



## Section 9 : GOVERNMENT CONTRACT REQUIREMENTS

---

CLAUSE 998 (10/11/96)

TITAN IV LAUNCH VEHICLE PROGRAM

MARTIN MARIETTA SUBCONTRACT GD5-110010

(F04701-85-C-0019)

GOVERNMENT CONTRACT REQUIREMENTS

(a) 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" shall mean Seller.

(1) 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1985)

(2) 52.203-7 Anti-Kickback Procedures (OCT 1988) [excluding subparagraph (c)(1)]. 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.

(3) 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (SEP 1990). This clause applies only if this contract exceeds \$10,000. 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 or recover from Seller the amount of the reduction.

(4) 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991). This clause applies only if this contract exceeds \$100,000.

(5) 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JAN 1990). This clause applies only if this contract exceeds \$100,000. Paragraph (c) (4) is modified to read as follows: "(c) (4) Seller will promptly submit any disclosure required (with written notice to Buyer) directly to the PCO for the prime contract. Buyer will identify the cognizant Government PCO at Seller's request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor."

(6) 52.204-2 Security Requirements (APR 1984) (excluding any reference to the Changes clause of this contract). This clause applies only if access to classified material is required.

(7) 52.208-1 Required Sources for Jewel Bearings and Related Items (APR 1984)

(8) 52.210-5 New Material (APR 1984). "Contracting Officer" shall mean Buyer.

(9) 52.210-7 Used or Reconditioned Material, Residual Inventory and Former Government Surplus Property (APR 1984). "Contracting Officer" shall mean Buyer.

- (10) 52.211-15 Defense Priority and Allocation Requirements (MAY 1986)
- (11) 52.215-1 Examination of Records by Comptroller General (APR 1984). This clause applies only if this contract exceeds \$10,000.
- (12) 52.215-2 Audit -- Negotiation (APR 1988). This clause applies only if this contract exceeds \$10,000.
- (13) 52.215-26 Integrity of Unit Prices (APR 1987) [excluding paragraph (c)]
- (14) 52.215-27 Termination of Defined Benefit Pension Plans (SEP 1989). This clause applies only if under this contract certified cost or pricing data is required and preaward or postaward cost determinations are subject to FAR subpart 31.2. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause. "Contracting Officer" shall mean Buyer.
- (15) 52.215-30 Facilities Capital Cost of Money (APR 1984). This clause applies only if seller includes facilities capital cost of money as a proposed cost of this contract.
- (16) 52.215-31 Waiver of Facilities Capital Cost of Money (APR 1984). This clause applies only if Seller did not include facilities capital cost of money as a proposed cost of this contract.
- (17) 52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (JUN 1985)
- (18) 52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan (AUG 1989). This clause applies only if this contract exceeds \$500,000 and Seller is not a small business concern. In paragraph (c), "Contracting Officer" shall mean Buyer.
- (19) 52.219-13 Utilization of Women-Owned Small Businesses (AUG 1986)
- (20) 52.220-3 Utilization of Labor Surplus Area Concerns (APR 1984)
- (21) 52.220-4 Labor Surplus Area Subcontracting Program (APR 1984). This clause applies only if this contract exceeds \$500,000.
- (22) 52.222-4 Contract Work Hours and Safety Standards Act -- Overtime Compensation (MAR 1986). Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.
- (23) 52.222-20 Walsh-Healey Public Contracts Act (APR 1984). This clause applies only if this contract exceeds \$10,000.
- (24) 52.222-26 Equal Opportunity (APR 1984) [subparagraphs (b)(1) through (11)]
- (25) 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984). This clause applies only if this contract is for \$10,000 or more.
- (26) 52.222-36 Affirmative Action for Handicapped Workers (APR 1984). This clause applies only if this contract exceeds \$2,500.
- (27) 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (JAN 1988) . This

clause applies only if this contract is for \$10,000 or more.

(28) 52.223-2 Clean Air and Water (APR 1984). This clause applies only if this contract exceeds \$100,000.

(29) 52.227-1 Authorization and Consent (APR 1984)

(30) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (APR 1984). This clause applies only if this contract exceeds \$10,000. A copy of each notice sent to the Government will be sent to Buyer.

(31) 52.227-9 Refund of Royalties (APR 1984). This clause applies only if the amount of royalties reported during negotiation of this contract exceeds \$250. In this clause, "Government" and "Contracting Officer" shall mean Martin Marietta.

(32) 52.227-10 Filing of Patent Applications -- Classified Subject Matter (APR 1984)

(33) 52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984). This clause applies only if this contract requires work on a Government installation. Insert "or Martin Marietta" after "Government." In this clause, "Contracting Officer" shall mean Martin Marietta.

(34) 52.244-5 Competition in Subcontracting (APR 1984)

(35) 52.245-2 Government Property (APR 1984)

(36) 52.245-17 Special Tooling (APR 1984). In this clause, "Government" and "Contracting Officer" shall mean Martin Marietta.

(37) 52.245-18 Special Test Equipment (APR 1984). In this clause, "Contracting Officer" shall mean Buyer. Substitute "45" for "30." Notwithstanding paragraph (c), Seller shall not buy or make any item of special test equipment without Buyer's prior written consent.

(38) 52.246-23 Limitation of Liability (APR 1984)

(39) 52.246-25 Limitation of Liability -- Services (APR 1984). This clause applies only if this contract exceeds \$25,000.

(40) 52.247-63 Preference for U.S. - Flag Air Carriers (APR 1984)

(41) 52.248-1 Value Engineering (MAR 1989) [excluding subparagraph (f)]. This clause applies only if this contract is for \$100,000 or more. "Contracting Officer" shall mean Buyer. If a Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant, concurrent, and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of net acquisition savings or collateral savings will not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.

(b) 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" shall mean Seller.

(1) 252.204-7005 Overseas Distribution Of Defense Subcontracts (AUG 1988). This clause applies only if this contract exceeds \$100,000.

- (2) 52.208-7000 Required Sources for Miniature and Instrument Ball Bearings (JUL 1971)
- (3) 252.208-7001 Required Sources for Precision Components for Mechanical Time Devices (JUL 1971)
- (4) 252.208-7002 Required Sources for High-Purity Silicon (JUN 1983)
- (5) 252.208-7003 Required Sources for High Carbon Ferrochrome (HCF) (AUG 1984)
- (6) 252.209-7001 Acquisition From Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty (JUN 1988). This clause applies only if this contract exceeds \$25,000.
- (7) 252.210-7005 Acquisition Streamlining (APR 1988). This clause applies only if this contract exceeds \$1,000,000.
- (8) 252.215-7000 Aggregate Pricing Adjustment (APR 1985)
- (9) 252.219-7000 Small Business and Small Disadvantaged Business Subcontracting Plan (DoD Contracts) (JUN 1988)
- (10) 252.225-7001 Buy American Act and Balance of Payments Program (DEC 1990)
- (11) 252.225-7002 Qualifying Country Sources as Subcontractors (OCT 1980)
- (12) 252.225-7008 Duty-Free Entry -- Qualifying Country End Products and Supplies (OCT 1980)
- (13) 252.225-7011 Preference for Domestic Specialty Metals (Major Programs) (OCT 1980)
- (14) 252.225-7023 Restriction on Acquisition of Foreign Machine Tools (JUL 1990)
- (15) 252.227-7013 Rights in Technical Data and Computer Software (OCT 1988). This clause applies only if the delivery of data is required or where computer software may be originated, developed or delivered under this contract.
- (16) 252.227-7018 Restrictive Markings on Technical Data (OCT 1988). This clause applies only if the delivery of data is required by this contract.
- (17) 252.227-7026 Deferred Delivery of Technical Data or Computer Software (APR 1988). This clause applies only if technical data or computer software may be originated, developed, or delivered under this contract.
- (18) 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR 1988). This clause applies only if technical data or computer software may be generated as part of the performance of this contract.
- (19) 252.227-7029 Identification of Technical Data (APR 1988)
- (20) 252.227-7030 Technical Data - Withholding of Payment (OCT 1988). This clause applies only if the delivery of data is required under this contract. "Contracting Officer" and "Government" shall mean Buyer.
- (21) 252.227-7031 Data Requirements (OCT 1988). Modified to delete "DD Form 1423 (Contract Requirements List)" and to substitute "Data Requirements List."
- (22) 252.227-7036 Certification of Technical Data Conformity (MAY 1987). Insert "and Buyer" after "Government." Insert

"Buyer, Martin Marietta and" before "the Government."

(23) 252.227-7037 Validation of Restrictive Markings on Technical Data (APR 1988). This clause applies only if the delivery of data is required under this contract.

(24) 252.228-7006 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (JAN 1969)

(25) 252.231-7000 Supplemental Cost Principles (APR 1984)

(26) 252.235-7004 Frequency Authorization (OCT 1966). This clause applies only if this contract calls for developing, producing, testing, or operating a device for which radio frequency authorization is required.

(27) 252.243-7001 Pricing of Adjustments (APR 1984)

(28) 252.247-7203 Transportation of Supplies by Sea (APR 1990). In this clause "Prime Contractor" shall mean Buyer. Insert "Buyer" between "provide" and "the Contracting Officer" in paragraph (e). In paragraph (g), "Contracting Officer" shall mean Buyer.

(c) Standards for Controlling Restrictive Markings

As required by the clause "Restrictive Markings on Technical Data" of this contract, Seller shall have and follow written procedures that meet certain standards. They are as follows:

(1) The procedures shall identify an employee or employees authorized to place restrictive markings on technical data to be delivered hereunder. In accordance with the contract clause "Certification of Technical Data Conformity," this employee(s) must be directly accessible to the individual responsible for completing technical data certificates.

(2) The procedures shall identify a program to train employee(s) responsible for marking and certifying the conformance of technical data. The training shall cover the procedures and contract terms regarding placing restrictive markings on technical data.

(3) The procedures shall ensure that only technical data pertaining to items, components, processes, or computer software "developed at private expense" are marked with restrictive markings. In this regard, Seller shall maintain records which are capable of indicating the following:

(i) that the item, component, process or computer software that the technical data refers to have been developed.

(ii) that the item, component, process, or computer software was developed at private expense.

(iii) that a reasonable audit trail exists for technical data created for the first time under this contract when the technical data pertains to items, components, processes, or computer software developed at private expense prior to this contract. If a subsequent requirement for the creation and delivery of technical data is contained in this contract, Seller's procedures must require the beginning of an audit trail for items, components, processes, or compute software developed at private expense and selected or used under this contract. Seller's official having final responsibility for determining whether technical data may contain restrictive markings must ensure that adequate records exist to support such restrictive markings.

(4) The procedures shall provide for adequate evaluation of lower-tier subcontractor procedures for controlling the restrictive markings on technical data.

(d) Technical Data and Computer Software

All technical data and computer software required under the terms of this subcontract shall be delivered to the Government with unlimited rights as defined in DFARS 252.227-7013, Rights in Technical Data and Computer Software.

(e) Frequency Management Procedures

Pursuant to the clause hereof entitled "Frequency Authorization," the following procedures shall be followed in obtaining radio frequency authorization:

- (1) The policy and procedures contained in AFR 700-14 will be followed to obtain frequency allocation approval of electromagnetic devices and USAF Radio Frequency Assignment.
- (2) Frequency allocation proposals, presented on DD forms 1494, will be submitted through Buyer to the Space Division Frequency manager for timely Joint Frequency Panel consideration as stated in AFR 700-14, Chapter 4.
- (3) Attach FCC Forms 130 to the basic frequency allocation proposal, DD Forms 1494, for space systems and their associated earth terminal transmission equipment.
- (4) Frequency assignment requirements will be presented in Standard Frequency Action Format (SFAF) and submitted in accordance with AFR 700-14, Attachment 6.
- (5) Further administration guidance is available from the Communications-Electronics Support Office SSD/SCDT Space Systems Division.

(f) Insurance - Work on a Government Installation

This clause applies only if this contract requires work on a Government Installation.

- (1) Seller shall, at his own expense, provide and maintain during the entire performance of this contract at least the kinds and minimum amounts of insurance required in the schedule or elsewhere in the contract.
- (2) Before commencing work under this contract, Seller shall certify to Martin Marietta, through Buyer, in writing that the required insurance has been obtained. Seller agrees to furnish Martin Marietta, through Buyer, with a Certificate of Insurance providing the required limits as set forth in the contract. The Certificate of Insurance shall have Martin Marietta and the government as an additional insured. The Certificate of Insurance will also provide a statement to the effect that any cancellation or any material change adversely affecting Martin Marietta or the government's interest shall not be effective (i) for such period as the laws of the State in which this contract is to be performed so indicate or (ii) until 30 days after insurer or Seller gives written notice to Martin Marietta, whichever period is longer.
- (3) Seller shall insert the substance of this clause, including this paragraph (3), in lower-tier subcontracts under this contract that require work on a Government installation and shall require lower-tier subcontractors to provide and maintain the insurance required in the Schedule or elsewhere in the contract. Seller shall maintain a copy of all lower-tier subcontractors' proofs of the required insurance, and shall make copies available to Martin Marietta and Buyer upon request.

(g) Scientific/Technical Information (STINFO)

If not already registered, Seller shall register for Defense Technical Information Center (DTIC) service by contracting the

following:

Defense Technical Information Center

Attn: Registration Section (DTIC-DDR-B)

Bldg. 5, Cameron Station

Alexandria, Virginia 22304-6145

To avoid duplication of effort and conserve scientific and technical resources, Seller shall search existing sources in the DTIC to determine the current state-of-the-art concepts, studies, etc.

(h) Use of Government Facilities on a Rent-Free Basis

In the event that rent-free use of Government facilities is authorized for this contract, Seller agrees that it will not directly through overhead charges or otherwise, include in the price of this contract, or seek reimbursement under this contract for any rental charge paid by Seller for the use on other contracts of the facilities referred to herein. Any lower-tier subcontract hereunder which authorizes the lower-tier subcontractor to use Government facilities on a rent-free basis shall contain a clause to the same effect as this paragraph.

(i) Enabling Clause for General Systems Engineering and Integration

(1) Buyer's contract covers part of the Titan IV Program which is under the general program management of the Air Force Space Systems Division (SSD). 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.

(2) General Systems Engineering and Integration (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 trade-offs; 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 meeting with contractors and subcontractors, exchange and analysis of information on progress and problems, review of plans for future work; development of solutions to problems, technical alternatives for reduced program risk, providing comments and recommendations in writing to the DOD System Program Manager and/or Project Officer as an independent technical assessment for consideration for modifying the program or redirecting Buyer's efforts, all to the extent necessary to assure timely and economical accomplishment of program objectives consistent with mission requirements.

(3) In the performance of this contract, Seller agrees to cooperate with the Aerospace Corporation by responding to invitations from Buyer to attend meetings; by providing access to technical information and research, development and 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 Subcontract Data Requirements List (SDRL); by providing access to Seller's 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 general systems engineering and integration effort are authorized access to any technical information pertaining to this contract.

(4) Seller further agrees to include in each lower-tier subcontract a clause requiring compliance by such subcontractor with

the response and access provisions of paragraph (3) above, subject to coordination with Buyer through Seller. This agreement does not relieve Seller of its responsibility to manage the lower-tier subcontracts effectively and efficiently nor is it intended to establish privity of contract between Buyer, Martin Marietta, the Government or the Aerospace Corporation and such lower-tier subcontractors.

(5) The Aerospace Corporation personnel are not authorized to direct Seller in any manner. Seller agrees to accept technical direction from Buyer only.

(j) Safety and Accident Prevention

(1) In performing work under this contract on Martin Marietta property or on a Government installation, Seller shall:

(i) conform to the specific safety requirements contained in the contract;

(ii) comply with the safety rules of Martin Marietta or of the Government installation that concern related activities not directly addressed in this contract;

(iii) take all reasonable steps and precautions to prevent accidents and preserve the life and health of Buyer, Martin Marietta, Seller and Government personnel performing, or in any way coming in contact with, the performance of this contract for those related activities not directly addressed by this contract, and

(iv) take such additional immediate precautions as Buyer may reasonably require for safety and accident prevention purposes.

(2) If this contract is performed on an Air Force installation, the Air Force Occupational Safety and Health (AFOSH) Standards, developed in accordance with AFR 127-12, in effect on the date of this contract, apply. If contract performance is on other than an Air Force installation, Seller shall comply with the safety rules of that Government installation, in effect on the date of this contract.

(3) Buyer may, by written order, direct additional AFOSH, safety and accident standards as may be required in the performance of this contract and any adjustments resulting from such direction will be in accordance with the provisions of this contract entitled "Changes."

(4) Any violation of these safety rules and requirements, unless promptly corrected as directed by Buyer, shall be grounds for termination of this contract in accordance with the Default clause of this contract.

(k) Safety Precautions for Dangerous Materials

(1) For purposes of this clause, dangerous materials shall be deemed to include ammunition, explosives, acids, fuels, propellants, hazardous chemicals, and other material of an explosive, corrosive, flammable, combustible, toxic, radio-active, oxidizing nature, or so magnetic as to affect aircraft navigation systems or of an otherwise dangerous nature.

(2) Seller shall comply with the intent of applicable portions of AF Technical Orders 11C1-6, 71-4, 75-2 and AF Manuals 160-39 and 127-100, in addition to applicable local, state, and federal ordinances, laws, and codes, including latest changes, revisions and/or supplements thereto, in effect on the date of this contract, in the development, testing, storage, manufacture, packaging, transportation, handling, disposal, or use of dangerous materials, which may affect the performance of this contract, whether such performance is on premises controlled by the Government or otherwise. Seller shall comply with the requirement for shipper's certificate in accordance with AFM 71-4 if shipment of dangerous materials is to be made by military air or to an aerial port of embarkation. Seller shall also comply with any additional safety measures required by



Buyer with regard to such dangerous materials; or provided, that if compliance with such additional safety measures results in a material increase in the cost or time of performance of this contract, an equitable adjustment will be made in accordance with the clause of this contract entitled "Changes."

(l) Notification of Government Security Activity

This clause applies only if this contract requires work on a Government installation.

Thirty days before the date Seller operations will begin on base, Seller shall notify the security policy activity shown in the distribution block of the DD Form 254, DoD Contract Security Classification Specifications, as to:

- (1) The name, address and telephone number of this subcontract company's representative in the U.S. or overseas area, as appropriate;
- (2) The subcontract number and military contracting command;
- (3) The highest classification category of defense information to which Seller's employees will have access;
- (4) The Air Force installations in the U.S. (in overseas area identify only the APO number[s]) where the contract will be performed;
- (5) The date Seller operations will begin on base in the U.S. or in the overseas area;
- (6) The estimated completion date of operations on base in the U.S. or in the overseas area, and
- (7) Any changes to information previously provided under this clause.

This requirement is in addition to visit request procedures contained in DoD 5220.22M, Industrial Security Manual, paragraph 37d.

(m) Use of Government Supply Source for Acquisition of Class S Parts

- (1) Definition. "JAN Class S parts" as used in this clause are space-quality military standard electronic parts as described in MIL-S-19500 for semiconductors, MIL-M-38510 for microcircuits and associated specifications for passive electronic parts.
- (2) Seller is encouraged to acquire JAN Class S parts in FSC 5961 and FSC 5962 as defined on the list\* from the Defense Electronic Supply Center (DESC) using Military Standard Requisitioning and Issue Procedures (MILSTRIP). If the parts are not available from DESC to meet contractual time requirements or if Seller intends to acquire the parts from sources other than DESC, Seller will identify the Parts Control Board the alternate acquisition source prior to actual purchase of the parts.

\*JAN Class S NSN List. This list will change from time to time. For most recent version, contract SSD/SDEEP, P.O. Box 92960, Los Angeles, CA 90009-2960, telephone (213) 336-1256.

- (3) To use MILSTRIP, Seller shall obtain a letter of authorization from Buyer which includes the list of parts (Including national stock numbers, general part numbers, and order quantities) authorized to be ordered through MILSTRIP.
- (4) JAN Class S parts obtained from DESC pursuant hereto shall be considered supplier furnished material, since the items are acquired directly by Seller. Seller shall retain responsibility for assuring timely delivery of parts to support this contract.

(5) DESC shall be responsible for reimbursing or replacing any defective part from the operating stock, provided the defect was not caused by Seller. Defective DESC parts shall be reported to DESC/QAR, Dayton, OH 45444-5000, telephone (513) 296-5146.

(6) Seller shall be responsible for rework, repair, retest, and schedule impacts of defective assemblies or systems caused by parts failures, including those caused by JAN Class S parts acquired from DESC, in the same manner as if the defective material had been acquired from sources other than DESC. The Government's and Buyer's liability for parts failure shall not exceed the cost of the JAN Class part and this limitation of liability shall apply in lieu of any other liability provision of this contract.

(7) Seller, through Buyer, shall follow AFM 67-1, Volume 1, MILSTRIP Requisitioning Procedures, as specified by the acquisition activity.

(8) Seller agrees to include a clause substantially the same as this clause, including this paragraph (8), in every lower-tier subcontract issued in performance of this contract, unless it is known that the item purchased does not contain any electronic parts identified in paragraph (2) above.

(9) Seller shall pay bills from DESC promptly upon receipt of billings.

(10) Seller agrees that JAN Class S parts required under this clause shall only be used to perform Government Contracts.

(n) Inspections by Martin Marietta

In Article 3, Paragraph (A) of Buyer 858 and Buyer 859, after the term "Buyer," add the words "and Martin Marietta."