --
- (1) The parties may agree in writing, before the determination of total final price, to exclude specific elements of cost from this price and to a procedure for subsequent disposition of these elements; and
 - (2) Adjustments or credits are explicitly permitted or required by this or any other clause in this contract.
- (h) Adjustment of billing prices.
- (1) Pending execution of the contract modification (see paragraph (e) of this section), the Contractor shall submit invoices or vouchers in accordance with billing prices as provided in this paragraph. The billing prices shall be the initial target prices shown in this contract until firm target prices are established under paragraph (d) of this section. When established, the firm target prices shall be used as the billing prices.
 - (2) If at any time it appears from information provided by the contractor under subparagraph (i)(1) of this section that the then-current billing prices will be substantially greater than the estimated final prices, the parties shall negotiate a reduction in the billing prices. Similarly, the parties may negotiate an increase in billing prices by any or all of the difference between the target prices and the ceiling price, upon the Contractor's submission of factual data showing that the final cost under this contract will be substantially greater than the target cost.
 - (3) Any adjustment of billing prices shall be reflected in a contract modification and shall not affect the determination of any price under paragraph (d) or (f) of this section. After the contract modification establishing the total final price is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the total final price, and any resulting additional payments, refunds, or credits shall be made promptly.
- (i) Quarterly limitation on payments statement . This paragraph (i) shall apply until a firm fixed price or a total final price is established under subparagraph (d)(3) or (f)(2).
- (1) Within 45 days after the end of each quarter of the Contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter, the Contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing --

- (i) The total contract price of all supplies delivered (or services performed) and accepted by the Government and for which final prices have been established;
- (ii) The total cost (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established;
- (iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (i)) that is in direct proportion to the supplies delivered (or services performed) and accepted by the Government and for which final prices have not been established -- increased or decreased in accordance with subparagraph (d)(4) of this section when the amount stated under subdivision (ii) of this section, differs from the aggregate firm target costs of the supplies or services; and
- (iv) The total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(2) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (i)(1)(iv) of this section exceeds the sum due the Contractor, as computed in accordance with subdivisions (i)(1)(i), (ii), and (iii) of this section, the Contractor shall immediately refund or credit to the Government the amount of this excess. The Contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the Contractor under 26 U.S.C. 1481 and by the amount of previous refunds or credits effected under this clause. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account consistent with the Progress Payments clause. The Contractor shall provide complete details to support any claimed reductions in refunds.

(3) If the Contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

(j) Subcontracts . No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

(k) Disagreements . If the Contractor and the Contracting Officer fail to agree upon

(1) a total firm target cost and a final profit adjustment formula or

(2) a total final price, within 60 days (or within such other period as the Contracting Officer may specify) after the date on which the data required in paragraphs (c) and (e) of this section are to be submitted, the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause.

(l) Termination . If this contract is terminated before the total final price is established, prices of supplies or services subject to price revision shall be established in accordance with this clause for (1) completed supplies and services accepted by the Government and (2) those supplies or services not terminated under a partial termination.

All other elements of the termination shall be resolved in accordance with other applicable clauses of this contract.

(m) Equitable adjustments under other clauses . If an equitable adjustment in the contract price is made under any other clause of this contract before the total final price is established, the adjustment shall be made in the total target cost and may be made in the maximum dollar limit on the total final price, the total target profit, or both. If the adjustment is made after the total final price is established, only the total final price shall be adjusted.

(n) Exclusion from target price and total final price . If any clause of this contract provides that the contract price does not or will not include an amount for a specific purpose, then neither any target price nor the total final price includes or will include any amount for that purpose.

(o) Separate reimbursement . If any clause of this contract expressly provides that the cost of performance of an obligation shall be at Government expense, that expense shall not be included in any target price or in the total final price, but shall be reimbursed separately.

(p) Taxes . As used in the Federal, State, and Local Taxes clause or in any other clause that provides for certain taxes or duties to be included in, or excluded from, the contract price, the term "contract price" includes the total target price or, if it has been established, the total final price. When any of these clauses requires that the contract price be increased or decreased as a result of changes in the obligation of the Contractor to pay or bear the burden of certain taxes or duties, the increase or decrease shall be made in the total target price or, if it has been established, in the total final price, so that it will not affect the Contractor's profit or loss on this contract.

(q) Provisioning and options . Parts, other supplies, or services that are to be furnished under this contract on the basis of a provisioning document or Government option shall be subject to price revision in accordance with this clause. Any prices established for these parts, other supplies, or services under a provisioning document or Government option shall be treated as initial target prices, or target prices as agreed upon and stipulated in the pricing document supporting the provisioning or added items. Initial or firm target costs and profits and final prices covering these parts, other supplies, or services may be established separately, in the aggregate, or in any combination, as the parties may agree.

Note: The production point for negotiation of the Fixed Price Incentive (Successive Target) CLINs 4000-4009 and 5000-5009 will be four to six months after award of Full Rate Production Lot I.

Applicable CLINs: 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, 5009

52.217-6 OPTION FOR INCREASED QUANTITY (MAR 1989)

The Government may increase the quantity of supplies called for in the Schedule at the unit price specified. The Contracting Officer may exercise the option by written notice to the Contractor within See schedule below. Delivery of the added items shall continue at the same rate as the like items called for under the contract, unless the parties otherwise agree.

Line Item Numbers	Commencement of Option Exercise Period	Conclusion of Option Exercise Period
SLINs under 3000	65 months after initial contract award	70 months after initial contract award
SLINs under 3001	65 months after initial contract award	70 months after initial contract award
SLINs under 3002	65 months after initial contract award	70 months after initial contract award
SLINs under 3003	65 months after initial contract award	70 months after initial contract award
SLINs under 3004	65 months after initial contract award	70 months after initial contract award

SLINs under 3005	65 months after initial contract award	70 months after initial contract award
SLINs under 3006	65 months after initial contract award	70 months after initial contract award
SLINs under 3007	65 months after initial contract award	70 months after initial contract award
SLINs under 3008	65 months after initial contract award	70 months after initial contract award
SLINs under 3009	65 months after initial contract award	70 months after initial contract award
SLINs under 4000	77 months after initial contract award	82 months after initial contract award
SLINs under 4001	77 months after initial contract award	82 months after initial contract award
SLINs under 4002	77 months after initial contract award	82 months after initial contract award
SLINs under 4003	77 months after initial contract award	82 months after initial contract award
SLINs under 4004	77 months after initial contract award	82 months after initial contract award
SLINs under 4005	77 months after initial contract award	82 months after initial contract award
SLINs under 4006	77 months after initial contract award	82 months after initial contract award
SLINs under 4007	77 months after initial contract award	82 months after initial contract award
SLINs under 4008	77 months after initial contract award	82 months after initial contract award
SLINs under 4009	77 months after initial contract award	82 months after initial contract award
SLINs under 5000	89 months after initial contract award	94 months after initial contract award
SLINs under 5001	89 months after initial contract award	94 months after initial contract award
SLINs under 5002	89 months after initial contract award	94 months after initial contract award
SLINs under 5003	89 months after initial contract award	94 months after initial contract award
SLINs under 5004	89 months after initial contract award	94 months after initial contract award
SLINs under 5005	89 months after initial contract award	94 months after initial contract award
SLINs under 5006	89 months after initial contract award	94 months after initial contract award
SLINs under 5007	89 months after initial contract award	94 months after initial contract award
SLINs under 5008	89 months after initial contract award	94 months after initial contract award
SLINs under 5009	89 months after initial contract award	94 months after initial contract award
SLINs under 6000	31 August 2020	Through 31 October 2025, each SLIN Option may be exercised on a one-time-basis only.
SLINs under 7001	30 November 2021	Through 30 September 2026, each SLIN option may be

		exercised twice, at applicable FY pricing. It is agreed upon that these priced SLINs will be exercised within the FY pricing in which the work (on-site training) will be performed. These terms are limited to the sites listed within the existing table found in TCTS II Contract Section B, Exhibit B (CLIN 7001)
SLINs under 8000	30 November 2021	<p>-Through 31 October 2025, each SLIN Option may be exercised on a one-time-basis only, with the exception of SLIN 8000AF (Fallon). The Government may exercise SLIN 8000AF a total of four (4) times at the applicable established FY pricing.</p> <p>- Three (3) rounds (each round is ninety (90) days) of NAS Fallon Field Tech Support Rep at NAS Fallon. Each round can be exercised at the applicable FY pricing. Per mutual agreement all rounds will be exercised for continuation of NAS Fallon Field Tech Support on site at Fallon during the following period: November 2023 through August 2024</p>

*P00023 updated the above table for CLINs/SLINs: 6000, 7001, and 8000

*P00031 updated the above table for CLINs/SLINs: 7001 and 8000

*P00049 updated the above table for CLINs/SLINs: 7001

*P00049 updated the above table for CLINs/SLINs: 8000

52.217-7 OPTION FOR INCREASED QUANTITY--SEPARATELY PRICED LINE ITEM (MAR 1989)

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor within See schedule below. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

CLIN Number	Commencement of Option Exercise Period	Conclusion of Option Exercise Period
0003 and 0004	At contract award	Within a period of three (3) years after acceptance of all items (other than technical data or computer software) in accordance with DFARS 252.227-7027
0005	46 months after initial contract award	28 November 2022
1000 & 1002	41 months after initial contract award	46 months after initial contract award
1001, 1003, 1004, & 1005	01 October 2020	30 September 2021

2000-2005	53 months after initial contract award	58 months after initial contract award
SLINs 2000AC, 2000AD, 2001AC, 2001AD, 2002AC, 2003AC, 2003AD, 2006AB, 2007AB, 2008AB **	01 March 2022	31 March 2022
3010	65 months after initial contract award	70 months after initial contract award
4010	77 months after initial contract award	82 months after initial contract award
5010	89 months after initial contract award	94 months after initial contract award
7000	31 January 2021	20 June 2023
9000	53 months after initial contract award	58 months after initial contract award
9001	65 months after initial contract award	70 months after initial contract award
9002	77 months after initial contract award	82 months after initial contract award
9003	89 months after initial contract award	94 months after initial contract award
9004	101 months after initial contract award	106 months after initial contract award
9005	See 52.217-8	

Note: CLINs 9000-9002 will not overlap with 9003-9005.

*P00023 updates the above table for CLINs: 1001, 1003, 1004, 1005, and 7000

*P00024 updates the above table for CLIN 0005.

**P00031 updates the table above for SLINs: 2000AC, 2000AD, 2001AC, 2001AD, 2002AC, 2003AC, 2003AD, 2006AB, 2007AB, 2008AB

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 120 days after start of CLIN 9004.

Applicable CLINs: 9005

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 90 days of contract completion; provided, that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 120 months.

52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (JUL 2013)

(a) Definitions. As used in this clause--

Long-term contract means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

Small business concern means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (c) of this clause. Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(b) If the Contractor represented that it was a small business concern prior to award of this contract, the Contractor shall rerepresent its size status according to paragraph (e) of this clause or, if applicable, paragraph (g) of this clause, upon the occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts--

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.

(c) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code assigned to this contract. The small business size standard corresponding to this NAICS code can be found at <http://www.sba.gov/content/table-small-business-size-standards/> .

(d) The small business size standard for a Contractor providing a product which it does not manufacture itself, for a contract other than a construction or service contract, is 500 employees.

(e) Except as provided in paragraph (g) of this clause, the Contractor shall make the rerepresentation required by paragraph (b) of this clause by validating or updating all its representations and Certification section of the System for Award Management (SAM) and its other data in SAM, as necessary, to ensure that they reflect the Contractor's current status. The Contractor shall notify the contracting office in writing within the timeframes specified in paragraph (b) of this clause that the data have been validated or updated, and provide the date of the validation or update.

(f) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (e) or (g) of this clause.

(g) If the Contractor does not have representations and certifications in SAM, or does not have a representation in SAM for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

The Contractor represents that it [] is, [X] is not a small business concern under NAICS Code 333318 assigned to contract number N61340-17-C-0007.

//See File for signature//

22 August 2016

Signature

Date

Narmin Koenig

Principle Contract Manager

Signer's Printed Name

Signer's Title

52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997)

(a) "Hazardous material", as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(b) The offeror must list any hazardous material, as defined in paragraph (a) of this clause, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

Material Identification No.

NONE

(c) This list must be updated during performance of the contract whenever the contractor determines that any other material to be delivered under this contract is hazardous.

(d) The apparently successful offeror agrees to submit, for each item as required prior to award, a Material Safety Data Sheet, meeting the requirements of 29 CFR 1910.1200(g) and the latest version of Federal Standard No. 313, for all hazardous material identified in paragraph (b) of this clause. Data shall be submitted in accordance with Federal Standard No. 313, whether or not the apparently successful offeror is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful offeror being considered nonresponsible and ineligible for award.

(e) If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data.

(f) Neither the requirements of this clause nor any act or failure to act by the Government shall relieve the Contractor of any responsibility or liability for the safety of the Government, Contractor, or subcontractor personnel or property.

(g) Nothing contained in this clause shall relieve the Contractor from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

(h) The Government's rights in data furnished under this contract with respect to hazardous material are as follows:

(1) To use, duplicate and disclose any data to which this clause is applicable. The purposes of this right are to-

- (i) Apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials;
- (ii) Obtain medical treatment for those affected by the material; and
- (iii) Have others use, duplicate, and disclose the data for the Government in these purposes.

(2) To use, duplicate, and disclose data furnished under this clause, in accordance with subparagraph (h)(I) of this clause, in precedence over any other clause of this contract providing for rights in data.

(3) The Government is not precluded from using similar or identical data acquired from other sources.

52.227-19 COMMERCIAL COMPUTER SOFTWARE LICENSE (DEC 2007)

(a) Notwithstanding any contrary provisions contained in the Contractor's standard commercial license or lease agreement, the Contractor agrees that the Government will have the rights that are set forth in paragraph (b) of this clause to use, duplicate or disclose any commercial computer software delivered under this contract. The terms and provisions of this contract shall comply with Federal laws and the Federal Acquisition Regulation.

(b)(1) The commercial computer software delivered under this contract may not be used, reproduced, or disclosed by the Government except as provided in paragraph (b)(2) of this clause or as expressly stated otherwise in this contract.

(2) The commercial computer software may be—

- (i) Used or copied for use with the computer(s) for which it was acquired, including use at any Government installation to which the computer(s) may be transferred;
- (ii) Used or copied for use with a backup computer if any computer for which it was acquired is inoperative;
- (iii) Reproduced for safekeeping (archives) or backup purposes;
- (iv) Modified, adapted, or combined with other computer software, provided that the modified, adapted, or combined portions of the derivative software incorporating any of the delivered, commercial computer software shall be subject to same restrictions set forth in this contract;
- (v) Disclosed to and reproduced for use by support service Contractors or their subcontractors, subject to the same restrictions set forth in this contract; and
- (vi) Used or copied for use with a replacement computer.

(3) If the commercial computer software is otherwise available without disclosure restrictions, the Contractor licenses it to the Government without disclosure restrictions.

(c) The Contractor shall affix a notice substantially as follows to any commercial computer software delivered under this contract:

Notice--Notwithstanding any other lease or license agreement that may pertain to, or accompany the delivery of, this computer software, the rights of the Government regarding its use, reproduction and disclosure are as set forth in Government Contract No. N61340-17-C-0007.

52.232-16 PROGRESS PAYMENTS (JUN 2020) (DEVIATION 2020-O0010)

The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts of \$2,500 or more approved by the Contracting Officer, under the following conditions:

(a) Computation of amounts.

(1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 90 percent of the Contractor's total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under Federal Acquisition Regulation (FAR) 31.205-10 as an incurred cost for progress payment purposes.

(2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due and will be paid to subcontractors—

(i) In accordance with the terms and conditions of a subcontract or invoice; and

(ii) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government.

(3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless-

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's total costs for progress payments until paid).

(4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:

(i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.

(ii) Costs incurred by subcontractors or suppliers.

(iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.

(iv) Payments made or amounts payable to subcontractors or suppliers, except for-

(A) Completed work, including partial deliveries, to which the Contractor has acquired title; and

(B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.

(5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the Contractor and acceptance by the Government are incomplete.

- (6) The total amount of progress payments shall not exceed 90 percent of the total contract price.
- (7) If a progress payment or the unliquidated progress payments exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) above, the Contractor shall repay the amount of such excess to the Government on demand.
- (8) Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less than \$2,500. The Contracting Officer may make exceptions.
- (9) The costs applicable to items delivered, invoiced, and accepted shall not include costs in excess of the contract price of the items.
- (b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress payments, or 90 percent of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.
- (c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:
- (1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) below).
 - (2) Performance of this contract is endangered by the Contractor's (i) failure to make progress or (ii) unsatisfactory financial condition.
 - (3) Inventory allocated to this contract substantially exceeds reasonable requirements.
 - (4) The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.
 - (5) The fair value of the undelivered work is less than the amount of unliquidated progress payments for that work.
 - (6) The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) above, and that rate is less than the progress payment rate stated in subparagraph (a)(1) above.
- (d) Title.
- (1) Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.
 - (2) Property, as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.
 - (i) Parts, materials, inventories, and work in process;
 - (ii) Special tooling and special test equipment to which the Government is to acquire title;

(iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (ii) above; and

(iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

(3) Although title to property is in the Government under this clause, other applicable clauses of this contract, e.g., the termination clauses, shall determine the handling and disposition of the property.

(4) The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officer's approval, but the proceeds shall be credited against the costs of performance.

(5) To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officer's advance approval of the action and the terms. The Contractor shall (i) exclude the allocable costs of the property from the costs of contract performance, and (ii) repay to the Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not—

(i) Delivered to, and accepted by, the Government under this contract; or

(ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is lost (see 45.101).

(f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.

(g) Reports, forms, and access to records.

(1) The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information (including estimates to complete) reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(2) The Contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the Contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

(3) Each Contractor request for progress payment shall:

(i) Be submitted on Standard Form 1443, Contractor's Request for Progress Payment, or the electronic equivalent as required by agency regulations, in accordance with the form instructions and the contract terms; and

(ii) Include any additional supporting documentation requested by the Contracting Officer.

(h) Special terms regarding default. If this contract is terminated under the Default clause, (i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments, and (ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall (i) excuse the Contractor from performance of obligations under this contract or (ii) constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Government's rights and remedies under this clause (i) shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract and (ii) shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or divisions, if the following conditions are met:

(1) The amounts included are limited to—

(i) The unliquidated remainder of financing payments made; plus

(ii) Any unpaid subcontractor requests for financing payments.

(2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery; or, if the subcontractor is a small business concern, 4 months.

(3) If the financing payments are in the form of progress payments, the terms of the subcontract or interdivisional order concerning progress payments—

(i) Are substantially similar to the terms of this clause for any subcontractor that is a large business concern, or this clause with its Alternate I for any subcontractor that is a small business concern;

(ii) Are at least as favorable to the Government as the terms of this clause;

(iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;

(iv) Are in conformance with the requirements of FAR 32.504(e); and

(v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if—

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments—

(i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;

(ii) Are in conformance with the requirements of FAR 32.504(f); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if—

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments—

(i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Parts 2 and 12;

(ii) Are in conformance with the requirements of FAR 32.504(g); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if—

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.

(7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.

(8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in FAR 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(k) Limitations on undefinitized contract actions. Notwithstanding any other progress payment provisions in this contract, progress payments may not exceed 80 percent of costs incurred on work accomplished under undefinitized contract actions. A contract action is any action resulting in a contract, as defined in subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on Contractor progress

payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at 80 percent of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed 80 percent of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(l) Due date. The designated payment office will make progress payments on the ____ [Contracting Officer insert date as prescribed by agency head; if not prescribed, insert "30th"] day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provisions of the Prompt Payment Act.

(m) Progress payments under indefinite-delivery contracts. The Contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of clause)

Applicable CLINs: 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3014, 3015, 3016, 3017, 3018, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, 5009, 5010, 6000, and 7000

Applicable CLINs: 1000, 1001, 1002, 1003, 1004, 1005, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5008, 5009, 5010, 6000, 7000

52.243-7 NOTIFICATION OF CHANGES (JAN 2017)

(a) Definitions. "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer. "Specifically authorized representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing, within ____ calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state--

(1) The date, nature, and circumstances of the conduct regarded as a change;

(2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;

- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
 - (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
 - (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including--
 - (i) What line items have been or may be affected by the alleged change;
 - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
 - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
 - (iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and
 - (6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.
- (c) Continued performance. Following submission of the notice required by (b) above, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in (b) above, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall countermand any action which exceeds the authority of the SAR.
- (d) Government response. The Contracting Officer shall promptly, within calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either--
- (1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;
 - (2) Countermand any communication regarded as a change;
 - (3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or
 - (4) In the event the Contractor's notice information is inadequate to make a decision under (1), (2), or (3) above, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.
- (e) Equitable adjustments.
- (1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made--
 - (i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in (b) and (c) above.

NOTE: The phrases "contract price" and "cost" wherever they appear in the clause, may be appropriately modified to apply to cost- reimbursement or incentive contracts, or to combinations thereof.

52.244-2 SUBCONTRACTS (OCT 2010)

(a) Definitions. As used in this clause--

"Approved purchasing system" means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

"Consent to subcontract" means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

"Subcontract" means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (c) or (d) of this clause.

(c) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that--

(1) Is of the cost-reimbursement, time-and-materials, or labor- hour type; or

(2) Is fixed-price and exceeds--

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(d) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts: [Enter subcontractor's names, if applicable]

(e)

(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (b), (c), or (d) of this clause, including the following information:

- (i) A description of the supplies or services to be subcontracted.
- (ii) Identification of the type of subcontract to be used.
- (iii) Identification of the proposed subcontractor.
- (iv) The proposed subcontract price.
- (v) The subcontractor's current, complete, and accurate certified cost or pricing data and Certificate of Current Certified Cost or Pricing Data, if required by other contract provisions.
- (vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.
- (vii) A negotiation memorandum reflecting--
 - (A) The principal elements of the subcontract price negotiations;
 - (B) The most significant considerations controlling establishment of initial or revised prices;
 - (C) The reason certified cost or pricing data were or were not required;
 - (D) The extent, if any, to which the Contractor did not rely on the subcontractor's certified cost or pricing data in determining the price objective and in negotiating the final price;
 - (E) The extent to which it was recognized in the negotiation that the subcontractor's certified cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;
 - (F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and
 - (G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (b), (c), or (d) of this clause.

(f) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination--

- (1) Of the acceptability of any subcontract terms or conditions;
- (2) Of the allowability of any cost under this contract; or
- (3) To relieve the Contractor of any responsibility for performing this contract.

(g) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of- cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404- 4(c)(4)(i).

(h) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(i) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

(j) Paragraphs (c) and (e) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:

DRS Training & Control Systems, FAAC Incorporated, Hardigg Industries, Vanderbilt University, University of Iowa, Green Hills Software, National Technical Systems, Tower Systems, Inc. JTEL, Real Time Innovations, Lockheed Martin, The Boeing Company

52.248-1 VALUE ENGINEERING (OCT 2010)

(a) General. The Contractor is encouraged to develop, prepare, and submit value engineering change proposals (VECP's) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates in paragraph (f) below.

(b) Definitions.

"Acquisition savings," as used in this clause, means savings resulting from the application of a VECP to contracts awarded by the same contracting office or its successor for essentially the same unit. Acquisition savings include--

- (1) Instant contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;
- (2) Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and
- (3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, additional orders, and funding of subsequent year requirements on a multiyear contract.

"Collateral savings," as used in this clause, means those measurable net reductions resulting from a VECP in the agency's overall projected collateral costs, exclusive of acquisition savings, whether or not the acquisition cost changes.

"Contracting office" includes any contracting office that the acquisition is transferred to, such as another branch of the agency or another agency's office that is performing a joint acquisition action.

"Contractor's development and implementation costs," as used in this clause, means those costs the Contractor incurs on a VECP specifically in developing, testing, preparing, and submitting the VECP, as well as those costs the Contractor incurs to make the contractual changes required by Government acceptance of a VECP.

"Future unit cost reduction," as used in this clause, means the instant unit cost reduction adjusted as the Contracting Officer considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either--

- (1) Throughout the sharing period, unless the Contracting Officer decides that recalculation is necessary because conditions are significantly different from those previously anticipated; or
- (2) To the calculation of a lump-sum payment, which cannot later be revised.

"Government costs," as used in this clause, means those agency costs that result directly from developing and implementing the VECP, such as any net increases in the cost of testing, operations, maintenance, and logistics support. The term does not include the normal administrative costs of processing the VECP or any increase in this contract's cost or price resulting from negative instant contract savings.

"Instant contract," as used in this clause, means this contract, under which the VECP is submitted. It does not include increases in quantities after acceptance of the VECP that are due to contract modifications, exercise of options, or additional orders. If this is a multiyear contract, the term does not include quantities funded after VECP acceptance. If this contract is a fixed-price contract with prospective price redetermination, the term refers to the period for which firm prices have been established.

"Instant unit cost reduction" means the amount of the decrease in unit cost of performance (without deducting any Contractor's development or implementation costs) resulting from using the VECP on this, the instant contract. If this is a service contract, the instant unit cost reduction is normally equal to the number of hours per line-item task saved by using the VECP on this contract, multiplied by the appropriate contract labor rate.

"Negative instant contract savings" means the increase in the cost or price of this contract when the acceptance of a VECP results in an excess of the Contractor's allowable development and implementation costs over the product of the instant unit cost reduction multiplied by the number of instant contract units affected.

"Net acquisition savings" means total acquisition savings, including instant, concurrent, and future contract savings, less Government costs.

"Sharing base," as used in this clause, means the number of affected end items on contracts of the contracting office accepting the VECP.

"Sharing period," as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the contracting officer for each VECP.

"Unit," as used in this clause, means the item or task to which the Contracting Officer and the Contractor agree the VECP applies.

"Value engineering change proposal (VECP)" means a proposal that--

- (1) Requires a change to this, the instant contract, to implement; and
- (2) Results in reducing the overall projected cost to the agency without impairing essential functions or characteristics; provided, that it does not involve a change--
 - (i) In deliverable end item quantities only;
 - (ii) In research and development (R&D) end items or R&D test quantities that is due solely to results of previous testing under this contract; or
 - (iii) To the contract type only.

(c) VECP preparation. As a minimum, the Contractor shall include in each VECP the information described in subparagraphs (c)(1) through (8) below. If the proposed change is affected by contractually required configuration management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:

- (1) A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item's function or characteristics are being altered, the effect of the change on the end item's performance, and any pertinent objective test data.
 - (2) A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.
 - (3) Identification of the unit to which the VECP applies.
 - (4) A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor's allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause, below.
 - (5) A description and estimate of costs the Government may incur in implementing the VECP, such as test and evaluation and operating and support costs.
 - (6) A prediction of any effects the proposed change would have on collateral costs to the agency.
 - (7) A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.
 - (8) Identification of any previous submissions of the VECP, including the dates submitted, the agencies and contract numbers involved, and previous Government actions, if known.
- (d) Submission. The Contractor shall submit VECP's to the Contracting Officer, unless this contract states otherwise. If this contract is administered by other than the contracting office, the Contractor shall submit a copy of the VECP simultaneously to the Contracting Officer and to the Administrative Contracting Officer.
- (e) Government action. (1) The Contracting Officer will notify the Contractor of the status of the VECP within 45 calendar days after the contracting office receives it. If additional time is required, the Contracting Officer shall notify the Contractor within the 45-day period and provide the reason for the delay and the expected date of the decision. The Government will process VECP's expeditiously; however, it shall not be liable for any delay in acting upon a VECP.
- (2) If the VECP is not accepted, the Contracting Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Government. The Contracting Officer may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.
 - (3) Any VECP may be accepted, in whole or in part, by the Contracting Officer's award of a modification to this contract citing this clause and made either before or within a reasonable time after contract performance is completed. Until such a contract modification applies a VECP to this contract, the Contractor shall perform in accordance with the existing contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Contracting Officer.
- (f) Sharing rates. If a VECP is accepted, the Contractor shall share in net acquisition savings according to the percentages shown in the table below. The percentage paid the Contractor depends upon--
- (1) This contract's type (fixed-price, incentive, or cost-reimbursement);
 - (2) The sharing arrangement specified in paragraph (a) above (incentive, program requirement, or a combination as delineated in the Schedule); and
 - (3) The source of the savings (the instant contract, or concurrent and future contracts), as follows:

CONTRACTOR'S SHARE OF NET ACQUISITION SAVINGS

(Figures in percent)

Contract Type	Incentive (Voluntary)		Program Requirement (Mandatory)	
	Instant Contract Rate	Concurrent and Future Contract Rate	Instant Contract Rate	Concurrent and Future Contract Rate
Fixed-price (includes fixed-price-award-fee; excludes other fixed-price incentive contracts)	(1) 50	(1) 50	25	25
Incentive (fixed-price or cost)(other than award fee)	(2)	(1) 50	(2)	25
Cost-reimbursement ([includes cost-plus-award-fee; excludes other cost-type incentive Contracts])	(3) 25	(3) 25	15	15

(1) The Contracting Officer may increase the Contractor's sharing rate to as high as 75 percent for each VECP.

(2) Same sharing arrangement as the contract's profit or fee adjustment formula.

(3) The Contracting Officer may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

(g) Calculating net acquisition savings. (1) Acquisition savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see subparagraph (i)(4) below). Net acquisition savings are first realized, and the Contractor shall be paid a share, when Government costs and any negative instant contract savings have been fully offset against acquisition savings.

(2) Except in incentive contracts, Government costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net acquisition savings by the appropriate Contractor's percentage sharing rate (see paragraph (f) of this clause). Additional Contractor shares of net acquisition savings shall be paid to the Contractor at the time realized.

(3) If this is an incentive contract, recovery of Government costs on the instant contract shall be deferred and offset against concurrent and future contract savings. The Contractor shall share through the contract incentive structure in savings on the instant contract items affected. Any negative instant contract savings shall be added to the target cost or to the target price and ceiling price, and the amount shall be offset against concurrent and future contract savings.

(4) If the Government does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Government for the proportionate share of these payments.

(h) Contract adjustment. The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall--

- (1) Reduce the contract price or estimated cost by the amount of instant contract savings, unless this is an incentive contract;
 - (2) When the amount of instant contract savings is negative, increase the contract price, target price and ceiling price, target cost, or estimated cost by that amount;
 - (3) Specify the Contractor's dollar share per unit on future contracts, or provide the lump-sum payment;
 - (4) Specify the amount of any Government costs or negative instant contract savings to be offset in determining net acquisition savings realized from concurrent or future contract savings; and
 - (5) Provide the Contractor's share of any net acquisition savings under the instant contract in accordance with the following:
 - (i) Fixed-price contracts--add to contract price.
 - (ii) Cost-reimbursement contracts--add to contract fee.
- (i) Concurrent and future contract savings.
- (1) Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with subparagraph (h)(5) above. For incentive contracts, shares shall be added as a separate firm-fixed-price line item on the instant contract. The Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.
 - (2) The Contracting Officer shall calculate the Contractor's share of concurrent contract savings by--
 - (i) Subtracting from the reduction in price negotiated on the concurrent contract any Government costs or negative instant contract savings not yet offset; and
 - (ii) Multiplying the result by the Contractor's sharing rate.
 - (3) The Contracting Officer shall calculate the Contractor's share of future contract savings by--
 - (i) Multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period;
 - (ii) Subtracting any Government costs or negative instant contract savings not yet offset; and
 - (iii) Multiplying the result by the Contractor's sharing rate.
 - (4) When the Government wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Contracting Officer's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract (see subparagraph (h)(3) above) and shall not be subject to subsequent adjustment.
 - (5) Alternate no-cost settlement method. When, in accordance with subsection 48.104-4 of the Federal Acquisition Regulation, the Government and the Contractor mutually agree to use the no-cost settlement method, the following applies:
 - (i) The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.
 - (ii) The Government will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.

(j) Collateral savings. If a VECP is accepted, the Contracting Officer will increase the instant contract amount, as specified in paragraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset. However, the Contractor's share of collateral savings will not exceed the contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or \$100,000, whichever is greater. The Contracting Officer will be the sole determiner of the amount of collateral savings.

(k) Relationship to other incentives. Only those benefits of an accepted VECP not rewardable under performance, design-to-cost (production unit cost, operating and support costs, reliability and maintainability), or similar incentives shall be rewarded under this clause. However, the targets of such incentives affected by the VECP shall not be adjusted because of VECP acceptance. If this contract specifies targets but provides no incentive to surpass them, the value engineering sharing shall apply only to the amount of achievement better than target.

(l) Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract of \$150,000 or more and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any subcontractor's allowable development and implementation costs, and any value engineering incentive payments to a subcontractor, clearly resulting from a VECP accepted by the Government under this contract. The Contractor may choose any arrangement for subcontractor value engineering incentive payments; provided, that the payments shall not reduce the Government's share of concurrent or future contract savings or collateral savings.

(m) Data. The Contractor may restrict the Government's right to use any part of a VECP or the supporting data by marking the following legend on the affected parts:

These data, furnished under the Value Engineering clause of contract N61340-17-C-0007, shall not be disclosed outside the Government or duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate a value engineering change proposal submitted under the clause. This restriction does not limit the Government's right to use information contained in these data if it has been obtained or is otherwise available from the Contractor or from another source without limitations.

If a VECP is accepted, the Contractor hereby grants the Government unlimited rights in the VECP and supporting data, except that, with respect to data qualifying and submitted as limited rights technical data, the Government shall have the rights specified in the contract modification implementing the VECP and shall appropriately mark the data. (The terms "unlimited rights" and "limited rights" are defined in Part 27 of the Federal Acquisition Regulation.)

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <https://www.acquisition.gov/far/> or <http://farsite.hill.af.mil>.

52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any Defense Federal Acquisition Regulation (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

252.203-7004 DISPLAY OF HOTLINE POSTERS (OCT 2016)

(a) Definition. United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) Display of fraud hotline poster(s).

(1)(i) The Contractor shall display prominently the DoD fraud hotline poster prepared by the DoD Office of the Inspector General, in effect at the time of contract award, in common work areas within business segments performing work Department of Defense (DoD) contracts.

(ii) For contracts performed outside the United States, when security concerns can be appropriately demonstrated, the contracting officer may provide the contractor the option to publicize the program to contractor personnel in a manner other than public display of the poster, such as private employee written instructions and briefings.

(2) If the contract is funded, in whole or in part, by Department of Homeland Security (DHS) disaster relief funds and the work is to be performed in the United States, the DHS fraud hotline poster shall be displayed in addition to the DoD fraud hotline poster. If a display of a DHS fraud hotline poster is required, the Contractor may obtain such poster from: N/A (not DHS)

(i) DHS Office of Inspector General/MAIL STOP 0305, Attn: Office of Investigations - Hotline, 245 Murry Lane SW, Washington, DC 20528-0305; or

(ii) Via the internet at https://www.oig.dhs.gov/assets/Hotline/DHS_OIG_Hotline-optimized.jpg.

(c)(1) The DoD hotline poster may be obtained from: Defense Hotline, The Pentagon, Washington, DC 20301-1900, or is also available via the internet at http://www.dodig.mil/hotline/hotline_posters.htm.

(2) If a significant portion of the employee workforce does not speak English, then the poster is to be displayed in the foreign languages that a significant portion of the employees speak.

(3) Additionally, if the Contractor maintains a company website as a method of providing information to employees, the Contractor shall display an electronic version of the required poster at the website.

(d) Subcontracts. The Contractor shall include this clause, including this paragraph (d), in all subcontracts that exceed \$5.5 million except when the subcontract is for the acquisition of a commercial item.

252.211-7003 ITEM UNIQUE IDENTIFICATION AND VALUATION (MAR 2016)

(a) Definitions. As used in this clause--

"Automatic identification device" means a device, such as a reader or interrogator, used to retrieve data encoded on machine-readable media.

"Concatenated unique item identifier" means--

(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; or

(2) For items that are serialized within the original part, lot, or batch number, the linking together of the unique identifier data elements in order of the issuing agency code; enterprise identifier; original part, lot, or batch number; and serial number within the original part, lot, or batch number.

“Data matrix” means a two-dimensional matrix symbology, which is made up of square or, in some cases, round modules arranged within a perimeter finder pattern and uses the Error Checking and Correction 200(ECC200) specification found within International Standards Organization (ISO)/ International Electrotechnical Commission (IEC) 16022.

“Data qualifier” means a specified character (or string of characters) that immediately precedes a data field that defines the general category or intended use of the data that follows.

“DoD recognized unique identification equivalent” means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at http://www.acq.osd.mil/dpap/pdi/uid/iuid_equivalents.html.

“DoD item unique identification” means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and a unique serial number. For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier; the original part, lot, or batch number; and the serial number.

“Enterprise” means the entity (e.g., a manufacturer or vendor) responsible for assigning unique item identifiers to items.

“Enterprise identifier” means a code that is uniquely assigned to an enterprise by an issuing agency.

“Government’s unit acquisition cost” means--

(1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at the time of delivery;

(2) For cost-type or undefinitized line, subline, or exhibit line items, the Contractor’s estimated fully burdened unit cost to the Government at the time of delivery; and

(3) For items produced under a time-and-materials contract, the Contractor’s estimated fully burdened unit cost to the Government at the time of delivery.

“Issuing agency” means an organization responsible for assigning a globally unique identifier to an enterprise, as indicated in the Register of Issuing Agency Codes for ISO/IEC 15459, located at http://www.aimglobal.org/?Reg_Authority15459.

“Issuing agency code” means a code that designates the registration (or controlling) authority for the enterprise identifier.

“Item” means a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.

“Lot or batch number” means an identifying number assigned by the enterprise to a designated group of items, usually referred to as either a lot or a batch, all of which were manufactured under identical conditions.

“Machine-readable” means an automatic identification technology media, such as bar codes, contact memory buttons, radio frequency identification, or optical memory cards.

“Original part number” means a combination of numbers or letters assigned by the enterprise at item creation to a class of items with the same form, fit, function, and interface.

“Parent item” means the item assembly, intermediate component, or subassembly that has an embedded item with a unique item identifier or DoD recognized unique identification equivalent.

“Serial number within the enterprise identifier” means a combination of numbers, letters, or symbols assigned by the enterprise to an item that provides for the differentiation of that item from any other like and unlike item and is never used again within the enterprise.

“Serial number within the part, lot, or batch number” means a combination of numbers or letters assigned by the enterprise to an item that provides for the differentiation of that item from any other like item within a part, lot, or batch number assignment.

“Serialization within the enterprise identifier” means each item produced is assigned a serial number that is unique among all the tangible items produced by the enterprise and is never used again. The enterprise is responsible for ensuring unique serialization within the enterprise identifier.

“Serialization within the part, lot, or batch number” means each item of a particular part, lot, or batch number is assigned a unique serial number within that part, lot, or batch number assignment. The enterprise is responsible for ensuring unique serialization within the part, lot, or batch number within the enterprise identifier.

“Type designation” means a combination of letters and numerals assigned by the Government to a major end item, assembly or subassembly, as appropriate, to provide a convenient means of differentiating between items having the same basic name and to indicate modifications and changes thereto.

“Unique item identifier” means a set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated unique item identifier or a DoD recognized unique identification equivalent.

“Unique item identifier type” means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at http://www.acq.osd.mil/dpap/pdi/uid/uii_types.html.

(b) The Contractor shall deliver all items under a contract line, subline, or exhibit line item.

(c) Unique item identifier.

(1) The Contractor shall provide a unique item identifier for the following:

(i) Delivered items for which the Government's unit acquisition cost is \$5,000 or more, except for the following line items:

Contract Line, Subline, or Exhibit Line Item Number Item Description

N/A

(ii) Items for which the Government's unit acquisition cost is less than \$5,000 that are identified in the Schedule or the following table:

Contract Line, Subline, or Exhibit Line Item Number Item Description

Serialization within the part, lot, or batch number

- (iii) Subassemblies, components, and parts embedded within delivered items, items with warranty requirements, DoD serially managed reparable and DoD serially managed nonreparable as specified in Attachment Number Attachment (1) TCTS Inc II SOW.
 - (iv) Any item of special tooling or special test equipment as defined in FAR 2.101 that have been designated for preservation and storage for a Major Defense Acquisition Program as specified in Attachment Number N/A.
 - (v) Any item not included in (i), (ii), (iii), or (iv) for which the contractor creates and marks a unique item identified for traceability.
- (2) The unique item identifier assignment and its component data element combination shall not be duplicated on any other item marked or registered in the DoD Item Unique Identification Registry by the contractor.
- (3) The unique item identified component data elements shall be marked on an item using two dimensional data matrix symbology that complies with ISO/IEC International Standard 16022, Information technology - International symbology specification - Data matrix; ECC200 data matrix specification.
- (4) Data syntax and semantics of unique item identifiers. The Contractor shall ensure that--
- (i) The data elements (except issuing agency code) of the unique item identifier are encoded within the data matrix symbol that is marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:
 - (A) Application Identifiers (AIs) (Format Indicator 05 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology--EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.
 - (B) Data Identifiers (DIs) (Format Indicator 06 of ISO/IEC International Standard 15434), in accordance with ISO/IEC International Standard 15418, Information Technology--EAN/UCC Application Identifiers and Fact Data Identifiers and Maintenance and ANSI MH 10.8.2 Data Identifier and Application Identifier Standard.
 - (C) Text Element Identifiers (TEIs) (Format Indicator 12 of ISO/IEC International Standard 15434), in accordance with the Air Transport Association Common Support Data Dictionary; and
 - (ii) The encoded data elements of the unique item identifier conform to the transfer structure, syntax, and coding of messages and data formats specified for Format Indicators 05, 06, and 12 in ISO/IEC International Standard 15434, Information Technology--Transfer Syntax for High Capacity Automatic Data Capture Media.
- (5) Unique item identifier.
- (i) The Contractor shall--
 - (A) Determine whether to--
 - (1) Serialize within the enterprise identifier;
 - (2) Serialize within the part, lot, or batch number; or
 - (3) Use a DoD recognized unique identification equivalent (e.g. Vehicle Identification Number); and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; DoD recognized unique identification equivalent; and for serialization within the part, lot, or batch number only: original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in MIL-STD-130, Identification Marking of U.S. Military Property, latest version;

(C) Label shipments, storage containers and packages that contain uniquely identified items in accordance with the requirements of MIL-STD-129, Military Marking for Shipment and Storage, latest version; and

(D) Verify that the marks on items and labels on shipments, storage containers, and packages are machine readable and conform to the applicable standards. The contractor shall use an automatic identification technology device for this verification that has been programmed to the requirements of Appendix A, MIL-STD-130, latest version.

(ii) The issuing agency code--

(A) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) For each item that requires item unique identification under paragraph (c)(1)(i), (ii), or (iv) of this clause or when item unique identification is provided under paragraph (c)(1)(v), in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, either as part of the Material Inspection and Receiving Report, the following information:

(1) Unique item identifier.

(2) Unique item identifier type.

(3) Issuing agency code (if concatenated unique item identifier is used).

(4) Enterprise identifier (if concatenated unique item identifier is used).

(5) Original part number (if there is serialization within the original part number).

(6) Lot or batch number (if there is serialization within the lot or batch number).

(7) Current part number (optional and only if not the same as the original part number).

(8) Current part number effective date (optional and only if current part number is used).

(9) Serial number (if concatenated unique item identifier is used).

(10) Government's unit acquisition cost.

(11) Unit of measure.

(12) Type designation of the item as specified in the contract schedule, if any.

(13) Whether the item is an item of Special Tooling or Special Test Equipment.

(14) Whether the item is covered by a warranty.

(e) For embedded subassemblies, components, and parts that require DoD unique item identification under paragraph (c)(1)(iii) of this clause or when item unique identification is provided under paragraph (c)(1)(v), the

Contractor shall report as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the following information:

- (1) Unique item identifier of the parent item under paragraph (c)(1) of this clause that contains the embedded subassembly, component, or part.
- (2) Unique item identifier of the embedded subassembly, component, or part.
- (3) Unique item identifier type.**
- (4) Issuing agency code (if concatenated unique item identifier is used).**
- (5) Enterprise identifier (if concatenated unique item identifier is used).**
- (6) Original part number (if there is serialization within the original part number).**
- (7) Lot or batch number (if there is serialization within the lot or batch number).**
- (8) Current part number (optional and only if not the same as the original part number).**
- (9) Current part number effective date (optional and only if current part number is used).**
- (10) Serial number (if concatenated unique item identifier is used).**
- (11) Description.

** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause as follows:

(1) End items shall be reported using the receiving report capability in Wide Area WorkFlow (WAWF) in accordance with the clause at 252.232-7003. If WAWF is not required by this contract, and the contractor is not using WAWF, follow the procedures at <http://dodprocurementtoolbox.com/site/uidregistry/>.

(2) Embedded items shall be reported by one of the following methods--

- (i) Use of the embedded items capability in WAWF;
- (ii) Direct data submission to the IUID Registry following the procedures and formats at <http://dodprocurementtoolbox.com/site/uidregistry/>; or
- (iii) Via WAWF as a deliverable attachment for exhibit line item number N/A, Unique Item Identified Report for Embedded Items, Contract Data Requirements List, DD Form 1423.

(g) Subcontracts. If the Contractor acquires by subcontract, any item(s) for which item unique identification is required in accordance with paragraph (c)(1) of this clause, the Contractor shall include this clause, including this paragraph (g), in the applicable subcontract(s), including subcontracts for commercial items.

252.225-7043 ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (JUN 2015)

(a) Definition. United States, as used in this clause, means, the 50 States, the District of Columbia, and outlying areas.

(b) Except as provided in paragraph (c) of this clause, the Contractor and its subcontractors, if performing or traveling outside the United States under this contract, shall--

- (1) Affiliate with the Overseas Security Advisory Council, if the Contractor or subcontractor is a U.S. entity;
 - (2) Ensure that Contractor and subcontractor personnel who are U.S. nationals and are in-country on a non-transitory basis, register with the U.S. Embassy, and that Contractor and subcontractor personnel who are third country nationals comply with any security related requirements of the Embassy of their nationality;
 - (3) Provide, to Contractor and subcontractor personnel, antiterrorism/force protection awareness information commensurate with that which the Department of Defense (DoD) provides to its military and civilian personnel and their families, to the extent such information can be made available prior to travel outside the United States; and
 - (4) Obtain and comply with the most current antiterrorism/force protection guidance for Contractor and subcontractor personnel.
- (c) The requirements of this clause do not apply to any subcontractor that is--
- (1) A foreign government;
 - (2) A representative of a foreign government; or
 - (3) A foreign corporation wholly owned by a foreign government.
- (d) Information and guidance pertaining to DoD antiterrorism/force protection can be obtained from the Naval Criminal Investigative Service (NCIS), Code 21; telephone, DSN 228-9077, or commercial (202)433-9077.

252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION (JAN 2011)

(a) Definitions.

(1) For contracts that require the delivery of technical data, the terms "technical data" and "computer software" are defined in the Rights in Technical Data--Noncommercial Item clause of this contract or, if this is a contract awarded under the Small Business Innovation Research Program, the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program clause of this contract.

(2) For contracts that do not require the delivery of technical data, the term "computer software" is defined in the Rights in Noncommercial Computer and Noncommercial Computer Software Documentation clause of this contract or, if this is a contract awarded under the Small Business Innovation Research Program, the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program clause of this contract.

(b) Government rights prior to contract award. By submission of its offer, the Offeror agrees that the Government--

(1) May reproduce the bid or proposal, or any portions thereof, to the extent necessary to evaluate the offer.

(2) Except as provided in paragraph (d) of this clause, shall use information contained in the bid or proposal only for evaluational purposes and shall not disclose, directly or indirectly, such information to any person including potential evaluators, unless that person has been authorized by the head of the agency, his or her designee, or the Contracting Officer to receive such information.

(c) Government rights subsequent to contract award. The Contractor agrees--

- (1) Except as provided in paragraphs (c)(2), (d), and (e) of this clause, the Government shall have the rights to use, modify, reproduce, release, perform, display, or disclose information contained in the Contractor's bid or proposal within the Government. The Government shall not release, perform, display, or disclose such information outside the Government without the Contractor's written permission.
- (2) The Government's right to use, modify, reproduce, release, perform, display, or disclose information that is technical data or computer software required to be delivered under this contract are determined by the Rights in Technical Data--Noncommercial Items, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation, or Rights in Noncommercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program clause(s) of this contract.
- (d) Government-furnished information. The Government's rights with respect to technical data or computer software contained in the Contractor's bid or proposal that were provided to the Contractor by the Government are subject only to restrictions on use, modification, reproduction, release, performance, display, or disclosure, if any, imposed by the developer or licensor of such data or software.
- (e) Information available without restrictions. The Government's rights to use, modify, reproduce, release, perform, display, or, disclose information contained in a bid or proposal, including technical data or computer software, and to permit others to do so, shall not be restricted in any manner if such information has been released or disclosed to the Government or to other persons without restrictions other than a release or disclosure resulting from the sale, transfer, or other assignment of interest in the information to another party or the sale or transfer of some or all of a business entity or its assets to another party.
- (f) Flowdown. The Contractor shall include this clause in all subcontracts or similar contractual instruments and require its subcontractors or suppliers to do so without alteration, except to identify the parties.

252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE - SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM (FEB 2014)

(a) Definitions. As used in this clause:

- (1) "Commercial computer software" means software developed or regularly used for nongovernmental purposes which--
- (i) Has been sold, leased, or licensed to the public;
 - (ii) Has been offered for sale, lease, or license to the public;
 - (iii) Has not been offered, sold, leased, or licensed to the public but will be available for commercial sale, lease, or license in time to satisfy the delivery requirements of this contract; or
 - (iv) Satisfies a criterion expressed in paragraph (a)(1)(i), (ii), or (iii) of this clause and would require only minor modification to meet the requirements of this contract.
- (2) "Computer database" means a collection of recorded data in a form capable of being processed by a computer. The term does not include computer software.
- (3) "Computer program" means a set of instructions, rules, or routines, recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.
- (4) "Computer software" means computer programs, source code, source code listings, object code listings, design details, algorithms, processes, flow charts, formulae, and related material that would

enable the software to be reproduced, re-created, or recompiled. Computer software does not include computer databases or computer software documentation.

(5) "Computer software documentation" means owner's manuals, user's manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using the software.

(6) "Covered Government support contractor" means a contractor (other than a litigation support contractor covered by 252.204-7014) under a contract, the primary purpose of which is to furnish independent and impartial advice or technical assistance directly to the Government in support of the Government's management and oversight of a program or effort (rather than to directly furnish an end item or service to accomplish a program or effort), provided that the contractor--

(i) Is not affiliated with the prime contractor or a first-tier subcontractor on the program or effort, or with any direct competitor of such prime contractor or any such first-tier subcontractor in furnishing end items or services of the type developed or produced on the program or effort; and

(ii) Receives access to the technical data or computer software for performance of a Government contract that contains the clause at 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.

(7) "Detailed manufacturing or process data" means technical data that describe the steps, sequences, and conditions of manufacturing, processing or assembly used by the manufacturer to produce an item or component or to perform a process.

(8) "Developed" means--

(i) (Applicable to technical data other than computer software documentation.) An item, component, or process, exists and is workable. Thus, the item or component must have been constructed or the process practiced. Workability is generally established when the item, component, or process has been analyzed or tested sufficiently to demonstrate to reasonable people skilled in the applicable art that there is a high probability that it will operate as intended. Whether, how much, and what type of analysis or testing is required to establish workability depends on the nature of the item, component, or process, and the state of the art. To be considered "developed," the item, component, or process need not be at the stage where it could be offered for sale or sold on the commercial market, nor must the item, component or process be actually reduced to practice within the meaning of Title 35 of the United States Code;

(ii) A computer program has been successfully operated in a computer and tested to the extent sufficient to demonstrate to reasonable persons skilled in the art that the program can reasonably be expected to perform its intended purpose;

(iii) Computer software, other than computer programs, has been tested or analyzed to the extent sufficient to demonstrate to reasonable persons skilled in the art that the software can reasonably be expected to perform its intended purpose; or

(iv) Computer software documentation required to be delivered under a contract has been written, in any medium, in sufficient detail to comply with requirements under that contract.

(9) "Developed exclusively at private expense" means development was accomplished entirely with costs charged to indirect cost pools, costs not allocated to a government contract, or any combination thereof.

(i) Private expense determinations should be made at the lowest practicable level.

(ii) Under fixed-price contracts, when total costs are greater than the firm-fixed-price or ceiling price of the contract, the additional development costs necessary to complete development shall not be considered when determining whether development was at government, private, or mixed expense.

(10) “Developed exclusively with government funds” means development was not accomplished exclusively or partially at private expense.

(11) “Developed with mixed funding” means development was accomplished partially with costs charged to indirect cost pools and/or costs not allocated to a government contract, and partially with costs charged directly to a government contract.

(12) “Form, fit, and function data” means technical data that describe the required overall physical, functional, and performance characteristics (along with the qualification requirements, if applicable) of an item, component, or process to the extent necessary to permit identification of physically and functionally interchangeable items.

(13) “Generated” means technical data or computer software first created in the performance of this contract.

(14) “Government purpose” means any activity in which the United States Government is a party, including cooperative agreements with international or multi-national defense organizations or sales or transfers by the United States Government to foreign governments or international organizations. Government purposes include competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software for commercial purposes or authorize others to do so.

(15) “Limited rights” means the rights to use, modify, reproduce, release, perform, display, or disclose technical data, in whole or in part, within the Government. The Government may not, without the written permission of the party asserting limited rights, release or disclose the technical data outside the Government, use the technical data for manufacture, or authorize the technical data to be used by another party, except that the Government may reproduce, release, or disclose such data or authorize the use or reproduction of the data by persons outside the Government if--

(i) The reproduction, release, disclosure, or use is--

(A) Necessary for emergency repair and overhaul; or

(B) A release or disclosure to—

(1) A covered Government support contractor in performance of its covered Government support contracts for use, modification, reproduction, performance, display, or release or disclosure to a person authorized to receive limited rights technical data; or

(2) A foreign government, of technical data other than detailed manufacturing or process data, when use of such data by the foreign government is in the interest of the Government and is required for evaluational or informational purposes;

(ii) The recipient of the technical data is subject to a prohibition on the further reproduction, release, disclosure, or use of the technical data; and

(iii) The contractor or subcontractor asserting the restriction is notified of such reproduction, release, disclosure, or use.

(16) "Minor modification" means a modification that does not significantly alter the nongovernmental function or purpose of computer software or is of the type customarily provided in the commercial marketplace.

(17) "Noncommercial computer software" means software that does not qualify as commercial computer software under paragraph (a)(1) of this clause.

(18) "Restricted rights" apply only to noncommercial computer software and mean the Government's rights to--

- (i) Use a computer program with one computer at one time. The program may not be accessed by more than one terminal or central processing unit or time shared unless otherwise permitted by this contract;

- (ii) Transfer a computer program to another Government agency without the further permission of the Contractor if the transferor destroys all copies of the program and related computer software documentation in its possession and notifies the licensor of the transfer. Transferred programs remain subject to the provisions of this clause;

- (iii) Make the minimum number of copies of the computer software required for safekeeping (archive), backup, or modification purposes;

- (iv) Modify computer software provided that the Government may--

- (A) Use the modified software only as provided in paragraphs (a)(18)(i) and (iii) of this clause; and

- (B) Not release or disclose the modified software except as provided in paragraphs (a)(18)(ii), (v), (vi) and (vii) of this clause;

- (v) Permit contractors or subcontractors performing service contracts (see 37.101 of the Federal Acquisition Regulation) in support of this or a related contract to use computer software to diagnose and correct deficiencies in a computer program, to modify computer software to enable a computer program to be combined with, adapted to, or merged with other computer programs or when necessary to respond to urgent tactical situations, provided that--

-

- (A) The Government notifies the party which has granted restricted rights that a release or disclosure to particular contractors or subcontractors was made;

- (B) Such contractors or subcontractors are subject to the non-disclosure agreement at 227.7103-7 of the Defense Federal Acquisition Regulation Supplement or are Government contractors receiving access to the software for performance of a Government contract that contains the clause at 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends;

- (C) The Government shall not permit the recipient to decompile, disassemble, or reverse engineer the software, or use software decompiled, disassembled, or reverse engineered by the Government pursuant to paragraph (a)(18)(iv) of this clause, for any other purpose; and

- (D) Such use is subject to the limitation in paragraph (a)(18)(i) through (iii) of this clause;

- (vi) Permit contractors or subcontractors performing emergency repairs or overhaul of items or components of items procured under this or a related contract to use the computer software

when necessary to perform the repairs or overhaul, or to modify the computer software to reflect the repairs or overhaul made, provided that--

(A) The intended recipient is subject to the non-disclosure agreement at 227.7103-7 or is a Government contractor receiving access to the software for performance of a Government contract that contains the clause at 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends; and

(B) The Government shall not permit the recipient to decompile, disassemble, or reverse engineer the software, or use software decompiled, disassembled, or reverse engineered by the Government pursuant to paragraph (a)(18)(iv) of this clause, for any other purpose; and

(C) Such use is subject to the limitations in paragraphs (a)(18)(i) through (iii) of this clause; and

(vii) Permit covered Government support contractors in the performance of Government contracts that contain the clause 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends, to use, modify, reproduce, perform, display, or release or disclose the computer software to a person authorized to receive restricted rights computer software, provided that --

(A) The Government shall not permit the covered Government support contractor to decompile, disassemble, or reverse engineer the software, or use software decompiled, disassembled, or reverse engineered by the Government pursuant to paragraph (a)(18)(iv) of this clause, for any other purpose; and

(B) Such use is subject to the limitations in paragraphs (a)(18)(i) through (iv) of this clause.

(19) "SBIR data rights" means the Government's rights during the SBIR data protection period (specified in paragraph (b)(4) of this clause) to use, modify, reproduce, release, perform, display, or disclose technical data or computer software generated a SBIR award as follows:

(i) Limited rights in such SBIR technical data; and

(ii) Restricted rights in such SBIR computer software.

(20) "Technical data" means recorded information, regardless of the form or method of the recording, of a scientific or technical nature (including computer software documentation). The term does not include computer software or data incidental to contract administration, such as financial and/or management information.

(21) "Unlimited rights" means rights to use, modify, reproduce, release, perform, display, or disclose, technical data or computer software in whole or in part, in any manner and for any purpose whatsoever, and to have or authorize others to do so.

(b) Rights in technical data and computer software. The Contractor grants or shall obtain for the Government the following royalty-free, world-wide, nonexclusive, irrevocable license rights in technical data or noncommercial computer software. All rights not granted to the Government are retained by the Contractor.

(1) Unlimited rights. The Government shall have unlimited rights in technical data, including computer software documentation, or computer software generated under this contract that are--

(i) Form, fit, and function data;

(ii) Necessary for installation, operation, maintenance, or training purposes (other than detailed manufacturing or process data);

(iii) Corrections or changes to Government-furnished technical data or computer software;

(iv) Otherwise publicly available or have been released or disclosed by the Contractor or a subcontractor without restrictions on further use, release or disclosure other than a release or disclosure resulting from the sale, transfer, or other assignment of interest in the technical data or computer software to another party or the sale or transfer of some or all of a business entity or its assets to another party;

(v) Data or software in which the Government has acquired previously unlimited rights under another Government contract or through a specific license; and

(vi) SBIR data upon expiration of the SBIR data rights period.

(2) Limited rights. The Government shall have limited rights in technical data, that were not generated under this contract, pertain to items, components or processes developed exclusively at private expense, and are marked, in accordance with the marking instructions in paragraph (f)(1) of this clause, with the legend prescribed in paragraph (f)(2) of this clause.

(3) Restricted rights in computer software. The Government shall have restricted rights in noncommercial computer software required to be delivered or otherwise furnished to the Government under this contract that were developed exclusively at private expense and were not generated under this contract.

(4) SBIR data rights. Except for technical data, including computer software documentation, or computer software in which the Government has unlimited rights under paragraph (b)(1) of this clause, the Government shall have SBIR data rights in all technical data or computer software generated under this contract during the period commencing with contract award and ending upon the date five years after completion of the project from which such data were generated.

(ii) The Government may not release or disclose SBIR data to any person, other than its support services contractors, except--

(A) As expressly permitted by the Contractor;

(B) For evaluation purposes; or

(C) A release, disclosure, or use that is necessary for emergency repair or overhaul of items operated by the Government.

(iii) A release or disclosure of SBIR data to the Government's support services contractors, or a release or disclosure under paragraph (b)(4)(ii)(B) or (C) of this clause, may be made only if, prior to release or disclosure, the intended recipient is subject to the use and non-disclosure agreement at DFARS 227.7103-7 or is a Government contractor receiving access to the technical data or software for performance of a Government contract that contains the clause at DFARS 252.227-7025, Limitations on the Use of Disclosure of Government-Furnished Information Marked with Restrictive Legends.

(5) Specifically negotiated license rights. The standard license rights granted to the Government under paragraphs (b)(1) through (b)(4) of this clause may be modified by mutual agreement to provide such rights as the parties consider appropriate but shall not provide the Government lesser rights in technical data, including computer software documentation, than are enumerated in paragraph (a)(15) of this clause or lesser rights in computer software than are enumerated in paragraph (a)(18) of this clause. Any rights so negotiated shall be identified in a license agreement made part of this contract.

(6) Prior government rights. Technical data, including computer software documentation, or computer software that will be delivered, furnished, or otherwise provided to the Government under this contract, in which the Government has previously obtained rights shall be delivered, furnished, or provided with the pre-existing rights, unless--

(i) The parties have agreed otherwise; or

(ii) Any restrictions on the Government's rights to use, modify, release, perform, display, or disclose the technical data or computer software have expired or no longer apply.

(7) Release from liability. The Contractor agrees to release the Government from liability for any release or disclosure of technical data, computer software, or computer software documentation made in accordance with paragraph (a)(14), (a)(17), or (b)(4) of this clause, or in accordance with the terms of a license negotiated under paragraph (b)(5) of this clause, or by others to whom the recipient has released or disclosed the data, software, or documentation and to seek relief solely from the party who has improperly used, modified, reproduced, released, performed, displayed, or disclosed Contractor data or software marked with restrictive legends.

(8) Covered Government support contractors. The Contractor acknowledges that--

(i) Limited rights technical data and restricted rights computer software are authorized to be released or disclosed to covered Government support contractors;

(ii) The Contractor will be notified of such release or disclosure;

(iii) The Contractor may require each such covered Government support contractor to enter into a non-disclosure agreement directly with the Contractor (or the party asserting restrictions as identified in a restrictive legend) regarding the covered Government support contractor's use of such data or software, or alternatively that the Contractor (or party asserting restrictions) may waive in writing the requirement for a non-disclosure agreement; and

(iv) Any such non-disclosure agreement shall address the restrictions on the covered Government support contractor's use of the data or software as set forth in the clause at 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends. The non-disclosure agreement shall not include any additional terms and conditions unless mutually agreed to by the parties to the non-disclosure agreement.

(c) Rights in derivative computer software or computer software documentation. The Government shall retain its rights in the unchanged portions of any computer software or computer software documentation delivered under this contract that the Contractor uses to prepare, or includes in, derivative software or documentation.

(d) Third party copyrighted technical data and computer software. The Contractor shall not, without the written approval of the Contracting Officer, incorporate any copyrighted technical data, including computer software documentation, or computer software in the data or software to be delivered under this contract unless the Contractor is the copyright owner or has obtained for the Government the license rights necessary to perfect a license or licenses in the deliverable data or software of the appropriate scope set forth in paragraph (b) of this clause and, prior to delivery of such--

(1) Technical data, has affixed to the transmittal document a statement of the license rights obtained; or

(2) Computer software, has provided a statement of the license rights obtained in a form acceptable to the Contracting Officer.

(e) Identification and delivery of technical data or computer software to be furnished with restrictions on use, release, or disclosure.

(1) This paragraph does not apply to technical data or computer software that were or will be generated under this contract or to restrictions based solely on copyright.

(2) Except as provided in paragraph (e)(3) of this clause, technical data or computer software that the Contractor asserts should be furnished to the Government with restrictions on use, release, or disclosure is identified in an attachment to this contract (the Attachment). The Contractor shall not deliver any technical data or computer software with restrictive markings unless the technical data or computer software are listed on the Attachment.

(3) In addition to the assertions made in the Attachment, other assertions may be identified after award when based on new information or inadvertent omissions unless the inadvertent omissions would have materially affected the source selection decision. Such identification and assertion shall be submitted to the Contracting Officer as soon as practicable prior to the scheduled date for delivery of the technical data or computer software, in the following format, and signed by an official authorized to contractually obligate the Contractor:

Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data or Computer Software.

The Contractor asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data or computer software should be restricted:

Technical data or Computer Software to be furnished with restrictions *	Basis for assertion**	Asserted rights category***	Name of person asserting restrictions ****
(LIST)	(LIST)	(LIST)	(LIST)

* If the assertion is applicable to items, components, or processes developed at private expense, identify both the technical data and each such item, component, or process.

* Generally, development at private expense, either exclusively or partially, is the only basis for asserting restrictions on the Government's rights to use, release, or disclose technical data or computer software. Indicate whether development was exclusively

or partially at private expense. If development was not at private expense, enter the specific reason for asserting that the Government's rights should be restricted.

*** Enter asserted rights category (e.g., limited rights, restricted rights, government purpose rights, or government purpose license rights from a prior contract, SBIR data rights under another contract, or specifically negotiated licenses).

**** Corporation, individual, or other person, as appropriate.

Date _____

Printed Name and Title _____

Signature _____

(End of identification and assertion)

(4) When requested by the Contracting Officer, the Contractor shall provide sufficient information to enable the Contracting Officer to evaluate the Contractor's assertions. The Contracting Officer reserves the right to add the Contractor's assertions to the Attachment and validate any listed assertions, at a later date, in accordance with the procedures of the Validation of Asserted Restrictions-

-Computer Software and/or Validation of Restrictive Markings on Technical Data clauses of this contract.

(f) Marking requirements. The Contractor, and its subcontractors or suppliers, may only assert restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software to be delivered under this contract by marking the deliverable data or software subject to restriction. Except as provided in paragraph (f)(6) of this clause, only the following markings are authorized under this contract: the limited rights legend at paragraph (f)(2) of this clause; the restricted rights legend at paragraph (f)(3) of this clause, the SBIR data rights legend at paragraph (f)(4) of this clause, or the special license rights legend at paragraphs (f)(5) of this clause; and/or a notice of copyright as prescribed under 17 U.S.C. 401 or 402.

(1) General marking instructions. The Contractor, or its subcontractors or suppliers, shall conspicuously and legibly mark the appropriate legend to all technical data and computer software that qualify for such markings. The authorized legends shall be placed on the transmittal document or storage container and, for printed material, each page of the printed material containing technical data or computer software for which restrictions are asserted. When only portions of a page of printed material are subject to the asserted restrictions, such portions shall be identified by circling, underscoring, with a note, or other appropriate identifier. Technical data or computer software transmitted directly from one computer or computer terminal to another shall contain a notice of asserted restrictions. However, instructions that interfere with or delay the operation of computer software in order to display a restrictive rights legend or other license statement at any time prior to or during use of the computer software, or otherwise cause such interference or delay, shall not be inserted in software that will or might be used in combat or situations that simulate combat conditions, unless the Contracting Officer's written permission to deliver such software has been obtained prior to delivery. Reproductions of technical data, computer software, or any portions thereof subject to asserted restrictions shall also reproduce the asserted restrictions.

(2) Limited rights markings. Technical data not generated under this contract that pertain to items, components, or processes developed exclusively at private expense and delivered or otherwise furnished with limited rights shall be marked with the following legend:

Limited Rights

Contract No. _____

Contractor Name _____

Contractor Address _____

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(2) of the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program clause contained in the above identified contract. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such data must promptly notify the above named Contractor.

(End of legend)

(3) Restricted rights markings. Computer software delivered or otherwise furnished to the Government with restricted rights shall be marked with the following legend:

Restricted Rights

Contract No. _____

Contractor Name _____

Contractor Address _____

The Government's rights to use, modify, reproduce, release, perform, display, or disclose this software are restricted by paragraph (b)(3) of the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program clause contained in the above identified contract. Any reproduction of computer software or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such data must promptly notify the above named Contractor.

(End of legend)

(4) SBIR data rights markings: Except for technical data or computer software in which the Government has acquired unlimited rights under paragraph (b)(1) of this clause, or negotiated special license rights as provided in paragraph (b)(5) of this clause, technical data or computer software generated under this contract shall be marked with the following legend. The Contractor shall enter the expiration date for the SBIR data rights period on the legend:

SBIR Data Rights

Contract No. _____

Contractor Name _____

Address _____

Expiration of SBIR Data Rights Period _____

The Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software marked with this legend are restricted during the period shown as provided in paragraph (b)(4) of the Rights in Noncommercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program clause contained in the above identified contract. No restrictions apply after the expiration date shown above. Any reproduction of technical data, computer software, or portions thereof marked with this legend must also reproduce the markings.

(End of legend)

(5) Special license rights markings. (i) Technical data or computer software in which the Government's rights stem from a specifically negotiated license shall be marked with the following legend:

SPECIAL LICENSE RIGHTS

The Government's rights to use, modify, reproduce, release, perform, display, or disclose this technical data or computer software are restricted by Contract No. _____ (Insert contract number) _____, License No. _____ (Insert license identifier) _____. Any reproduction of technical data, computer software, or portions thereof marked with this legend must also reproduce the markings. (End of legend)

(ii) For purposes of this clause, special licenses do not include government purpose license rights acquired under a prior contract (see paragraph (b)(6) of this clause).

(6) Pre-existing data markings. If the terms of a prior contract or license permitted the Contractor to restrict the Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software, and those restrictions are still applicable, the Contractor may mark such data or software with the appropriate restrictive legend for which the data or software

qualified under the prior contract or license. The marking procedures in paragraph (f)(1) of this clause shall be followed.

(g) Contractor procedures and records. Throughout performance of this contract, the Contractor, and its subcontractors or suppliers that will deliver technical data or computer software with other than unlimited rights, shall--

(1) Have, maintain, and follow written procedures sufficient to assure that restrictive markings are used only when authorized by the terms of this clause; and

(2) Maintain records sufficient to justify the validity of any restrictive markings on technical data or computer software delivered under this contract.

(h) Removal of unjustified and nonconforming markings.

(1) Unjustified markings. The rights and obligations of the parties regarding the validation of restrictive markings on technical data or computer software furnished or to be furnished under this contract are contained in the Validation of Restrictive Markings on Technical Data and the Validation of Asserted Restrictions--Computer Software clauses of this contract, respectively. Notwithstanding any provision of this contract concerning inspection and acceptance, the Government may ignore or, at the Contractor's expense, correct or strike a marking if, in accordance with the applicable procedures of those clauses, a restrictive marking is determined to be unjustified.

(2) Nonconforming markings. A nonconforming marking is a marking placed on technical data or computer software delivered or otherwise furnished to the Government under this contract that is not in the format authorized by this contract. Correction of nonconforming markings is not subject to the Validation of Restrictive Markings on Technical Data or the Validation of Asserted Restrictions--Computer Software clause of this contract. If the Contracting Officer notifies the Contractor of a nonconforming marking or markings and the Contractor fails to remove or correct such markings within sixty (60) days, the Government may ignore or, at the Contractor's expense, remove or correct any nonconforming markings.

(i) Relation to patents. Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(j) Limitation on charges for rights in technical data or computer software.

(1) The Contractor shall not charge to this contract any cost, including but not limited to, license fees, royalties, or similar charges, for rights in technical data or computer software to be delivered under this contract when--

(i) the Government has acquired, by any means, the same or greater rights in the data or software; or

(ii) The data are available to the public without restrictions.

(2) The limitation in paragraph (j)(1) of this clause--

(i) Includes costs charged by a subcontractor or supplier, at any tier, or costs incurred by the Contractor to acquire rights in subcontractor or supplier technical data or computer software, if the subcontractor or supplier has been paid for such rights under any other Government contract or under a license conveying the rights to the Government; and

(ii) does not include the reasonable costs of reproducing, handling, or mailing the documents or other media in which the technical data or computer software will be delivered.

(k) Applicability to subcontractors or suppliers. (1) the Contractor shall assure that the rights afforded its subcontractors and suppliers under 10 U.S.C. 2320, 10 U.S.C. 2321, and the identification, assertion, and delivery processes required by paragraph (e) of this clause are recognized and protected.

(2) Whenever any noncommercial technical data or computer software is to be obtained from a subcontractor or supplier for delivery to the Government under this contract, the Contractor shall use this same clause in the subcontract or other contractual instrument, and require its subcontractors or suppliers to do so, without alteration, except to identify the parties. The Contractor shall use the Technical Data--Commercial Items clause of this contract to obtain technical data pertaining to commercial items, components, or processes. No other clause shall be used to enlarge or diminish the Government's, the Contractor's, or a higher tier subcontractor's or supplier's rights in a subcontractor's or supplier's technical data or computer software.

(3) Technical data required to be delivered by a subcontractor or supplier shall normally be delivered to the next higher tier contractor, subcontractor, or supplier. However, when there is a requirement in the prime contract for technical data which may be submitted with other than unlimited rights by a subcontractor or supplier, then said subcontractor or supplier may fulfill its requirement by submitting such technical data directly to the Government, rather than through a higher tier contractor, subcontractor, or supplier.

(4) The Contractor and higher tier subcontractors or suppliers shall not use their power to award contracts as economic leverage to obtain rights in technical data or computer software from their subcontractors or suppliers.

(5) In no event shall the Contractor use its obligation to recognize and protect subcontractor or supplier rights in technical data or computer software as an excuse for failing to satisfy its contractual obligation to the Government.

5252.232-9516 ALLOTMENT OF FUNDS - INCREMENTALLY FUNDED COST-REIMBURSEMENT CONTRACT OTHER THAN COST-SHARING CONTRACT (JUL 1985)

For the purposes of paragraph (b) of the "Limitation of Funds" clause of this contract-

(a) the amount available for payment and allotted to this incrementally funded contract is \$208,458,084.94

(b) the items covered by such amount are Item(s) CLIN 0001, 0007, AND 0100

(c) the funding on CLIN 0001 has an expiration date of 30 September 2024

(d) the funding on CLIN 0100 has an expiration date of 7 February 2025