

**CUSTOMER CONTRACT REQUIREMENTS  
KC-46A Aerial Refueling Tanker Program  
CUSTOMER CONTRACT FA8625-11-C-6600**

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 products and/or commercial services under a Government prime contract, as defined in FAR Part 2.101, Section 3 replaces the requirements of Sections 1 and 2 below. Please note, the requirements below are developed in accordance with Buyer's prime contract and are not modified by Buyer for each individual Seller or statement of work. Seller will remain at all times responsible for providing to any government agency, Buyer, or Buyer's customer, evidence of compliance with the requirements herein or that such requirements are not applicable to the extent satisfactory to the requesting party.

**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 (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold.

**52.203-7 Anti-Kickback Procedures** (OCT 2010). 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 \$150,000.

**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 (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold. 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 (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold.

**52.203-12 Limitation on Payments to Influence Certain Federal Transactions** (OCT 2010). This clause applies only if this contract exceeds \$150,000. 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."

**52.203-13 Contractor Code of Business Ethics and Conduct** (APR 2010). This clause applies only if this contract is in excess of \$5,000,000 and has a period of performance of more than 120 days.

**52.203-14 Display of Hotline Poster(s)** (DEC 2007). This clause applies only if this contract is in

excess of \$5,000,000 and is not for a commercial item or performed entirely outside the United States. For the purposes of this clause, the United States is defined as the 50 states, the District of Columbia, and outlying areas. Para. (b)(3) CO inserts for obtaining posters: 'DoD Inspector General, ATTN: Defense Hotline, 400 Army Navy Drive, Arlington VA, 22202-4704'

**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.

**52.204-7 Central Contractor Registration** (APR 2008). "Government" means Government except as otherwise stated herein. In paragraph (a) in the definition of Central Contractor Registration (CCR), "Government" means Government the first time it is used; "Government" means Buyer the second time it is used. In paragraph (a) in the definition of Data Universal Numbering System +4 (DUNS+4) number, establishing the 4-character suffix will not assist EFT from Buyer to Seller. In subparagraph (b)(2), "Contracting Officer" means Buyer. In the second sentence in subparagraph (c)(1)(ii), delete "for" and insert "under" in lieu thereof. In paragraph (d), "Contracting Officer" means Buyer. In paragraph (f), "Government's" means "Buyer's." Paragraph (g) is deleted.

**52.204-9 Personal Identity Verification of Contractor Personnel.** (SEP 2007). This clause applies only if performance under this contract requires Seller to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.

**52.209-6 Protecting the Government's Interests When Subcontracting With Contractors Debarred, Suspended or Proposed for Debarment** (DEC 2010). This clause applies to contracts that exceed \$30,000 and is not a contract or subcontract for commercially available off-the-shelf items. "Contracting Officer" means "Buyer." Seller shall disclose to Buyer, in writing, whether as of the time of Buyer's offered contract herein, Seller or its principals, is or is not debarred, suspended or proposed for debarment by the Federal Government.

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

**52.211-15 Defense Priority and Allocation Requirements** (APR 2008). This clause is applicable if a priority rating is noted in this contract.

**52.215-2 Audit and Records - Negotiation** (OCT 2010). This clause applies only if this contract exceeds (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold.

**52.215-11 Price Reduction for Defective Certified Cost or Pricing Data -- Modifications** (OCT 2010). This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. "Contracting Officer" shall mean "Contracting Officer or Buyer." In subparagraph (d)(2)(i)(A), delete "to the Contracting Officer." In subparagraph (d)(2)(ii)(B), "Government" means "Government" or "Buyer." In Paragraph (e), "United States" shall mean "United States or Buyer."

**52.215-13 Subcontractor Certified Cost or Pricing Data -- Modifications (2018-00015) Deviation** (MAY 2018). 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 "to The Boeing Company or The Boeing Company's representative (including data submitted, when applicable, to an authorized representative of the U.S. Government)."

**52.215-14 Integrity of Unit Prices** (OCT 2010). This clause applies except for contracts at or below the simplified acquisition threshold, which is (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold; 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.

**52.215-21 Requirement for Certified Cost or Pricing Data or Information Other Than Certified Cost and Pricing Data - Modifications** (OCT 2010). This clause applies only if this contract exceeds

the threshold set forth in FAR 15.403-4. The term "Contracting Officer" shall mean Buyer.

**52.215-23 Limitations on Pass-Through Charges.** (OCT 2009). This clause applies to all cost-reimbursement subcontracts that exceeds (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold. If the contract is with DoD, then this clause applies to all cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4. In paragraph (c), "Contracting Officer" shall mean Buyer.

**52.219-8 Utilization of Small Business Concerns** (JAN 2011).

**52.219-9 Small-Business Subcontracting Plan** (OCT 2010). This clause applies only if this contract exceeds \$650,000 and Seller is not a small business concern. Seller shall adopt a subcontracting plan that complies with the requirements of this clause. In addition, Seller shall submit to Buyer Form X31162, Small and Small Disadvantaged Business and Women-Owned Small Business Subcontracting Plan Certificate of Compliance. In accordance with paragraph (d)(10)(iv), Seller agrees that it will submit the ISR and/or SSR using eSRS, and, in accordance with paragraph (d)(10)(vi), Seller agrees to provide the prime contract number, its own DUNS number, and the email address of the Government or Contractor official responsible for acknowledging or rejecting the reports, to its subcontractors with subcontracting plans. As required by subparagraph (d)(10)(v), the following information is provided: (1) the prime contract number is FA8625-11-C-6600; (2) Buyer's DUNS number is 039267141, and (3) the email address of Buyer's official responsible for acknowledging receipt of or rejecting ISR reports is (contact Buyer's Authorized Procurement Representative).

**52.222-20 Walsh-Healey Public Contracts Act** (OCT 2010). This clause applies only if this contract exceeds \$15,000.

**52.222-35 Equal Opportunity for Veterans.** (SEP 2010). This clause applies only if this contract is \$100,000 or more.

**52.222-36 Affirmative Action For Workers With Disabilities** (OCT 2010). This clause applies only if this contract exceeds \$15,000.

**52.222-37 Employment Reports on Veterans** (SEP 2010). This clause applies if this contract is \$100,000 or more.

**52.222-50 Combating Trafficking in Persons** (FEB 2009). In paragraph (d), the term "Contracting Officer" means Buyer, and in paragraph (e), the term "the Government" means Buyer.

**52.222-54 Employment Eligibility Verification** (JAN 2009).

This clause applies to all subcontracts that (1) are for (i) commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item, or an item that would be a COTS item, but for minor modifications performed by the COTS provider and are normally provided for that COTS item), or (ii) construction; (2) has a value of more than \$3,000; and (3) includes work performed in the United States.

**52.223-3 Hazardous Material Identification and Material Safety Data** (JAN 1997). This clause applies only if Seller delivers hazardous material under this contract.

**52.223-11 Ozone Depleting Substances** (MAY 2001).

**52.223-13 Certification of Toxic Chemical Release Reporting** (AUG 2003). Except for commercial items as defined in FAR Part 2, this clause applies to competitive procurements expected to exceed \$100,000 (including all options). If Seller is not subject to the Form R filing and reporting requirements, Seller shall inform Buyer which exemption or exemptions in subparagraph (b)(2) of this clause apply.

**52.223-14 Toxic Chemical Release Reporting** (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).

**52.223-18 Contractor Policy To Ban Text Messaging While Driving** (SEP 2010).

**52.225-13 Restriction 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.

**52.227-10 Filing of Patent Applications - Classified Subject Matter** (DEC 2007).

**52.227-11 Patent Rights -- Ownership by the Contractor** (DEC 2007). This clause applies only if this contract is for experimental, developmental, or research work and Seller is a small business firm or nonprofit organization.

**52.228-5 Insurance - Work on a Government Installation** (JAN 1997). Seller shall provide and maintain insurance as set forth in this contract.

**52.229-10 State of New Mexico Gross Receipts and Compensating Tax** (APR 2003). This clause applies only if (1) this contract is a cost-reimbursement contract; (2) this contract directs or authorizes Seller to acquire tangible personal property as a direct cost under a contract and title to such property passes directly to and vests in the United States upon delivery of the property by the subcontractor, and (3) this contract is for services to be performed in whole or in part in the State of New Mexico. Para (c) and Para (g) Agency Name: 'United States Department of the Air Force'

**52.230-6 Administration of Cost Accounting Standards** (JUN 2010). Add "Buyer and the" before "CFAO" in paragraph (m). This provision applies if clause H001, H002, H004 or H007 is included in this contract.

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

**52.237-2 Protection of Government Buildings, Equipment, and Vegetation** (APR 1984). This clause applies only if work will be performed on a Government installation. "Contracting Officer" shall mean Buyer.

**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** (OCT 2010).

**52.245-1 Government Property** (AUG 2010).

This clause applies only if Government property is acquired or furnished for contract performance.

"Government" shall mean Government throughout except the first time it appears in paragraph (g)(1) when "Government" shall mean the Government or the Buyer. Paragraph (h)(1) is deleted and replaced by the following: "Seller assumes the risk of, and shall be responsible for, any loss, damage, destruction, or theft of Government property upon its delivery to Seller as Government-furnished property. However, Seller is not responsible for reasonable wear and tear to Government Property or for Government property properly consumed in performing this contract." If the contract incorporates Boeing General Provision GP4, the Government-Owned Property article in GP4 is hereby deleted.

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

**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.

**252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies** (DEC 2008).

This clause applies only if this contract exceeds (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP

issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold and is not for the purchase of commercial items or commercial components. Except in paragraph (a), "this contract" and "the contract" mean the contract between Buyer and Seller. In subparagraph (d)(2), delete the words "or first-tier subcontractor." In paragraph (e), the remedies described in subparagraphs (2) and (3) are available to Buyer, not the Government. In paragraph (f), "through the Buyer" is inserted after "Contracting Officer." Paragraph (g) is deleted.

**252.204-7000 Disclosure of Information** (DEC 1991). Seller will submit requests for authorization to release through Buyer.

**252.204-7008 Requirements for Contracts Involving Export-Controlled Items.** (APR 2010).

**252.211-7000 Acquisition Streamlining** (OCT 2010). This clause applies only if this contract exceeds \$1.5 million.

**252.211-7003 Item Identification and Valuation** (AUG 2008). Seller shall comply with the unique item identification requirements of this clause for those subassemblies, components, and parts specified elsewhere in this contract. Such identification and marking shall be a high-capacity 2D machine readable code to comply with the version of MIL-STD-130, Identification Marking of U.S. Military Property, set forth elsewhere in this contract; or if not so stated, then the Seller shall comply with MIL-STD-130 N. The code may include, as space is available, linear bar code and human readable characters. Unless otherwise specified in Boeing product drawings or specifications, the seller may use either Construct # 1 or Construct 2. The Seller shall not be required to furnish item valuations as set forth in this clause. Para (c)(1)(ii) Items with acquisition cost less than \$5,000: 'Not Applicable' Para (c)(1)(iii) 'As stated elsewhere in this contract.'

**252.215-7000 Pricing Adjustments** (DEC 1991). This clause applies only if this contract exceeds \$650,000.

**252.219-7003 Small Business Subcontracting Plan (DoD Contracts)** (OCT 2010). Except paragraph (g) which is hereby deleted.

**252.223-7001 Hazard Warning Labels** (DEC 1991). This clause applies only if Seller delivers hazardous material under this contract.

**252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials** (APR 1993).

**252.225-7001 Buy American Act and Balance of Payments Program** (JAN 2009).

**252.225-7002 Qualifying Country Sources as Subcontractors** (APR 2003).

**252.225-7004 Reporting Of Contract Performance Outside The United States And Canada - Submission After Award** (OCT 2010). "Contracting Officer" means "Buyer." In (c)(2) "regarding a first tier subcontractor" is deleted. Subparagraph (c)(5) is deleted. In (d)(2) "from the Contracting Officer or" is deleted.

**252.225-7006 QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES** (OCT 2010). In subparagraph (b), "within 10 days after" is replaced by "10 days prior to." In subparagraph (d), "Deputy Director of Defense Procurement and Acquisition Policy" means "Buyer." In (e)(2), "from the Contracting Officer" is deleted.

**252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies** (SEP 2006).

**252.225-7008 Restriction on Acquisition of Specialty Metals** (JUL 2009).

**252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals** (JUL 2009).

**252.225-7012 Preference for Certain Domestic Commodities** (JUN 2010).

**252.225-7013 Duty Free Entry** (DEC 2009). This clause applies if Seller is located in a qualifying country (as defined in DFARS Part 225.8) or if Seller is located in any other country and the estimated

U.S. duty for the deliverable items will exceed \$200 per unit. Seller shall include the prime contract number on all shipping documents submitted to Customs for supplies for which duty-free entry is claimed pursuant to this clause. Information required by paragraph (j)(3) of this clause is available upon request.

**252.225-7016 Restriction on Acquisition of Ball and Roller Bearings** (MAR 2006). This clause does not apply to the purchase of commercial items other than ball or roller bearings or to items which contain no ball or roller bearings.

**252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States** (MAR 2006). This clause applies only if this contract requires Seller to perform or travel outside the United States and Seller is not (i) a foreign government, (ii) a representative of a foreign government, or (iii) a foreign corporation wholly owned by a foreign government. Para (d) Information and guidance pertaining to DoD antiterrorism/force protection can be obtained from: 'DoD PGI 225.7403-1'

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

**252.227-7013 Rights In Technical Data -- Noncommercial Items** (NOV 1995). This clause applies only if the delivery of data is required for noncommercial items under this contract.

**252.227-7014 Rights In Noncommercial Computer Software And Noncommercial Computer Software Documentation** (JUN 1995). This clause applies only if the delivery of noncommercial computer software or noncommercial computer documentation may be originated, developed or delivered under this contract.

**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.

**252.227-7016 Rights in Bid or Proposal Information** (JUN 1995).

**252.227-7019 Validation of Asserted Restrictions - Computer Software** (JUN 1995). This clause applies only if computer software may be originated, developed, or delivered under this contract.

**252.227-7026 Deferred Delivery of Technical Data or Computer Software** (APR 1988). This clause applies only if the delivery of data is required or if computer software may be originated, developed or delivered under this contract.

**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.

**252.227-7030 Technical Data -- Withholding of Payment** (MAR 2000). In this clause, "Government" and "Contracting Officer" shall mean Buyer. This clause applies only if the delivery of technical data is required 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.

**252.227-7038 PATENT RIGHTS—OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS)** (DEC 2007). This clause applies only if this contract is for experimental, developmental, or research work and Seller is not a small business firm or nonprofit organization.

**252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles** (DEC 1991).

**252.228-7006 Compliance With Spanish Laws and Insurance** (DEC 1998). In paragraphs (d) and (e), the term "Contracting Officer" shall mean "Buyer."

**252.229-7003 Tax Exemptions (Italy)** (JAN 2002). Para (b) (1) (iii), Fiscal code for military activity within Italy '91000190933.'

**252.229-7005 Tax Exemptions (Spain)** (JUN 1997).

**252.229-7008 Relief From Import Duty (United Kingdom)** (JUN 1997).

**252.231-7000 Supplemental Cost Principles** (DEC 1991).

**252.232-7004 DoD Progress Payment Rates** (OCT 2001). This clause applies if progress payments are authorized under this contract.

**252.234-7001 Notice of Earned Value Management System** (APR 2008). This clause applies only if 252.234-7002 is applicable.

**252.234-7002 Earned Value Management System** (APR 2008). This clause applies only if it is indicated elsewhere in this contract that Seller must use an earned value management system (EVMS).

**252.235-7003 Frequency Authorization Basic (DEC 1991), Alternate I (AUG 2008)** . This clause applies only if this contract requires the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.

**252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts)** (AUG 2009).

**252.245-7001 Tagging, Labeling, and Marking Of Government-Furnished Property** (APR 2012).

**252.245-7004 Reporting, Reutilization, and Disposal** (MAY 2013). This clause applies if this contract contains FAR 52.245-1, Government Property. The term "Contracting Officer" shall mean "Buyer".

**252.246-7001 Warranty of Data Basic (DEC 1991), Alternate I (DEC 1991), Alternate II (DEC 1991)** . The warranty period in paragraph (b) is three years from the Government's acceptance of the final items of data under this contract. "Government" and "Contracting Officer" shall mean Buyer.

**252.246-7003 Notification of Potential Safety Issues** (JAN 2007).

This clause applies only if this subcontract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies and parts integral to a system. The notification required by paragraph (c) of this clause will be provided to Buyer and to the administrative contracting officer (ACO) and the procuring contracting officer (PCO) if Seller is aware of the ACO and PCO for the prime contract.

**252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System** (AUG 2016). This clause applies to contracts for electronic parts or assemblies containing electronic parts or for contracts for the performance of authentication testing. The term "Contractor" means "Buyer" in the first sentence. In paragraph (c)(6), "Contracting Officer" means "Buyer."

**252.246-7008 Sources of Electronic Parts** (AUG 2016). This clause applies if the contract is for electronic parts or assemblies containing electronics parts, unless the subcontractor is the original manufacturer of the electronic parts. In paragraph (b)(3)(ii)(A), the term "Contracting Officer" means "Buyer." Notification shall include, at a minimum, electronic parts being procured, supplier providing these electronic parts, rationale on acceptability of procuring these parts (including risk mitigation), and product using these parts (by lot or serial numbers).

**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.

**252.247-7024 Notification of Transportation of Supplies by Sea** (MAR 2000). Contracting Officer and, in the first sentence of paragraph (a), Contractor mean Buyer. This clause applies only if the supplies being transported are noncommercial items or commercial items that (i) Seller is reselling or distributing to the Government without adding value (generally, Seller does not add value to items that it contracts for f.o.b. destination shipment); (ii) are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(iii) are commissary or exchange cargoes transported outside the Defense Transportation System in accordance with 10 U.S.C. 2643.

**252.249-7002 Notification Of Anticipated Contract Termination Or Reduction** (OCT 2010). This clause applies only if this contract is \$650,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

**3. Commercial Items** If goods or services being procured under this contract are commercial products and/or commercial services 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:

**52.203-13 Contractor Code of Business Ethics and Conduct** (APR 2010). This clause applies only if this contract is in excess of \$5,000,000 and has a period of performance of more than 120 days.

**52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009** (JUN 2010). This clause applies if this contract is funded in whole or in part with Recovery Act funds.

**52.209-6 Protecting the Government's Interests When Subcontracting With Contractors Debarred, Suspended or Proposed for Debarment** (DEC 2010). Seller agrees it is not debarred, suspended, or proposed for debarment by the Federal Government. Seller shall disclose to Buyer, in writing, whether as of the time of award of this contract, Seller or its principals is or is not debarred, suspended, or proposed for debarment by the Federal Government.

**52.219-8 Utilization of Small Business Concerns** (JAN 2011).

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

**52.222-35 Equal Opportunity for Veterans.** (SEP 2010). This clause applies only if this contract is \$100,000 or more.

**52.222-36 Affirmative Action For Workers With Disabilities** (OCT 2010). This clause applies only if this contract exceeds \$15,000.

**52.222-50 Combating Trafficking in Persons** (FEB 2009).

**52.222-54 Employment Eligibility Verification** (JAN 2009).

This clause applies to all subcontracts that (1) are for (i) commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item, or an item that would be a COTS item, but for minor modifications performed by the COTS provider and are normally provided for that COTS item), or (ii) construction; (2) has a value of more than \$3,000; and (3) includes work performed in the United States.

**52.244-6 Subcontracts for Commercial Items** (OCT 2010).

**52.245-1 Government Property** (AUG 2010). This clause applies only if Government property is acquired or furnished for contract performance. "Government" shall mean Government throughout except the first time it appears in paragraph (g)(1) when "Government" shall mean the Government or the Buyer. If the contract incorporates Boeing General Provision GP4, the Government-Owned Property article in GP4 is hereby deleted.

**52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels** (FEB 2006). This clause does not apply if this contract is for the acquisition of commercial items unless (i) this contract is a contract or agreement for ocean transportation services; or a construction contract; or (ii) the supplies being transported are (a) items the Seller is reselling or distributing to the Government without adding value (generally, the Seller does not add value to the items when it subcontracts items for f.o.b. destination shipment); or (b) shipped in direct support of U.S. military (1) contingency operations; (2) exercises; or (3) forces deployed in connection with United Nations or North Atlantic Treaty Organization humanitarian or peacekeeping operations.

**252.211-7003 Item Identification and Valuation** (AUG 2008). This clause applies if this contract acquires any item for which unique item identification is required in accordance with paragraph (c) (1) of this clause. Any exceptions under paragraph (c) (1) (i) or specific items requiring a unique item identifier in accordance with paragraph (c) (1) (ii)-(v), if any, shall be identified in an exhibit in this

contract.

**252.225-7001 Buy American Act and Balance of Payments Program** (JAN 2009).

**252.225-7004 Reporting Of Contract Performance Outside The United States And Canada - Submission After Award** (OCT 2010). "Contracting Officer" means "Buyer." Paragraph (c)(5) is deleted. In (d)(2) "from the Contracting Officer or" is deleted.

**252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies** (SEP 2006).  
This clause applies if this contract is for the purchase of items covered by the United States Munitions List.

**252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals** (JUL 2009).

**252.225-7012 Preference for Certain Domestic Commodities** (JUN 2010).

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

**252.227-7013 Rights In Technical Data -- Noncommercial Items** (NOV 1995). This clause applies only if the delivery of data is required for noncommercial items under this contract.

**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.

**252.227-7019 Validation of Asserted Restrictions - Computer Software** (JUN 1995). This clause applies only if computer software may be originated, developed, or delivered 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.

**252.236-7013 Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers** (JAN 2009). This clause applies if this contract involves the acquisition of steel as a construction material.

**252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts)** (AUG 2009).

**252.246-7003 Notification of Potential Safety Issues** (JAN 2007).

This clause applies only if this subcontract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies and parts integral to a system. The notification required by paragraph (c) of this clause will be provided to Buyer and to the administrative contracting officer (ACO) and the procuring contracting officer (PCO) if Seller is aware of the ACO and PCO for the prime contract.

**252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System** (AUG 2016). This clause applies to contracts for electronic parts or assemblies containing electronic parts or for contracts for the performance of authentication testing. The term "Contractor" means "Buyer" in the first sentence. In paragraph (c)(6), "Contracting Officer" means "Buyer."

**252.246-7008 Sources of Electronic Parts** (AUG 2016). This clause applies if the contract is for electronic parts or assemblies containing electronics parts, unless the subcontractor is the original manufacturer of the electronic parts. In paragraph (b)(3)(ii)(A), the term "Contracting Officer" means "Buyer." Notification shall include, at a minimum, electronic parts being procured, supplier providing these electronic parts, rationale on acceptability of procuring these parts (including risk mitigation), and product using these parts (by lot or serial numbers).

**252.247-7023 Transportation of Supplies by Sea (MAY 2002).**

**252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000).** "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" mean Buyer. This clause applies only if the supplies being transported are noncommercial items or commercial items that (i) Seller is reselling or distributing to the Government without adding value (generally, Seller does not add value to items that it contracts for f.o.b. destination shipment); (ii) are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or (iii) are commissary or exchange cargoes transported outside the Defense Transportation System in accordance with 10 U.S.C. 2643.

**4. AFFARS Clauses** The following contract clauses are incorporated by reference from the Air Force Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" means Seller.

**5352.204-9000 Notification of Government Security Activity and Visitor Group Security Agreement (APR 2003).** (Applicable when subcontractor will be working on a Government facility).**5352.242-9001 Common Access Cards (CACs) for Contractor Personnel (AUG 2004).** (applicable only if the subcontractor will be performing on an Air Force Installation).

**5. Prime Contract Special Provisions** The following prime contract special provisions apply to this purchase order

**H007 Delivery and License Rights for Technical Data and Computer Software Necessary for Depot-Level Maintenance and Training Systems (SEP 2009).**

(This clause applies only if Seller will be delivering any data or software under this contract.)

- a. Definitions.
  1. "Depot Level Maintenance" as used in this contract:
    - A. Includes, but is not limited to –
      - i. Installation, inspection, localization, isolation, disassembly, interchange, repair, reassembly, alignment, and checkout; and
      - ii. Maintenance performed on materiel requiring repair, major overhaul, or complete rebuild of parts, assemblies, subassemblies, and end items, and including modification, testing, and reclamation.
    - B. Does not include the design or manufacture of new items.
  2. "OMIT Data" as used in this contract is defined as all computer software and technical data (including computer software documentation) necessary for operation, maintenance, installation or training purposes (other than detailed manufacturing or process data) pertaining to Seller's Goods delivered hereunder, associated with its life cycle support. All data to be delivered under data items designated as "OMIT Data Items" are considered OMIT data.
  3. Other terms are defined in the following clauses or sources:
    - A. DFARS 252.227-7013;
    - B. DFARS 252.227-7014; and
    - C. DFARS 252.227-7015.
- b. Delivery Requirements. Seller shall deliver all technical data (including computer software documentation) and computer software necessary for Depot Level Maintenance of the Goods delivered hereunder. In addition, Seller shall deliver all technical data (including computer software documentation) and computer software necessary to develop the Type 1 training data and to develop the KC-46A Aircrew Training System (ATS) as necessary for aircrew training of Seller's Goods and Maintenance Training System (MTS) components necessary for maintenance training of Seller's Goods, as well as to develop the portions of a Government-owned System Integration Laboratory necessary to integrate Seller's Goods.
  1. General. Seller shall provide the technical data and computer software having the characteristics (e.g., content, format, and delivery medium) necessary for Depot Level Maintenance and for Type 1 training and ATS and MTS development as required by the Government as well as to develop a Government-owned System Integration Laboratory. Such technical data and computer software shall include-
    - A. No less information or detail than industry standards, nor less than Seller typically requires, to perform such maintenance or training activities; and
    - B. Additional information or detail that is necessary for military purposes related to Depot Level Maintenance or training systems.
  2. Depot Level Maintenance Technical Data and Computer Software. The technical data (including computer software

- documentation) and computer software delivered under this contract must provide a complete package of all technical data (including computer software documentation) and computer software necessary for the Government to perform Depot Level Maintenance for Seller's Goods delivered hereunder, including all systems, subsystems and components without exception. This includes technical data and computer software necessary for installation and deinstallation, and disassembly and reassembly, at the lowest practicable segregable level that does not require detailed manufacturing or process information. Examples of technical data and computer software that are needed to perform Depot Level Maintenance include, but are not limited to, the following:
- A. Detailed airframe technical data and information;
  - B. Depot Level Maintenance technical data and information regarding all systems, subsystems, and components;
  - C. Interface Control Documents (ICDs); and
  - D. Computer software and computer software documentation necessary to perform Depot Level Maintenance on computer programs.
3. Training Systems Technical Data and Computer Software. The technical data (including computer software documentation) and computer software delivered under this contract must provide a complete package of all technical data and computer software necessary for the Government to develop Type 1 training, develop the ATS and MTS for Seller's Goods to be delivered hereunder, including systems, subsystems, and components, and to upgrade other weapon system simulators to train refueling from the KC-46A version of Seller's Goods. Seller is not required to provide detailed manufacturing or process information.
  4. System Integration Laboratory Technical Data and Computer Software. The technical data (including computer software documentation) and computer software delivered under this contract must provide a complete package of all technical data and computer software necessary for the Government to develop a Government-owned System Integration Laboratory for Seller's Goods to be delivered hereunder, including systems, subsystems, and components as applicable. Seller is not required to provide detailed manufacturing or process information.
- c. License Rights. Pursuant to the contract clauses governing the U.S. Government's rights in technical data and computer software (DFARS 252.227-7013, 252.227-7014, and 252.227-7015), the Government is granted certain defined rights in all technical data (including computer software documentation) and computer software developed or delivered under this contract. The parties are also allowed to negotiate special license agreements, subject to certain limitations (e.g., see paragraph 2. below).
1. Identification and Assertion of Restrictions. If Seller (including its subcontractors or suppliers at any tier) desires to provide the Government with less than Unlimited Rights in any technical data or computer software, that technical data and computer software must be identified prior to award using the procedures and format required by the clause set forth herein entitled "Identification and Assertion of Restrictions on Technical Data and Computer Software." The license rights identified in the list(s) for technical data and computer software for Depot Level Maintenance shall provide the Government (including its support contractors) with all rights necessary to perform Depot Level Maintenance and to develop Type 1 training and to develop the ATS and MTS for support of Seller's Goods as well as to develop a Government-owned System Integration Laboratory, including at least those minimum rights specified for these purposes in paragraph 2.B below.
  2. Government's License Rights. Subject to the rights and obligations referenced in paragraph (e) of this clause, the Government shall have the following license rights:
    - A. Pursuant to the contract clauses governing rights in technical data and computer software, the Government is granted Unlimited Rights in all technical data (including computer software documentation) that is necessary for operation, maintenance (including Depot Level Maintenance), installation, or training. However, for such technical data or computer software related to items developed exclusively or partially at private expense, the Government is willing to accept less than Unlimited Rights in such technical data or computer software, as long as the Government obtains rights sufficient for Depot Level Maintenance activities and training system development activities by the Government (including its support contractors), as specified in paragraph B below.
    - B. If Seller provides the Government with less than Unlimited Rights in such technical data or computer software related to items developed exclusively or partially at private expense, the Government shall have at least the following rights in all technical data and computer software necessary for Depot Level Maintenance and training system activities as well as to develop a Government-owned System Integration Laboratory:
      - (i) For noncommercial technical data, all rights specified in (iii) and all rights included in Limited Rights (DFARS 252.227-7013(a)(13)); and for commercial technical data, all rights specified in (iii), all rights specified at DFARS 252.227-7015(b)(2) and all additional rights contained in any license customarily provided to the public.
      - (ii) For noncommercial computer software, all rights specified in (iii) and all rights included in

- Restricted Rights (DFARS 252.227-7014(a)(14)); and for commercial computer software, all rights specified in (iii) and all rights contained in any license customarily provided to the public.
- (iii) In addition to the rights specified in (i) and (ii), and subject to the protections in paragraph c.3., the right to release or disclose all such technical data or computer software outside the Government, and to authorize the recipient of such information to use, modify, release, perform, display, or disclose the technical data or computer software for the sole purpose of performing or supporting:
    - (a) Depot Level Maintenance activities for the KC-46A weapon system (including the development of manuals and training systems necessary for Depot Level Maintenance activities).
    - (b) Development of the Type 1 training and the development of the KC-46A Aircrew Training System (ATS) and Maintenance Training System (MTS); and
    - (c) Development of a Government-owned System Integration Laboratory.
  - (iv) Unless authorized in writing by the party asserting restrictions on such technical data or computer software, the Government and its contractors (i.e., as recipients under paragraph (iii) above) may not use such technical data or computer software to manufacture additional quantities of any item or for any commercial purpose.
3. All contractors or other persons receiving technical data or computer software as authorized by paragraph B above shall be subject to a legal prohibition (e.g., nondisclosure agreement) against using such technical data and computer software for any purpose other than supporting the Government's Depot Level Maintenance activities, or training systems development, or development of a Government-owned System Integration Laboratory, as appropriate and authorized, for the KC-46A weapon system and equipment.
- d. Technical Data and Computer Software of Subcontractors and Suppliers. In accordance with the definition of Depot Level Maintenance (paragraph a.1) Seller's obligations under this clause shall apply to all technical data and computer software, including all technical data or computer software developed, delivered, or otherwise provided by subcontractors or suppliers at any tier, and regardless of whether the computer software or technical data is or relates to commercial items or noncommercial items. Seller shall include these requirements in its subcontracts or other contractual or legal instruments with its subcontractors or suppliers at any tier.  
Seller shall provide Attachments F1, "OMIT Data Rights" and F2, "Non-OMIT Data Rights," in accordance with the clause set forth herein entitled "Identification and Assertion of Restrictions on Technical Data and Computer Software." Seller shall also include proposed license terms in Attachments F1 and F2, for any commercial or non-commercial technical data and computer software for which Seller proposes specially negotiated license terms. (Copies of Attachments F1 and F2 are attached to this CCR document.)
- e. Validation of Asserted Restrictions and Restrictive Markings. Nothing in this clause limits or otherwise affects the parties' rights or obligations specified in the DFARS 252.227-7019 or DFARS 252.227-7037.

#### **H024 Identification and Assertion of Restrictions on Technical Data and Computer Software (JUN 2010).**

(This clause applies only if Seller will be delivering any data or software under this contract.)

- a. Definitions. The terms used in this clause are defined in the following clauses or sources:
  - 1. DFARS 252.227-7013;
  - 2. DFARS 252.227-7014;
  - 3. DFARS 252.227-7015;
  - 4. DFARS 252.227-7017; or
  - 5. The paragraph in Section 6 of this CCR entitled, Delivery and License Rights for Technical Data and Computer Software Necessary for Depot Level Maintenance and Training Systems
- b. Identification and Assertion of Restrictions. Seller shall not deliver or otherwise provide under this contract any technical data or computer software with restrictive markings (or otherwise subject to restrictions on access, use, modification, reproduction, release, performance, display, or disclosure) unless the technical data or computer software are identified in accordance with the following requirements:
  - 1. Pre-Award Identification and Assertion. Seller (including its subcontractors or suppliers, or potential subcontractors or suppliers, at any tier) shall identify all technical data and computer software required to be delivered or otherwise provided (including all Option CLINs as if the Option was exercised) with less than Unlimited Rights as follows:
    - A. Noncommercial Technologies. Noncommercial technical data and noncommercial computer software shall be identified pursuant to DFARS 252.227-7017.
    - B. Commercial Technologies. Seller shall also identify and assert any restrictions for all commercial computer software and commercial technical data (i.e., technical data pertaining to a commercial item) by providing the same types of information, using a similar format, and following the same procedures and

- requirements as specified at DFARS 252.227-7017.
- C. Seller's failure to submit, complete, or sign the identification and assertions required by paragraphs b.1.A or b.1.B of this clause with its offer may render the offer ineligible for award.
  - D. If Seller is awarded a contract, the assertions identified in paragraphs b.1.A and b.1.B shall be listed in an attachment to that contract. Upon Buyer's request, Seller shall provide sufficient information to enable Buyer and the Contracting Officer to evaluate any listed assertions.
2. Post-Award Updates to the Pre-Award Identification and Assertions. Except as provided in this paragraph, Seller (including its subcontractors or suppliers at any tier) shall not supplement or revise the pre-award listings or notices required by paragraph b.1 of this clause after contract award.
- A. Noncommercial Technologies. Post-award identification and assertion of restrictions on noncommercial technical data and noncommercial computer software are governed by paragraph (e) of DFARS 252.227-7013 and DFARS 252.227-7014, respectively.
  - B. Commercial Technologies. Seller may supplement or revise its pre-award identification and assertion of restrictions on commercial computer software and commercial technical data only if such an expansion or revision would be permitted for noncommercial computer software or noncommercial technical data pursuant to paragraph b.2.A of this clause (i.e., based on new information, or inadvertent omissions that would not have materially affected source selection).
  - C. Upon Buyer's request, Seller shall provide sufficient information to enable Buyer and the Contracting Officer to evaluate any listed assertions.
- c. Specific Identification of Technical Data and Computer Software. When identifying and asserting restrictions on technical data and computer software pursuant to paragraph b of this clause, Seller shall—
- 1. Ensure that the technical data and computer software are identified by specific reference to the requirement to deliver or provide that technical data or computer software in the contract, for example, by referencing the associated CLINs, SDRLs, or paragraphs in the statement of work. Regarding any computer software that is rehosted, modified or developed exclusively or partially at Government expense, the asserted restrictions on the associated data license rights shall specifically address source code, object code, executable code, documentation, software support tools, S/SEE (software/systems engineering environment) documentation, Systems/Software Requirements Documents, Interface Control Documents, in accordance with the paragraph in Section 6 of this CCR entitled, Delivery And License Rights For Technical Data And Computer Software Necessary For Depot Level Maintenance And Training Systems hereunder.
  - 2. Include the relevant information for all technical data and computer software that are or may be required to be delivered or otherwise provided under the contract -- including all Option CLINs or other optional or contingent delivery requirements (i.e., presuming that Buyer will exercise the option to require delivery), online or remote access to information, and firmware or other computer software to be embedded in hardware deliverables.
- d. Copies of Negotiated, Commercial, and Other Non-Standard Licenses. Seller shall provide, in Attachments F1 and F2, copies of all proposed specially negotiated licenses(s), commercial license(s), and any asserted restrictions other than Government purpose rights; limited rights; restricted rights; SBIR data rights for which the protection period has not expired; or Government's minimum rights as specified in the clause at 252.227-7015. (Copies of Attachments F1 and F2 are attached to this CCR document.)

**Prime Contract Special Provisions H001 ADDITIONAL REQUIREMENTS FOR CHANGE PROPOSALS SUBMITTED IAW FAR 52.243-01 AND 52.243-03 (AUG 2009).** (a) All Engineering Change Proposals (ECPs) and Contract Change Proposals (CCPs) whether submitted at the Buyer's request or upon the Seller's own initiative, shall be submitted in accordance with this clause and Buyer's prime contract Section J, Exhibits A and C Contract Data Requirements List items titled "Engineering Change Proposal" and "Contract Change Proposal," respectively. The Buyer may at any time, in writing, request the Seller to prepare and submit an ECP or a CCP.

(b) When the Seller submits an ECP/CCP, it shall be in accordance with and contain the information required by the Statement of Work, Special Contract Requirements of this contract, and the Contract Clauses of this contract.

(c) In all instances it shall be the goal of the parties to identify changes far enough in advance to be able to negotiate and process contract modifications on a pre-priced basis. Accordingly, the Seller's proposal shall be submitted on a firm basis with appropriate cost or pricing supporting data.

(d) Specific information which must be contained in each change includes:

- (1) Separate price adjustments shall be provided for each Line Item of the basic contract and each

option as necessary.

(2) The Seller shall submit cost and pricing data in accordance with Table 15-2 of FAR 15.408 for all proposals in excess of the threshold set forth at FAR 15.403-4.

(e) All Change Proposals shall remain valid for a period of not less than one hundred twenty (120) days from the date of submission to Buyer.

(f) The cost of preparing Buyer requested change proposals (ECPs and CCPs) shall be included in each proposal. In the event the proposal is approved by Buyer, the negotiated price shall recognize and include the negotiated proposal preparation costs. The contract geometry for the FPIF CLINs (share ratio; profit percentage; ceiling percentage) and profit/fee rate for any post-award change or modification shall be the same, or more advantageous to Buyer, than that which was negotiated for the basic CLIN affected by the change. In the event the proposal is disapproved by Buyer, proposal preparation costs shall be negotiated. For unsolicited proposals submitted by the Seller, the Seller will absorb all proposal preparation costs as a normal cost of doing business.

(g) Service Actions. Service Actions are an OEM notification to applicable operators of a change which impacts aircraft configuration, part numbers and support services. Service Actions shall be proposed and authorized in accordance with paragraph (a) above and any other applicable requirements of the contract.

(h) The Seller shall accomplish any data changes and data deliveries associated with Class II changes at no increase in contract price. Production cut-in of Class II changes shall also be accomplished at no increase in contract price.

(i) For change proposals which include subcontracts/interdivisional transfers that are subject to a FAR 15.403-1 exception to submission of cost or pricing data, the Seller shall submit sales data and/or information other than cost or pricing data considered necessary by the Buyer to be adequate to determine a fair and reasonable price.

**H025 ECONOMIC PRICE ADJUSTMENT FOR NOT-TO-EXCEED (NTE) OPTION PRICES (FEB 2010).** (The following clause is included in Buyer's prime contract. It describes how economic price adjustments for NTE option prices will be computed, when appropriate.)

(a) The provisions of this EPA clause provide for both price increases and decreases to protect the Buyer and the Seller from the effects of economic changes as specified by the indices and the bands as specified in this clause. It is important to note that should the USAF modify Boeing's EPA clause then Boeing's EPA clause with suppliers shall be unilaterally modified accordingly in all KC-7A7 USAF Purchase Contracts and Purchase Change Contracts (Delivery Orders). It shall be the intent of the parties to accomplish any adjustment authorized by this clause prior to the exercise of Option Items subject to this clause. The Seller shall notify the Buyer in writing not later than 7 calendar days prior to the scheduled Option exercise date of an Option Item (0601, 0602, 0701, 0702, 0801, 0802, 0901, 0902, 1001, 1002, 1101, 1102, 1201, 1202, 1301 and 1302) if an increase or decrease in the applicable Item's Not-To-Exceed (NTE) is warranted pursuant to the terms of this clause. The Seller shall submit the Costs Subject to Adjustment (CSTA) and Costs Not Subject to Adjustment (CNSTA) amounts for each item, Aircraft and Warranty. The CSTA and the CNSTA shall be in the same relative proportion as the CSTA and the CNSTA for the proposal to definitize the NTE. The total CSTA plus CNSTA for each option item must equal the proposed NTE price calculated from Section J, Attachment 7 for the Aircraft and set forth in Attachment 9, for the Warranty. The economic price adjustment for the option item NTE shall be accomplished in accordance with the procedure detailed in paragraph (g). The Seller's proposal for an adjustment shall include supporting data, in the form required by the Buyer/Buyer's customer, explaining the calculation; and amount of the increase or decrease.

(b) Promptly after the Buyer receives the notice and data under paragraph (a) of this clause, the Buyer and the Seller shall negotiate an adjustment to the Option Item's NTE amount and update the Option Item's NTE Aircraft Unit Prices in Section J, Attachment 7 and Warranty price in Section J Attachment 9 of Buyer's Prime Contract. If the Seller fails or declines to submit the notification required by paragraph (a) above or the parties are unable to negotiate an adjustment, then not later than sixty (60) days prior to the scheduled Option exercise date, the Buyer may accomplish the adjustment calculations in accordance with this clause and unilaterally adjust the contract's affected NTE amounts accordingly. Failure of the parties to agree on a requested adjustment under this clause shall NOT affect the Buyer's right to unilaterally exercise its rights pursuant to Special Contract Requirement H013.

(c) Adjustments under this clause, if any, shall be based upon the formula specified in Paragraph (g) below. Tables 1 & 2 establish the Cost Subject to Adjustment (CSTA) and the Costs Not Subject to Adjustment (CNSTA) for each NTE Option covered by this clause. CSTA amounts are subject to either upward or downward adjustments. The CNSTA amounts include depreciation, cost of money, royalties, leases, data, fixed price subcontracts which do not contain EPA clauses, and profit. Proposed profit included in the NTEs shall not be subject to economic price adjustment.

(d) IHS Global Insight, Inc.'s index PPI336411 Aircraft (Dec 1985=100) shall be used as the standard of measurement for this clause.

(e) The following rules shall apply in making numeric calculations under this clause:

- (1) Round decimals to 4 decimal places;
- (2) Round dollar calculations to the nearest whole dollar;
- (3) Round up numbers equal to or greater than 5;
- (4) Round down numbers less than or equal to 4;
- (5) Round percentages to 2 decimal places (e.g. 3.47%).

(f) For purposes of calculating the adjustments required by this clause, the following projected average annual index rates shall apply. The source of the baseline projected indices shown below is IHS Global Insight's 4th Quarter 2009 forecast. For years beyond 2019, the last data point of escalation will be projected at the same rate (straight-lined) on an annual basis through the final NTE period of performance. Table 1 reflects the index and the projected index based on IHS Global Insight PPI336411 Aircraft (Dec 1985 = 100).

Table 1 - Baseline Projected Average Annual Index Rates

Projected Time Period	(Dec 1985=100) Index Rate
CY2015	228.9 (3.0%)
CY2016	234.5 (2.4%)
CY2017	238.8 (1.8%)
CY2018	244.1 (2.2%)
CY2019	250.1 (2.4%)
CY2020	256.1 (2.4%)
CY2021	262.2 (2.4%)
CY2022	268.5 (2.4%)
CY2023	274.9 (2.4%)
CY2024	281.5 (2.4%)
CY2025	288.3 (2.4%)
CY2026	295.2 (2.4%)
CY2027	302.3 (2.4%)
CY2028	309.6 (2.4%)

(g) The economic price adjustment shall be calculated as follows:

(1) The contractor shall obtain IHS Global Insight's current projected annual index values for the above projected time periods. For FY NTE values, use the same CY index values, for example NTE FY 2022 will use CY 2022 index values.

(2) Divide this current projected annual index by the baseline projected average annual index rate identified in paragraph (f) above for that particular year;

(3) Subtract 1 from this result and multiply the resulting answer by 100;

(4) Adjustment for Lots 3 - 5: If the resulting value is greater than or equal to +2.5%, calculate the upward adjustment by multiplying the result by the proposed CSTA dollar amount. If the resulting value is between - 2.5% and +2.5%, do not calculate an adjustment. If the resulting value is less than or equal to -2.5%, calculate the downward adjustment by multiplying the result by the CSTA dollar value proposed.

(5) Adjustment for Lots 6 - 13: If the resulting value is greater than or equal to +1.00%, calculate the upward adjustment by multiplying the result by the proposed CSTA dollar amount. If the resulting value is between -1.00% and +1.00%, do not calculate an adjustment. If the resulting value is less than or equal to -1.00%, calculate the downward adjustment by multiplying the result by the proposed CSTA dollar value.

(h) Notional Computation worksheet:  
Example calculation for Lots 3 - 5:

STEP	FORMULA	RESULT	RESULT	RESULT
1	Global Insight's Projected Annual Index (7 days prior to option exercise)	(Example) 248.5	252.5	265.5
2	Baseline Projected Average Annual Index Rate from paragraph (f) Table 1	256.1	256.1	256.1
3	Divide Step 1 by Step 2 and round to 4 decimal places	.9703	.9859	1.0367
4*	Subtract 1 from Step 3 and multiply by 100 to convert to %	-2.97%	-1.41%	3.67%
5	Input applicable CSTA value for aircraft and engines from the annual EPA proposal	\$3.0B	\$3.0B	
6	Adjustment (Multiply Step 5 by Step 4)	-\$89.1M	\$110.1M	
7	Applicable NTE Price (annual EPA proposal)	\$3.5B	\$3.5B	
8	Adjusted NTE Price	\$3.4109B	No Change	\$3.6101B

\* If the resulting value is between -2.50% and +2.50%, no adjustment will be calculated; therefore, do not proceed to Step 5.

EXAMPLE 1: The EPA adjustment is a \$89,100,000 decrease in the NTE Price.  
EXAMPLE 2: There is no EPA adjustment since the trigger band was not exceeded.  
EXAMPLE 3: The EPA adjustment is a \$110,100,000 increase in the NTE Price.

(i) Once an adjustment to an eligible Item's NTE amount has been accomplished under this clause, or a determination made that no adjustment is permitted pursuant to paragraph (g)(4) above, said Item shall not be subject to further Economic Price Adjustment.

(j) In the event the IHS Global Insight Indices used are discontinued; or if IHS Global Insight suspends publication of an index identified in paragraph (d) above or significantly alters the method of calculating the index, the parties shall agree upon an appropriate substitute index for use under this clause. If the parties cannot agree on a substitute or comparable index within 90 calendar days after an index has been discontinued or altered in method of calculation, the Contracting Officer may, acting unilaterally and subject to Contractor appeal in accordance with paragraph (k) below, either adopt the IHS Global Insight index as altered or establish a new index.

(k) Any dispute arising under or related to the terms and/or procedures set forth in the foregoing paragraphs shall be resolved in accordance with the provisions of this contract's Disputes clause.

**H027 SUPPORT FOR FUTURE MODIFICATIONS (JAN 2010).** If the Buyer pursues any future modification to the KC-X weapon system or equipment, the Seller agrees to support the design, certifications, approvals, and installation of such modification, regardless of whether the Buyer procures the modification from the Original Equipment Manufacturer or from a third party manufacturer. The Seller's support shall include, as necessary, the same engineering consultation, analyses, and access to technical data and licenses which are made available to commercial customers. The Seller's support will be provided on at least as favorable terms as the Seller's best available commercial practices, rates, terms, and conditions at the time of the effort. The price for any support provided by the Seller in accordance with this special contract provision shall be negotiated by the parties after the Buyer identifies the nature and scope of the support effort required.

**H016 CONTRACTOR IDENTIFICATION (APR 2009).** (a) Seller personnel and their subcontractors must identify themselves as Seller personnel or subcontractors during meetings, telephone conversations, in electronic messages, or correspondence related to this contract.

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

**H019 SUPPORT CONTRACTOR ACCESS TO INFORMATION** (APR 2009). Non-Government employees serving as support contractors to the USAF will have access to Seller proposals and other program documentation, including that marked "proprietary." Any support contractors shall be bound by the requirements of Buyer's prime and the Nondisclosure Agreement (NDA) under their A&AS contracts.