

**CUSTOMER CONTRACT REQUIREMENTS**  
**Contractor Logistics Support for T1 Aircraft**  
**CUSTOMER CONTRACT FA8106-08-R-0003**

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below. If this contract is for the procurement of commercial items under a Government prime contract, as defined in FAR Part 2.101, see Section 3 below.

**1. FAR Clauses.** The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller.

**52.203-6 Restrictions on Subcontractor Sales to the Government** (Sep 2006). This clause applies only if this contract exceeds \$100,000.

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

**52.219-9 Small Business Subcontracting Plan** (Nov 2007). In paragraph (c), "Contracting Officer" shall mean Buyer. This clause applies only if this contract exceeds \$550,000 and Seller is not a small business concern.

**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). This clause applies only if this contract exceeds \$100,000.

**52.222-36 Affirmative Action for Workers With Disabilities** (Jun 1998). This clause applies only if this contract exceeds \$ 10,000.

**52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans** (Sep 2006). This clause applies only if this contract exceeds \$100,000.

**52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees** (Dec 2004) . This clause applies only if this contract exceeds \$100,000.

**52.222-41 Service Contract Act of 1965** (Nov 2007) . This clause applies only if this contract is subject to the Act.

**52.222-50 Combating Trafficking in Persons** (Aug 2007) . In paragraph (d), the term “Contracting Officer” means Buyer, and in paragraph (e), the term “the Government” means Buyer..

**52.225-13 Restrictions on Certain Foreign Purchases** (Jun 2008) .

**2. DoD FAR Supplement Clauses.** DoD Contracts. The following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, “Contractor” and “Offeror” mean Seller except as otherwise noted.

**252.219-7003 Small Business Subcontracting Plan (DoD Contracts)** (Apr 2007). Except paragraph (g) which is hereby deleted.

**252.225-7012 Preference for Certain Domestic Commodities** (Mar 2008) .

**252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns** (Sep 2004) . This clause applies only if this contract exceeds \$500,000.

**252.227-7015 Technical Data - Commercial Items** (Nov 1995) . This clause applies only if the delivery of data is required for commercial items under this contract.

**252.227-7037 Validation of Restrictive Markings on Technical Data** (Sep 1999) . This clause applies only if the delivery of data is required by this contract.

**252.247-7023 Transportation of Supplies by Sea** (May 2002) . This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), “45 days” is changed to “60 days.” In paragraph (g) “Government” means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

**3. The following prime contract special provisions apply to this purchase order:**

**A. 252.225-7014 - PREFERENCE FOR DOMESTIC SPECIALTY METALS (DEVIATION) (JAN 2008)**

(a) Definitions. As used in this clause—

(1) “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.

(2) “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 (columbium), 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.

(b) Any specialty metal delivered under this contract shall be melted or produced in the United States or its outlying areas.

**B. 252.225-7014 Preference for Domestic Specialty Metals, Alternate I (DEVIATION JAN/2008 2008-O0002)**

**252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS - ALTERNATE I (DEVIATION JAN/2008 2008-O0002)**

(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 (columbium), 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 or 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 requests a 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 2008-00002 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 such noncompliant metals does not exceed 2 percent of 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 form for use during the period of contract performance in the production of the commercial derivative military article and the related 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 commercially available off-the-shelf items, incorporated into such 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.

(End of clause)

### **C. Small Business Subcontracting Goal**

This clause does not apply to small businesses. Small Business subcontracting goals will be expressed in terms of percent of contract value in addition to percent of subcontracted amount. Large businesses are required to subcontract 7.5% of the total subcontract amount for the T-1 acquisition to small businesses. The small business subcontracting goal of 7.5% will be reviewed annually and rated as an element of the Contractor Performance Assessment Reporting Systems (CPARS). In addition, large businesses shall provide goals for the utilization of Small Disadvantaged Business firms to include the usage of Historically Black Colleges and Universities and Minority Institutions IAW FAR 52.219-24. IAW DFARS 219.705-4, any small disadvantaged business goal of less than 5% of the total subcontracted dollars shall be justified. The contractor's expressed targets will be incorporated into and become part of the contract. The contractor will be required to provide reports on SDB subcontractor participation in accordance with FAR clause 52.219-25.

