

Date: December 2001

EXHIBIT A**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT 24412**

The clauses contained in the following Government regulations are incorporated by reference. Where necessary or appropriate to derive proper meaning in a subcontract situation, "Contractor" shall mean Seller. Government clauses cited elsewhere in the contract shall be those in effect in October 24, 2001.

FAR/DFARS &**Title****DEARS****Reference**

52.215-15	Pension Adjustments and Asset Reversions (DEC 98) ("Contracting Officer" means Buyer and Seller's cognizant ACO.) (Applicable only if contract is other than firm-fixed-price or if certified cost or pricing data was provided.)
52.219-8	Utilization of Small Business Concerns (OCT 00)
52.222-1	Notice to the Government of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.)
52.222-21	Prohibition of Segregated Facilities (FEB 99) (Certification required. The clause is to be included in every subcontract or purchase order subject to the equal opportunity clause.)
52.222-26	Equal Opportunity (FEB 99) [Subparagraphs (b)(1) through (11)]
52.222-41	Service Contract Act of 1965, as amended (MAY 89) (If your supplier will be performing work covered by the Service Contract Act.)
52.223-3	Hazardous Material Identification and Material Safety Data (JAN 97) (Applies only if hazardous material will be delivered)
52.225-11	Restrictions on Certain Foreign Purchases (AUG 98) ("Contracting Officer" means Buyer.)
52.227-1	Authorization and Consent (JUL 95)
52.227-3	Patent Indemnity (APR 84)
52.229-10	State of New Mexico Gross Receipts and Compensating Tax (OCT 88) (Applies only if work will be performed in New Mexico. The contract is cost reimbursement and involves acquisition of tangible personal property.)
52.242-15	Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)
52.244-5	Competition in Subcontracting (DEC 96)
52.244-6	Subcontracts for Commercial Items and Commercial Components (MAY 01)
52.246-9	Inspection of Research and Development (Short Form) (Apr 1984)

52.247-63	Preference for U.S.-Flag Air Carriers (JAN 97)
952.204-70	Classification/Declassification (SEP 97)
952.204-74	Foreign ownership, control, or influence over contractor (APR 84)
952.204-2	Security (SEP 97)
952.223-72	Radiation protection and nuclear criticality (APR 84)
952.250-70	Nuclear Hazards Indemnity Agreement (JUN 1996)
970.5204-2 (now 970.5223-1)	Integration of Environment, Safety, and Health Into Work Planning and Execution (DEC 00)
970.5204-9 (now 970.5232-3)	Accounts, Records, and Inspection (DEC 2000)

The following clauses also apply if the contract price exceeds \$10,000:

52.222-20	Walsh-Healy Public Contracts Act (DEC 96)
52.222-35	Affirmative Action for Disabled Veterans and Veterans of the Vietnam ERA (Apr 1998)
52.222-36	Affirmative Action for Workers with Disabilities (JUN 98)
52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 99)

The following clauses also apply if the contract price exceeds \$100,000:

52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 95)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (JUN 97) (The disclosures of Seller and its lower tier subcontractors required by paragraph (c) shall be submitted to Buyer's Material Representative.)
52.215-2	Audit and Records-Negotiation (JUN 99) (Applies if the contract is cost reimbursement, incentive, time-and-materials, labor hour, or price redeterminable type or any combination of these; if cost or pricing data was required; or if cost funding or performance reports will be furnished.)
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (SEP 00)
52.223-2	Clean Air and Water (APR 84) (Also applicable if Seller's facility has been the subject of a conviction under the Clean Air Act or Federal Water Pollution Control Act.)
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (AUG 96). (A copy of each notice sent to the Government will be sent to Buyer.) ("Contracting Officer" means Buyer.)
52.247-64	Preference for Privately-Owned U.S. Flag Commercial Vessels (JUN 00)

The following clauses also apply if the contract price exceeds \$500,000:

- 52.219-9 Small Business Subcontracting Plan (OCT 00) (Applies only if Seller is not a small business. "Contracting Officer" in paragraph (c) means Buyer.)
- 52.230-2 Cost Accounting Standards (APR 98) (This clause applies only if Seller is subject to Cost Accounting Standards (CAS).)
- 52.230-6 Administration of Cost Accounting Standards (NOV 99) (Add "Buyer and "before "Contracting Officer" in paragraph (e).)

The following clauses also apply if Technical Data or Computer Software will be Generated or Delivered:

- 52.227-14 Rights in Data - General (JUN 87)
- 52.227-16 Additional Data Requirements (JUN 87)
- 52.227-23 Rights to Proposal Data (Technical) (Jun 1987)
- 952.227-11 Patent rights-retention by the contractor (short form) (FEB 95)
- 952.227-13 Patent rights-acquisition by the Government (SEP 97)

Additional Provisions:

PRICING OF ADJUSTMENTS. When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other provision of this contract, or when the allowability of costs under this contract are to be determined, determination of such costs shall be in accordance with FAR Part 31.

ANTI-KICKBACK PROCEDURES. Seller agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7, "Anti-Kickback Procedures" which is incorporated herein by reference, except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to Seller, and further that in subparagraphs (c)(2), (c)(3), and (c)(5), the term "Contractor" shall mean Seller, and in subparagraph (c)(4) the term "Prime Contractor" shall mean Buyer and the term "Subcontractor" shall mean Seller. In addition to reporting possible violations of the Anti-Kickback Act to the Government pursuant to 41 U.S.C. §57(c), Seller shall report such possible violations, if related to Buyer, to the Director of Materiel and/or the Division Counsel of the Boeing division or subsidiary issuing this contract. Seller agrees to hold Buyer harmless from, defend Buyer against, and indemnify Buyer for all costs, expenses, and offsets Buyer may incur as a consequence of violations of this clause by Seller or by Seller's subcontractors or suppliers. The rights and obligations set forth in this clause shall survive completion of, final payment under, or termination of, this order.

TRUTH IN NEGOTIATIONS ACT. (Applicable if certified cost or pricing data was provided.) Seller shall comply with the provisions of FAR 52.215-10 and 52.215-12 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

TRUTH IN NEGOTIATIONS ACT - Modifications. (Applies if certified cost or pricing data was not provided.) Seller shall comply with the provisions of FAR 52.215-11 and 52.215-13 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

Special Contract Requirements:

Keywords:

SCR means Sandia Contracting Representative

SDR means Sandia Delegated Representative

Access to Sandia Computers

Seller and Seller personnel who are granted access to Sandia computers and word processors are subject to the computer security procedures outlined in this clause. The procedures are applicable to Seller and Seller personnel located at a Sandia facility or at any Boeing facility. If the Seller does not comply with the provisions of this clause, Sandia and Boeing may withdraw Seller's access to Sandia computers and may also terminate the purchase contract. Misuse of Sandia computers may be a violation of law and could result in appropriate action including prosecution. Sandia computers may be used only to perform work authorized in the purchase contract. Computer software or documentation developed on or for Sandia computer systems is the property of the Government unless provided otherwise in the purchase contract. Information or data furnished by Sandia or obtained from a Sandia computer by Seller or Seller personnel must be protected by the Seller to prevent disclosure to any person other than Seller's employees having a need to know unless such disclosure is authorized in advance in writing by the SCR. Classified material or information shall be protected in accordance with the security provisions of the purchase contract. If this purchase contract does not include security provisions and the Seller is furnished or comes in contact with classified material or information, it shall be reported immediately to the SCR. Files of any other user shall not be accessed without specific permission from that user. Sandia monitors all use of all Sandia computers. Computer passwords are issued to individuals and must not be shared. Computer passwords must be protected by each Seller employee to prevent disclosure to any other persons. If a computer password is disclosed or potentially disclosed, the Seller must notify the SCR immediately so that a new password can be issued. Any Seller who is granted access to a Sandia computer shall be required to complete initial and refresher "Computer Security Training" (COM100), to be provided by Sandia.

Citizenship Status

All personnel of the Seller and its subcontractor who require access must be United States citizens, or foreign nationals who are legal aliens or have the required authorization to perform work in the United States.

Classified Inventions

(a) The Seller shall not file or cause to be filed on any invention or discovery conceived or first actually reduced to practice in the course of or under this purchase contract in any country other than the United States, an application or registration for a patent without obtaining written approval of the Contracting Officer.

(b) When filing a patent application in the United States on any invention or discovery conceived of or first actually reduced to practice in the course of or under this purchase contract, the subject matter of which is classified for reasons of security, the Seller shall observe all applicable security regulations covering the transmission of classified subject matter. When transmitting the patent application to the United States Patent and Trademark Office, the Seller shall by separate letter identify by agency and number, the purchase contract(s) which require security classification markings to be placed on the application.

(c) The substance of this clause shall be included in subcontracts which cover or are likely to cover classified subject matter.

Contractor or Subcontractor Use of Government-Owned Vehicles

The following provisions apply if work under this purchase contract requires Seller or Seller personnel to operate Government-owned vehicles either on or off Government sites. Seller shall maintain, at Seller's expense, during the period of performance of work under this purchase contract, third-party vehicle liability insurance which shall cover the use of such Government-owned vehicles with limits of at least \$200,000/\$500,000 public liability and \$20,000 property damage. Medical payments coverage, comprehensive and collision insurance, uninsured motorist, and personal injury protection will not be required under this clause unless required by state statute. All Seller's agents, employees and subcontractors of any tier shall obey all rules and regulations pertaining to the use of Government-owned vehicles. In the event of a motor vehicle accident, the Seller shall submit a completed Motor Vehicle Accident Reporting Form SF 91 to the SCR together with any additional supplemental forms required by instructions given on the GSA Form Packet 1627. A GSA Form Packet 1627 normally is located either in the headliner or glovebox of the GSA vehicle. Seller's personnel shall assure that a GSA Form Packet 1627 is available in a GSA vehicle prior to accepting and driving a GSA vehicle.

ES&H Training

Seller or subcontractor personnel who will enter a Government site to perform work shall have completed all of the ES&H training required by the purchase contract prior to any attempts to enter a Government site as shown by written records of such training furnished to the SDR or to the Requester if no SDR s named. Seller shall certify to Sandia through Buyer completion of all required training on the Completion Record for Contractor Administered Training form. Seller shall provide the completion record form for the initial ESH100 training to the SDR and the Boeing Buyer on the first day of work. Seller shall provide the completion records for any other training required above to the SDR and the Boeing Buyer before starting the affected work activity.

Notice of Potential Delay

Seller shall strictly comply with the delivery requirements of this purchase contract. Whenever the Seller has knowledge of any actual or potential delay or threatened delay in the timely performance of this purchase contract, the Seller shall immediately give notice thereof, confirmed in writing, including all relevant information with respect thereto, to Sandia and the Boeing Buyer. The Seller agrees to insert the substance of this provision, including this sentence, in any subcontract hereunder, except that each such subcontract shall require the subcontractor to notify his next higher tier contractor of all relevant information with respect to such delays. Such notice is for informational purposes only and shall not be construed to relieve the Seller of Seller's obligation to comply with the purchase contract delivery requirements.

Protection of Government Property

All facilities, property, equipment and materials at Sandia are Government-owned. Acts of theft, illegal possession and unlawful destruction or use of Government property are violations punishable under Federal law, and may also result in administrative action. The Federal Bureau of Investigation is the investigative authority for all such incidents including cases involving the personal property of individuals when the incident occurs at a Government-owned installation. Every user of Government property is responsible for its physical protection and for reporting immediately the loss, theft, destruction, or damage of such property.

Provided Information

Any and all physical forms of designs, design data, specifications, technical, scientific data, and other information furnished to the Seller shall remain the property of the Government. Any and all such information provided to the Seller shall be used only for the purpose of enabling performance of this purchase contract and the Seller shall use its best efforts to prevent disclosure to others except when necessary in the performance of this purchase contract.

Release of Information

No information relating to this purchase contract shall be released other than to Seller and Seller's employees or those of Seller's subcontractors requiring the information for the performance of the purchase contract, without advance written approval of the SCR. In no event shall the interest of Sandia or the DOE or the Government in this purchase contract be indicated in any advertising or publicity without advance written approval of the SCR.

Reporting of Royalties

If any royalty payments are directly involved in the purchase contract or are reflected in the purchase contract price to Sandia, the Seller agrees to report in writing to the SCR and the Boeing Buyer with notification by the SCR to the DOE Patent Counsel during performance of this purchase contract and prior to its completion or final settlement of any amounts or other payments paid or to be paid by the Seller to others in connection with the performance of this purchase contract together with the names and addresses of licensors to whom such payments are made and either the patent numbers involved or such other information as shall permit the identification of the patents or other basis on which the royalties are to be paid. The approval of the DOE of any individual payments or royalties shall not stop the Government at any time from contesting the enforceability, validity or scope of, or title to, any patent under which a royalty or payments are made. The provisions of this clause, appropriately modified as to parties, shall be included in all subcontracts that exceed \$100,000, unless otherwise approved by the SCR and the Boeing Buyer.

Requirements for Access to Government Sites

Permission to enter Government sites shall at all times be subject to all laws, regulations, and site access rules for the site. The Government requirements include but are not limited to, all of the requirements set forth in this section for any work to be performed on a Government site. To obtain access to such premises, the Seller shall write a letter to the SDR or the SCR and the Boeing Buyer stating the company designation to be used by the Seller and each subcontractor and furnishing the following information on each individual requiring access to such premises: name, date of birth, and citizenship status, completed ES&H training requirements set forth in the purchase contract. Access will be granted for the period of performance of the work only. Seller shall withdraw and replace any individual, including any subcontractor employee, assigned to perform work under this purchase contract, who in the judgment of Sandia or the DOE is to be denied access to any Government site. Seller shall submit to the SDR or the SCR and the Boeing Buyer proposed working schedules for its personnel and the personnel of each of its subcontractors. The schedules will show proposed daily working hours and proposed workweeks. Schedules that deviate from Sandia's normal workday or workweek must be approved by the responsible SDR. In the absence of a written authorization from the SCR or DOE, use of Government sites by the Seller and its subcontractors of any tier, pursuant to access granted under this clause, shall be limited to work required by this purchase contract to be performed on such premises. **THE USE OF THE ACCESS PRIVILEGE FOR ANY PURPOSE OTHER THAN TO PERFORM WORK UNDER THIS PURCHASE CONTRACT IS PROHIBITED AND MAY BE GROUNDS FOR TERMINATING THIS PURCHASE CONTRACT FOR DEFAULT OR FOR FINDING THAT AN INDIVIDUAL IS UNACCEPTABLE FOR FUTURE ACCESS.**

Sandia Provided Information

Any and all physical forms of designs, design data, specifications, technical, scientific data, and other information furnished by Sandia to the Seller shall remain the property of the Government. Any and all such information provided by Sandia to the Seller shall be used only for the purpose of enabling performance of this purchase contract and the Seller shall use its best efforts to prevent disclosure to others except when necessary in the performance of this purchase contract.

Vehicle Insurance

All vehicles, owned or operated by the Seller or its subcontractors or their agents and employees, having access to Government sites shall be covered by at least \$200,000/\$500,000 public liability and \$20,000 property damage insurance.

Vehicle Markings

All vehicles used by the Seller or its subcontractors on a Government site shall be clearly marked to indicate company name of user. Vehicles which do not bear permanent markings may be temporarily marked as follows: (1) Signs, no longer than the vehicle door is wide, with a white or lighter background, showing the Seller's or subcontractor's name in one inch high, or larger, dark colored letters, may be made from sheet metal, cardboard or other suitable material and temporarily attached to the vehicle's front door panels so that the signs appear in the approximate center of each door panel. Words such as "Company," "Corporation" or "Division" may be abbreviated. (2) No signs shall be attached to the vehicle's glass area for safety reasons.

A = ADDED

D = DELETED

Exhibit 24412

R = REVISED