**Full Text Clauses**

**SMC--D001 MILITARY PACKAGING AND MARKING (MAR 2008)** (Applicable if you will be making direct shipments to the Government.)

Items shall be packaged in accordance with MIL-STD-1367A, PACKAGING, HANDLING, STORAGE, AND TRANSPORTABILITY PROGRAM REQUIREMENTS FOR SYSTEMS AND EQUIPMENTS as tailored in Attachment 1, "Statement of Work". Shipping and storage markings shall also be in accordance with MIL-STD-1367A as tailored in Attachment 1, "Statement of Work".

**SMC--D002 PACKAGING AND MARKING OF HAZARDOUS MATERIALS (AUG 2005)** (Applicable if you will be delivering any hazardous material directly to the Government.)

Hazardous materials shall be prepared for shipment in accordance with the following applicable regulations for the individual shipment hazard, ultimate destination, and mode of transportation:

(a) Code of Federal Regulations (CFR) Title 29, Part 1910.1200;

(b) CFR Title 49;

(c) Air Force Joint Manual (AFJMAN) 24-204, Preparing Hazardous Materials for Military Air Shipment;

(d) International Civil Aviation Organization (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air; and

(e) International Maritime Dangerous Goods (IMDG) Code.

**SMC--D004 PACKAGING DATA (MAR 2008)** (Applicable if required by the purchase order/subcontract to provide packaging data.)

The Contractor shall provide packaging data in accordance with DD Form 2326, Preservation and Packing Data, and/or DD Form 2169, Special Packaging Instructions. MIL-STD-1367A PACKAGING, HANDLING, STORAGE, AND TRANSPORTABILITY PROGRAM REQUIREMENTS FOR SYSTEMS AND EQUIPMENTS. DI-PACK-80120B, Preservation and Packing Data, and DI-PACK-80121B, Special Packaging Instructions, apply.

**H063 CONTRACTOR IDENTIFICATION (FEB 2003)** (Applicable for all purchase orders/subcontracts.)

(a) Contractor personnel and their subcontractors must identify themselves as contractors or subcontractors during meetings, telephone conversations, in electronic messages, or correspondence related to this contract.

(b) Contractor-occupied facilities on Government installations such as offices, separate rooms, or cubicles must be clearly identified with contractor supplied signs, name plates or other identification, showing that these are work areas for contractor or subcontractor personnel.

**SMC--H009 ENABLING CLAUSE FOR GENERAL SYSTEM ENGINEERING AND INTEGRATION (GSE&I) (AEROSPACE CORP) (SEP 2005)** (Applicable for all purchase orders/subcontracts.)

(a) Definition. As used in this clause, "Cost data" is defined as information associated with the programmatic elements or life cycle (concept, development, production, operations, and retirement) of the system/program. As defined, cost data differs from "financial" data, which is defined as information associated with the internal workings of a company or contractor that is not specific to a project or program.

(b) This contract covers the GPS IIIA program, which is under the general program management of the Air Force Space and Missile Systems Center at Los Angeles Air Force Base. The Air Force has entered into a contract with The Aerospace Corporation for the services of a technical group, which will support the DoD program office by performing General Systems Engineering and Integration (GSE&I).

(c) GSE&I deals with overall system definition, integration both within the system and with associated systems, analysis of system segment and subsystem design, design compromises and tradeoffs, definition of interfaces, review of hardware and software, including manufacturing and quality control, observation, review and evaluation of tests and test data, support of launch, flight test, and orbital operations, appraisal of the contractor's technical performance through meetings with contractors and subcontractors, exchange and analysis of information on progress and problems, review of plans for future work, developing solutions to problems, technical alternatives for reduced program risk, providing comments and recommendations in writing to the DoD System Program Manager and Project Officer as an independent technical assessment for consideration for modifying the program or redirecting the contractor's efforts, all to the extent necessary to assure timely and economical accomplishment of program objectives consistent with mission requirements.

(d) In the performance of this contract, the contractor agrees to cooperate with The Aerospace Corporation by responding to invitations from authorized personnel to attend meetings, providing access to technical information and research, development planning data such as, but not limited to, design and development analyses, test data and results, equipment and process specifications, test and test equipment specifications and procedures, parts and quality control procedures, records and data, manufacturing and assembly procedures, and schedule and milestone data, all in their original form or reproduced form and including cost data, by delivering data as specified in the Contract Data Requirements List, by discussing technical matters relating to this program, by providing access to contractor facilities utilized in the performance of this contract, and by allowing observation of technical activities by appropriate Aerospace Technical Personnel. The Aerospace personnel engaged in GSE&I effort are authorized access to any technical information pertaining to this contract and are bound by Aerospace's Non-Disclosure Agreement (NDA) with the Government to protect the information they receive. Other than those data items delivered to the Government with “Unlimited Rights” as shown in Attachment 13 of the contract FA8807-08-C-0010, Aerospace shall not use, modify, reproduce, release, perform, display or disclose the information they receive on any other program without the written consent of both the Contractor and the GPSW.

(e) The contractor further agrees to include in each subcontract a clause requiring compliance by subcontractor and succeeding levels of subcontractors with the response and access provisions of paragraph (c) above, subject to coordination with the contractor. This agreement does not relieve the contractor of its responsibility to manage the subcontracts effectively and efficiently nor is it intended to establish privity of contract between the Government or The Aerospace Corporation and such subcontractors.

(f) The Aerospace Corporation personnel are not authorized to direct the contractor in any manner. The contractor agrees to accept technical direction as follows:

(1) Technical direction under this contract will be given to the contractor solely by the Procuring Contracting Officer.

(2) Whenever it becomes necessary to modify the contract and redirect the effort, a Change Order signed by the Procuring Contracting Officer or a Supplemental Agreement signed by both the Procuring Contracting Officer and the contractor will be issued.

(g) Notwithstanding language contained elsewhere in this contract, contractor and its subcontractors shall not be obligated to disclose proprietary financial information to any non-Government entities providing services to the Government during the proposal or contract execution and management phases of this activity.

This Clause was modified by: P00020.

**SMC--H010 ENABLING CLAUSE FOR GOVERNMENT TECHNICAL GROUP (JUN 2007)** (Applicable for all purchase orders/subcontracts.)

(a) Definition. As used in this clause, "Cost data" is defined as information associated with the programmatic elements or life cycle (concept, development, production, operations, and retirement) of the system/program. As defined, cost data differs from "financial" data, which is defined as information associated with the internal workings of a company or contractor that is not specific to a project or program.

(b) This contract covers the GPS IIIA effort under the overall program management of the Air Force Space and Missile Systems Center at Los Angeles Air Force Base. The Air Force has entered into a contract with The Aerospace Corporation, Tecolote, Booz Allen Hamilton, CS Draper Laboratory, Leidos, Los Alamos National Labs, Mitre, Business Technologies and Solutions, Inc., (BTAS), ARINC, Canyon Consulting, and TASC and Engility Company for the services of a technical group which will support the DoD program office by performing General Systems Engineering and Integration (GSE&I) and Technical Reviews. This clause also covers the subcontractors of these companies.

(c) GSE&I deals with overall system definition, integration both within the system and with associated systems, review of analysis definition and requirement allocation, analysis of system, segment, and subsystem design, design compromises and tradeoffs, definition of interfaces, review of hardware and software, including manufacturing and quality control, observation, review and evaluation of tests and test data, support of launch, flight test, and orbital operations, appraisal of the contractors' technical performance through meetings with contractors and subcontractors, exchange and analysis of information on progress and problems, review of plans for future work, developing solutions to problems, technical alternatives for reduced program risk, providing comments and recommendations in writing to the DoD System Program Manager and Project Officer as an independent technical assessment for consideration for modifying the program or redirecting the contractor's efforts, all to the extent necessary to assure timely and economical accomplishment of program objectives consistent with mission requirements. Technical Review includes the process of appraising the technical performance of the contractor through meetings, exchanging information on progress and problems, reviewing reports, evaluating presentations, reviewing hardware and software, witnessing and evaluating tests, analyzing plans for future work, evaluating efforts relative to contract technical objectives, and providing comments and recommendations in writing to the Air Force Program Manager as an independent technical assessment for consideration for modifying the program or redirecting the contractor's efforts to assure timely and economical accomplishment of program objectives. Technical Support (TS) deals with broad areas of specialized needs of customers for planning, system architecting, research and development, horizontal engineering, or analytical activities for which the Aerospace FFRDC is uniquely qualified by virtue of its specially qualified personnel, facilities, or corporate memory. The categories of TS tasks are: Selected Research, Development, Test and Evaluation, Plans and System Architecture, Multi-Program Systems Enhancement, International Technology Assessment, and Acquisition Support.

(d) In the performance of this contract, the contractor agrees to cooperate by responding to invitations from authorized personnel to attend meetings, by providing access to technical information and research, development planning data such as, but not limited to, design and development analyses, test data and results, equipment and process specifications, test and test equipment specifications and procedures, parts and quality control procedures, records and data, manufacturing and assembly procedures, and schedule and milestone data, all in their original form or reproduced form and excluding financial data, by delivering data as specified in the Contract Data Requirements List, by discussing technical matters relating to this program, by providing access to contractor facilities utilized in the performance of this contract, and by allowing observation of technical activities by appropriate technical personnel. The personnel engaged in general systems engineering, technical reviews, and integration effort are authorized access to any technical information pertaining to this contract and are bound by their respective Non-Disclosure Agreements (NDAs) with the Government to protect the information they receive. Additionally, other than those data items delivered to the Government with “Unlimited Rights” as shown in Attachment 13 of the contract FA8807-08-C-0010, all contractors and subcontractors performing under the provisions of this clause shall not use, modify, reproduce, release, perform, display or disclose the information they receive on any other program without the written consent of both the Contractor and the GPSW.

(e) The contractor further agrees to include in each subcontract a clause requiring compliance by subcontractor and succeeding levels of subcontractors with the response and access provisions of paragraph (c) above, subject to coordination with the contractor. This agreement does not relieve the contractor of its responsibility to manage the subcontracts effectively and efficiently nor is it intended to establish privity of contract between the Government or its technical advisors and such subcontractors.

(f) In the performance of this contract, the contractor agrees to provide Tecolote, BTAS, and Canyon Consulting access to the contract deliverable cost data of the program. Notwithstanding language contained elsewhere in this contract, contractor and its subcontractors shall not be obligated to disclose proprietary financial information to any non-Government entities providing services to the Government during the proposal or contract execution and management phases of this activity.

(g) The technical personnel are not authorized to direct the contractor in any manner. The contractor agrees to accept technical direction as follows:

(1) Technical direction under this contract will be given to the contractor solely by the Procuring Contracting Officer.

(2) Whenever it becomes necessary to modify the contract and redirect the effort, a Change Order signed by the Procuring Contracting Officer or a Supplemental Agreement signed by both the Procuring Contracting Officer and the contractor will be issued.

This Clause was modified by: P00002, P00020, P00241, P00318, P00363, P00367.

**SMC--H011 GLOBAL POSITIONING SYSTEM III ORGANIZATIONAL CONFLICT OF INTEREST (APR 2010)** (Applicable to all purchase orders/subcontracts, in addition Attachment 10 of the Prime Contract also is applicable. Contact the Lockheed Martin procurement representative for a copy of Attachment 10.)

(a) Purpose. The purpose of this clause is to prevent conflicting roles which may bias the contractor's judgment or objectivity, and to preclude the contractor from obtaining an unfair competitive advantage in concurrent or future GPS and GPS-related acquisitions (not including GPS IIR).

(b) Descriptions or definitions.

(1) "Conflicted Subcontractor" means any GPS IIIA subcontractor who has a conflicted relationship with another contractor related to the GPS Enterprise (not including GPS IIR).

(2) "Contractor" means the business entity receiving the award of this contract. It does NOT include the entity's parent, or other affiliates, divisions or subsidiaries of that parent entity.

(3) "Development" means all efforts toward solution of broadly defined problems. This may encompass research, evaluating technical feasibility, proof of design and test, or engineering of programs not yet approved for acquisition or operation.

(4) Division" means a business entity that maintains organizational, geographic, and data separation and protection separation from the entity's parent. When the Attachment 10: OCI Mitigation plan calls for physical and organizational isolation (firewall) then the descriptions listed in this section will apply. "Division" also means a business entity that maintains organizational, geographic, and data separation and protection separation from other entities owned by, affiliated with, or a division or subsidiary of that parent company, corporation or organization.

(i) "Organizational Separation" means the management, program staff, and administrative support staff of the "division" participating in this contract resides in a separate business entity of the parent company, corporation or organization and reports through a separate management chain than the management, program staff, and administrative support staff of any other "division" participating in the GPS segment contracts (not including the GPS IIR contract).

(ii) "Geographic Separation" means, at a minimum, the GPS IIIA program contractor employees must work in separate office buildings than management, program staff, and administrative support staff working on any other GPS segment contracts (not including the GPS IIR Contract).

(iii) "Physical Separation" means, the GPS IIIA prime contractor employees' work areas are physically separated from management, program staff, and administrative support staff working on any other GPS segment contract(s). This may be accomplished within a facility through workspaces that are separated or compartmentalized by physical barriers with individualized access control protocols, such as, keypads or swipe cards or a substantially similar access control methodology. When Contractor employees reside in Government facilities, physical separation methods are established by the host.

(iv) Data Separation and Protection" means the management, program staff, and administrative support staff of the "division" participating in this contract must implement and maintain information-handling procedures to ensure that data related to GPS III is not accessible by the management, program staff, and administrative support staff of any other "division" participating in the GPS segment contracts (not including the GPS IIR contract) or higher management of the parent company, corporation or organization. This separation must be controlled and monitored.

(5) "GPS Enterprise" means the collection of all systems that provide the Global Positioning System capability.

(6) "GPS IIIA" includes all work performed under the GPS IIIA contract.

(7) "GPS segment" means the GPS space (not including the GPS IIR), ground, user equipment segments and SE&I contract.

(8) "Proprietary Information" means all information designated as proprietary in accordance with law and regulation, and held in confidence or disclosed under restriction to prevent uncontrolled distribution. Examples include limited or restricted data, trade secrets, sensitive financial information, and computer software; and may appear in cost and pricing data or involve classified information.

(9) "Sensitive Government Information" means information that may be exempt from mandatory release to the public under the Freedom of Information Act (FOIA) and that can be marked "For Official Use Only" (FOUO). It includes Source Selection Information, as that term is defined in FAR 2.101, "Definitions", and any analyses or other work submitted to the Government under this contract when designated as such by the Contracting Officer.

(10) "Systems engineering" means preparing specifications, developing test requirements, and evaluating test data.

(11) "Systems Integration" means identifying and resolving interface problems, documenting interfaces, coordination among internal and external organizations, and ensuring system integrity throughout the product development life cycle.

(12) "Systems Engineering and Integration (SE&I)" or "GPS SE&I" means the systems engineering and integration support to the Global Positioning Systems Wing (GPSW) provided by SAIC.

(13) "System" or "GPS System" means the collection of GPS segments.

(14) "System Life Cycle" means all phases of the GPS development, production, operation or support.

(15) "Major Subcontractor" means a party to this contract in a relationship by subcontract at any tier, interdivisional work authorization or other working arrangement with a "sister" entity within a company, partnership agreement, joint venture, vendor, purchase order arrangement, or other binding relationship between any parties to this contract at any level. GPS IIIA Subcontractor evaluated during negotiations are listed in Section I of this Contract under contract clause 52.244-02. Individual employees are not subcontractors.

(16) "Within the Government" means within the GPSW including the Aerospace Corporation, MITRE, and GPS A&AS SETA contractors.

(c) Roles and Restrictions.

(1) The Government places a high priority on protecting the integrity of the GPS Enterprise by precluding work on one segment from creating an unfair competitive advantage. Accordingly, the contractor shall not assign work required by this contract to any of its major subcontractors such that any proposal created by that major subcontractor or performance of that major subcontractor would be evaluated by any division of that major subcontractor under any other GPS segment contract (not including the GPS IIR contract). In addition, the contractor shall obtain prior Contracting Officer approval prior to tasking that major subcontractor to create technical data or computer software to be delivered under this contract that would then be used by any division of that major subcontractor performing any other GPS segment contract (not including the GPS IIR contract).

(2) The contractor and its subcontractors may gain access to Sensitive Government Information, provide advice/data submittals to the Government, or both, which the Government considers sensitive during performance of this contract. The contractor agrees it shall not disclose such information to any party outside the Government (see definition of "within the Government") as long as the Government considers such information sensitive.

(3) The contractor and its subcontractors may gain access to proprietary information of other companies during performance of this contract. The contractor agrees to enter into company-to-company agreements to (a) protect other company's information from unauthorized use or disclosure for as long as it is considered proprietary by the other company, and (b) refrain from using the information gained for any purpose other than that for which it was furnished. The contractor shall furnish to the Contracting Officer copies of all company-to-company agreements at every level of the GPS IIIA contract team. These agreements are not intended to protect information which is available to the Government or to this contractor from other sources and furnished voluntarily without restriction.

(4) CDRL and other Data Submittals. The contractor shall minimize conflicting roles and impaired objectivity or bias in the preparation of all CDRLs and data developed, produced and delivered to the Government under this contract. A list of all CDRLs and data developed and delivered under this contract shall be provided to GPSW/ENR at least once each quarter for the duration of this contract. The list shall include the title of the CDRL or data, the entity responsible for developing the CDRL or data, the date of the CDRL or data, the individual/office receiving the CDRL or data, and a statement that the contractor has performed an internal review and certifies that there has been no impaired objectivity or bias in the preparation of the submitted data.

(d) Administration.

(1) The contractor shall be responsible for meeting all requirements of this OCI clause, including the responsibility for ensuring that all major subcontractors have agreed to comply with the contractor's OCI Mitigation Plan incorporated into this contract under Attachment 10 "OCI Mitigation Plan".

(2) At the time of award, only those major subcontractors who have accepted the contractor's OCI Mitigation Plan in writing will be allowed to commence work on this contract. The contractor shall provide to the Contracting Officer copies of major subcontractors’ Letters of Commitment (LOC) to the OCI Mitigation Plan or other evidence that they have agreed to the contractor's Plan. If separate major subcontractor OCI Mitigation Plans are proposed, they shall be listed below, approved by the Contracting Officer, and incorporated into Attachment 10 of this contract.

(3) The following OCI Mitigation Plan and any major subcontractor OCI Mitigation Plans are listed below. In addition, the names of all subcontractors that have accepted the contractor's OCI Mitigation Plan are listed below. The contractor and all subcontractors to this contract are bound by this clause and agree that this clause and the OCI Mitigation Plans below represent terms or conditions of the contract.

(i) OCI Mitigation Plans:

Lockheed Martin Space Systems Company OCI Mitigation Plan

General Dynamics Advanced Information Systems OCI Mitigation Plan

Infinity Systems Engineering OCI Mitigation Plan

ITT Industries Space Systems OCI Mitigation Plan

Harris Corporation OCI Mitigation Plan

Northrop Grumman OCI Mitigation Plan

(ii) List of subcontractors (including division names as applicable) that have accepted the contractor's Comprehensive OCI Mitigation Plan or are covered by a subcontractor OCI Mitigation Plan:

Adcole Corporation

Aerojet Corporation

Applied Aerospace Structure Corporation

ATK Space Systems

BAE Systems Corporation

CICON Corporation

Data Fusion

Dow-Key Microwave Corporation

Eagle Pitcher Corporation

Emcore Corporation

EMS Technologies Corporation

Goodrich Electro-Optical Systems

Harvard Custom Manufacturing Corporation

Honeywell Defense and Space Electronic Systems

L-3 Communications Corporation

Lockheed Martin Electronic Information Systems

Lockheed Martin Integrated Systems & Global Solutions Systems Integration

Moog Corporation

Starsys Corp

TINI Aerospace Corporation

Toth Incorporated

(4) Changes in Team Composition. Notwithstanding any other term or condition of this contract, the Contracting Officer shall be notified at least 30 calendar days in advance of any addition, deletion, or change to any major subcontractor. This notification shall include sufficient information for the Contracting Officer to make a decision if the change is in compliance with this OCI clause and the OCI Mitigation Plans incorporated in the contract. The notification shall also include any necessary changes to the contractor's OCI Mitigation Plan incorporated into this contract, or any necessary additions, deletions, or changes to other OCI Mitigation plans on this contract. Changes, additions or deletions affecting OCI shall be approved by the Contracting Officer prior to implementation on the contract within 30 calendar days of receipt.

(5) OCI Violations. The contractor shall report any violation of the OCI Mitigation Plan(s), or appearance of violation of the OCI Mitigation Plan(s), listed above and incorporated herein by reference, whether by its own personnel, those of the contractor's major subcontractors, or the Government or its other contractors, to the Contracting Officer within 5 business days after discovering such violation or appearance of violation. The report shall include a description of the violation or appearance of violation and the actions the contractor has taken or proposes to take to mitigate and avoid repetition of the violation. After conducting such further inquiries and discussions as may be necessary, the Contracting Officer and the contractor shall agree on appropriate corrective action, if any, or the Contracting Officer shall direct such action, subject to the terms of this contract.

(6) Subcontractor Flowdown. This OCI clause and Attachment 10 to this contract shall be included in all subcontracts, teaming arrangements, and other agreements for performance of work under this contract, unless excused by the Contracting Officer. This clause may be tailored to clarify the roles of "contract," "contractor," and "Contracting Officer" to reflect the change in parties and to preserve the rights of the Government.

**SMC--H028 STANDARD CMMI APPRAISAL METHOD FOR PROCESS IMPROVEMENT (NOV 2005)** (Applicable if your contract requires you to have significant software responsibility.)

The contractor shall assure that the CMMI® project management, engineering, and support process area practices at levels 2 and 3 are integrated and practiced by the contractor and subcontractors at all tiers with significant software responsibility (as defined in TOR-2004(3909)-3537, as tailored for this contract). The scope of these CMMIÂ® practices shall include the software engineering, integrated product and process development, and supplier sourcing (SW/IPPD/SS) disciplines for software-related development. The contractor shall conduct periodic GPS IIIA team-wide Standard CMMIÂ® Appraisal Method For Process Improvement (SCAMPI)(SM) Class B appraisals against the CMMI® software engineering, integrated product and process development, and supplier sourcing (SW/IPPD/SS) staged model and shall describe the planned conduct of such appraisals in their IMP. These appraisals shall be led by a Software Engineering Institute (SEI) authorized Lead Appraiser, external to the contractor's business unit, division, site, and program office. The Government reserves the right to participate in the contractor SCAMPI(SM) Class B appraisals. The Government also reserves the right to perform an independent SCAMPI(SM) Class B or C appraisal at any time with 30 calendar days notice and intends to conduct an appraisal within the first 12 months after contract award and approximately every 18 months thereafter. In addition, for all risks and weaknesses identified during any appraisals, an action plan will be submitted to the Government. Risks and weaknesses will be reassessed in accordance with the action plan to ensure that issues have been corrected. The contractor shall include in each subcontract a clause requiring compliance by the subcontractors at all tiers with significant software responsibility to the provisions of this paragraph.

**SMC--H029 USE OF HAZARDOUS MATERIALS IN THE PERFORMANCE OF ON-BASE CONTRACTS (DEC 2005)** (Applicable if Work will be performed on Government installations under this purchase order/subcontract.)

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

(b) The list of hazardous materials identified FAR 52.223-3, "Hazardous Material Identification and Material Safety Data", and DFARS 252.223-7001, "Hazard Warning Labels" shall be updated during performance of the contract whenever the contractor determines that any other material to be delivered or used on base in excess of (insert locally specified time period) and/or a (insert locally specified quantity of material) under this contract is hazardous based on changes in the composition of the item(s) or a revision to Federal Standard No. 313. Provide written notification of changes in the Material Safety Data Sheets (MSDSs), including a copy of the updated MSDS, of each item to the identified point of contact on the installation prior to use of the item on installation.

(c) The contractor shall submit a Contractor Hazardous Material Report (insert form number), available from (insert installation) (insert appropriate office, e.g., Hazardous Material Support Center or Hazardous Material Cell) at (insert phone number) for each item identified under Section I clauses referenced above or updates resulting from paragraph (b) of this SCR 15 days prior to bringing the items on base. Update the report at least monthly (beginning no later than 30 days after the material is brought on base) until the hazardous material is removed from the base.

(d) All hazardous material used on base (including material to be used for a period of less than 24 hours) shall contain a hazardous material warning label. The label shall include a list of the hazardous chemical(s), material identification which matches the part number and/or trade name on the MSDS, appropriate hazard warnings (including description of target organs), and name and address of the chemical manufacturer, importer, or other responsible party.

(e) The contractor is responsible for conducting and documenting employee hazard communication training prior to the commencement of work on base.

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

(g) Nothing contained in this SCR shall relieve the contractor from complying with applicable Federal, State, and local laws, codes, ordinance, and regulations (including the obtaining of licenses and permits in conjunction with hazardous material).

(h) Notwithstanding any other rights in technical data specified elsewhere in this contract, the Government may use, duplicate, and disclose any data to which this SCR is applicable to apprise personnel of the hazards to which they may be exposed and obtain medical treatment for those affected by the material. In addition, the Government may allow others to use, duplicate and disclose data for these purposes.

**SMC--H033 EXPORT-CONTROLLED DATA RESTRICTIONS (SEP 2006)** (Applicable for all purchase orders/subcontracts.)

(a) For the purpose of this clause,

(1) Foreign person is any person who is not a citizen or national of the U.S. or lawfully admitted to the U.S. for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, international organizations, and foreign governments;

(2) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation or person;

(3) Foreign sources are those sources (vendors, subcontractors, and suppliers) owned and controlled by a foreign person.

(b) The Contractor shall place a clause in subcontracts containing appropriate export control restrictions, set forth in this clause.

(c) Nothing in this clause waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export controlled data and information.

(d) Equipment and technical data generated or delivered under this contract are controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128. An export license is required before assigning any foreign source to perform work under this contract or before granting access to foreign persons to any equipment and technical data generated or delivered during performance (see 22 CFR Section 125). The Contractor shall obtain written approval of the Procuring Contracting Officer prior to assigning or granting access to any work, equipment, or technical data generated or delivered under this Contract to foreign persons or their representatives. The notification shall include the name and country of origin of the foreign person or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign person is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

**SMC--H034 ACCIDENT REPORTING AND INVESTIGATION INVOLVING SPACECRAFT, GROUND SYSTEMS, AND MISSION SUPPORT EQUIPMENT (SEP 2006)** (Applicable for all purchase orders/subcontracts.)

(a) The contractor shall report promptly to the Administrative Contracting Officer all pertinent facts relating to each accident involving spacecraft, ground systems, and mission support equipment being manufactured, modified, or repaired in connection with this contract.

(b) If the Government conducts an investigation of the accident, the contractor will cooperate and assist the Government's personnel until the investigation is complete.

(c) The contractor will include a clause in subcontracts under this contract to require subcontractor cooperation and assistance in accident investigations.

**SMC--H048 BAILMENT OF LAUNCH AND CHECKOUT SYSTEM (LCS) (APR 2015)** (Applicable if Seller will be furnished items listed in Table 1 and 2 for the performance of this purchase order/subcontract.)

(a) Purpose. The purpose of this clause is to describe the conditions under which the Government will provide LCS Element hardware and software to the Contractor for purposes of performing §§ 3-53500, 3-53540, 4-53500 of Attachment 1 ("Statement of Work for GPS III").

(b) Background. The Government is deferring acquiring title to LCS Element hardware until such time as it accepts the LCS Element as a part of CLIN 0100 under the GPS Next-Generation Control Segment (OCX) contract. At no time will the Government ever acquire title to LCS software; it will only acquire a license to that software upon delivery of that software to the Government. As a result, between the date the Government takes possession of LCS Element hardware and software from the OCX Contractor and the date LCS Element hardware and software is delivered to and accepted by the Government as a part of CLIN 0100, LCS Element hardware and software is not classified as Government Property but instead is bailed by the OCX Contractor to the Government.

"LCS Element Hardware" is as listed in Table 1 below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Manufacturer** | **Model** | **Quantity** |
| HP Z 400 WORKSTATION - 2.8GHz Xeon CPU 4GB RAM, 160GB HD, CD-DVD, Mouse, Keyboard + Maintenance | Hewlett-Packard | VS933AV | 22 |
| HP 24in LCD Flat Screen Monitor-1920 x 1080+ Maintenance | Hewlett-Packard | KD911A4#ABA | 62 |
| HP LaserJet Color Printer + Maintenance | Hewlett-Packard | P1505N | 1 |
| HP LaserJet Monochrome Printer + Maintenance | Hewlett-Packard | CP1215 | 1 |
| Cisco 2921 Router, Dual Power Supply + Adapters + Maintenance | Cisco | CISC02921/K9 | 2 |
| Cisco 3650 10/100/1000 48 Port Switch, Dual Power Supply + Adapters + Maintenance | Cisco | W5-C3560G-48TSE | 2 |
| KG-175 Micro Taclane Encryptor + Mounting Hardware + Maintenance | General Dynamics | KG-175 | 2 |
| 42U Network Rack + Mounting Hardware and Power Distribution | Electrorack | 127501-25 | 1 |
| IBM X3550 Server - CPU with 32 GB RAM + 392 GB HDD | IBM | ZUSU8US | 2 |

NOTES: Installation Requires Miscellaneous Mounting and Cabling Hardware from Allwire, Eaton, International Configuration, and Thomas & Betts

"LCS Element Software" is as listed in Table 2 below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Manufacturer** | **Model** | **Quantity** |
| .NET Framework | Microsoft | 4.5 | 22 |
| 7-Zip | 7-Zip | 9.2 | 22 |
| 90 Meter .dll update | 90Meter | 2.0.10.0 | 20 |
| 90 Meter Smart Card Manager | 90Meter | 1.2.22 | 20 |
| Adobe Flash Player | Adobe | 12.0.0.70 with ActiveX(Windows 64-bit) | 20 |
| Adobe Reader | Adobe | 11.0.05 (Windows 32-bit) | 20 |
| Cwui.ocx | National Instruments | 6.0.3.589 | 20 |
| Domain Time II | Symmetricom | 5.2b | 22 |
| DV Runtime Win 100 + Per User Eng | GE Fanuc | 2.8 | 20 |
| HP LaserJet CP1525nw Full Feature Windows Driver | HP | 2.0, 133.35M | 2 |
| HP LaserJet Firmware Update Utility | HP | 20130703 (P1606DN) | 2 |
| HP LaserJet P1606DN Full Feature Windows Driver | HP | 8 | 2 |
| HPOV Agent | HP | 11.12 | 2 |
| InfraRecorder Windows | Open Source | 0.52 | 20 |
| Internet Explorer | Microsoft | 9.0 (32-bit) | 2 |
| Internet Explorer | Microsoft | 9.0 (64-bit) | 2 |
| Internet Explorer | Microsoft | 9.0 (64-bit) | 20 |
| Internet Explorer | Microsoft | 9.0 (32-bit) | 20 |
| Java Cryptography Extension (JCE) Unlimited Strength Jurisdiction Policy Files | Oracle Corporation | 6 | 22 |
| LogRhythm System Monitor Pro | LogRhythm | 6.0.5.9013 | 2 |
| Microsoft Office Excel | Microsoft | 2007 | 20 |
| Microsoft Office PowerPoint | Microsoft | 2007 | 20 |
| Microsoft Office Word | Microsoft | 2007 | 20 |
| Microsoft Security Patches | Microsoft | July 18 2014 | 2 |
| Microsoft Security Patches | Microsoft | December 2 2013 | 2 |
| Microsoft Security Patches | Microsoft | March 4 2014 | 2 |
| Microsoft Security Patches | Microsoft | July 18 2014 | 20 |
| Microsoft Security Patches | Microsoft | December 2 2013 | 20 |
| Microsoft Security Patches | Microsoft | March 4 2014 | 20 |
| Microsoft Windows Server 2008 R2 Enterprise Edition | Microsoft | 6.1.7600 | 2 |
| Microsoft Windows Server 2008 R2 Enterprise Edition | Microsoft | 6.1.7601 (SP1) | 2 |
| Opatch Utility | Oracle Corporation | 11.2.0.3.6(64bit Windows) | 20 |
| Oracle Database Client | Oracle Corporation | 11gR2(Windows 64-bit) (Patched to October 2013CPU 11.2.0.3.8) | 20 |
| Oracle Java Runtime Environment (JRE) | Oracle Corporation | 6 Update 37(Windows 64-bit) | 2 |
| Oracle Java Runtime Environment (JRE) | Oracle Corporation | 6 Update 37(Windows 32-bit) | 2 |
| Oracle Java Runtime Environment (JRE) | Oracle Corporation | 6 Update 37(Windows 64-bit) | 20 |
| Oracle Java Runtime Environment (JRE) | Oracle Corporation | 6 Update 37(Windows 32-bit) | 20 |
| Private Chef-client | OpsCode | 11.4.4-2 (Windows) | 22 |
| PuTTY | Open Source | 0.62 | 22 |
| Python | Python | 3.1.2 (32-bit) | 20 |
| Remote Server Administration Tools for Windows 7 with SP1 | Google Inc | 1 | 20 |
| RSA BSAFE SSL-J | EMC | 6.1.1 | 22 |
| SnagIt | TechSmith | 8.2.3 | 20 |
| Symantec Endpoint Protection Client | Symantec | 12.1.2 | 22 |
| Tripwire Enterprise for Desktops | Patriot Technologies | 8.1.0 | 20 |
| Tripwire Enterprise for File Systems (1-16 processors) | Patriot Technologies | 8.1.0 | 2 |
| Visual Studio Pro with MSDN - Redistributables | Microsoft | 9/2008 SP1 (32-bit) | 20 |
| Visual Studio Pro with MSDN - Redistributables | Microsoft | 9/2008 SP1 (64-bit) | 20 |
| Win32 Ohai Plugin | Raytheon – Garland | 60b9dc1c0b68859e9e259a1da68dfac62d750d4e\_rtn1.0 | 22 |
| Win32 Ohai Plugin | Raytheon – Garland | 539d02f9182246fffdfc90ed4e8236ece952d78c\_rtn1 | 22 |
| Windows 7 | Microsoft | 6.1.7601 (SP1) | 20 |
| Windows 7 | Microsoft | Enterprise Edition 6.1(Build 7600) | 20 |
| X-win32 | StarNet | 9.1.1020 | 20 |

(d) Requirement.

(1) The Government will bail the items listed in Table 1 and 2 to the Contractor on a date to be determined later. Upon receipt of that hardware and software, the Contractor shall use it to perform 3-53500, 3-53540, and 4-53500 of Attachment 1 ("Statement of Work for GPS III") and shall not use it for any other purpose unless otherwise approved by the Contracting Officer. All such items shall be physically located at the Contractor's facility in Waterton, CO.

(2) If the Government does not bail the items listed in Tables 1 and 2 to the Contractor in a timely manner, the Contracting Officer shall, upon the Contractor's timely written request, consider an equitable adjustment to the contract. In the event any of those items are received by the Contractor in a condition not suitable for its intended use, the Contracting Officer shall, upon the Contractor's timely written request, advise the Contractor on a course of action to remedy the problem. Upon completion of the required action(s), the Contracting Officer shall consider an equitable adjustment to the contract.

(3) The Contracting Officer may by written notice at any time, increase or decrease the items listed in Tables 1 and 2 bailed to the Contractor, substitute other items previously furnished or to be furnished, or withdraw authority to use those items. Upon completion of any action(s) under this subsection, and the Contractor's timely written request, the Contracting Officer shall consider an equitable adjustment to the contract.

(4) The Contractor shall establish and apply the same procedures to the receipt and management of items listed in Tables 1 and 2 bailed to it under this clause as it does to Government Property pursuant to FAR § 52.245-1(f).

(5) The Government shall have access to the Contractor's premises and all bailed items listed in Tables 1 and 2 to the same extent as it does to Government Property pursuant to FAR § 52.245-1(g).

(6) The Contractor shall be liable for loss, theft, damage or destruction to the items listed in Tables 1 and

2 bailed to it under this clause to the same extent as it is for Government Property pursuant to FAR § 52.245-1(h).

(7) The Contractor shall be entitled to an equitable adjustment for delay in transference of possession of items listed in Table 1 and 2 bailed to it under this clause, transference of possession of such items to the Contractor in a condition not suitable for its intended use, an increase, decrease or substitution of such items, or the failure to repair or replacement of such items for which the Government is responsible to the same extent as the Contractor is for Government Property pursuant to FAR § 52.245-1(i).

(8) The Contractor shall implement the same inventory disposal procedures to all items listed in Tables 1 and 2 bailed to it under this clause as it does to Government Property pursuant to FAR § 52.245-1(j).

(9) The Contractor shall include the requirements of this clause in all subcontracts under which items listed in Table 1 and 2 are furnished for subcontract performance.

(e) Insurance. In accordance with FAR § 31.205-19, the Contractor is authorized to procure insurance for all LCS hardware listed in Attachment 18. The Government and Contractor intend that the OCX Contractor be a third party beneficiary to this bailment agreement for purpose of obtaining such insurances until such time as the Government accepts that hardware as a part of CLIN 0100. Until that event occurs, any liability of the Contractor for loss or damage to that hardware while that hardware is in the Contractor's possession, shall ensure through the Government to the benefit of the OCX Contractor as a third party beneficiary.

This Clause was modified by: P00150, P00167, P00224, and P00307.

**SMC--I001 PREFERENCE FOR DOMESTIC SPECIALTY METALS (DEVIATION 2008-O0002) - ALTERNATE I (DEVIATION 2008-O0002) (FEB 2008)** (The version of the clause in DoD Class Deviation 2008-O0002 applies in lieu of the standard DFARS version of the clause. Applicable for all purchase orders/subcontracts unless the item being purchased contains no specialty metals.)

(a) Definitions. As used in this clause –

(1) “Assembly” means an item forming a portion of a system or subsystem that can be provisioned and replaced as an entity and which incorporates multiple, replaceable parts.

(2) “Commercial derivative military article” means an item procured by the Department of Defense that is or will be produced using the same production facilities, a common supply chain, and the same or similar production processes that are used for the production of articles predominantly used by the general public or by nongovernmental entities for purposes other than governmental purposes.

(3) “Commercially Available off-the-shelf item”

 (i) Means any item of supply that is –

 (A) A commercial item;

 (B) Sold in substantial quantities in the commercial marketplace; and

 (C) 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

 (ii) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App 1702), such as agricultural products and petroleum products.

(4) “Component” means any item supplied to the Government as part of an end item or of another component.

(5) “Electronic component” means an item that operates by controlling the flow of electrons or other electrically charged particles in circuits, using interconnections of electrical devices such as resistors, inductors, capacitors, diodes, switches, transistors, or integrated circuits.

(6) “End item” means the final production product when assembled or completed, and ready for issue, delivery, or deployment.

(7) “Produce” means the application of forces or processes to a specialty metal to create desired physical properties through quenching or tempering of steel plate, or gas atomization or sputtering of titanium.

(8) “Qualifying country” means any country listed in subsection 225.872-1(a) or (b) of the Defense Federal Acquisition Regulation Supplement (DFARS).

(9) “Required form” means in the form of mill product, such as bar, billet, wire, slab, plate or sheet, and in the grade appropriate for the production of –

(i) A finished end item delivered to the Department of Defense, or

(ii) A finished component assembled into an end item delivered to the Department of Defense.

(10) “Specialty metal” means –

(i) Steel –

(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, molybdenum, nickel, niobium (colunbium), titanium, tungsten, or vanadium,

(ii) Metal alloys consisting of –

(A) Nickel or iron-nickel alloys that contain a total of alloying metals other than nickel and iron in excess of 10 percent; or

(B) Cobalt alloys that contain a total of alloying metals other than cobalt and iron in excess of 10 percent;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium alloys.

(11) “Subsystem” means a functional grouping of items that combine to perform a major function within an end item. Such as electrical power, attitude control, and propulsion.

(b) Except as provided in paragraph (c) of this clause, any specialty metals incorporated in items delivered under this contract shall be melted or produced in the United States, its outlying areas, or a qualifying country, except for –

(1) Electronic components:

(2) (i) Commercially available off-the-shelf (COTS) items; other than –

(A) COTS fasteners, unless such fasteners are incorporated into COTS end items, subsystems, assemblies, or components.

(B) Forgings or castings of specialty metals, unless such forgings and castings are incorporated into COTS end items, subsystems, or assemblies.

(C) Commercially available high performance magnets, unless such high performance magnets are incorporated into COTS end items or subsystems;

(ii) A COTS item is considered to be “offered without modification” as long as it is not modified prior to contractual acceptance by the next higher tier in the supply chain.

(A) Specialty metals contained in a COTS item that was accepted without modification by the next higher tier are excepted and remain excepted even if a piece of the COTS item subsequently is removed (e.g., the end is removed from a COTS screw or an extra hole is drilled in a COTS bracket).

(B) For specialty metals that were not contained in a COTS item upon acceptance, but are added to the COTS item after acceptance, the added specialty metals are subject to the restrictions (e.g., a special reinforced handle made of specialty metal that is added to a COTS item).

(C) If two or more COTS items are combined in such a way that the resultant item is not a COTS item, only the specialty metals involved in joining the COTS items together are subject to the restrictions (e.g., a COTS aircraft is outfitted with a COTS engine, but not the COTS engine normally provided with that aircraft.)

(D) For COTS items that are normally sold in the commercial marketplace with various options, items that include such options are also COTS items. However, if a COTS item is offered to the Government with an option that is not normally offered in the commercial marketplace, that option is subject to the specialty metals restrictions. (e.g., An aircraft is normally sold to the public with an option for several different radios. DoD requested military-unique radio. The aircraft is still a COTS item, but the military-unique radio is not a COTS item, and must comply with the specialty metals restrictions, unless another exception applies.

(3) Fasteners that are commercial items that are purchased under a contract or subcontract with a manufacturer of such fasteners, if the manufacturer has certified that it will purchase, during the relevant calendar year, an amount of domestically melted specialty metal, in the required form, for use in the production of fasteners for sale to the Department of Defense and other customers, that is not less than 50% of the total amount of the specialty metal that it will purchase to carry out the production of such fasteners for all customers.

(4) Items manufactured in a qualifying country;

(5) Items for which the Government has determined in accordance with 225.700x-3 of Class Deviation 2008-O0002 that specialty metal melted or produced in the United States cannot be acquired as and when needed in –

(i) A satisfactory quality;

(ii) A sufficient quantity; and

(iii) The required form.

(6) Specialty metals, other than specialty metals in high performance magnets, that do not meet any of the exceptions in paragraphs (b)(1) through (5) of this clause, if the total weight of specialty metals in the item, as estimated in good faith by the Contractor.

(c)(1) Streamlined compliance for commercial derivative military articles. As an alternative to the compliance required in paragraph (b) of this clause, the Contractor may purchase an amount of domestically melted specialty metals in the required form, for use during the period of contract performance in the production of the commercial derivative military article and the related commercial article, in the amount determined in accordance with paragraph (C)(2) of this clause, if –

(i) This is an acquisition of commercial derivative military articles; and

(ii) The contractor has certified in its offer in accordance with paragraph (c)(2) of this clause

(2) Certification for streamlined compliance for commercial derivative military articles (to be submitted with offer when applicable). The offeror certifies/ does not certify that prior to award it will have entered into a contractual agreement or agreements to purchase an amount of domestically melted or produced specialty metal in the required for use during the period of contract performance in the production of the commercial derivative performance in the production of the commercial article, that is not less than the Contractor’s good faith estimate of the greater of –

(i) An amount equivalent to 120% of the amount of specialty metal that is required to carry out the production of the commercial derivative military article (including the work performed under each subcontract); or

(ii) An amount equivalent to 50% of the amount of specialty metal that is purchased by the contractor and its subcontractors for use during such period in the production of the commercial derivative military article and the related commercial article.

(3) For the purposes of the certification in paragraph (c)(2) of this clause, the amount of specialty metal that is required to carry out the production of the commercial derivative military article includes specialty metal contained in any item, including commercial derivative military article.

(d) Unless the Contractor has certified in accordance with paragraph (c), the Contractor shall insert the substance of this clause, excluding paragraph (c) but including this paragraph (d), in all subcontracts for articles containing specialty metals.

**SMC--I002 252.222-7006 RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (MAY 2010)** (The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors.)

252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements

As prescribed in 222.7404, use the following clause:

RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (MAY 2010)

(a) Definitions. As used in this clause-

"Covered subcontractor" means any entity that has a subcontract valued in excess of $1 million, except a subcontract for the acquisition of commercial items, including commercially available off-the-shelf items.

"Subcontract" means any contract, as defined in Federal Acquisition Regulation subpart 2.1, to furnish supplies or services for performance of this contract or a higher-tier subcontract thereunder.

(b) The Contractor-

(1) Agrees not to-

(i) Enter into any agreement with any of its employees or independent contractors that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration-

(A) Any claim under title VII of the Civil Rights Act of 1964; or

(B) Any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or

(ii) Take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration-

(A) Any claim under title VII of the Civil Rights Act of 1964; or

(B) Any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; and

(2) Certifies, by signature of the contract, for contracts awarded after June 17, 2010, that it requires each covered subcontractor to agree not to enter into, and not to take any action to enforce, any provision of any agreements, as described in paragraph (b)(1) of this clause, with respect to any employee or independent contractor performing work related to such subcontract.

(c) The prohibitions of this clause do not apply with respect to a contractor's or subcontractor's agreements with employees or independent contractors that may not be enforced in a court of the United States.

(d) The Secretary of Defense may waive the applicability of the restrictions of paragraph (b) of this clause in accordance with Defense Federal Acquisition Regulation Supplement 222.7403.

**52.245-01 GOVERNMENT PROPERTY (DEVIATION) (JUN 2007)** (The version of the clause in the Deviation applies in lieu of the standard FAR version of the clause. “Contracting Officer” means “Lockheed Martin” except in the definition of Property Administrator and in paragraphs (h)(1)(iii) and where it is unchanged, and in paragraphs (c) and (h)(4) where it includes Lockheed Martin. “Government” is unchanged in the phrases “Government property” and “Government furnished property” and where elsewhere used except in paragraph (d)(1) where it means “Lockheed Martin” and except in paragraphs (d)(2) and (g) where the term includes “Lockheed Martin.” The following is added as paragraph (n) “Seller shall provide Lockheed Martin immediate notice of any disapproval, withdrawal of approval, or nonacceptance by the Government of property control system.”)

(a) Definitions. As used in this clause—

“Acquisition cost” means the cost to acquire a tangible capital asset including the purchase price of the asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use include the cost of placing the asset in location and bringing the asset to a condition necessary for normal or expected use.

“Cannibalize” means to remove serviceable parts from one item of equipment in order to install them on another item of equipment.

“Contractor-acquired property” means property acquired, fabricated, or otherwise provided by the Contractor for performing a contract, and to which the Government has title.

“Contractor inventory” means—

(1) Any property acquired by and in the possession of a Contractor or subcontractor under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire contract;

(2) Any property that the Government is obligated or has the option to take over under any type of contract, e.g., as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and

(3) Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.

“Contractor's managerial personnel” means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of—

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operation at any one plant or separate location; or

(3) A separate and complete major industrial operation.

“Demilitarization” means rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used.

“Discrepancies incident to shipment” means any differences (e.g., count or condition) between the items documented to have been shipped and items actually received.

“Equipment” means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

“Government-furnished property” means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract.

“Government property” means all property owned or leased by the Government. Government property includes both Government-furnished and Contractor-acquired property.

“Material” means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling and special test equipment.

“Nonseverable” means property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed.

“Precious metals” means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

“Property” means all tangible property, both real and personal.

“Property Administrator” means an authorized representative of the Contracting Officer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a Contractor.

“Provide” means to furnish, as in Government-furnished property, or to acquire, as in contractor-acquired property.

“Real property” means land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing personal property.

“Sensitive property” means property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

“Surplus property” means excess personal property not required by any Federal agency as determined by the Administrator of the General Services Administration (GSA).

(b) Property management.

(1) The Contractor shall have a system to manage (control, use, preserve, protect, repair and maintain) Government property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, the Contractor shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective control of Government property, consistent with voluntary consensus standards and/or industry-leading practices and standards for Government property management except where inconsistent with law or regulation. During the period of performance, the Contractor shall disclose any significant changes to their property management system to the Property Administrator prior to implementation.

(2) The Contractor's responsibility extends from the initial acquisition and receipt of property, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, disposition, or via a completed investigation, evaluation, and final determination for lost, damaged, destroyed, or stolen property. This requirement applies to all Government property under the Contractor's accountability, stewardship, possession or control, including its vendors or subcontractors (see paragraph (f)(1)(v) of this clause).

(3) The Contractor shall include the requirements of this clause in all subcontracts under which Government property is acquired or furnished for subcontract performance.

(c) Use of Government property. The Contractor shall use Government property, either furnished or acquired under this contract, only for performing this contract, unless otherwise provided for in this contract or approved by the Contracting Officer. The Contractor shall not modify, cannibalize, or make alterations to Government property unless this contract specifically identifies the modifications, alterations or improvements as work to be performed.

(d) Government-furnished property.

(1) The Government shall deliver to the Contractor the Government-furnished property described in this contract. The Government shall furnish related data and information needed for the intended use of the property. The warranties of suitability of use and timely delivery of Government furnished property do not apply to property acquired or fabricated by the Contractor as contractor acquired property and subsequently transferred to another contract with this Contractor.

(2) The delivery and/or performance dates specified in this contract are based upon the expectation that the Government-furnished property will be suitable for contract performance and will be delivered to the Contractor by the dates stated in the contract.

(i) If the property is not delivered to the Contractor by the dates stated in the contract, the Contracting Officer shall, upon the Contractor's timely written request, consider an equitable adjustment to the contract.

(ii) In the event property is received by the Contractor, or for Government furnished property after receipt and installation, in a condition not suitable for its intended use, the Contracting Officer shall, upon the Contractor's timely written request, advise the Contractor on a course of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or otherwise disposing of the property at the Government's expense. Upon completion of the required action(s), the Contracting Officer shall consider an equitable adjustment to the contract (see also paragraph (f)(1)(ii)(A) of this clause).

(iii) The Government may, at its option, furnish property in an “as-is” condition. The Contractor will be given the opportunity to inspect such property prior to the property being provided. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the Contractor's expense.

(3)(i) The Contracting Officer may by written notice, at any time—

(A) Increase or decrease the amount of Government-furnished property under this contract;

(B) Substitute other Government-furnished property for the property previously furnished, to be furnished, or to be acquired by the Contractor for the Government under this contract; or

(C) Withdraw authority to use property.

(ii) Upon completion of any action(s) under paragraph (d)(3)(i) of this clause, and the Contractor's timely written request, the Contracting Officer shall consider an equitable adjustment to the contract.

(e) Title to Government property.

(1) The Government shall retain title to all Government-furnished property. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(2) Fixed-price contracts.

(i) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as “Government property”), are subject to the provisions of this clause.

(ii) Title to each item of equipment, special test equipment and special tooling acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(iii) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract—

(A) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(B) Title to all other material shall pass to and vest in the Government upon—

(1) Issuance of the material for use in contract performance;

(2) Commencement of processing of the material or its use in contract performance; or

(3) Reimbursement of the cost of the material by the Government, whichever occurs first.

(3) Title under Cost-Reimbursement or Time-and-Material Contracts or Cost-Reimbursable contract line items under Fixed-Price contracts.

(i) Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this contract shall pass to and vest in the Government upon the vendor's delivery of such property.

(ii) Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon—

(A) Issuance of the property for use in contract performance;

(B) Commencement of processing of the property for use in contract performance; or

(C) Reimbursement of the cost of the property by the Government, whichever occurs first.

(iii) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (e)(3)(iii) (collectively referred to as ``Government property)'', are subject to the provisions of this clause.

(f) Contractor plans and systems.

(1) Contractors shall establish and implement property management plans, systems, and procedures at the contract, program, site or entity level to enable the following outcomes:

(i) Acquisition of Property. The Contractor shall document that all property was acquired consistent with its engineering, production planning, and material control operations.

(ii) Receipt of Government Property. The Contractor shall receive Government property (document the receipt), record the information necessary to meet the record requirements of paragraph (f)(1)(iii)(A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any discrepancies incident to shipment.

(A) Government-furnished property. The Contractor shall furnish a written statement to the Property Administrator containing all relevant facts, such as cause or condition and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.

(B) Contractor-acquired property. The Contractor shall take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt, in shipment of Contractor-acquired property from a vendor or supplier, so as to ensure the proper allocability and allowability of associated costs.

(iii) Records of Government property. The Contractor shall create and maintain records of all Government property accountable to the contract, including Government-furnished and Contractor-acquired property.

(A) Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

(1) The name, part number and description, manufacturer, model number, and National Stock Number (if needed for additional item identification tracking and/or disposition).

(2) Quantity received (or fabricated), issued, and balance-on-hand.

(3) Unit acquisition cost.

(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

(5) Unit of measure.

(6) Accountable contract number or equivalent code designation.

(7) Location.

(8) Disposition.

(9) Posting reference and date of transaction.

(10) Date placed in service.

(B) Use of a Receipt and Issue System for Government Material. When approved by the Property Administrator, the Contractor may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.

(iv) Physical inventory. The Contractor shall periodically perform, record, and disclose physical inventory results. A final physical inventory shall be performed upon contract completion or termination. The Property Administrator may waive this final inventory requirement, depending on the circumstances (e.g. overall reliability of the Contractor’s system or the property is to be transferred to a follow-on contract).

(v) Subcontractor control.

(A) The Contractor shall award subcontracts that clearly identify assets to be provided and shall ensure appropriate flow down of contract terms and conditions (e.g., extent of liability for loss, damage, destruction or theft of Government property).

(B) The Contractor shall assure its subcontracts are properly administered and reviews are periodically performed to determine the adequacy of the subcontractor's property management system.

(vi) Reports. The Contractor shall have a process to create and provide reports of discrepancies; loss, damage, destruction, or theft; physical inventory results; audits and self assessments; corrective actions; and other property related reports as directed by the Contracting Officer.

(A) Loss, damage, destruction, or theft. Unless otherwise directed by the Property Administrator, the Contractor shall investigate and promptly furnish a written narrative of all incidents of loss, damage, destruction, or theft to the property administrator as soon as the facts become known or when requested by the Government.

(B) Such reports shall, at a minimum, contain the following information:

(1) Date of incident (if known).

(2) The name, commercial description, manufacturer, model number, and National Stock Number (if applicable).

(3) Quantity.

(4) Unique Item Identifier (if available).

(5) Accountable Contract number.

(6) A statement indicating current or future need.

(7) Acquisition cost, or if applicable, estimated scrap proceeds, estimated repair or replacement costs.

(8) All known interests in commingled property of which the Government property is a part.

(9) Cause and corrective action taken or to be taken to prevent recurrence.

(10) A statement that the Government will receive any reimbursement covering the loss, damage, destruction, or theft, in the event the Contractor was or will be reimbursed or compensated.

(11) Copies of all supporting documentation.

(12) Last known location.

(13) A statement that the property did or did not contain sensitive or hazardous material, and if so, that the appropriate agencies were notified.

(vii) Relief of stewardship responsibility. Unless the contract provides otherwise, the Contractor shall be relieved of stewardship responsibility for Government property when such property is ---

(A) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract, including reasonable inventory adjustments of material as determined by the Property Administrator; or a Property Administrator granted relief of responsibility for loss, damage, destruction or theft of Government property;

(B) Delivered or shipped from the Contractor's plant, under Government instructions, except when shipment is to a subcontractor or other location of the Contractor; or

(C) Disposed of in accordance with paragraphs (j) and (k) of this clause.

(viii) Utilizing Government property.

(A) The Contractor shall utilize, consume, move, and store Government Property only as authorized under this contract. The Contractor shall promptly disclose and report Government property in its possession that is excess to contract performance.

(B) Unless otherwise authorized in this contract or by the Property Administrator the Contractor shall not commingle Government property with property not owned by the Government.

(ix) Maintenance. The Contractor shall properly maintain Government property. The Contractor's maintenance program shall enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Contractor shall disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.

(x) Property closeout. The Contractor shall promptly perform and report to the Property Administrator contract property closeout, to include reporting, investigating and securing closure of all loss, damage, destruction, or theft cases; physically inventorying all property upon termination or completion of this contract; and disposing of items at the time they are determined to be excess to contractual needs.

(1) The Contractor shall establish and maintain Government accounting source data, as may be required by this contract, particularly in the areas of recognition of acquisitions and dispositions of material and equipment.

(2) The Contractor shall establish and maintain procedures necessary to assess its property management system effectiveness, and shall perform periodic internal reviews and audits. Significant findings and/or results of such reviews and audits pertaining to Government property shall be made available to the Property Administrator.

(g) Systems analysis.

(1) The Government shall have access to the contractor's premises and all Government property, at reasonable times, for the purposes of reviewing, inspecting and evaluating the Contractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(2) Records of Government property shall be readily available to authorized Government personnel and shall be safeguarded from tampering or destruction.

(3) Should it be determined by the Government that the Contractor's property management practices are inadequate or not acceptable for the effective management and/or control of Government property under this contract, and/or present an undue risk to the Government, the Contractor shall immediately take all necessary corrective actions as directed by the Property Administrator.

(4) The Contractor shall ensure Government access to subcontractor premises, and all Government property located at subcontractor premises, for the purposes of reviewing, inspecting and evaluating the subcontractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(h) Contractor Liability for Government Property.

(1) Unless otherwise provided for in the contract, the Contractor shall not be liable for loss, damage, destruction, or theft to the Government property furnished or acquired under this contract, except when any one of the following applies—

(i) The risk is covered by insurance or the Contractor is otherwise reimbursed (to the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in accordance with 31.205-19.

(ii) The loss, damage, destruction, or theft is the result of willful misconduct or lack of good faith on the part of the Contractor's managerial personnel. Contractor's managerial personnel, in this clause, means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of all or substantially all of the Contractor's business; all or substantially all of the Contractor's operation at any one plant or separate location; or a separate and complete major industrial operation.

(iii) The Contracting Officer has, in writing, revoked the Government's assumption of risk for loss, damage, destruction, or theft, due to a determination under paragraph (g) of this clause that the Contractor's property management practices are inadequate, and/or present an undue risk to the Government, and the Contractor failed to take timely corrective action. If the Contractor can establish by clear and convincing evidence that the loss, damage, destruction, or theft of Government property occurred while the Contractor had adequate property management practices or the loss, damage, destruction, or theft of Government property did not result from the Contractor's failure to maintain adequate property management practices, the Contractor shall not be held liable.

(2) The Contractor shall take all reasonable actions necessary to protect the Government property from further loss, damage, destruction, or theft. The Contractor shall separate the damaged and undamaged Government property, place all the affected Government property in the best possible order, and take such other action as the Property Administrator directs.

(3) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss, damage, destruction, or theft of Government property.

(4) Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation, including the prosecution of suit and the execution of instruments of assignment in favor of the Government in obtaining recovery.

(i) Equitable adjustment. Equitable adjustments under this clause shall be made in accordance with the procedures of the Changes clause. The right to an equitable adjustment shall be the Contractor's exclusive remedy and the Government shall not be liable to suit for breach of contract for the following:

(1) Any delay in delivery of Government-furnished property.

(2) Delivery of Government-furnished property in a condition not suitable for its intended use.

(3) An increase, decrease, or substitution of Government-furnished property.

(4) Failure to repair or replace Government property for which the Government is responsible.

(j) Contractor inventory disposal. Except as otherwise provided for in this contract, the Contractor shall not dispose of Contractor inventory until authorized to do so by the Plant Clearance Officer.

(1) Scrap to which the Government has obtained title under paragraph (e) of this clause.

(i) Contractor with an approved scrap procedure.

(A) The Contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, the Contractor shall submit the scrap on an inventory disposal schedule.

(B) For scrap from other than production or testing the Contractor may prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the approved scrap procedures), except that inventory disposal schedules shall be submitted for scrap aircraft or aircraft parts and scrap that—

(1) Requires demilitarization;

(2) Is a classified item;

(3) Is generated from classified items;

(4) Contains hazardous materials or hazardous wastes;

(5) Contains precious metals; or

(6) Is dangerous to the public health, safety, or welfare.

(ii) Contractor without an approved scrap procedure. The Contractor shall submit an inventory disposal schedule for all scrap. The Contractor may not dispose of scrap resulting from production or testing under this contract without Government approval.

(2) Predisposal requirements.

(i) Once the Contractor determines that Contractor-acquired property is no longer needed for contract performance, the Contractor in the following order of priority—

(A) May contact the Contracting Officer if use of the property in the performance of other Government contracts is practical;

(B) May purchase the property at the acquisition cost; or

(C) Shall make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable, a reasonable restocking fee that is consistent with the supplier's customary practices).

(ii) The Contractor shall list, on Standard Form 1428, Inventory Disposal Schedule, property that was not used in the performance of other Government contracts under paragraph (j)(2)(i)(A) of this clause, property that was not purchased under paragraph (j)(2)(i)(B) of this clause, and property that could not be returned to a supplier under paragraph (j)(2)(i)(C) of this clause.

(3) Inventory disposal schedules.

(i) The Contractor shall use Standard Form 1428, Inventory Disposal Schedule, to identify—

(A) Government-furnished property that is no longer required for performance of this contract, provided the terms of another Government contract do not require the Government to furnish that property for performance of this contract;

(B) Contractor-acquired property, to which the Government has obtained title under paragraph (e) of this clause, which is no longer required for performance of that contract; and

(C) Termination inventory.

(ii) The Contractor may annotate inventory disposal schedules to identify property the Contractor wishes to purchase from the Government.

(iii) Unless the Plant Clearance Officer has agreed otherwise, or the contract requires electronic submission of inventory disposal schedules, the Contractor shall prepare separate inventory disposal schedules for—

(A) Special test equipment with commercial components;

(B) Special test equipment without commercial components;

(C) Printing equipment;

(D) Information technology (e.g., computers, computer components, peripheral equipment, and related equipment);

(E) Precious metals;

(F) Mononuclear hazardous materials or hazardous wastes; or

(G) Nuclear materials or nuclear wastes.

(iv) The Contractor shall describe the property in sufficient detail to permit an understanding of its intended use. Property with the same description, condition code, and reporting location may be grouped in a single line item.

(4) Submission requirements. The Contractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than—

(i) 30-days following the Contractor's determination that a Government property item is no longer required for performance of this contract;

(ii) 60 days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(iii) 120 days, or such longer period as may be approved by the Termination Contracting Officer following contract termination in whole or in part.

(5) Corrections. The Plant Clearance Officer may—

(i) Reject a schedule for cause (e.g., contains errors, determined to be inaccurate); and

(ii) Require the Contractor to correct an inventory disposal schedule.

(6) Postsubmission adjustments. The Contractor shall notify the Plant Clearance Officer at least 10 working days in advance of its intent to remove an item from an approved inventory disposal schedule. Upon approval of the Plant Clearance Officer, or upon expiration of the notice period, the Contractor may make the necessary adjustments to the inventory schedule.

(7) Storage.

(i) The Contractor shall store the property identified on an inventory disposal schedule pending receipt of disposal instructions. The Government's failure to furnish disposal instructions within 120 days following acceptance of an inventory disposal schedule may entitle the Contractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Contractor shall obtain the Plant Clearance Officer's approval to remove Government property from the premises where the property is currently located prior to receipt of final disposition instructions. If approval is granted, any costs incurred by the Contractor to transport or store the property shall not increase the price or fee of any Government contract. The storage facility shall be appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve the Contractor of any liability for such property under this contract.

(8) Disposition instructions.

(i) If the Government does not furnish disposition instructions to the Contractor within 45 days following acceptance of a scrap list, the Contractor may dispose of the listed scrap in accordance with the Contractor's approved scrap procedures.

(ii) The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of Contractor inventory as directed by the Plant Clearance Officer. If not returned to the Government, the Contractor shall remove and destroy any markings identifying the property as U.S. Government-owned property prior to its disposal.

(iii) The Contracting Officer may require the Contractor to demilitarize the property prior to shipment or disposal. In such cases, the Contractor may be entitled to an equitable adjustment under paragraph (i) of this clause.

(9) Disposal proceeds. As directed by the Contracting Officer, the Contractor shall credit the net proceeds from the disposal of Contractor inventory to the contract, or to the Treasury of the United States as miscellaneous receipts.

(10) Subcontractor inventory disposal schedules. The Contractor shall require its Subcontractors to submit inventory disposal schedules to the Contractor in accordance with the requirements of paragraph (j)(4) of this clause.

(k) Abandonment of Government property.

(1) The Government shall not abandon sensitive Government property or termination inventory without the Contractor's written consent.

(2) The Government, upon notice to the Contractor, may abandon any nonsensitive Government property in place, at which time all obligations of the Government regarding such property shall cease.

(3) The Government has no obligation to restore or rehabilitate the Contractor's premises under any circumstances; however, if Government-furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (i) of this clause may properly include restoration or rehabilitation costs.

(l) Communication. All communications under this clause shall be in writing.

(m) Contracts outside the United States. If this contract is to be performed outside of the United States and its outlying areas, 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.

**252.222-7999 ADDITIONAL REQUIREMENTS AND RESPONSIBILITIES RESTRICTING THE USE OF MANDATORY ARBITRATION AGREEMENTS (DEVIATION) (FEB 2010)** (The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors.)

(a) Definitions.

"Covered subcontract," as used in this clause, means any subcontract, except a subcontract for the acquisition of commercial items or commercially available off-the-shelf items, that is in excess of $1 million and uses Fiscal Year 2010 funds.

(b) The Contractor--

(1) Agrees not to--

(i) Enter into any agreement with any of its employees or independent contractors that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or

(ii) Take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; and

(2) Certifies, by signature of the contract, for contracts awarded after June 17, 2010, that it requires each covered subcontractor to agree not to enter into, and not to take any action to enforce any provision of any agreements, as described in paragraph (b)(1) of this clause, with respect to any employee or independent contractor performing work related to such subcontract.

(c) The prohibitions of this clause do not apply with respect to a Contractor's or subcontractor's agreements with employees or independent contractors that may not be enforced in a court of the United States.

(d) The Secretary of Defense may waive the applicability of the restrictions of paragraph (b) to the Contractor or a particular subcontractor for the purposes of the contract or a particular subcontract if the Secretary or the Deputy Secretary personally determines that the waiver is necessary to avoid harm to national security interests of the United States, and that the term of the contract or subcontract is not longer than necessary to avoid such harm. This determination will be made public not less than 15 business days before the contract or subcontract addressed in the determination may be awarded.

This Clause was modified by: P00063.

# FAR Clauses (The [2017 Edition of CorpDocs](http://www.lockheedmartin.com/us/suppliers/tandc.html) were the basis of the FAR Clauses.)

**52.203-7, Anti-Kickback Procedures (Jul 1995)**

**52.203-12, Limitation on Payments to Influence Certain Federal Transactions (Sep 2007)**

**52.203-13, Contractor Code of Business Ethics and Conduct (Dec 2007)**

**52.204-9, Personal Identity Verification of Contractor Personnel (Sep 2007)**

**52.209-6, Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Sep 2006)**

**52.215-2, Audit and Records – Negotiation (Jun 1999)**

**52.215-11, Price Reduction for Defective Cost or Pricing Data--Modifications (Oct 1997)**

**52.215-13, Subcontractor Cost or Pricing Data--Modifications (Oct 1997)**

**52.215-14, Integrity of Unit Prices (Oct 1997)**

**52.215-15, Pension Adjustments and Asset Reversions (Oct 2004)**

**52.215-21, Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications (Oct 1997) and Alternate I (Oct 1997)** (Alternate I also applies. Insert “Paper copy and CD ROM” in Paragraph (b)(1).)

**52.215-21, Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications (Oct 1997) and Alternate III (Oct 1997)** (Alternate III also applies. Insert “Paper copy and CD ROM” in Paragraph (c).)

**52.216-7, Allowable Cost and Payment (Dec 2002)**

**52.216-8, Fixed Fee (Mar 1997)**

**52.216-10, Incentive Fee (Mar 1997)**

**52.219-8, Utilization of Small Business Concerns (May 2004)**

**52.222-21, Prohibition of Segregated Facilities (Feb 1999)**

**52.222-26, Equal Opportunity (Mar 2007)**

**52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)**

**52.222-36, Affirmative Action for Workers With Disabilities (Jun 1988)**

**52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)**

**52.222-39,** **Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004)** (Applicable for all purchase orders and subcontracts in excess of the simplified acquisition threshold.)

**52.222-50, Combating Trafficking in Persons (Aug 2007)**

**52.223-3, Hazardous Material Identification and Material Safety Data (Jan 1997)** (Applicable if this purchase order/subcontract involves hazardous materials. "Contracting Officer" means "Lockheed Martin;" "Government" means "Lockheed Martin and the Government.")

The blanks in paragraph (b) are completed with the following:

|  |  |
| --- | --- |
| **Material** | **Identification No.** |
| Hydrazine (N2H4) | 042641 |
| Oxidizer (MON-III) | 017380 |
| Anhydrous Ammonia | 038957 |
| Zirconium & Potassium Perchlorate | 039886 |
| Titanium Hydride & Potassium Perchlorate | 013285 |
| Nickel Hydroxide | 018935 |
| Potassium Hydroxide | 016425 |
| Thorium Fluoride | 007940 |
| Blue Solithane | 041596 |
| Eccobond Epoxy | 006188 |
| Hysol EA 9309/9394 | 037143/843034 |
| Epon 828-PtA Epoxy | 038650 |
| Epon 828-PtA Epoxy | 038651 |
| Dow Corning 6-1104 | 004221 |
| RTV-566B | 037352 |
| Braycote 602/815 | 012386 |
| Silicone Rubber Compound | 027650 |
| Beryllium Oxide | 028006 |
| Isopropyl Alcohol | 001867 |
| Acetone | 032568 |
| Gaseous Helium | 007043 |
| Gaseous Nitrogen | 007045 |
| Liquid Nitrogen | 033237 |

**52.223-14, Toxic Chemical Release Reporting (Aug 2003)** (Applicable if this purchase order/subcontract exceeds $100,000. "Contracting Officer" means "Lockheed Martin." Paragraph (e) is deleted.)

**52.223-15, Energy Efficiency in Energy-Consuming Products (Dec 2007)** (Applicable if you will be providing energy consuming products which will be delivered to the Government, or the energy consuming products are acquired by you for use in performing services at a Federally-controlled facility; furnished under the prime contract for use by the Government; or specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance.)

**52.223-16, IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (Dec 2007)** (Applicable if you will be delivering computers to the Government, acquired by the Contractor for use in performing services at a Federally-controlled facility; furnished under the prime contract for use by the Government.)

**52.225-13, Restrictions on Certain Foreign Purchases (Feb 2006)**

**52.230-2, Cost Accounting Standards (Apr 1998)**

**52.230-6, Administration of Cost Accounting Standards (Mar 2008)**

**52.232-16, Progress Payments (Apr 2012)** (Applicable where progress payments will be paid to the Seller. "Contracting Officer" means "Lockheed Martin" except in paragraph (g) where it means "Lockheed Martin or Contracting Officer." "Government" means "Lockheed Martin" except: (1) in paragraphs (d), (e) and (j)(5) where the term is unchanged and (2) in paragraphs (g) and (i) where it means "Lockheed Martin and the Government.")

**52.232-17, Interest (Jun 1996)** (Applicable if your contract contains any clauses which refers to an Interest clause, “Government” means “Lockheed Martin”)

**52.234-1, Industrial Resources Developed Under Defense Production Act Title III (Dec 1994)**

**52.243-2, Changes – Cost Reimbursement (Aug 1987) – Alternate II and Alternate V (Apr 1984)** (Alternate II will also apply if your contract is for services and supplies and Alternate V will also apply if your contract is for research and development.)

**52.244-6, Subcontracts for Commercial Items (Mar 2007)**

**52.245-9, Use and Charges (Jun 2007)** (Applicable for all purchase orders and subcontracts where government facilities will be provided. Communications with the Government under this clause will be made through Lockheed Martin.)

**52.246-8, Inspection of Research and Development – Cost Reimbursement (May 2001) (**Applicable if you have a cost reimbursable subcontract and will be performing research and development work. "Government" means "Lockheed Martin" except (1) in paragraphs (b), (c) and (d) where it means "Lockheed Martin and the Government" and in paragraph (k) where the term is unchanged.)

**52.246-15, Certificate of Conformance (Apr 1984) (**Applicable if you will be making direct shipments to the Government and there is no intervening acceptance by Lockheed Martin.)

**52.248-1, Value Engineering (Feb 2000)**

**52.249-2, Termination for Convenience of the Government (Fixed-Price) (May 2004)**

# DFARS Clauses (The [2017 Edition of CorpDocs](http://www.lockheedmartin.com/us/suppliers/tandc.html) were the basis of the DFARS Clauses.)

**252.203-7001,** **Prohibition on Persons Convicted of Fraud or other Defense-Contract-Related Felonies (Dec 2004)**

**252.203-7002,** **Display of DoD Hotline Poster (Dec 1991)**

**252.204-7000, Disclosure of Information (Dec 1991)** (Applicable for all purchase orders/subcontracts. In paragraph (b) "Contracting Officer" means "Lockheed Martin" and "45 days" means "60 days.")

**252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting (Dec 2015)**

**252.208-7000, Intent to Furnish Precious Metals as Government-Furnished Material (Dec 1991)** (This is a solicitation clause and is applicable for all request for quotations/request for proposals (RFQ/RFP).)

**252.211-7000, Acquisition Streamlining (Dec 1991)**

**252.211-7007, Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry (Nov 2008)** (Applicable if Seller will be in possession of Government property for the performance of this purchase order/subcontract.)

**252.215-7000, Pricing Adjustments (Dec 1991)**

**252.215-7004, Excessive Pass-Through Charges (May 2008)**

**252.219-7004, Small Business Subcontracting Plan (Test Program) (Apr 2007)** (Applicable if Seller participates directly in the DoD test program.)

**252.225-7001, Buy American and Balance of Payments Program (Jun 2005)**

**252.225-7006, Quarterly Reporting of Actual Contract Performance Outside the United States (May 2007)** (Applicable for all purchase orders/subcontracts exceeding $550,000. Paragraph (f) is deleted.)

**252.225-7012, Preference for Certain Domestic Commodities (Mar 2008)** (Applicable for all purchase orders/subcontracts with any deliverables of items covered by this clause.)

**252.225-7013, Duty-Free Entry (Oct 2006)**

**252.225-7016,** **Restriction on Acquisition of Antifriction Bearings (Mar 2006)**

**252.225-7021, Trade Agreements (Mar 2007)**

**252.225-7025, Restriction on Acquisition of Forgings (Jul 2006)** (Applicable if your delivery contains restricted forging items – ship propulsion shafts, periscope tubes or ring forgings for bull gears.)

**252.227-7013, Rights in Technical Data -- Noncommercial Items (Nov 1995)**

**252.227-7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Jun 1995)**

**252.227-7015, Technical Data -- Commercial Items (Nov 1995)**

**252.227-7016, Rights in Bid or Proposal Information (Jun 1995)**

**252.227-7019, Validation of Asserted Restrictions -- Computer Software (Jun 1995)**

**252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (Jun 1995)**

**252.227-7037, Validation of Restrictive Markings on Technical Data (Sep 1999)**

**252.227-7038. Patent Rights--Ownership by the Contractor (Large Business) (Dec 2007)**

**252.234-7002, Earned Value Management System (May 2011)** ("Government" means "Lockheed Martin and Government." Paragraphs (i) and (j) are deleted. Insert the following in Section (k)(1): Harris and General Dynamics MS.)

**252.235-7003, Frequency Authorization (Dec 1991) and Alternate I (Dec 1991)** (Alternate I is also applicable.)

**252.239-7000, Protection Against Compromising Emanations (Jun 2004)** (Applicable if classified work is required. "Contracting Officer" means "Lockheed Martin." "Government" means "Lockheed Martin and the Government" in paragraphs (c) and (d).)

**252.239-7001, Information Assurance Contractor Training and Certification (Jan 2008)** (Applicable if you will be accessing DoD Information Systems.)

**252.243-7002, Requests for Equitable Adjustment (Mar 1998)** (Applies to all purchase orders/subcontracts over $100,000. “Government” means “Lockheed Martin.”)

**252.244-7000, Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (Jun 2007)**

**252.245-7001, Tagging, Labeling, and Marking of Government-Furnished Property (Apr 2012)** (Applicable for purchase orders/subcontracts where the items furnished by you will be subject to serialized tracking.)

**252.245-7004, Reporting, Reutilization, and Disposal (Mar 2015)** (Applicable to all purchase orders/ subcontracts containing the clause at FAR 52.245-1, Government Property. "Contracting Officer" means “Lockheed Martin.”)

**252.246-7000, Material Inspection and Receiving Report (Mar 2008)** (Applicable if direct shipments will be made to the Government.)

**252.246-7001, Warranty of Data (Dec 1991)** (Applicable if you will be delivering data. "Government" means "Lockheed Martin or the Government." "Contracting Officer" means "Lockheed Martin." The last sentence in paragraph (b) is changed to read as follows: The warranty period shall extend for three years after completion of delivery of the data to Lockheed Martin, or if the data is delivered to the Government, either by Lockheed Martin or Seller, the warranty period shall extend for three years after delivery to the Government.")

**252.246-7003, Notification of Potential Safety Issues (Jan 2007)**

**252.247-7023, Transportation of Supplies by Sea (May 2002)**

**252.249-7002, Notification of Anticipated Contract Termination or Reduction (Dec 2006)**

**AFFARS Clauses**

**5352.223-9000, Elimination of Use of Class I Ozone Depleting Substances (ODS) (Apr 2003)** (Applicable for all purchase orders/subcontracts. The blank in paragraph (d) is completed with "None."  In paragraph (d) "Contracting Officer" means "Lockheed Martin.")

**5352.223-9001, Health and Safety on Government Installations (Jun 1997)** (Applicable if the subcontractor will perform work on a government installation. "Contracting Officer" means "Lockheed Martin.")

**5352.242-9000, Contractor Access to Air Force Installations (Aug 2007)** (Applicable if you will be performing work on a government installation. "Contracting Officer" means "Lockheed Martin." In paragraph (e) "the prime contractor" means "Seller.")

**5352.242-9001, Common Access Cards (CACS) for Contractor Personnel – AF Systems (Aug 2004)** (Applicable if you will be performing work on a government installation. All communication with the government required by this clause shall be conducted through Lockheed Martin.)