

**CUSTOMER CONTRACT REQUIREMENTS**  
**Security Equipment System Integration**  
**CUSTOMER CONTRACT HSTS02-08-R-CT1157**

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 Sales to the Government** (Sep. 2006). This clause applies only if this contract exceeds \$100,000.

**52.203-7 Anti-Kickback Procedures (excluding subparagraph (c)(1))** (Jul 1995) . Buyer may withhold from sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract. This clause applies only if this contract exceeds \$100,000.

**52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity** (Jan 1997) . This clause applies to this contract if the Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this contract. The Seller shall indemnify Buyer for any and all losses suffered by the Buyer due to violations of the Act (as set forth in this clause) by Seller or its subcontractors at any tier.

**52.203-10 Price or Fee Adjustment for Illegal or Improper Activity** (Jan 1997) . This clause applies only if this contract exceeds \$100,000. If the Government reduces Buyer's price or fee for violations of the Act by Seller or its subcontractors at any tier, Buyer may withhold from sums owed Seller the amount of the reduction.

**52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions** (Sep 2007) . This clause applies only if this contract exceeds \$100,000.

**52.203-12 Limitation on Payments to Influence Certain Federal Transactions** (Sep 2007) . This clause applies only if this contract exceeds \$100,000. Paragraph (g)(2) is modified to read as follows: "(g)(2) Seller will promptly submit any disclosure required (with written notice to Boeing) directly to the PCO for the prime contract. Boeing will identify the cognizant Government PCO at Seller's request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor."

**52.204-2 Security Requirements** (Aug 1996) . Changes clause means the changes clause of this contract. This clause applies only if access to classified material is required.

**52.211-5 Material Requirements** (Aug 2000) . Any notice will be given to Buyer rather than the Contracting Officer.

**52.215-2 Audit and Records - Negotiation** (Jun 1999) . This clause applies only if this contract exceeds \$100,000 and (i) is cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these types: (ii) Seller was required to provide cost or pricing data, or (iii) Seller is required to furnish reports as discussed in paragraph (e) of the referenced clause.

**52.215-10 Price Reduction For Defective Cost or Pricing Data (OCT 1997)**. This clause applies only if this contract exceeds \$550,000 and is not otherwise exempt. In subparagraph (3) of paragraph (a), insert "of this contract" after "price or cost." In Paragraph (c), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Paragraphs (c)(1), (c)(1)(ii), and (c)(2)(i), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Subparagraph (c)(2)(i)(A), delete "to the Contracting Officer." In Subparagraph (c)(2)(ii)(B), "Government" shall mean "Government or Buyer." In Paragraph (d), "United States" shall mean "United States or Buyer."

**52.215-12 Subcontractor Cost or Pricing Data** (Oct 1997) . This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. The certificate required by paragraph (b) of the referenced clause shall be modified as follows: delete "to the Contracting Officer or the Contracting Officer's representative" and substitute in lieu thereof "The Boeing Company or any of its wholly owned subsidiaries."

**52.215-14 Integrity of Unit Prices (excluding subparagraph (b))** (Oct 1997) . This clause applies except for contracts at or below \$100,000; construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; commercial items; and petroleum products.

- 52.219-8 Utilization of Small Business Concerns** (May 2004) .
- 52.219-9 Small Business Subcontracting Plan** (Apr 2008) . Alt. II (Oct. 2001). This clause applies only if this contract exceeds \$550,000 and Seller is not a small business concern. In paragraph (c), "Contracting Officer" shall mean Buyer. In accordance with paragraph (d)(10)(iv), Seller agrees that it will submit the ISR and/or SSR using eSRS.
- 52.222-21 Prohibition of Segregated Facilities** (Feb 1999) .
- 52.222-26 Equal Opportunity** (Mar 2007). ALT I (Feb. 1999).
- 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)**
- 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.
- 52.222-50 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..
- 52.223-14 Toxic Chemical Release Reporting (excluding subparagraph (e))** (Aug 2003) . This clause applies only if this contract is not for commercial items as defined in FAR Part 2, was competitively awarded, and exceeds \$100,000 (including all options).
- 52.225-1 Buy American Act - Supplies** (Jun 2003) . This clause does not apply if this contract is placed under a Department of Defense contract.
- 52.225-13 Restrictions on Certain Foreign Purchases** (Jun 2008) .
- 52.227-1 Authorization and Consent** (Dec 2007) .
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement** (Dec 2007) . A copy of each notice sent to the Government will be sent to Buyer.

**52.227-14 Rights in Data - General** (Jun 1987) . This clause applies only if data will be produced, furnished or acquired under this contract.

**52.230-6 Administration of Cost Accounting Standards** (Mar 2008) . Add "Buyer and the" before "CFAO" in paragraph (m). This provision applies if clause H001, H002, or H004 is included in this contract.

**52.242-15 Stop Work Order** (Aug 1989) . Change "90 days" and "30 days" to "100 days" and "20 days" respectively. The terms "Contracting Officer" and "Government" shall mean Buyer.

**52.244-5 Competition in Subcontracting** (Dec 1996) .

**52.244-6 Subcontracts for Commercial Items** (Sep 2006) .

**52.245-1 Government Property (Jun 2007), Alternate I** (Jun 2007) . This clause applies only if Government property is acquired or furnished for contract performance.

**52.247-63 Preference for U.S.-Flag Air Carriers** (Jun 2003) . This clause only applies if this contract involves international air transportation.

**52.247-64 Preference for Privately-Owned U.S. Flag Commercial Vessels (APR 2003) - Alternate I (APR 2003)** (Apr 2003) - **Alternate Alt I** . . In paragraph (C)(2) "20" and "30" are changed to 10 and 20 respectively.

**2. Commercial Items.** If goods or services being procured under this contract are commercial items and Clause H203 is set forth in the purchase order, the foregoing Government clauses in Sections 1 and 2 above are deleted and the following FAR/DFARS clauses are inserted in lieu thereof:

**52.219-8 Utilization of Small Business Concerns** (May 2004) . This clause applies only if this contract offers further subcontracting opportunities. If this contract exceeds \$550,000 (\$1,000,000 for construction of any public facility) and Seller is not a small business concern, Seller must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

**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.

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

**52.247-64 Preference for Privately-Owned U.S. Flag Commercial Vessels (APR 2003) - Alternate I (APR 2003) - Alternate Alt I** . . In paragraph (C)(2) "20" and "30" are changed to 10 and 20 respectively.

### **3. Cost Accounting Standards.**

(1) (Applicable if this contract incorporates clause H001). The version of FAR 52.230-2, Cost Accounting Standards, incorporated by clause H001 is the version dated April 1998..

(2) (Applicable if this contract incorporates clause H002). The version of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, incorporated by clause H002 is the version dated April 1998. .

(3) (Applicable if this contract incorporates clause H004). The version of FAR 52.230-5, Cost Accounting Standards - Educational Institution, incorporated by clause H004 is the version dated April 1998..

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

The following contract clauses are incorporated from the Prime Contract with the Customer and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller.

#### **A. (H-5) Non-Personal Services**

(a) As stated in the Federal Register, Volume57, No. 190, page 45096, dated September 30, 1992, Policy Letter on Inherently Governmental Functions, no personal services shall be performed under this contract. No Contractor employee will be directly supervised by the Government. All individual employee assignments, and daily work direction, shall be given by the applicable employee supervisor. If the Contractor believes any Government action or communication has been given that would create a personal service relationship between the Government and any Contractor employee, the Contractor shall promptly notify the CO of this communication or action.

(b) The Contractor shall not perform any inherently governmental actions under this contract. No Contractor employee shall hold him or herself out to be a Government employee, agent, or representative. No Contractor employee shall state orally or in writing at any time that he or she is acting on behalf of the Government. In all communications with third parties in connection

with this contract, Contractor employees shall identify themselves as Contractor employees and specify the name of the company for which they work for. In all communications with other Government Contractors in connection with this contract, the Contractor employee shall state that they have no authority to in any way change the contract and that if the other Contractor believes this communication to be a direction to change their contract, they should notify the CO for that contract and not carry out the direction until a clarification has been issued by the CO.

(c) The Contractor shall insure that all of its employees working on this contract are informed of the substance of this clause. Nothing in this clause shall limit the Government's right in any way under any other provision of the contract, including those related to the Government's right to inspect and accept the services to be performed under this contract. The substance of this clause shall be included in all subcontracts at any tier

## **B. (H-6) Personnel Requirements Clearances**

All personnel shall have appropriate clearances prior to the commencement of work for work performed at the contractor's facility. The Contractor will adhere to TSA MD 2800.71 for submission of appropriate information before commencement of work. The Government will vet the Contractor's personnel if a current clearance is not active. Some Contractor personnel may access classified materials; in this case, the Contractor will require a current SECRET clearance. TSA Personnel Security will review and process all proposed contractor employee clearance information to ensure identification and compliance with security requirements and practices.

**Training** This effort requires that all Contractor personnel have appropriate DHS and TSA training. Recurring training is also required, usually on an annual schedule. Training includes, but is not limited to Information Security, Privacy/SSI Policy and Procedures, TSA Privacy, and Physical Security. The COTR and Program Security Officer will identify specific training requirements.

### **Privacy Training**

All contractor personnel shall receive Program privacy training and Department of Homeland Security privacy training as part of the on-boarding process and thereafter must complete annual refresher privacy training. In addition, contractor personnel may be required to receive program-specific role-based privacy training.

**SSI Handling**

In accordance with 49 U.S.C. 114(s), SSI is information obtained or developed in the conduct of security activities, including research and development, the disclosure of which TSA has determined would:

- Constitute an unwarranted invasion of privacy (including, but not limited to, information contained in any personnel, medical, or similar file),
- Reveal trade secrets or privileged or confidential information obtained from any person,
- Be detrimental to the security of transportation.

SSI is a specific category of information that requires protection against disclosure. The governing document that defines the scope, categorization, handling and disposition of information deemed SSI is the 49 Code of Federal Regulations 1520 (<http://ecfr.gpoaccess.gov>). Although it is subject to certain legal disclosure limitations, SSI is not classified national security information subject to the handling requirements governing classified information.

All Federal employees and contractor employees possessing SSI are responsible for ensuring that the information and records containing SSI are safeguarded at all times from disclosure to unauthorized personnel. When the SSI for which an individual is responsible is not under the individual's direct physical control, the individual is responsible for ensuring that it is safeguarded and protected in such a way that it is not physically or visually accessible to persons who do not have a need to know, for example: when unattended, SSI must be secured in a locked container or office, or other restricted access area.

Prior to a contractor gaining access to SSI, the contractor must meet the processing requirements established by TSA Management Directive (MD) 2800.71.

**Section 508**

Section 508 of the Rehabilitation Act, as amended by the Workforce Investment Act of 1998 (P.L. 105-220) requires that when Federal agencies develop, procure, maintain, or use electronic and information technology, they must ensure that it is accessible to people with disabilities. Federal employees and members of the public who have disabilities must have equal access to and use of information and data that is comparable to that enjoyed by non-disabled Federal employees and members of the public. All EIT deliverables within this work statement shall comply with the applicable technical and functional performance criteria of Section 508 unless exempt. Specifically, the following applicable standards have been identified: 36 CFR 1194.21 – Software Applications and Operating Systems, applies to all EIT software applications and operating systems procured or developed under this work statement including but not limited to GOTS and COTS software. In addition, this standard is to be

applied to Web-based applications when needed to fulfill the functional performance criteria. This standard also applies to some Web based applications as described within 36 CFR 1194.22.

36 CFR 1194.31 – Functional Performance Criteria, applies to all EIT deliverables regardless of delivery method. All EIT deliverable shall use technical standards, regardless of technology, to fulfill the functional performance criteria.

36 CFR 1194.41 – Information Documentation and Support, applies to all documents, reports, as well as help and support services. To ensure that documents and reports fulfill the required “1194.31 Functional Performance Criteria”, they shall comply with the technical standard associated with Web-based Intranet and Internet Information and Applications at a minimum. In addition, any help or support provided in this work statement that offer telephone support, such as, but not limited to, a help desk shall have the ability to transmit and receive messages using TTY.

Exceptions for this work statement have been determined by DHS and only the exceptions described herein may be applied. Any request for additional exceptions shall be sent to the COTR and determination will be made in accordance with DHS MD 4010.2. DHS has identified the following exceptions that may apply: 36 CFR 1194.2(b) – (COTS/GOTS products), When procuring a product, each agency shall procure products which comply with the provisions in this part when such products are available in the commercial marketplace or when such products are developed in response to a Government solicitation. Agencies cannot claim a product as a whole is not commercially available because no product in the marketplace meets all the standards. If products are commercially available that meets some but not all of the standards, the agency must procure the product that best meets the standards.

When applying this standard, all procurements of EIT shall have documentation of market research that identify a list of products or services that first meet the agency business needs, and from that list of products or services, an analysis that the selected product met more of the accessibility requirements than the non-selected products as required by FAR 39.2. Any selection of a product or service that meets less accessibility standards due to a significant difficulty or expense shall only be permitted under an undue burden claim and requires approval from the DHS Office on Accessible Systems and Technology (OAST) in accordance with DHS MD 4010.2.

36 CFR 1194.3(b) – Incidental to Contract, all EIT that is exclusively owned and used by the contractor to fulfill this work statement does not require compliance with Section 508. This exception does not apply to any EIT deliverable, service or item that will be used by any Federal employee(s) or member(s) of the public. This exception only applies to those contractors assigned to fulfill the obligations



of this work statement and for the purposes of this requirement, are not considered members of the public

**C. (H-7) Pre employment Security Screening of Contractor Employees (July 2004)**

A. All employees assigned to work in a Transportation Security Administration (TSA) Facility, inclusive of all airports nationwide, under this contract will be required to undergo a pre-employment security screening investigation prior to being permitted to report to work. The Contractor shall ensure that each employee meets the following criteria:

1) Contractor employees must be US Citizens or Legal Permanent Residents. Only US Citizens can access TSA's Information Technology (IT) Systems.

2) Contractor employees must undergo a favorable Background Investigation.

a) The following Background Investigation Security Paperwork must be completed by the contractor employee and given to the Contracting Officer's Technical Representative (COTR) at least thirty-five (35) days prior to the employment start date:

1) Standard Form (SF) 86, Questionnaire for National Security. (The SF 86 is available at [www.opm.gov](http://www.opm.gov) under standard forms.)

2) Form FD 258, Fingerprint Cards. (Two (2) original Fingerprint Cards are required to be completed and signed by the person taking the fingerprints. Fingerprints can be taken by local law enforcement agencies.)

3) TSA Form 2201, Fair Credit Reporting Act Form.

a) The COTR will submit the Background Investigation Security Paperwork to the TSA Credentialing Program Office (CPO). This submission must take place at least thirty (30) days prior to the employment start date.

b) When a contractor employee voluntarily or involuntarily leaves his/her employment under a contract with TSA, the contractor must obtain and return the contractor employee's badge to the COTR on the contractor employee's last day of work at a TSA facility, inclusive of all airports nationwide. The COTR will return the contractor employee's badge to the Office of Security, Physical Security Division.

B. As stated above, contractor employees requiring staff-like access to TSA facilities on a recurring basis (more than 14 days per year) must have a favorably adjudicated fingerprint based criminal history record check, credit check and search of the Office of Personnel Management, Security/Suitability Investigations Index, prior to being issued a Permanent TSA Headquarters photo access passes. COTRs should advise the Office of Security, Physical Security Division, if the contract on which the contractor is working will last 90 days or less. Record checks may be conducted prior to or concurrently with a National Agency Check and Inquiries and Credit (NACIC) investigation. The NACIC is the minimum investigative standard for TSA contractor employees.

C. Contractor employees requiring temporary facility access for one to fourteen days or facility maintenance, routine delivery, etc., require only a fingerprint check and/or national Crime Information Center (NCIC) records check.

D. A contractor that participates in the National Industrial Security Program (NISP) may, through their COTR certify, in writing, that their employees have met the standard defined in Paragraph B. above.

#### **D. ORGANIZATIONAL CONFLICT OF INTEREST (JUN 2006)**

(a) Determination. The Government has determined that this effort may result in an actual or potential conflict of interest, or may provide one or more offerors with the potential to attain an unfair competitive advantage. The contractor may be asked to assist the government with developing requirements for future Secure Flight related contract actions.

(b) If any such conflict of interest is found to exist, the Contracting Officer may (1) disqualify the offeror, or (2) determine that it is otherwise in the best interest of the to contract with the offeror and include the appropriate provisions to avoid, neutralize, mitigate, or waive such conflict in the contract awarded. After discussion with the offeror, the Contracting Officer may determine that the actual conflict cannot be avoided, neutralized, mitigated or otherwise resolved to the satisfaction of the Government, and the offeror may be found ineligible for award.

(c) Disclosure: The offeror hereby represents, to the best of its knowledge that:

\_\_\_ (1) It is not aware of any facts which create any actual or potential organizational conflicts of interest relating to the award of this contract, or

\_\_\_ (2) It has included information in its proposal, providing all current information bearing on the existence of any actual or potential organizational conflicts of interest, and has included a mitigation plan in accordance with paragraph (d) of this provision.

(d) Mitigation. If an offeror with a potential or actual conflict of interest or unfair competitive advantage believes the conflict can be avoided, neutralized, or mitigated, the offeror shall submit a mitigation plan to the Government for review. Award of a contract where an actual or potential conflict of interest exists shall not occur before Government approval of the mitigation plan. If a mitigation plan is approved, the restrictions of this provision do not apply to the extent defined in the mitigation plan.

(e) Other Relevant Information: In addition to the mitigation plan, the Contracting Officer may require further relevant information from the offeror. The Contracting Officer will use all information submitted by the offeror, and any other relevant information known to DHS, to determine whether an award to the offeror may take place, and whether the mitigation plan adequately neutralizes or mitigates the conflict.

(f) Corporation Change. The successful offeror shall inform the Contracting Officer within thirty (30) calendar days of the effective date of any corporate mergers, acquisitions, and/or divestures that may affect this provision.

(g) Flow-down. The contractor shall insert the substance of this clause in each first tier subcontract that exceeds the simplified acquisition threshold.

**E. 3052.219-70 Small Business Subcontracting Plan Reporting (JUN 2006)  
THE SMALL BUSINESS SUBCONTRACTING PROGRAM REPORTING  
[DEC 2003]**

(a) The Contractor shall submit the Summary Subcontract Report (Standard Form 295 (SF-295)) to the Department of Homeland Security, Office of Small and Disadvantaged Business Utilization, Washington, DC, 20528 .

(b) The Contractor shall include this clause in all subcontracts that include the clause at (FAR) 48 CFR 52.219-9.

**F. 3052.223-90 Accident and fire reporting (USCG).  
ACCIDENT AND FIRE REPORTING (DEC 2003)**

(a) The Contractor shall report to the Contracting Officer any accident or fire occurring at the site of the work that causes:

(1) A fatality or the loss of at least one lost workday on the part of any employee of the Contractor or subcontractor at any tier;

(2) Damage of \$1,000 or more to Federal real or personal property; either real or personal;

(3) Damage of \$1,000 or more to Contractor or subcontractor owned or leased motor vehicles or mobile equipment; or

(4) Damage for which a contract time extension may be requested.

(b) Accident and fire reports required by paragraph (a) above shall be accomplished by the following means:

(1) Accidents or fires resulting in a death, hospitalization of five or more persons, or destruction of Federal real or personal property, the total value of which is estimated at \$100,000 or more, shall be reported immediately by telephone to the Contracting Officer or his/her authorized representative and shall be confirmed by telegram, facsimile or e-mail transmission within 24 hours to the Contracting Officer. Such telegram or facsimile transmission shall state all known facts as to extent of injury and damage and as to cause of the accident or fire.

(2) Other accident and fire reports required by paragraph (a) above may be reported by the Contractor using a state, private insurance carrier, or Contractor accident report form which provides for the statement of:

(i) The extent of injury; and

(ii) The damage and cause of the accident or fire. Such report shall be mailed or otherwise delivered to the Contracting Officer within 48 hours of the occurrence of the accident or fire.

(c) The Contractor shall assure compliance by subcontractors at all tiers with the requirements of this clause.

