

**GENERAL DYNAMICS  
ORDNANCE AND TACTICAL SYSTEMS  
STANDARD TERMS AND CONDITIONS  
FIXED-PRICE SUPPLIES AND SERVICES  
NON-COMMERCIAL ITEMS  
(July 27, 2021)**

**1. DEFINITIONS.** Unless otherwise specified, as used herein:

“Government” means the United States Government.

“Buyer” means General Dynamics Ordnance and Tactical Systems

“Buyer’s Contract” means the contract or subcontract, at any tier, entered into by Buyer and Buyer’s customer and under which Buyer has issued this Purchase Order.

“Buyer’s Representative” means the authorized representative of Buyer. Only individuals within Buyer’s Procurement Group can be authorized representatives.

“DFARS” means the DOD FAR Supplement.

“FAR” means the Federal Acquisition Regulation.

“Goods” means the items to be delivered under this Purchase Order.

“Services” means the services to be provided under this Purchase Order.

**2. ACCEPTANCE OF PURCHASE ORDER.** Unless otherwise required on the face of the Purchase Order, if this Purchase Order is issued in response to the Seller’s offer and contains the Seller’s most recent offered terms and is issued within the validity period, its issuance constitutes acceptance of the Seller’s offer. Seller’s signature in such case is required for administrative purposes only, however written acknowledgement and acceptance by Seller may be a requirement if listed on the Purchase Order. In the case that this Purchase Order constitutes an offer by Buyer, acceptance of this Purchase Order by Seller is expressly limited to the terms and conditions contained in this Purchase Order. Any term or condition stated by the Seller in any prior proposal, on Seller’s acknowledgment form, or in otherwise acknowledging or accepting this Purchase Order is deemed by Buyer to be a material alteration of this Purchase Order and is hereby rejected unless Buyer specifically agrees otherwise in writing. Acceptance of the Goods or Services covered by this Purchase Order will not constitute acceptance by Buyer of Seller’s terms and conditions. Any of the following acts by Seller will constitute acceptance of this Purchase Order and all of its terms and conditions: signing and returning a copy of this Purchase Order, delivering any of the Goods or Services ordered, commencing performance or informing the Buyer in any manner of commencement of performance, or returning Seller’s own form of acknowledgment.

**3. COMPLIANCE WITH EXPORT LAWS.** The information provided by Buyer may be subject to U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR). Seller may not export or re-export any information, technical data, or supplies except in strict compliance with all U.S. export control laws and regulations, including ITAR. Technical data that are controlled by the ITAR shall not be released to foreign nationals, including employees, companies or other entities, whether within or outside of the United States, unless the Seller shall first obtain the written consent of Buyer, and shall obtain the appropriate license or other advance approval from the U.S.

**Government.** Seller’s obligation to adhere to the ITAR shall survive the expiration or termination of this Purchase Order. Seller hereby agrees to defend and indemnify Buyer from and against any liability that Buyer may incur as a result of Seller’s violation of any U.S. export or re-export control law or regulation.

**4. PRICE, DELIVERY AND INVOICING.** Seller shall furnish the Goods or the Services in accordance with the prices and delivery schedule stated on the face of this Purchase Order. Prices include all applicable taxes. Sales taxes, if any, are to be identified as to amount and taxing authority but must be included in the price.

Seller warrants that the prices charged for the Goods and Services ordered hereunder will be as low as the lowest prices charged by the Seller to any customers purchasing similar Goods or Services in the same or similar quantities and under like circumstances.

Buyer may return, or store at Seller’s expense, any Goods delivered more than ten (10) days in advance of the delivery date specified for such Goods unless early delivery is authorized in writing by the Buyer.

Time is of the essence in the performance of this Purchase Order. In addition to any other rights and remedies it may have under this Purchase Order or by law, Buyer may charge Seller for Buyer’s premium transportation costs if necessary to meet Buyer’s contract delivery schedules because of any unexcused failure by Seller to meet the delivery schedules of this Purchase Order.

Seller shall invoice in triplicate, with supporting documentation, with each shipment, and shall mail an additional copy (with its support) to the Buyer’s Representative. Payment of invoices shall not constitute acceptance of Goods or Services and shall be subject to appropriate adjustment should Seller fail to meet any requirements of this Purchase Order. Buyer may set off any amount owed by Seller or Seller’s affiliates to Buyer against any amount owed Seller by Buyer under this Purchase Order or any other contract between Buyer and Seller.

**5. PACKING AND SHIPPING.** No charge shall be made by Seller for packaging or storage unless specified by Buyer on the face of this Purchase Order. Unless otherwise specified, all Goods shall be packaged, marked, and otherwise prepared in accordance with good commercial practices to obtain lowest shipping rates. On containers, Seller shall mark handling and loading instructions, shipping information, Purchase Order number, item and account number, shipment date, and names and addresses of Seller and Buyer, in addition to any other information required by this Purchase Order. An itemized packing list shall accompany each shipment.

**6. F.O.B., TITLE AND RISK OF LOSS.** The F.O.B. point for the Goods delivered hereunder is designated on the face of this Purchase Order. If terms are F.O.B. Seller's location, Seller shall bear all risk of loss or damage to the Goods and title shall not shift to Buyer until delivery of the Goods to the carrier. If terms are F.O.B. Buyer's location, Seller shall bear all risk of loss or damage to the Goods and title shall not shift to Buyer until delivery of the Goods to Buyer's location. Nothing herein shall be construed to diminish Buyer's rights in the event of Seller's breach.

**7. INSPECTION.**

a. Seller is responsible for performing or having performed all inspections and tests necessary to substantiate that the Goods conform to Purchase Order requirements. Seller shall tender for acceptance only Goods that have been found by the Seller to be in conformance with the Purchase Order requirements.

b. All Goods may also be inspected and tested by Buyer, its customers, higher tier contractors, and (in the case of Goods purchased for a Government contract or subcontract) the Government, at all reasonable times and places. If such inspection or testing is made on Seller's premises, Seller shall provide without additional charge all reasonable facilities and assistance for such inspections and test. In its internal inspection and testing of the Goods, Seller shall, if required by Buyer, use an inspection system accepted by Buyer in writing. All inspection records relating to the Goods shall be available to Buyer during the performance of this Purchase Order, and for such longer periods as may be specified by Buyer in its acceptance of the inspection system, if any.

c. Final inspection and acceptance by Buyer shall be at destination unless otherwise specified in this Purchase Order. Such inspection shall be in accordance with the stated requirements of this Purchase Order. If rejection of a shipment would result from Buyer's normal inspection level under such procedures, Buyer may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and charge the Seller the reasonable costs thereof. Acceptance of a lot through sampling criteria specified herein shall not preclude Buyer's right to reject, or to exercise any other right or remedy it may have under this Purchase Order or by law with respect to, individual items that fail to comply with any requirement of this Purchase Order.

d. No inspection (including source inspection), tests, approval (including design approval) or acceptance of the Goods shall relieve Seller from responsibility for any defects in the Goods or other failures to meet the requirements of this Purchase Order; for latent defects, fraud, or such gross mistakes as amount to fraud; or for Seller's warranty obligations. If the Goods are defective or otherwise not in conformity with the requirements of this Purchase Order, Buyer may, by written notice to Seller: (i) rescind this Purchase Order as to such Goods; (ii) reject such Goods and require the delivery of replacements; or (iii) accept such Goods at a reduced price. Deliveries of replacements shall be accompanied by a written notice specifying that such Goods are replacements. If Seller fails to deliver required replacements promptly, Buyer may: (i) replace or correct such Goods and charge the Seller the cost occasioned Buyer thereby; or (ii) terminate this Purchase Order for cause, in whole or in part, as provided in Paragraph 21b hereof. Rights granted to Buyer under this Clause are in addition to any rights or remedies provided elsewhere in this Purchase Order or by law.

e. Seller shall be responsible for all of Buyer's costs, damages, losses, claims, causes of action, liabilities, and expenses, arising from any act or omission of the Seller, its employees, subcontractors, agents, officers, or suppliers resulting from failure to meet any of the requirements and/or specifications of this Purchase Order. Seller shall be responsible for, without limitation, additional inspections to ensure compliance where necessary, investigations into inspection failures, any penalties or costs incurred by Buyer as a result in delay in delivery, and remediation costs for defective Goods.

**8. WARRANTIES.**

a. Incorporation of warranties – If any warranty clause is incorporated below under Clause 36, Special U.S. Government Provisions, or in the Special Provisions, such warranty provisions are in addition to the provisions in this clause to the extent to which they are consistent. To the extent its provisions are inconsistent with this clause, the provisions of any warranty incorporated under Clause 36 or in the Special Provisions shall prevail.

b. Warranties – In addition to all other express or implied warranties, Seller warrants that the Goods will be: (i) free from defects in workmanship and materials; (ii) free from defects in design except to the extent that such Goods comply with the detailed designs provided by Buyer; and (iii) in conformity with all the other requirements of this Purchase Order. Seller warrants that it will perform the Services under this Purchase Order with the degree of skill and judgment which is normally exercised by recognized firms with respect to services of a similar nature, and that Services will be provided in a good, competent and workmanlike manner. These warranties, and all other warranties, express or implied, shall survive delivery, inspection, acceptance, and payment.

In addition to the warranties above, if Seller supplies, or incorporates into Goods supplied under this Purchase Order, goods that are manufactured by a third-party, Buyer shall have the benefit of warranties extended to Seller by the third-party to the extent they exceed Seller's warranties in scope or duration.

c. Further provisions – All warranties shall run to Buyer and to Buyer's customer.

In addition to any other remedies Buyer may have under this Purchase Order or at law, if Goods are found not to be as warranted within a period of one (1) year after final acceptance by Buyer, Buyer may return such Goods to Seller at Seller's expense for correction, replacement or credit, as Buyer may direct.

With respect to Goods found not to be as warranted, Seller shall bear the costs, if any, of inspection, disassembly, reassembly, retesting and any other similar costs incurred in connection with, or as a consequence of, correction, repair or replacement of Seller's Goods,

including any such costs associated with assemblies into which Goods have been incorporated. Any Goods corrected or furnished in replacement shall, from the date of delivery of such corrected or replacement Goods, be subject to the provisions of this Clause for the same period and to the same extent as Goods initially furnished pursuant to this Purchase Order.

**COUNTERFEIT GOODS:** In addition to all other warranties provided under this Purchase Order, Seller warrants that any and all Goods delivered hereunder are new and not refurbished or used, are being supplied by the Original Manufacturer (OM) (Original Equipment Manufacturer (OEM), Original Component Manufacturer (OCM), Contract Manufacturer) or their expressly authorized dealers (Authorized Aftermarket Manufacturer, Authorized Dealer, Authorized Supplier, as defined in DFARS 252.246-7007 and 252.246-7008), agent or distributor, and that Seller has documented traceability of the Goods or components to the aforementioned sources.

Seller must have a counterfeit avoidance program and process (including inspection, testing, and authentication) in conformance with AS5553. Seller shall maintain a documented system (Standard Practice, procedure, or other documented approach) that provides for prior notification and Buyer approval before parts/components are procured from sources other than OMs or the OMs authorized dealers. Seller must provide the following with shipment of the items upon request of Buyer:

- (1) Certificate of Conformance (C of C), certifying the items are genuine and meet all Purchase Order and original manufacturer requirements.
- (2) Traceability information to original manufacturer.
- (3) Results from any additional inspections, tests, and examinations as required by this Purchase Order.

Any Goods for which the above requirements are not met shall be considered defective under this Purchase Order and may be rejected by Buyer. Seller must replace any Goods that are not genuine, new and unused items and any counterfeit items will not be returned to the Seller which is a requirement of counterfeit parts DFARS provisions. Buyer reserves the right to quarantine any and all suspect counterfeit parts it receives and to notify the Government Industry Data Exchange Program (GIDEP) and other relevant government agencies. Seller shall not return any counterfeit Goods to the supply chain and shall ensure these Goods are stored for inspection. All counterfeit parts received by Seller must be reported to Buyer immediately.

Seller shall be liable to Buyer for any damages, costs, penalties, judgments, or fines against Buyer to the extent caused by Seller's failure to meet all requirements of this Clause and, at Buyer's election, Seller may also be required to deliver suitable replacement Goods traceable to the OM, meeting all OM specifications. The remedies in this section shall apply regardless of whether the warranty period or guarantee period has ended, and are in addition to any remedies available at law or in equity. Seller shall include the substance of this clause in all of its sub-tier contracts with its suppliers providing critical items, electronic parts, assemblies containing electronic parts, or performing authentication testing, in support of this Purchase Order.

If the procurement of materials under this contract is pursuant to, or in support of, a contract, subcontract, or task order for delivery of goods or services to the Government, the making of a materially false, fictitious, or fraudulent statement, representation or claim or the falsification or concealment of a material fact in connection with this contract may be punishable, as a Federal felony, by up to five years' imprisonment and/or substantial monetary fines. In addition, trafficking in counterfeit goods or services, to include military goods or services, constitutes a Federal felony offense, punishable by up to life imprisonment and a fine of fifteen million dollars.

This Counterfeit Goods section shall survive termination, expiration or cancellation of this contract.

**CONFLICT MINERALS:** In addition to all other warranties provided under this Purchase Order, Seller warrants that the Goods delivered hereunder are free from Gold, Tungsten (Wolframite), Tantalum (Columbit-Tantalite) or Tin (Cassiterite), hereafter referred to as "Conflict Minerals", that have originated in the Democratic Republic of Congo, Central African Republic, Angola, Burundi, Rwanda, South Sudan, Tanzania, Uganda or Zambia, hereafter referred to as "DRC". For purposes of this Clause, Conflict Minerals purchased from scrap or recycled sources are not considered to have originated from the DRC. Seller is required to review all materials and components which are necessary for the functionality or production of the Goods being sold under this Purchase Order and disclose annually whether any of the Conflict Minerals are present, and if so, those that originated in the DRC, and to provide a chain of custody if the Conflict Minerals do originate from the DRC. The Seller shall determine the country of origin (where the materials were originally mined and processed) or whether the minerals originated from scrap or recycled sources. Seller must provide the following prior to shipment of the items upon request of Buyer:

- (1) Country of Origin Inquiry (17 CFR 250 and 249B) documentation certifying that items are free from Conflict Minerals that have originated in the DRC.
- (2) Traceability information on raw material sub-tier suppliers.
- (3) To the extent an audit has been performed, results from any independent private sector audit; certifying that such an audit was obtained, including the audit report as part of the Country of Origin Inquiry and identifying the auditor.

Any goods for which the above requirements are not met shall be considered defective under this Purchase Order and may be rejected by Buyer or returned. Seller shall be liable to Buyer for any damages, costs, penalties, judgments, or fines against Buyer to the extent

caused by Seller's failure to meet all requirements of this Clause and, at Buyer's election, Seller may also be required to deliver suitable replacement Goods at Seller's cost.

Seller shall include the substance of this clause in all of its sub-tier contracts with its suppliers providing components in support of this Purchase Order.

In addition to any other remedies Buyer may have under this Purchase Order or at law, if the Services are found not to be performed as warranted within a period of one (1) year after the conclusion of the performance of the Services by Seller, Seller shall, at Buyer's option, either refund to Buyer the amount paid for the Services, or perform the Services again in a proper manner to the extent necessary to provide Buyer with the result originally contemplated by Buyer.

**9. PROPRIETARY INFORMATION.** All written information obtained by Seller from Buyer in accordance with this Purchase Order and which is identified as proprietary by Buyer shall be received in confidence and shall remain the property of Buyer, and shall be used and disclosed by Seller only to the extent necessary for the performance of this Purchase Order except that upon prior written notice to Buyer, Seller may use such information in the manufacture of end items for direct sale to the Government to the extent that the Government has the right to authorize such use by Seller, and, provided that Seller, to the extent practicable, prominently identifies such end items as being manufactured by Seller for direct sale to the Government.

Seller shall not provide any proprietary information to Buyer, nor shall Buyer be required to take any steps to protect any information provided by Seller, unless Buyer and Seller have separately executed a written agreement regarding the protection and disclosure of such Seller information.

**10. SUBCONTRACTS.** Seller shall not subcontract for all or substantially all of this Purchase Order without Buyer's prior written approval.

**11. COMPLIANCE WITH LAWS.**

(a) General. Seller agrees to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities, whether or not such provisions are referenced elsewhere in this Purchase Order. Such compliance is agreed to be a material element of the performance of this contract.

(b) Specific Areas. Without diminishing Seller's obligations under subparagraph (a), Seller agrees to the treatment of the specific areas of compliance as set forth in the following paragraphs:

(1) Cost or Pricing Data. Seller agrees that:

(i) if cost or pricing data, as defined in the Truth in Negotiations Act and implementing regulations, are required or requested; and

(ii) Seller or its lower-tier subcontractors:

(A) fail to provide current, accurate and complete cost or pricing data;

(B) claim an exception to a requirement or request to provide cost or pricing data and such exception is at any time determined to be inapplicable;

(C) furnish data of any description that were not accurate;

(D) as a prospective contractor, with notice of applicable cutoff dates and at Buyer's request, submit cost or pricing data that are not accurate, current and complete as of the cutoff date on Buyer's Certificate of Current Cost or Pricing Data; or

(E) the Government alleges any of foregoing;

such conduct by Seller or its lower-tier subcontractors shall be treated as a failure to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities and shall be subject to the remedies below.

(2) Approved Chemical Substances. Seller agrees that only chemical substances included in the list of approved chemical substances published by the Environmental Protection Agency pursuant to the Toxic Substances Control Act shall be sold hereunder and that failure to comply with this provision shall be treated as a failure to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities and shall be subject to the remedies below.

(3) Material Safety Data Sheet. Seller agrees to provide a completed Material Safety Data Sheet (OSHA Form 20 or equivalent) for any chemical substances sold hereunder as required by any federal, state or local law, ordinance, rule or regulation and that

failure to comply with this provision shall be treated as a failure to comply with all applicable laws, orders, rules, regulations, and ordinances of government entities and shall be subject to the remedies below.

(4) Seller shall provide a current withholding certificate, executed on the latest version of the applicable Internal Revenue Service ("IRS") form, to document Seller's status for purposes of both Foreign Account Tax Compliance Act ("FATCA") and non-resident alien ("NRA") withholding. Generally, the withholding certificate will be in the form of a W-9 (if a U.S. individual, partnership, or a corporation), a W-8BEN (if a foreign individual), a W-8BEN-E (if a foreign entity), or a W-8ECI (if a foreign entity with effectively connected U.S. income). The most current form applicable to Seller's situation may be obtained from the IRS at <http://www.irs.gov>. Seller's failure to provide a current U.S. withholding certificate may result in potential delays of payment processing and/or U.S. tax withholding under FATCA or NRA provisions which otherwise may be unnecessary.

(c) Remedies. In addition to any other remedies provided under this Purchase Order or by law, if:

(1) Seller or its officers, employees, agents, suppliers, or subcontractors at any tier fails to comply with any applicable laws, orders, rules, regulations, and ordinances of government entities and, as a result

(2) Buyer's contract price or fee is reduced, Buyer's costs are determined to be unallowable, Buyer incurs any fines, penalties or interest costs, or Buyer incurs any other costs, losses, or damages;

then Buyer may reduce the price, or the recoverable costs and fee, of this Purchase Order or of any other contract with Seller, by a corresponding amount or amounts, or may demand payment of such amounts, or both, and Seller shall promptly pay any such amount demanded.

**12. LIEN WAIVERS.** Seller shall furnish, upon Buyer's request, waivers by Seller and all other persons entitled to assert any lien rights in connection with the performance of this Purchase Order.

### **13. INDEMNIFICATION AND INSURANCE.**

a. Unless Buyer approves in writing a self-insurance program of Seller, the Seller shall maintain at Seller's cost, with insurers of nationally recognized stature issued by companies rated A-VII or above by AM Best, insurance fully covering all furnished property. At a minimum, Seller must have the following insurance coverage for potential liability incurred in the performance of this Purchase Order:

1. General Commercial Liability - \$1,000,000 Bodily Injury and Property Damage - combined single limit per occurrence. Buyer shall be included as an additional insured.

2. Automobile Liability - \$1,000,000 Bodily Injury and Property Damage, combined single limit per occurrence. Buyer shall be included as an additional insured.

3. Workers Compensation – As required by law applicable to Seller's operations. Seller and insurer waive subrogation rights against Buyer.

4. Employer Liability - \$1,000,000 per occurrence. Seller and insurer waive subrogation rights against Buyer.

Seller's insurance shall be primary to any insurance coverage procured by Buyer. On Buyer's request, Seller shall furnish Buyer with evidence of Seller's compliance with any aspect of this Clause.

b. Notwithstanding the existence or lack of insurance and as an unrelated matter, Seller shall defend, indemnify, and hold harmless Buyer and Buyer's customer from any losses, claims, demands, or suits (including those from Seller's employees) for bodily injury (including death) or property damage howsoever arising out of Seller's performance of this Purchase Order and irrespective of Buyer's negligence in any degree.

c. All work to be performed on this Purchase Order by Seller is at Seller's risk as to the methods, processes, procedures, and safe conduct of the work. If Seller is to perform work on the premises or within facilities owned or controlled by Buyer, Buyer's customer, or any other entity, Seller shall be solely responsible for the safe conduct of such work and the protection of the premises or facilities, and of any persons on the premises or facilities. Seller shall defend, indemnify, and hold harmless Buyer, its employees, agents, or subcontractors, and invitees for and against all losses, claims, damages or suits, including those suffered or brought by Seller's employees, for bodily injury (including death) or property damage and which arise from performance of the work by Seller, its employees, agents, invitees, or subcontractors, irrespective of Buyer's negligence in any degree.

d. In no event shall Buyer be liable, for any reason or arising from any cause whatsoever, for special, incidental, consequential, or punitive damages, to include without limitation, loss of profit or opportunity regardless of how characterized by applicable law.

e. Seller, to the extent not covered by the foregoing paragraphs of this Clause, shall defend, indemnify, and save Buyer harmless, against and from any demands, decisions, judgments, orders, awards, costs and expenses, including attorney fees, arising from or

incurred in resisting any claim, demand, or asserted right of Buyer's customer based on any act or omission by Seller under or in any way related to this Purchase Order or to any step leading to award of this Purchase Order.

f. To the extent Seller is required by this Purchase Order to insure against loss or damage to property of Buyer or a customer of Buyer, (i) insurance policies of Seller shall disclose the interest of Buyer and Buyer's customer; (ii) those policies shall contain an endorsement that no cancellation or material change in the coverage adversely affecting the interest of Buyer or Buyer's customer shall be effective unless Seller or the insurer gives written advance notice of cancellation or change, and unless Seller has complied with such other direction as may be given by Buyer or Buyer's customer as applicable.

g. The Parties understand and agree that the Seller is an independent contractor to Buyer, and Seller shall be solely responsible for providing its employees and/or agents with Worker's Compensation insurance as required by the jurisdiction governing Seller at the time work is performed under this Purchase Order. Seller shall maintain no less coverage than what is required under applicable law or regulation, and shall hold harmless, indemnify and defend Buyer from claims by Seller's employees and/or agents for injuries, or aggravation of existing injuries, sustained in connection with work being performed under this Purchase Order.

**14. INTELLECTUAL PROPERTY.** Seller warrants that it has all right and title to the intellectual property required to perform its obligations and deliver Goods for Buyers intended use. Seller shall indemnify and defend Buyer for and against any claims, demands, judgments, suits, costs, fees, including without limitation attorney fees, or damages of any kind resulting from Seller's violation or breach of any third party's intellectual property rights in the performance of this order.

**15. ASSURANCES.** Seller understands and agrees that, as partial consideration under this Purchase Order, it is obligated to provide certain assurances of its ability to continue its business and perform in the event of a disaster. To that end, Seller agrees to establish and/or maintain a Business Continuity Disaster Recovery Plan (BCDR) which shall remain in effect at least during the term of this Purchase Order. Such plan shall be provided to Buyer upon request, and shall, at a minimum, provide a reasonable and realistic plan of action on how Seller will remain capable of performing, transfer performance temporarily to another provider, or recover operations within a very short period of time (within days) after a disaster. If Buyer disapproves of Seller's BCDR, Seller shall make such changes to meet the requirement of this clause.

**16. ASSIGNMENT.** Seller shall not assign this Purchase Order or any rights under this Purchase Order without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without such written consent.

**17. NOTICE OF LABOR DISPUTES.** Whenever an actual or potential labor dispute delays, or threatens to delay, the timely performance of this Purchase Order, Seller shall immediately notify Buyer in writing of all relevant information with respect to such dispute.

**18. RETENTIONS.** In addition to any other rights Buyer has, Buyer may, at its sole option, withhold payment of up to ten percent (10%) of the total value of this Purchase Order or individual invoices until Seller provides all required objective quality evidence, submits required data items, and satisfactorily fulfills all other reporting and documentation requirements.

**19. PUBLICITY.** Seller shall not make or authorize any news release, advertisement, or other disclosure (except as required by law) that denies or confirms the existence of this Purchase Order without prior written consent of Buyer.

**20. CHANGES.** This Purchase Order and the terms and conditions herein may not be changed in any respect without written approval or direction of Buyer's Representative. Buyer may, at any time, by written change order and without notice to the sureties, if any, suspend performance of this Purchase Order, in whole or in part; make changes in the drawings, designs, specifications, method of shipment of packing, or time or place of inspection, delivery, or acceptance of the Goods; reschedule the Services; or require additional or diminished Goods or Services; and Seller shall proceed diligently with the performance of this Purchase Order as so changed irrespective of whether a price adjustment has been determined as provided by this Clause. If any such change causes an increase or decrease in the cost of or the time required for performance of this Purchase Order and Seller makes a proper and timely request, Buyer shall make an equitable adjustment in the Purchase Order price or delivery dates or both, and this Purchase Order shall be modified in writing accordingly. Any equitable adjustment for suspension or interruption of, or delay in, Seller's performance shall exclude profit.

If Seller deems any instruction or direction by or on behalf of Buyer to be a change to this Purchase Order, it must so notify Buyer in writing within seven (7) days of the receipt of such instruction or direction.

Any claim by Seller for adjustment under this Clause may, at Buyer's option, be deemed to be absolutely and unconditionally waived unless asserted in writing (including the amount of the claim) and delivered to Buyer within thirty (30) days from the date of receipt by Seller of the change order or direction, except where an extension is granted in writing by Buyer.

If the cost of property made obsolete or excess as a result of a change is paid by Buyer, Buyer may prescribe the manner of disposition of such property.

Buyer's engineering and technical personnel are not authorized to change the Goods or Services ordered or any other provision of this Purchase Order. No change order or other modification will be binding on Buyer unless issued by an authorized representative of Buyer's procurement department.

## 21a. TERMINATION FOR BUYER'S CONVENIENCE

a. Buyer may terminate performance of work under this Purchase Order in whole or, from time to time, in part if Buyer determines that a termination is in Buyer's interest. Buyer's Representative shall terminate by delivering to Seller a Notice of Termination specifying the extent of termination and the effective date.

b. After receipt of a Notice of Termination, and except as directed by Buyer's Representative, Seller shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this Clause:

(1) Stop work as specified in the notice.

(2) Place no further subcontracts or orders (referred to as subcontracts in this Clause) for materials, services, or facilities, except as necessary to complete the continued portion of this Purchase Order.

(3) Terminate all subcontracts to the extent they relate to the work terminated.

(4) Assign to Buyer, as directed by Buyer's Representative, all right, title, and interest of Seller under the subcontracts terminated, in which case Buyer shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by Buyer's Representative, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this Clause.

(6) As directed by Buyer's Representative, transfer title and deliver to Buyer: (i) The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and (ii) The completed or partially completed plans, drawings, information, and other property that, if the Purchase Order had been completed, would be required to be furnished to Buyer.

(7) Complete performance of the work not terminated.

(8) Take any action that may be necessary, or that Buyer's Representative may direct, for the protection and preservation of the property related to this Purchase Order that is in the possession of Seller and in which Buyer has or may acquire an interest.

(9) Use its best efforts to sell, as directed or authorized by Buyer's Representative, any property of the types referred to in paragraph b(6) of this clause; provided, however, that Seller (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, Buyer's Representative. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Buyer under this Purchase Order, credited to the price or cost of the work, or paid in any other manner directed by Buyer's Representative.

c. Seller shall submit complete termination inventory schedules no later than sixty (60) days from the effective date of termination, unless extended in writing by Buyer's Representative upon written request of Seller within this 60-day period.

d. After expiration of the plant clearance period as defined in Subpart 45.6 of the Federal Acquisition Regulation, Seller may submit to Buyer's Representative a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by Buyer's Representative. Seller may request Buyer to remove those items or enter into an agreement for their storage. Within thirty (30) days, Buyer will accept title to those items and remove them or enter into a storage agreement. Buyer's Representative may verify the list upon removal of the items, or if stored, within sixty (60) days from submission of the list, and shall correct the list, as necessary, before final settlement.

e. After termination, Seller shall submit a final termination settlement proposal to Buyer's Representative in the form and with the certification prescribed by Buyer's Representative. Seller shall submit the proposal promptly, but no later than six (6) months from the effective date of termination, unless extended in writing by Buyer's Representative upon written request of Seller within this 6-month period. However, if Buyer's Representative determines that the facts justify it, a termination settlement proposal may be received and acted on after six (6) months or any extension. If Seller fails to submit the proposal within the time allowed, Buyer's Representative may determine, on the basis of information available, the amount, if any, due Seller because of the termination and shall pay the amount determined.

f. Subject to paragraph e of this clause, Seller and Buyer's Representative may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph f or paragraph g of this clause, exclusive of costs shown in paragraph g(3) of this clause, may not exceed the total Purchase Order price as reduced by (1) the amount of payments previously made and (2) the Purchase Order price of work not terminated. This Purchase Order shall be modified, and Seller paid the agreed amount. Paragraph g of this clause shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

g. If Seller and Buyer's Representative fail to agree on the whole amount to be paid because of the termination of work, Buyer's Representative shall pay Seller the amounts determined by Buyer's Representative as follows, but without duplication of any amounts agreed on under paragraph f of this Clause:

(1) The Purchase Order price for completed Goods or Services accepted by the Buyer (or sold or acquired under paragraph b(9) of this clause) not previously paid for, adjusted for any saving of freight and other charges.

(2) The total of: (i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to Goods or Services paid or to be paid under paragraph g(1) of this clause; (ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the Purchase Order if not included in subdivision g(2)(i) of this clause; and (iii) A sum, as profit on subdivision g(2)(i) of this Clause, determined by Buyer's Representative, consistent with 49.202 of the FAR, in effect on the date of Buyer's Contract, to be fair and reasonable; however, if it appears that Seller would have sustained a loss on the entire Purchase Order had it been completed, Buyer's Representative shall allow no profit under this subdivision g(2)(iii) and shall reduce the settlement to reflect the indicated rate of loss.

(3) The reasonable costs of settlement of the work terminated, including: (i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data; (ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and (iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

h. Except for normal spoilage, and except to the extent that Buyer expressly assumed the risk of loss, Buyer's Representative shall exclude from the amounts payable to Seller under paragraph g of this clause, the fair value, as determined by Buyer's Representative, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to Buyer.

i. The cost principles and procedures of Part 31 of the FAR, in effect on the date of Buyer's Contract, shall govern all costs claimed, agreed to, or determined under this Clause.

j. In arriving at the amount due Seller under this Clause, there shall be deducted: (1) All unliquidated advance or other payments to Seller under the terminated portion of this Purchase Order; (2) Any claim which Buyer has against Seller under this Purchase Order; and (3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by Seller or sold under the provisions of this Clause and not recovered by or credited to Buyer.

k. If the termination is partial, Seller may file a proposal with Buyer's Representative for an equitable adjustment of the price(s) of the continued portion of this Purchase Order. Buyer's Representative shall make any equitable adjustment agreed upon. Any proposal by Seller for an equitable adjustment under this Clause shall be requested within forty-five (45) days from the effective date of termination unless extended in writing by Buyer's Representative.

l. (1) Buyer may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by Seller for the terminated portion of this Purchase Order, if Buyer's Representative believes the total of these payments will not exceed the amount to which Seller will be entitled. (2) If the total payments exceed the amount finally determined to be due, Seller shall repay the excess to Buyer upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by Seller to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in Seller's termination settlement proposal because of retention or other disposition of termination inventory until ten (10) days after the date of the retention or disposition, or a later date determined by Buyer's Representative because of the circumstances.

m. Unless otherwise provided in this Purchase Order or by statute, Seller shall maintain all records and documents relating to the terminated portion of this Purchase Order for three (3) years after final settlement. This includes all books and other evidence bearing on Seller's costs and expenses under this Purchase Order. Seller shall make these records and documents available to Buyer and the Government, at Seller's office, at all reasonable times, without any direct charge. If approved by Buyer's Representative, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

## **21b. TERMINATION FOR CAUSE**

a. (1) Buyer may, subject to paragraphs c and d of this Clause, by written notice of default to Seller, terminate this Purchase Order in whole or in part if Seller fails to: (i) Deliver the Goods or perform the Services within the time specified in this Purchase Order or any extension; (ii) Make progress, so as to endanger performance of this Purchase Order (but see paragraph a(2) of this clause); or (iii) Perform any of the other provisions of this Purchase Order (but see paragraph a(2) of this clause).

(2) Buyer's right to terminate this Purchase Order under subdivisions a(1)(ii) and a(1)(iii) of this Clause, may be exercised if Seller does not cure such failure within ten (10) days (or more if authorized in writing by Buyer's Representative) after receipt of the notice from Buyer's Representative specifying the failure.

b. If Buyer terminates this Purchase Order in whole or in part, it may acquire, under the terms and in the manner Buyer's Representative considers appropriate, Goods or Services similar to those terminated, and Seller will be liable to Buyer for any excess costs for those Goods or Services. However, Seller shall continue the work not terminated.

c. Except for defaults of subcontractors at any tier, Seller shall not be liable for any excess costs if the failure to perform this Purchase Order arises from causes beyond the control and without the fault or negligence of Seller. Examples of such causes include: (1) acts of God or of the public enemy, (2) acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller.

d. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both Seller and the subcontractor, and without the fault or negligence of either, Seller shall not be liable for any excess costs for



failure to perform, unless the subcontracted Goods or Services were obtainable from other sources in sufficient time for Seller to meet the required delivery schedule.

e. If this Purchase Order is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer's Representative, any (1) completed Goods, and (2) partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this Clause) that Seller has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction of Buyer's Representative, Seller shall also protect and preserve property in its possession in which Buyer or the Government has an interest.

f. Buyer shall pay the Purchase Order price for completed Goods delivered and accepted. Seller and Buyer's Representative shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Claims and Disputes clause. Buyer may withhold from these amounts any sum Buyer's Representative determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.

g. If, after termination, it is determined that Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of Buyer.

h. The rights and remedies of Buyer in this Clause are in addition to any other rights and remedies provided by law or under this Purchase Order.

**22. NO WAIVER; SEVERABILITY.** The failure of Buyer to insist upon the performance of any provision of this Purchase Order, or to exercise any right or privilege granted to the Buyer under this Purchase Order or by law, shall not be construed as waiving such provision or any other provision of this Purchase Order, and the same shall continue in full force and effect. If any provision of this Purchase Order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this Purchase Order shall not be affected thereby, and shall remain in full force and effect.

**23. APPLICABLE LAW.** Irrespective of the place of performance, this Purchase Order will be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government. To the extent that the federal common law of government contracts is not dispositive, the laws of the State of Florida shall apply, exclusive of its rules concerning conflicts of laws. All parties to this Purchase Order expressly submit to the jurisdiction of the Courts of the United States of America and to the Courts of the individual States of the United States of America which are of competent jurisdiction.

#### **24. PROHIBITION OF GRATUITIES.**

a. Seller represents and warrants that it and its officers, employees, agents and representatives have not offered or given, and agrees that it and its officers, employees, agents and representatives will not offer or give, any kickbacks or gratuities in the form of entertainment, gifts, or otherwise to any officer or employee of Buyer or Buyer's customer with a view toward securing this or any other Purchase Order, any favorable treatment with respect to the awarding or amending of this or any other Purchase Order, or the making of any determination with respect to Seller's right or duties.

b. For any breach of Seller's obligations under this Clause, Buyer shall have, in addition to any other rights provided by this Purchase Order, the right to terminate any or all Purchase Orders with Seller for cause, and to recover from Seller the amount of any gratuity, plus all reasonable costs (including attorney fees) incurred in seeking such recovery. (Seller is also advised that, if this Purchase Order is issued under a prime contract or subcontract of the Government, any gratuity offered or given in violation of this Clause may also entail liabilities of Seller under applicable statutes, regulations, or other Purchase Order provisions.)

#### **25. ANTI-TRAFFICKING VIOLATIONS.**

Seller represents and warrants that it and its officers, employees, agents and representatives will comply with all laws and regulations prohibiting trafficking in persons and/or the use of forced labor, and further that, Seller will, if this Order is in support of a U.S. Government program, comply with the following FAR and DFARS clauses associated with Combating Trafficking in Persons including, but not limited to: FAR 52.222-50, FAR 52.244-6, DFARS 252.203-7004, DFARS 252.222-7007, and DFARS 252.225-7040. Seller hereby agrees to defend and indemnify Buyer from and against any liability that Buyer may incur as a result of violation of any relevant law or regulation.

If applicable, Seller acknowledges it is aware of and in full compliance with California's Transparency in Supply Chains Act (Cal. Civ. Code §1714.43), and will continue to be in compliance throughout the duration of this Order. If Seller does any business in the State of California, whether under this Order or otherwise, Seller shall assume this Act applies.

**26. PRICING OF ADJUSTMENTS.** All adjustments, including but not limited to "equitable adjustments," under this Purchase Order shall be based upon Seller's costs, plus a reasonable profit unless profit is expressly excluded by language of this Purchase Order. Seller's costs shall be those that are reasonable, allowable, and allocable under the standards of Part 31 of the Federal Acquisition Regulation (and, if this Purchase Order is issued under a contract or subcontract with any Department of Defense entity, Part 231 of DFARS) as in effect in Buyer's Contract on the date of this Purchase Order.

## 27. CLAIMS AND DISPUTES.

a. Claims for Adjustment. For any claims seeking an equitable adjustment or other relief in excess of \$100,000 submitted by Seller under this Purchase Order, Seller shall submit to Buyer a signed certificate that states as follows, substituting Seller's legal name where indicated: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the Purchase Order adjustment for which [the Seller] believes General Dynamics Ordnance and Tactical Systems is liable; and that I am duly authorized to certify the claim on behalf of [the Seller]." If requested by Buyer, Seller shall identify the portion of its claim for which it believes the Government is liable and shall execute the certification above, substituting "the Government" for "General Dynamics Ordnance and Tactical Systems" as to such amount. **THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THIS ORDER.**

b. Government Decisions. If a final decision is issued by a Contracting Officer for Buyer's Contract (or the Prime Contract under which Buyer's Contract is issued) and the decision relates in any way to this Purchase Order or to the Goods or Services ordered hereunder, said decision, if binding upon the Buyer, shall also be binding upon Buyer and Seller with respect to this Purchase Order. If Buyer appeals or commences an action regarding such decision, any decision upon such appeal or action, if binding upon the Buyer under the Prime Contract, shall be binding upon the Buyer and Seller as it relates to this Purchase Order. If any appeal is taken or an action commenced by Buyer, Seller shall assist Buyer in its prosecution thereof in every reasonable manner.

If, as a result of any decision or judgment binding upon Buyer, Buyer is unable to obtain reimbursement from the Government (or Buyer's customer) for, or is required to refund or credit to the Government (or Buyer's customer), any amount with respect to which Buyer has paid Seller, Seller shall, on demand, promptly repay such amount to Buyer. In no event shall Buyer be liable to Seller for any Claim submitted by Seller that the Government rejects.

c. Resolution of Other Disputes. Any dispute between Buyer and Seller that is not resolved pursuant to the provisions of this Purchase Order or through discussions between the parties may be resolved through an action in a court of appropriate jurisdiction and venue.

d. Seller to Continue Performance. Seller shall proceed diligently with performance of this Purchase Order pending final resolution of any request for relief, claim, dispute, appeal or action arising under or in connection with this Purchase Order and pending such resolution shall comply with Buyer's written direction, if any, on the matters at issue.

e. Except as expressly set forth in this Document, in the associated Purchase Order, or as expressed in writing by the Buyer's Representative, and only if Buyer has received the U.S. Government Contracting Officer's consent, the Seller shall not make any direct claims or take direct course of action against the U.S. Government.

**28. INSOLVENCY.** Buyer may terminate this Purchase Order for cause if Seller files a voluntary petition under any federal or state bankruptcy act, is adjudicated a bankrupt, Seller becomes insolvent or commits an act of bankruptcy, or engages in any act which reasonably causes Buyer to deem itself insecure. Seller agrees to furnish written notification to the Buyer listed on the Purchase Order within five (5) days of the initiation of any bankruptcy-related proceeding, whether voluntary or involuntary.

## 29. DESIGN, TOOLS, DIES, ETC.

a. Unless otherwise agreed herein, Seller at its sole cost shall supply all material, equipment, designs, drawings, tools and facilities required to perform this Purchase Order.

b. Any materials, equipment, designs, drawings, tools or other property furnished by Buyer or specifically paid for by Buyer shall be Buyer's property, shall be used only in filling orders from Buyer and may on Buyer's demand be removed by Buyer without charge. Seller shall use such property at its own risk and shall be responsible for all loss of or damage to the same or to any person while property is in Seller's custody. Seller shall, at its sole cost, store and maintain all such property and maintain property in good condition and repair. Buyer makes no warranties of any nature with respect to any such property, which is furnished "AS IS."

c. Buyer shall have no liability to Seller for any delays or failures in the delivery of material, including information, furnished by Buyer to Seller under the Purchase Order ("Buyer-Furnished Items"). If Buyer-Furnished Items are not delivered to Seller in sufficient time to enable Seller to meet delivery dates, Seller may notify Buyer of the delay and shall be entitled to an extension of such equal to the period of delay.

d. Graphics arts and packaging materials: All film negatives, positives, engravings, electrodes and dies made by Seller for the production of material of this Purchase Order will become the property of Buyer and be delivered to Buyer at the completion of work under this Purchase Order.

e. Notwithstanding anything herein to the contrary, the provisions of this paragraph do not apply to property owned by the Government. Disposition and use of Government property shall be governed by applicable Government regulations.

**30. CONSTRUCTION.** This Purchase Order shall be construed to have been drafted equally by all parties. The language of all parts of the Purchase Order shall be construed as a whole, according to its fair meaning, and any presumption or other principle that the language herein is to be construed against any party shall not apply. The headings used herein are for reference only and shall not affect the interpretation of the Purchase Order.

**31. COMPLETE AGREEMENT.** All specifications, drawings, and data submitted to Seller with this Purchase Order are hereby incorporated herein and made a part hereof. This Purchase Order constitutes the entire contract between Buyer and Seller for the specific purchase described herein. No other negotiations, promises or agreements about this Purchase Order are binding. All of the provisions herein shall be limited to this Purchase Order and shall not modify, cancel or waive provisions of other agreements, to include an Ordering Agreement or pricing agreements for other purchase orders. No revision, addition, or supplement to this Purchase Order or to any of its terms or conditions shall be effective unless agreed to in writing by Buyer's Representative.

**32. SURVIVAL.** Seller shall not be relieved of its obligations under the following clauses (or under any applicable Special U.S. Government Provision that, by its nature, requires continuing obligations on Seller to achieve its intended effect) because of the termination, expiration, or completion of this Purchase Order:

Compliance with Export Laws  
Inspection  
Warranties  
Proprietary Information  
Compliance with Laws  
Lien Waivers  
Indemnification and Insurance  
Publicity  
Changes (as to disposition of property only)  
Applicable Law  
Pricing of Adjustments  
Claims and Disputes  
Designs, Tools, Dies, Etc.

**33. ORDER OF PRECEDENCE.** Any inconsistency in this Purchase Order shall be resolved by giving precedence in the following order: (a) the face of this Purchase Order; (b) Special Provisions, if any; (c) these Standard Terms and Conditions; (d) Attachments, Exhibits, or Annexes, if any; and (e) the Statement of Work. Notwithstanding the foregoing, no term shall conflict with any required FAR/DFARS provisions, in which case the required FAR/DFARS clause(s) shall take precedence.

**34. EXCUSABLE DELAYS.**

a. Buyer shall not be liable for any delay or failure to perform if the delay or failure is without the fault or negligence of Buyer including, as examples, any of the enumerated causes listed in Paragraph 21b, subparagraph c.

b. Seller shall not be liable for any delay or failure to perform to the extent such delay or failure to perform is excusable pursuant to Paragraph 21b, subparagraphs c and d, and provided Seller gives written notice to Buyer as soon as any such cause is anticipated (or, if it could not be anticipated, as soon as possible after it occurs). If Buyer believes the failure, delay, or anticipated delay in Seller's performance may impair Buyer's ability to meet Buyer's production or delivery schedules or otherwise interfere with Buyer's operation, Buyer may, at its sole option and without liability to Seller, cancel remaining deliveries in whole or in part.

**35. RECORDS RETENTION.** Seller shall retain all inspection, acceptance, quality, financial and contractual records, documents, and supporting information required for the performance of this Purchase Order for a period of six (6) years after final payment.

**36. SPECIAL U.S. GOVERNMENT PROVISIONS.** The provisions set forth in this Clause shall apply only if this Purchase Order is issued under a Government prime contract or under a subcontract, at any tier, issued to Buyer under a Government prime contract.

a. Audit. Seller agrees that its books and records and its plants or any such part thereof as may be engaged in the performance of this Purchase Order, shall at all reasonable times be subject to inspection and audit by any person designated by the head of any executive department of the Government.

b. Quality Control. Except as otherwise provided in this Purchase Order, Seller's system of Quality Control during the performance of this Purchase Order shall be in accordance with the specifications required by Buyer's Contract.

c. Seller agrees it will negotiate Purchase Order modification(s) in good faith to incorporate additions, deletions, and changes to the clauses set forth below if Buyer deems them necessary to comply with Buyer's Contract or modifications to Buyer's Contract. If any such modification to this Purchase Order causes an increase or decrease in the cost, or the time required for the performance, of any part of the work under this Purchase Order, an equitable adjustment shall be made pursuant to the "Changes" clause of this Purchase Order.

d. The following clauses of the FAR and DFARS are incorporated herein by reference, and made part hereof with the same force and effect as if they were given in full text, to the extent and with the changes to the clause text specified herein. The date of each clause is specified; however, the clause in effect in the Buyer's Contract on the date of this Purchase Order shall be incorporated by reference and changes, if necessary, to each such clause shall be made to be consistent with the intent of the changes set forth below.

**37. REPRESENTATIONS AND CERTIFICATIONS.** The following representations and certifications are material representations relied upon by Buyer in making award to Seller. Seller shall notify Buyer of any change of circumstances affecting representations and certifications made by Seller. *The representations and certifications as set forth below omit several choices that appear in the FAR*

*version. By executing this Purchase Order, Seller represents that it has considered the full FAR version of the representations and certifications before executing this Purchase Order and affirms that the representations and certifications below are accurate.*

**FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (9/2007).**  
Applicable only if this Purchase Order exceeds \$150,000.

**Certification.** The offeror, by signing its offer, hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

**Disclosure.** If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made

**FAR 52.209-5 Certification Regarding Responsibility Matters (8/2020)**

(a) (1) Seller certifies, to the best of its knowledge and belief, that-

(i) The Seller and/or any of its Principals-

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal Criminal tax laws, or receiving stolen property;

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision;

(D) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$10,000 for which the liability remains unsatisfied.

(ii) The Seller has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

**FAR 52.222-22 Previous Contracts and Compliance Reports (2/1999)**

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

**FAR 52.222-25 Affirmative Action Compliance (4/1984)**

The offeror represents that --

It has developed and has on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2)

**FAR 52.223-19 Compliance with Environmental Management Systems (5/2011)**

The Seller's work under this Purchase Order shall conform with all operational controls identified in the applicable agency or facility Environmental Management Systems and provide monitoring and measurement information necessary for the Buyer to address environmental performance relative to the goals of the Environmental Management Systems.

**FAR 52.225-18 Place of Manufacture (3/2015)**

b) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

(1)  In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2)  Outside the United States.

**ITAR/FCPA Disclosure Certification**

By signing this Purchase Order, Seller hereby certifies he has not paid, or offered or agreed to pay, or has caused to be paid, or offered or agreed to be paid directly or indirectly, in respect of this Purchase Order any political contributions, fees or commissions (as defined in Part 130 of the International Traffic In Arms Regulations ["ITAR"], as amended and/or the Foreign Corrupt Practices Act ["FCPA"], as amended).

Seller further certifies that it will not offer, pay, promise to pay, or authorize the payment of any money, or offer, give, promise to give, or authorize the giving of anything of value to a Territory official (as defined in the FCPA, as amended), to any Territory political party or official thereof or any candidate for Territory political office, or to any person, while knowing or being aware of a high probability that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any Territory official, to any Territory political party or official thereof, or to any candidate for Territory political office, for the purposes of:

- (a) influencing any act or decision of such Territory official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or
- (b) inducing such Territory official, political party, party official, or candidate to use his or its influence with the Territory government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist Buyer or Seller in obtaining or retaining business for or with, or directing business to Buyer or Seller.

**Affirmative Action**

For any Seller holding a contract in excess of \$100,000, the Seller shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities.

For any Seller holding a contract in excess of \$10,000, but less than \$100,000, the Seller shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**INCORPORATION OF FEDERAL CLAUSES** - The following clauses incorporated by reference shall be those in effect on the effective date of the Government Prime Contract (as amended) with Buyer to which this Order, subcontract, Purchase Order, or agreement relates. The FAR and Supplements thereto are obtainable from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Portions of the FAR are also accessible at <http://www.arnet.gov/far/>.

(B) Any reference in the following clauses to the "Disputes" clause shall mean the Article entitled "Disputes Under A Government Prime Contract" of the Order to which these Terms and Conditions are attached.

(C) Seller shall insert the following provisions in lower tier subcontracts, either verbatim or in substance, and by incorporation-by-reference or otherwise as appropriate.

(D) Wherever used, the terms "Contract" and "Contractor" shall mean this Order (or subcontract, Purchase Order, or agreement) and Seller (including Seller as Bidder or Offeror), respectively. The terms "Government," "Contracting Officer," and equivalent phrases shall mean Buyer except where further clarified or modified and except that the clauses identified by \* shall have their original meaning as written in the FAR, and when identified by \*\* shall not only have their original meaning as written in the FAR, but also shall mean Buyer. "Subcontractor," however, shall mean "Seller's Subcontractor."

Seller acknowledges it has had the opportunity to inquire as to the clauses present in Buyer's contract and agrees to be bound to such clauses in the manner listed below.

Any reference to a "Default" clause shall mean Paragraph 21b, "Termination for Cause" of this Purchase Order.

## I. FAR CLAUSES

- 52.203-3**                    **Gratuities\*** (The term "agency head" means Buyer). (4/1984) (Applicable if this Order exceeds the simplified acquisition threshold in FAR 2.101)
- 52.203-5**                    **Covenant Against Contingent Fees.** (5/2014) (Applicable if this Order exceeds the simplified acquisition threshold in FAR 2.101)
- 52.203-6**                    **Restrictions on Subcontractor Sales to the Government.** (6/2020) (Applicable if this Order exceeds the simplified acquisition threshold in FAR 2.101)
- (a) Except as provided in (b) of this clause, the Contractor shall not enter into any agreement with an actual or prospective subcontractor, nor otherwise act in any manner, which has or may have the effect of restricting sales by such subcontractors directly to the Government of any item or process (including computer software) made or furnished by the subcontractor under this contract or under any follow-on production contract.
- (b) The prohibition in (a) of this clause does not preclude the Contractor from asserting rights that are otherwise authorized by law or regulation.
- (c) The Contractor agrees to incorporate the substance of this clause, including this paragraph (c), in all subcontracts under this contract which exceed the simplified acquisition threshold.
- 52.203-7**                    **Anti-Kickback Procedures.** (6/2020)  
Applicable if this Order exceeds \$150,000, except that paragraph (c)(1) of FAR 52.203-7 is not included in this Order. Paragraph (c)(4) is revised by deleting "The Contracting Officer may" and inserting "To the extent the Contracting Officer has effected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may ...."  
(If applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.203-10**                   **Price or Fee Adjustment for Illegal or Improper Activity.** (5/2014)
- 52.203-11**                   **Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions.** (9/2007)
- 52.203-12**                   **Limitation on Payments to Influence Certain Federal Transactions.** (6/2020)  
(Applicable if this Order exceeds \$150,000)  
(g) *Subcontracts.*
- (1) The Contractor shall obtain a declaration, including the certification and disclosure in paragraphs (c) and (d) of the provision at FAR 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions, from each person requesting or receiving a subcontract exceeding \$150,000 under this contract. The Contractor or subcontractor that awards the subcontract shall retain the declaration.
- (2) A copy of each subcontractor disclosure form (but not certifications) shall be forwarded from tier to tier until received by the prime Contractor. The prime Contractor shall, at the end of the calendar quarter in which the disclosure form is submitted by the subcontractor, submit to the Contracting Officer within 30 days a copy of all disclosures. Each subcontractor certification shall be retained in the subcontract file of the awarding Contractor.
- (3) The Contractor shall include the substance of this clause, including this paragraph (g), in any subcontract exceeding \$150,000
- 52.203-13**                   **Contractor Code of Business Ethics and Conduct** (6/2020)  
(Applicable if this Order exceeds \$5,500,000 and a performance of more than 120 days)
- 52.203-14**                   **Display of Hotline Poster(s)** (6/2020)  
(Applicable if this Order exceeds \$5,500,000 unless the subcontract is for a commercial item OR is performed entirely outside of the United States. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document)

- 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (1/2017)**  
(The language of this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.204-2 Security Requirements.\* (3/2021)** (Applicable in all solicitations and subcontracts when the Seller may require access to classified information that is “Confidential”, “Secret”, or “Top Secret”. Excluding any reference to the Changes clause in the prime contract.)
- 52.204-9 Personal Identity Verification of Contractor Personnel. (1/2011)**  
(The substance of this clause is applicable in all subcontracts when the subcontractor’s employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.)
- 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (6/2016)** Applicable in all subcontracts, including subcontracts for the acquisition of commercial items, other than commercially available off-the-shelf items, in which the subcontractor may have Federal contract information residing in or transiting through its information system.  
(When applicable, the language of this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (7/2018)**  
(The language of this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (10/2020)**  
(The Seller shall review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for “covered telecommunication equipment or services”).
- By accepting this Purchase Order, Seller represents that it DOES NOT use covered telecommunications equipment or services, or use any equipment system, or service that uses covered telecommunications equipment or services, AND, WILL NOT provide covered telecommunications equipment or services to GD-OTS and/or the U.S. Government in the performance of this contract, subcontract, or other contractual instrument.
- If the Seller does use covered telecommunications equipment or services OR will provide covered telecommunication equipment or services, then disclosure must be made through GD-OTS per 52.204-24(e).
- 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (8/2020)**  
(The language of this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.204-26 Covered Telecommunications Equipment or Services-Representation (10/2020)**  
(The Seller shall review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for “covered telecommunication equipment or services”).
- By accepting this Purchase Order, Seller represents it does not provide covered telecommunications equipment or services as a part of its offered products or services to GD-OTS or the U.S. Government in the performance of any contract, subcontract, or other contractual instrument AND that Seller does not use covered telecommunications equipment or services, or any equipment, system, or service that uses covered telecommunications equipment services.)
- 52.209-6 Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (6/2020)**
- (a) Definition. “Commercially available off-the-shelf (COTS) item,” as used in this clause--
- (1) Means any item of supply (including construction material) that is—
    - (i) A commercial item (as defined in paragraph (1) of the definition in FAR 2.101);
    - (ii) Sold in substantial quantities in the commercial marketplace; and
    - (iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and
  - (2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

(b) The Government suspends or debar Contractors to protect the Government's interests. Other than a subcontract for a commercially available off-the-shelf item, the Contractor shall not enter into any subcontract in excess of \$35,000 with a Contractor that is debarred, suspended, or proposed for debarment by any executive agency unless there is a compelling reason to do so.

(c) The Contractor shall require each proposed subcontractor whose subcontract will exceed \$35,000, other than a subcontractor providing a commercially available off-the-shelf item, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

(d) A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party (other than a subcontractor providing a commercially available off-the-shelf item) that is debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the System for Award Management (SAM) Exclusions). The notice must include the following:

- (1) The name of the subcontractor.
- (2) The Contractor's knowledge of the reasons for the subcontractor being listed with an exclusion in SAM.
- (3) The compelling reason(s) for doing business with the subcontractor notwithstanding its being listed with an exclusion in SAM.
- (4) The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

(e) Subcontracts. Unless this is a contract for the acquisition of commercial items, the Contractor shall include the requirements of this clause, including this paragraph (e) (appropriately modified for the identification of the parties), in each subcontract that—

- (1) Exceed \$35,000 in value; and
- (2) Is not a subcontract for commercially available off-the-shelf items

**52.209-10 Prohibition on Contracting with Inverted Domestic Corporations. (11/2015)**

**52.211-5 Material Requirements. (8/2000)**

**52.211-15 Defense Priority and Allocation Requirements. (4/2008)**

If this Order is a "rated order" as indicated by a DPAS rating elsewhere in this Order, Seller will follow all the provisions of the Defense Priorities and Allocation System Regulations.

**52.214-26 Audit and Records-Sealed Bidding. (6/2020)** (Applicable if this Order exceeds the threshold for obtaining certified cost or pricing data of \$2,000,000 (or as otherwise listed in 15.403-4(a)(1)) and is awarded by sealed bidding procedures.) (When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause, including paragraph (e), is contained within this document.)

**52.214-27 Price Reduction for Defective Certified Cost or Pricing Data – Modifications – Sealed Bidding. (6/2020)**

In paragraph (d), the term "Contracting Officer" does not change. Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in the FAR.

**52.214-28 Subcontractor Certified Cost or Pricing Data — Modifications — Sealed Bidding. (6/2020)**

Applicable if at the time the Order was entered into, it exceeded the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1). (When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause, including paragraph (d), is contained within this document.)

**52.215-2 Audit and Records — Negotiation.\* (6/2020)**

(Applicable in all subcontracts that exceed the simplified acquisition threshold and (1) are cost-reimbursable, incentive, time-and-materials, labor hour, or price-redeterminable type or any combination of these; (2) for which certified cost or pricing data are required; or (3) that require the subcontractor to furnish reports as discussed in paragraph (e) of this clause. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause, including paragraph (g), is contained within this document.)

**52.215-10 Price Reduction for Defective Certified Cost or Pricing Data. (8/2011)** (Applicable to Orders for which it is contemplated cost or pricing data will be required.)

In paragraph (c) the term "Contracting Officer" does not change. Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in the FAR.



- 52.215-11 Price Reduction for Defective Certified Cost of Pricing Data — Modifications.** (6/2020) (Applicable to Orders for which it is contemplated cost or pricing data will be required for modifications and the Order includes FAR 52.215-10.)
- In paragraph (d), the term “Contracting Officer” does not change. Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in the FAR.
- 52.215-12 Subcontractor Certified Cost or Pricing Data.** (6/2020)  
Applicable if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1). When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.215-13 Subcontractor Certified Cost or Pricing Data — Modifications.** (6/2020)  
Applicable if the Order, when entered into, exceeds the threshold for submission of cost or pricing data at FAR 15.403-4(a)(1). When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause, including paragraph (d), is contained within this document.)
- 52.215-14 Integrity of Unit Prices.** (6/2020) Alt. I (10/1997) (Applicable, except for paragraph (b), if this Order exceeds the simplified acquisition threshold in FAR 2.101) When applicable, this clause, less paragraph (b), is hereby flowed down as if the language of the clause is contained within this document.)
- 52.215-15 Pension Adjustments and Asset Reversions.** (10/2010)  
Applicable in solicitations and purchase orders for which it is anticipated that cost or pricing data will be required or for which any pre-award or post-award cost determination will be subject to FAR Part 31. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.
- 52.215-16 Facilities Capital Cost of Money.** (6/2003)
- 52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions.** (7/2005)  
Applicable in solicitations and purchase orders for which it is anticipated that cost or pricing data will be required or for which any pre-award or post-award cost determination will be subject to FAR Part 31. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.
- 52.215-19 Notification of Ownership Changes.** (10/1997)  
Applicable in solicitations and purchase orders for which it is anticipated that cost or pricing data will be required or for which any pre-award or post-award cost determination will be subject to FAR Part 31. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.
- 52.219-8 Utilization of Small Business Concerns.** (10/2018), (Applicable only if this Order offers further subcontracting opportunities).
- 52.219-9 & Alt. II Small Business Subcontracting Plan.** (6/2020) (Applicable only if this Order offers further subcontracting opportunities, exceeds \$750,000, and Seller is not a Small Business Concern.)
- 52.219-16 Liquidated Damages — Subcontracting Plan.** (1/1999)
- 52.222-1 Notice to the Government of Labor Disputes.** (2/1997)
- 52.222-4 Contract Work Hours and Safety Standards — Overtime Compensation.** (3/2018)  
Applicable if this Order requires employment of laborers or mechanics. When applicable, paragraphs (a) through (d) is hereby flowed down as if the language of the clause is contained within this document and the subcontractor is responsible for same at any lower-tier subcontractor. In addition, Buyer may withhold or recover from the Seller any sums the Contracting Officer withholds or recovers from Buyer because of a violation of a provision of this clause by the Seller or Seller’s subcontractor.
- 52.222-20 Contracts for Materials, Supplies, Articles and Equipment** (6/2020) (Applicable when the threshold as listed in FAR 22.602 (\$15,000) is exceeded or may exceed at the time of award)
- 52.222-21 Prohibition of Segregated Facilities.** (4/2015)

- 52.222-26 **Equal Opportunity.** (9/2016)  
Subparagraphs (b)(1) through (11) of FAR 52.222-26 only are included in this Order.
- 52.222-35 **Equal Opportunity for Veterans.** (6/2020) (Applicable if the Order is for \$150,000 or more.)
- 52.222-36 **Equal Opportunity for Workers with Disabilities.** (6/2020)  
Applicable if this Order exceeds \$15,000. Paragraph (b)(2) is revised to delete “provided by or through the Contracting Officer” and insert “provided upon request by the Contracting Officer through the Buyer’s Purchasing Representative.”
- 52.222-37 **Employment Reports on Veterans.** (6/2020) (Applicable if the clause at 52.222-35 is applicable.)
- 52.222-40 **Notification of Employee Rights under the National Labor Relations Act.** (12/2010)  
(Applicable in every subcontract that exceeds \$10,000 and will be performed wholly or partially in the United States, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009.)  
  
When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.
- 52.222-50 **Combating Trafficking In Persons** (10/2020)  
Paragraph (h) of this clause is applicable to portions of the subcontract that are for supplier, other than commercially off-the-shelf items, acquired outside of the United States, or services to be performed outside the United States; and has an estimated value that exceeds \$550,000. If paragraph (h) is applicable, the Seller shall submit a certification to the Buyer prior to award of the subcontract and annually thereafter. Certification shall cover the items listed in paragraph (h)(5) of this clause.
- 52.222-54 **Employment Eligibility Verification.** (10/2015)  
(Applicable in subcontracts for Commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and are normally provided for that COTS item; or Construction services; AND has a value of \$3500 or more; AND includes work performed in the United States.)
- 52.223-3 **Hazardous Material Identification and Material Safety Data.** (2/2021) (Applicable in solicitations and subcontracts that require the delivery of hazardous materials as defined in FAR 23.301.)
- 52.223-5 **Pollution Prevention and Right-to-Know Information.** (5/2011)
- 52.223-7 **Notice of Radioactive Materials.** (1/1997) (Applicable in subcontracts or radioactive materials meeting paragraph (a) of this clause. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.223-11 **Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons.** (6/2016)
- 52.224-2 **Privacy Act.** (4/1984) (Applicable in all subcontracts which requires the design, development, or operation of such a system of records.)
- 52.225-8 **Duty Free Entry.** (10/2010) (Applicable when supplies on this subcontract will be imported into the customs territory of the United States. When applicable, the substance of this clause is hereby flowed down as if the language of the clause is contained within this document.)
- 52.225-13 **Restrictions on Certain Foreign Purchases.\*** (2/2021) (The language of this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.225-25 **Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran – Representation and Certifications.** (6/2020)
- 52.227-1 **Authorization and Consent.** (6/2020) (Applicable for all subcontracts that exceed the simplified acquisition threshold. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.227-2 **Notice and Assistance Regarding Patent and Copyright Infringement.** (6/2020) (Applicable if the Order is expected to exceed the simplified acquisition threshold. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.227-3 **Patent Indemnity.** (4/1984)

- 52.227-9           **Refund of Royalties.** (4/1984) (Applicable if the amount of royalties reported during negotiation of the subcontract exceeds \$250. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.227-10          **Filing of Patent Applications--Classified Subject Matter.** (12/2007) (Applicable in subcontracts that cover or are likely to cover classified subject matter. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.227-11          **Patent Rights--Ownership by the Contractor.** (5/2014)
- 52.227-13          **Patent Rights--Ownership by the Government.** (12/2007)
- 52.227-14          **Rights in Data - General.** (5/2014)
- 52.228-3           **Workers' Compensation Insurance (Defense Base Act).** (7/2014)
- 52.228-4           **Workers' Compensation and War-Hazard Insurance Overseas.** (4/1984)
- 52.228-5           **Insurance — Work on a Government Installation.** (1/1997) (Applicable if this Order requires work on a Government installation. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.229-3           **Federal, State, and Local Taxes.** (2/2013)
- 52.229-4           **Federal, State, and Local Taxes (State and Local Adjustments).** (2/2013)
- 52.229-6           **Taxes -- Foreign Fixed-Price Contracts.** (2/2013)
- 52.232-17          **Interest.** (5/2014)
- 52.233-3           **Protest After Award.** (8/1996)  
Under Paragraph (f) of this clause, the Buyer may withhold or recover from Seller any sums the Contracting Officer withholds or recovers from Buyer because of an intentional or negligent misstatement, misrepresentation or miscertification of the Seller which results in a bid protest being sustained.
- 52.234-1           **Industrial Resources Developed Under Defense Production Act Title III.** (9/2016) (This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.236-7           **Permits and Responsibilities.** (11/1991)
- 52.242-1           **Notice of Intent to Disallow Costs.** (4/1984)
- 52.242-15          **Stop-Work Order.** (8/1989)  
The words "ninety (90) days" are changed to "one hundred (100) days" and the words "thirty (30) days" are changed to "twenty (20) days" wherever they appear.
- 52.244-2           **Subcontracts.** (6/2020)
- 52.244-5           **Competition in Subcontracting.** (12/1996)
- 52.244-6           **Subcontracts for Commercial Items.** (7/2021) (This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 52.245-1           **Government Property** (1/2017) (When the subcontract is to be performed outside of the United States of America, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished", respectively.)
- 52.245-2           **Government Property Installation Operation Services.** (4/2012)  
"Government" means "Government" and/or "Buyer."
- 52.246-2           **Inspection of Supplies – Fixed Price.** (8/1996)
- 52.246-26          **Reporting Nonconforming Items** (6/2020)

This clause is applicable in all subcontracts for (1) items subject to higher-level quality standards in accordance with the clause at FAR 52.246-11, Higher-Level Contract Quality Requirement; (2) for items that the Contractor determines to be Critical Items for which the use of this clause is appropriate; or (3) for electronic parts or end items, components, parts, or materials containing electronic parts, whether or not covered in the aforementioned items, if the subcontract exceeds the simplified acquisition threshold and this subcontract is by, or for, the Department of Defense. This clause is **not applicable** in subcontracts for Commercial Items or for Medical devices that are subject to the Food and Drug Administration reporting requirements at 21 CFR 803.

When applicable, this clause, in its entirety, is hereby flowed down, and must be flowed down in all sub-tier subcontracts, as if the language of the clause is contained within this document.

**52.247-63 Preference for U.S.-Flag Air Carriers.** (6/2003) (Applicable in subcontracts that may involve international air transportation. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**52.248-1  
& Alt. I, II,  
& III**

**Value Engineering.** (6/2020) (Applicable if this Order exceeds \$150,000)

**52.249-2 Termination for Convenience of the Government — Fixed-Price.** (4/2012)

Paragraph (c): Change “120 days” to “60 days”.

Paragraph (d): Plant clearance procedure is omitted.

Paragraph (e): The time for submission of the final termination settlement proposal is changed from “1 year” to “6 months” from the effective date of termination.

Paragraph (l): The time for submission of a proposal for an equitable adjustment after a partial termination is changed from “90 days” to “45 days” from the effective date of termination.

## II. DFARS CLAUSES

**252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies.** (12/2008) (Applicable to first tier subcontractors only if this Order exceeds the simplified acquisition threshold in FAR Part 2 and the Prime Contract is not for commercial items. “Government” is not changed in this clause.)

**252.203-7002 Requirement to Inform Employees of Whistleblower Rights** (9/2013) (This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**252.203-7004 Display of Hotline Posters.** (8/2019) (Applicable in subcontracts exceeding \$5,500,000) ((When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**252.204-7000 Disclosure of Information.** (10/2016)

**252.204-7004 Antiterrorism Awareness Training for Contractors** (2/2019) (Applicable in subcontracts, including subcontracts for commercial items, when subcontractor performance requires physical access to a Federally-controlled facility or military installation. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document).

**252.204-7008 Compliance with Safeguarding Covered Defense Information Controls** (10/2016)  
Replace “Contracting Officer” with “Buyer”

**252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting** (12/2019) (Applicable in subcontracts for operationally critical support or for which subcontract performance will involve covered defense information, including subcontracts for commercial items, without alteration, except to identify the parties. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

SUBCONTRACTORS NOT COMPLIANT WITH DFARS 252.204-7012 SHALL NOT STORE, SEND, RECEIVE OR CREATE ANY COVERED DEFENSE INFORMATION (CDI) OR CONTROLLED UNCLASSIFIED INFORMATION (CUI) ON SUBCONTRACTOR’S COVERED INFORMATION SYSTEMS INCLUDING DIGITAL PHOTOGRAPHS OR COPIES. SUBCONTRACTORS SHALL REPORT ANY BREACH OF DFARS REQUIREMENT TO BUYER WITHIN TWENTY-FOUR (24) HOURS OF ANY BREACH OR POTENTIAL BREACH OF THIS PROTOCOL.

Subcontractor must notify Contractor when submitting a request to vary from a NIST SP 800-171 security requirement, in accordance with paragraph (b)(2)(ii)(B) of this clause.

Subcontractor must provide the incident report number, automatically assigned by DoD, to the Contractor as soon as practicable, when reporting a cyber incident to DoD as required in paragraph (c) of this clause.

**252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services (1/2021)**  
(Applicable in all subcontracts, including subcontracts for the acquisition of commercial items. This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**252.204-7019 Notice of NIST SP 800-171 DoD Assessment Requirements (11/2020)**  
(Applicable for any subcontractor that has access to, processes, stores, or transmits Controlled Unclassified Information, CUI. This clause must be flowed down to all subcontractors at all tiers)

**252.204-7020 NIST SP 800-171 Assessment Requirements (11/2020)**  
(Applicable for any subcontractor that has access to, processes, stores, or transmits Controlled Unclassified Information, CUI. This clause must be flowed down to all subcontractors at all tiers)

**252.204-7021 Cybersecurity Maturity Model Certification Requirements (11/2020)**  
(Applicable for any subcontractor that has access to, processes, stores, or transmits Controlled Unclassified Information, CUI. This clause must be flowed down to all subcontractors at all tiers)

**252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material. (12/1991)** (Applicable in solicitations and subcontracts wherein the purchase contains precious metals, defined as silver, gold, platinum, palladium, iridium, rhodium, or ruthenium. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**252.209-7004 Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism. (5/2019)**

**252.211-7003 Item Unique Identification and Valuation. (3/2016)**

**252.219-7003 Small Business Subcontracting Plan (DoD Contracts). (12/2019)** (Applicable to Orders over \$750,000 when the subcontract is issued to a Large Business).

**252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements. (12/2010)**

**252.223-7001 Hazard Warning Labels. (12/1991)**

**252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials - Basic. (9/2014)**  
(Applicable in subcontracts (at any tier) that require, may require, or permit a subcontractor to access a U.S.G. Department of Defense installation, at any subcontract tier.)

**252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives. (9/1999)**  
(a) *Definition.* "Arms, ammunition, and explosives (AA&E)," as used in this clause, means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

(b) The requirements of DoD 5100.76-M apply to the following items of AA&E being developed, produced, manufactured, or purchased for the Government, or provided to the Contractor as Government-furnished property under this contract:

Nomenclature: [to be updated if identified in the Prime Contract]

NSN: [to be updated if identified in the Prime Contract]

Sensitivity/Category: [to be updated if identified in the Prime Contract]

(c) The Contractor shall comply with the requirements of DoD 5100.76-M, as specified in the statement of work. The edition of DoD 5100.76-M in effect on the date of issuance of the solicitation for this contract shall apply.

(d) The Contractor shall allow representatives of the Defense Security Service (DSS), and representatives of other appropriate offices of the Government, access at all reasonable times into its facilities and those of its subcontractors, for the purpose of performing surveys, inspections, and investigations necessary to review compliance with the physical security standards applicable to this contract.

(e) The Contractor shall notify the cognizant DSS field office of any subcontract involving AA&E within 10 days after award of the subcontract.

(f) The Contractor shall ensure that the requirements of this clause are included in all subcontracts, at every tier

(1) For the development, production, manufacture, or purchase of AA&E; or

(2) When AA&E will be provided to the subcontractor as Government-furnished property.

(g) Nothing in this clause shall relieve the Contractor of its responsibility for complying with applicable Federal, state, and local laws, ordinances, codes, and regulations (including requirements for obtaining licenses and permits) in connection with the performance of this contract.

- 252.225-7000 Buy American — Balance of Payments Program Certificate - Basic.** (11/2014)
- 252.225-7001 Buy American and Balance of Payments Program - Basic.** (12/2017)
- 252.225-7002 Qualifying Country Sources as Subcontractors.** (12/2017)
- 252.225-7003 Report of Intended Performance Outside the United States and Canada -- Submission with Offer.** (10/2020)
- 252.225-7004 Report of Intended Performance Outside the United States and Canada — Submission after Award.** (10/2020)  
Applicable to first tier subcontracts over \$750,000. Paragraphs (c)(4) and (c)(5) are omitted. Seller shall provide reports to the Buyer in substantially the form prescribed in the DFARS.
- 252.225-7008 Restriction on Acquisition of Specialty Metals.** (3/2013)
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals.** (12/2019) (Applicable in all subcontracts, including subcontracts for commercial items, that are for items containing specialty metals, as defined in this clause. When applicable, paragraphs (a) through (c) and paragraph (e)(2) are flowed down as if the language of each paragraph are contained within this document.)
- 252.225-7010 Commercial Derivative Military Article – Specialty Metals Compliance Certificate.** (7/2009)
- 252.225-7012 Preference for Certain Domestic Commodities.** (12/2017)
- 252.225-7013 Duty-Free Entry.** (4/2020)  
The Buyer will obtain from the Government duty-free entry certificates and afford such assistance as appropriate to obtain the duty-free entry of qualifying country supplies for which the shipping documents bear the notation specified in paragraph (f) of this clause.
- 252.225-7015 Restriction on Acquisition of Hand or Measuring Tools.** (6/2005)
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings.** (6/2011) (Applicable in subcontracts for items that contain roller bearings. Not applicable for commercial items. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 252.225-7025 Restriction on Acquisition of Forgings.** (12/2009) (Applicable in subcontracts for forging items or for other items that contain forging items. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate.** (12/2006)
- 252.225-7033 Waiver of United Kingdom Levies.** (4/2003) (Applicable in subcontracts for supplies where a lower-tier subcontract exceeding \$1 Million with a U.K. firm is anticipated. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 252.225-7040 Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States.** (10/2015) (Applicable when subcontractor personnel are supporting U.S. Armed Forces deployed outside of the United States in (1) Contingency Operations; (2) Peace operations consistent with Joint Publication 3-07.3; or (3) Other military operations or military exercises, when designated by Combatant Commander or as directed by

the Secretary of Defense. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

- 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises And Native Hawaiian Small Business Concerns.** (4/2019) (Applicable if this Order exceeds \$500,000)
- 252.227-7013 & Alt. I Rights in Technical Data – Noncommercial Items.** (2/2014)  
“[T]o the Contractor” is deleted from (b)(1)(vi) and “contract or” and “thereunder” is deleted from (b)(1)(ix). “Buyer or” is added before “Government” in (c) and (i). The second and third occurrences of “Contracting Officer” are changed to “Government” in (e)(4) “And the Government” is added after “parties” in (h)(1). In (h)(2) “sixty (60)” is changed to “fifty (50)” days. No substitutions for “Government” are made.
- 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation.** (2/2014)  
“[T]o the Contractor” is deleted from (b)(1)(iii) and “contract or” and “thereunder” is deleted from (b)(1)(vi). “Buyer or” is added before “Government” in (i). The second and third occurrences of “Contracting Officer” have been changed to “Government” in (e)(4). “And the Government” is added after “parties” in (h)(1). In (h)(2) “sixty (60)” is changed to “fifty (50)” days. No substitutions for “Government” are made.
- 252.227-7015 Technical Data -- Commercial Items.** (2/2014)
- 252.227-7016 Rights in Bid or Proposal Information.** (1/2011)  
No substitutions for “Government” or “Contracting Officer” are made. This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document. This clause is required to be flowed down to subcontractors at all levels.
- 252.227-7019 Validation of Asserted Restrictions — Computer Software.** (9/2016)  
“Buyer’s Purchasing Representative” is substituted for “Contracting Officer” in paragraph (b), otherwise no substitutions are made for “Contracting Officer” or “Government.” In paragraphs (f)(5) and (f)(6) “the prime contract” is substituted for “this contract.” This clause is required to be flowed down to subcontractors at all levels that are furnishing computer software for U.S. Government end use.
- 252.227-7025 Limitations On The Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.** (5/2013)
- 252.227-7027 Deferred Ordering of Technical Data or Computer Software.** (4/1988)
- 252.227-7030 Technical Data — Withholding of Payment.** (3/2000)  
“Buyer” is substituted for “Contracting Officer” in paragraph (a). In paragraph (b), “or Buyer” is added after “Government.”
- 252.227-7037 Validation of Restrictive Markings on Technical Data.** (9/2016)  
In paragraph (b), “Contractor’s” remains in the clause with a lower case “c.” In paragraphs (c) and (d)(1), “hereunder” is inserted after “subcontract.” In paragraphs (f) and (g)(2)(i), change “this contract” to “the prime contract,” and in paragraph (i), change “a contract” to “the prime contract.” No substitutions for “Government” or “Contracting Officer” are made.  
  
This clause is required to be flowed down to subcontractors at all levels that are delivering technical data.
- 252.231-7000 Supplemental Cost Principles.** (12/1991)
- 252.235-7003 Frequency Authorization.** (3/2014)  
(Applicable to subcontractors for development, production, construction, testing, or operation of a device for which a radio frequency is required. This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 252.236-7000 Modification Proposals — Price Breakdown.** (12/1991)
- 252.243-7001 Pricing of Contract Modifications.** (12/1991)
- 252.244-7000 Subcontracts for Commercial Items** (1/2021)  
(This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)
- 252.246-7003 Notification of Potential Safety Issues.** (6/2013)

(Applicable to subcontractors for parts identified as safety items, systems and subsystems, assemblies, and subassemblies integral to system, or repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**252.246-7007**

**Contractor Counterfeit Electronic Part Detection and Avoidance System (8/2016)**

(Applicable when electronic parts or assemblies containing electronic parts are provided, including subcontracts for commercial items). (When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**252.246-7008**

**Sources of Electronic Parts (5/2018)**

(Applicable when electronic parts or assemblies containing electronic parts are provided, including subcontracts for commercial items, unless the subcontractor is the original manufacturer). (When applicable, this clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**252.247-7023**

**Transportation of Supplies by Sea - Basic. (2/2019)**

(This clause, in its entirety, is hereby flowed down as if the language of the clause is contained within this document.)

**III. ADDITIONAL FAR/DFARS CLAUSES**

GD-OTS reserves the right to add FAR/DFARS clauses and other contract terms in Section III of the subject Terms and Conditions in addition to any special provisions that may be required to be flowed down from its customer.