

**CUSTOMER CONTRACT REQUIREMENTS**  
**Proprietary**  
**CUSTOMER CONTRACT PSAEVHG9**

## 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 2 replaces the requirements of Sections 1 and 3 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 (JUN 2020).** This clause applies if the contract exceeds the simplified acquisition threshold, as defined in the Federal Acquisition Regulation 2.101 on the date of subcontract award.

**52.203-7 Anti-Kickback Procedures (JUN 2020).** 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, excluding subparagraph (c)(1), applies if this contract exceeds the threshold specified in FAR 3.502-3(i) on the date of subcontract award.

**52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (MAY 2014).** 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 (MAY 2014).** This clause applies only if this contract exceeds the simplified acquisition threshold.

**52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 2020).** This clause applies if this contract exceeds the threshold specified in FAR 3.808 on the date of subcontract award. 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."

**52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements** (JAN 2017).

**52.209-6 Protecting the Government's Interests When Subcontracting With Contractors Debarred, Suspended or Proposed for Debarment** (NOV 2021). This clause applies if the contract exceeds the threshold specified in FAR 9.405-2(b) on the date of subcontract award. 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. This clause does not apply if the contract is for commercially available off-the shelf items.

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

**52.215-10 Price Reduction for Defective Certified Cost or Pricing Data** (AUG 2011). This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. In subparagraph (3) of paragraph (a), insert "of this contract" after "price or cost." In Paragraphs (c)(1), (c)(1)(ii), and (c)(2)(i), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Subparagraph (c)(2)(i)(A), delete "to the Contracting Officer." In Subparagraph (c)(2)(ii)(B), "Government" shall mean "Government or Buyer." In Paragraph (d), "United States" shall mean "United States or Buyer."

**52.215-12 Subcontractor Certified Cost or Pricing Data** (JUN 2020). This clause applies if this contract exceeds the threshold for submission of certified cost or pricing data in FAR 15.403-4(a)(1) or if there is a contract modification involving a pricing adjustment expected to exceed the threshold for submission of certified cost or pricing data in FAR 15.403-4(a)(1), 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 \$150,000; construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; commercial items; and petroleum products.

**52.215-15 Pension Adjustments and Asset Reversions** (OCT 2010). This clause applies to this contract if it meets the requirements of FAR 15.408(g).

**52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions** (JUL 2005). This clause applies to this contract if it meets the requirements of FAR 15.408(j).

**52.215-19 Notification of Ownership Changes** (OCT 1997). This clause applies to this contract if it meets the requirements of FAR 15.408(k).

**52.215-21 Requirement for Cost or Pricing Data or Information Other Than Cost and Pricing Data - Modifications Alternate IV (OCT 2010).**

**52.215-23 Limitations on Pass-Through Charges.** (JUN 2020). This clause applies if the contract is a cost-reimbursement contract that exceeds the simplified acquisition threshold, as defined in FAR 2.101 on the date of contract award. If the contract is with DoD, then this clause applies to all cost-reimbursement contracts and fixed-price contracts, except those identified in 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in FAR 15.403-4 on the date of contract award. In paragraph (c), "Contracting Officer" shall mean Buyer.

**52.222-1 Notice to the Government of Labor Disputes** (FEB 1997). The terms "Contracting Officer" shall mean Buyer.

**52.222-35 Equal Opportunity for Veterans.** (OCT 2015). This clause applies if this contract is \$150,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor.

**52.222-36 Equal Opportunity for Workers with Disabilities** (JUL 2014). This clause applies only if this contract exceeds \$15,000.

**52.222-37 Employment Reports on Veterans** (JUN 2020). This clause applies if this contract is valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor.

**52.222-40 Notification of Employee Rights Under the National Labor Relations Act.** (DEC 2010).

**52.222-41 Service Contract Labor Standards** (MAY 2014). This clause applies only if this contract is subject to the Act. Where applicable, Wage Determination(s) shall be attached to the purchase contract at the time of award, or furnished upon request.

**52.222-50 Combating Trafficking in Persons** (NOV 2021). The term "Contractor" shall mean "Seller", except in the paragraph (a) definition of Agent, and except when the term "prime contractor" appears, which shall remain unchanged. The term "Contracting Officer" shall mean "Contracting Officer, Buyer's Authorized Procurement Representative" in paragraph (d)(1). Paragraph (d)(2) shall read as follows: "If the allegation may be associated with more than one contract, the Seller shall inform the Buyer's Authorized Procurement Representative for each affected contract." The term "the Government" shall mean "the Government and Buyer" in paragraph (e). The term "termination" shall mean "Cancellation" and "Cancellation for Default", respectively, in paragraph (e)(6). The term "Contracting Officer" shall mean "Contracting Officer and Buyer" in paragraph (f), except in paragraph (f)(2), where it shall mean "Contracting Officer or Buyer". Paragraph (h)(2)(ii) shall read as follows: "To the nature and scope of the activities involved in the performance of a Government subcontract, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons." The term "Contracting Officer" shall mean "Contracting Officer or Buyer" in paragraph (h)(4)(ii). The term "Contracting Officer" shall mean "Buyer" in paragraph (h)(5).

**52.222-54 Employment Eligibility Verification** (NOV 2021). This clause applies to all subcontracts that (1) are for (i) 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 \$3,500; and (3) includes work performed in the United States.

**52.222-62 Paid Sick Leave Under Executive Order 13706** (JAN 2017). This clause applies if the Contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.

**52.223-18 Encouraging Contractor Policies To Ban Text Messaging While Driving** (JUN 2020). This clause applies if the contract exceeds the micro-purchase threshold, as defined in Federal Acquisition Regulation 2.101 on the date of subcontract award.

**52.223-99 Ensuring Adequate COVID-19 Safety Protocols For Federal Contractors (DEVIATION) Deviation** (OCT 2021). This clause applies if the contract, and subcontracts at any tier, exceed the simplified acquisition threshold, as defined in Federal Acquisition Regulation 2.101 on the date of contract award, and are for services, including construction, performed in whole or in part within the United States or its outlying areas.

**52.225-13 Restriction on Certain Foreign Purchases** (FEB 2021).

**52.227-1 Authorization and Consent** (JUN 2020). This clause applies if the contract is expected to exceed the simplified acquisition threshold, as defined in Federal Acquisition Regulation (FAR) 2.101 on the date of subcontract award.

**52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement** (JUN 2020). This clause applies if the contract is expected to exceed the simplified acquisition threshold, as defined in Federal Acquisition Regulation (FAR) 2.101 on the date of subcontract award. A copy of each notice sent to the Government shall be sent to Buyer.

**52.227-19 Commercial Computer Software License** (DEC 2007).

**52.230-2 Cost Accounting Standards** (JUN 2020). Paragraph (b) is excluded. Seller shall comply with all CAS in effect on Seller's award date or if Seller has submitted certified cost or pricing data, on the date of final agreement on price as shown on Seller's signed Certificate of Current Cost or Pricing Data. If Seller is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the FAR applies.

**52.232-20 Limitation of Cost** (APR 1984). This clause applies if this is a fully funded cost reimbursement Contract.

**52.232-39 Unenforceability of Unauthorized Obligations** (JUN 2013).

**52.244-6 Subcontracts for Commercial Products and Commercial Services 2025-O0003 (DEVIATION)** (MAR 2025).

**52.245-1 Government Property** (SEP 2021). This clause applies 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.

**52.246-4 Inspection of Services-Fixed Price** (AUG 1996). The term "Contractor" means "Seller" and the term "Government" means "Government and/or Buyer" except in paragraph (e) the second time it appears, and paragraph (f) where the term "Government" means "Buyer."

**2. Commercial Products and/or Commercial Services** 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 Government clauses in Sections 1 and 3 are deleted, unless specifically required to be included in commercial products and/or commercial services purchase contracts, and the following FAR clauses are inserted in lieu thereof:

**52.203-13 Contractor Code of Business Ethics and Conduct** (NOV 2021). This clause applies if this contract exceeds the threshold specified in FAR 3.1004 (a) on the date of contract award and has a performance period 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.

**52.203-17 Contractor Employee Whistleblower Rights** (NOV 2023).

**52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements** (JAN 2017).

**52.204-21 Basic Safeguarding of Covered Information Systems** (NOV 2021).

**52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities** (DEC 2023). In paragraph (c)(1), the term "Government" means "Government or Buyer" and the term "Contracting Officer" means "Buyer." All reporting required by paragraph (c) shall be reported through Buyer. Seller shall report the information in paragraph (c)(2) to Buyer.

**52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment** (NOV 2021). Paragraph (b) is deleted and replaced with the following: Seller is prohibited from providing Buyer with covered telecommunications equipment or services, or with any equipment, systems, or services that use covered equipment or services regardless of whether that use is in performance of work under a U.S. Government contract. Paragraph (c) is deleted in its entirety. Paragraph (d)(1) is deleted and replaced with the following: "In the event Seller identifies covered telecommunications equipment or services provided to Buyer during contract performance, or Seller is notified of such by a subcontractor at any tier or any other source, Seller shall report the information in paragraph (d)(2) of this clause via email to Buyer's Authorized Procurement Representative, with the required information in the body of the email.

**52.204-27 Prohibition on a ByteDance Covered Application (JUN 2023).** In paragraph (b), if an exception has been granted by the Contracting Officer, notice shall be provided to Seller through Buyer.

**52.204-30 Federal Acquisition Supply Chain Security Act Orders—Prohibition (DEC 2023).** Paragraph (c)(1) is deleted and reserved. The terms “Contractor” and “contractor” mean “Seller.” In paragraph (b)(3) the term solicitation refers to the solicitation from the Government. In paragraphs (b)(5)(i)(A), (c)(3)(i), (c)(4)(i)(C), the term “Government” means “Government or Buyer.” In paragraphs (c) and (d) the terms “contracting officer” and “Contracting Officer” mean “Buyer.” Paragraph (c)(2) is deleted and replaced with the following: If the Seller or Buyer identifies a new FASCSA order(s) that could impact their supply chain, then the Seller shall cooperate with Buyer to conduct a reasonable inquiry to identify whether a covered article or product or service produced or provided by a source subject to the FASCSA order(s) was provided to the Government or Buyer or used during contract performance. In paragraph (c)(3)(i), reference to paragraph (c)(3)(ii) is deleted and the last sentence is deleted and replaced with the following: For indefinite delivery contracts, Seller shall report to Buyer. Paragraph (c)(3)(ii) is deleted and reserved. In paragraph (c)(4)(ii), “10 business days” is replaced with “5 business days.” In paragraph (e)(2) the term “Government” means “Government or Buyer,” the term “solicitation” means “solicitation or contract,” and the last sentence is deleted and replaced with the following: Seller and Seller’s subcontractors shall notify their subcontractors, and suppliers under other contractual instruments, that the FASCSA orders in the contract that are not in SAM apply to the contract and all subcontracts.

**52.204-30 Federal Acquisition Supply Chain Security Act Orders—Prohibition Alternate I (DEC 2023).** Selection of the FASCSA orders may be made by Contracting Officer or Buyer.

**52.219-8 Utilization of Small Business Concerns (FEB 2024).**

**52.222-35 Equal Opportunity for Veterans (JUN 2020).** This clause applies if this contract is valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations or orders of the Secretary of Labor.

**52.222-36 Equal Opportunity for Workers with Disabilities (JUN 2020).** This clause applies if this contract is in excess of the threshold specified in Federal Acquisition Regulation (FAR) 22.1408(a) on the date of contract award, unless exempted by rules, regulations, or orders of the Secretary.

**52.222-37 Employment Reports on Veterans (JUN 2020).** This clause applies if this contract is valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor.

**52.222-40 Notification of Employee Rights Under the National Labor Relations Act (DEC 2010).**

**52.222-50 Combating Trafficking in Persons (NOV 2021).** The term “contractor” shall mean “Seller”, except in the paragraph (a) definition of Agent, and except when the term “prime contractor” appears, which shall remain unchanged. The term “Contracting Officer” shall mean “Contracting Officer, Buyer's Authorized Procurement representative” in paragraph (d)(1). Paragraph (d)(2) shall read as follows: “If the allegation may be associated with more than one

contract, the Seller shall inform the Buyer's Authorized Procurement Representative for each affected contract." The term "the Government" shall mean "the Government and Buyer" in paragraph (e). The term "termination" shall mean "Cancellation" and "Cancellation for Default", respectively, in paragraph (e)(6). The term "Contracting Officer" shall mean "Contracting Officer and Buyer" in paragraph (f), except in paragraph (f)(2), where it shall mean "Contracting Officer or Buyer". Paragraph (h)(2)(ii) shall read as follows: "To the nature and scope of the activities involved in the performance of a Government subcontract, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons." The term "Contracting Officer" shall mean "Contracting Officer or Buyer" in paragraph (h)(4)(ii). The term "Contracting Officer" shall mean "Buyer" in paragraph (h)(5).

**52.222-50 Combating Trafficking in Persons Alternate I (MAR 2015).** The term "Contractor" shall mean "Seller", except the term "prime contractor" shall remain unchanged. The term "Contracting Officer" shall mean "Contracting Officer and the Buyer's Authorized Procurement representative in paragraph (d)(1). Paragraph (d)(2) shall read as follows: "If the allegation may be associated with more than one contract, the Seller shall inform the Buyer's Authorized Procurement Representative for each affected contract." The term "the Government" shall mean "the Government and Buyer" in paragraph (e). The term "termination" shall mean "cancellation" and "Cancellation for Default", respectively, in paragraph (e)(6). Insert the following at the end of paragraph (e): "If the Government exercises one of the remedies identified in the paragraph (e) against Buyer as a result, in whole or in part, of the Seller's violation of its obligations under this clause, Buyer may impose that remedy against the Seller proportionate to the extent to which Seller's violation caused the Government's decision to impose a remedy on Buyer." The term "Contracting Officer" shall mean "Contracting Officer and Buyer" in paragraph (f), except in paragraph (f)(2), where it shall mean "Contracting Officer or Buyer". Paragraph (h)(2)(ii) shall read as follows: "To the nature and scope of the activities involved in the performance of a Government subcontract, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons." The term "Contracting Officer" shall mean "Contracting Officer or Buyer" in paragraph (h)(4)(ii). The term "Contracting Officer" shall mean "Buyer" in paragraph (h)(5).

**52.222-55 Minimum Wages for Contractor Workers Under Executive Order 14026 (JAN 2022).** This clause applies if this contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and is to be performed in whole or in part in the United States. "Contracting Officer" shall mean "Buyer" except for paragraphs (e)(2), (4) and (g). If the Government exercises a withhold identified in the paragraph (g) against Buyer as a result of the Seller's violation of its obligations under this clause, Buyer may impose that withhold against the Seller.

**52.222-62 Paid Sick Leave Under Executive Order 13706 (JAN 2022).** This clause applies if the Contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.

**52.224-3 Privacy Training** (JAN 2017). The term "Contracting Officer" shall mean "Contracting Officer or Buyer". This clause applies if Seller employees will (1) Have access to a system of records; (2) Create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or (3) Design, develop, maintain, or operate a system of records.

**52.224-3 Privacy Training Alternate I** (JAN 2017). The term "Contracting Officer" shall mean "Contracting Officer or Buyer".

**52.225-26 Contractors Performing Private Security Functions Outside the United States** (OCT 2016). This clause applies if the Contract will be performed outside the United States in areas of (1) combat operations, as designated by the Secretary of Defense; or (2) other significant military operations, upon agreement of the Secretaries of Defense and State that the clause applies in that area. In paragraph (d)(1), Contracting Officer shall mean "Contracting Officer or Buyer" and in paragraph (d)(3), Contracting Officer shall mean Buyer.

**52.232-40 Providing Accelerated Payments to Small Business Subcontractors** (MAR 2023). This clause applies to contracts with small business concerns. The term "Contractor" retains its original meaning.

**52.240-1 Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act Covered Foreign Entities** (NOV 2024).

**52.244-6 Subcontracts for Commercial Products and Commercial Services 2025-O0003 (DEVIATION)** (MAR 2025).

**52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels** (NOV 2021). This clause does not apply if this contract is for the acquisition of commercial products or commercial services 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.

**3. Prime Contract Special Provisions** The following Prime Contract Special Provisions apply to this purchase order and to the extent indicated. In all of the following clauses, "Contractor", "contractor" and "Offeror" mean "Seller", unless otherwise indicated.

**CI 203-2 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE- CONTRACT- RELATED FELONIES** (NOV 2022).

This clause applies only if this Contract exceeds the simplified acquisition threshold and is not for the purchase of commercial products, commercial services, or components. Except in paragraph (a), "this contract" and "the contract" mean the contract between Buyer and Seller. For the purposes of subparagraphs (b)(2) and (b)(3), "Government" shall mean Government or Buyer. In paragraph (c), "through the Buyer" is inserted after "Contracting Officer." 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.

(a) Definitions. As used in this clause—

(1) "Arising out of a contract with the DoD" means any act in connection with

(i) Attempting to obtain;

(ii) Obtaining; or

(iii) Performing a contract or first-tier subcontract of any agency, department, or component of the Department of Defense (DoD).

(2) "Conviction of fraud or any other felony" means any conviction for fraud or a felony in violation of state or Federal criminal statutes, whether entered on a verdict or plea, including a plea of *nolo contendere*, for which sentence has been imposed.

(3) "Date of conviction" means the date judgment was entered against the individual.

(b) Any individual who is convicted after September 29, 1988, of fraud or any other felony arising out of a contract with the DoD is prohibited from serving—

(1) In a management or supervisory capacity on this contract;

(2) On the board of directors of the Contractor;

(3) As a consultant, agent, or representative for the Contractor; or

(4) In any other capacity with the authority to influence, advise, or control the decisions of the Contractor with regard to this contract.

(c) Unless waived, the prohibition in paragraph (b) of this clause applies for not less than 5 years from the date of conviction.

(d) 10 U.S.C. 2408 provides that the Contractor shall be subject to a criminal penalty of not more than \$500,000 if convicted of knowingly—

(1) Employing a person under a prohibition specified in paragraph (b) of this clause; or

(2) Allowing such a person to serve on the board of directors of the contractor or first-tier subcontractor.

(e) In addition to the criminal penalties contained in 10 U.S.C. 2408, the Government may consider other available remedies, such as -

(1) Suspension or debarment;

(2) Cancellation of the contract at no cost to the Government; or Termination of the contract for default.

(f) The contractor may submit written requests for waiver of the prohibition in paragraph (b) of this clause to the Contracting Officer. Requests shall clearly identify -

(1) The person involved;

(2) The nature of the conviction and resultant sentence or punishment imposed;

(3) The reasons for the requested waiver; and

(4) An explanation of why a waiver is in the interest of national security.

(g) The contractor agrees to include the substance of this clause, appropriately modified to reflect the identity and relationship of the parties, in all first-tier subcontracts exceeding the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation, except those for commercial products or commercial services.

(h) Pursuant to 10 U.S.C. 2408(c), defense contractors and subcontractors may obtain information as to whether a particular person has been convicted of fraud or any other felony arising out of a contract with the DoD by contacting the Office of Justice Programs, The Denial of Benefits Office, U.S. Department of Justice, telephone 301-937-1542;

[www.ojp.usdoj.gov/BJA/grant/DPFC.html](http://www.ojp.usdoj.gov/BJA/grant/DPFC.html).

**CI 203-3 PERSONAL CONDUCT (OCT 2014).**

This clause applies only when Seller will be working at a Government site. The term “Contracting Officer” shall mean “Contracting Officer or Buyer”. The term “Government” means “Government or Buyer”.

- (a) The Contractor, its employees, and its subcontractors shall comply with the conduct requirements in effect at the Buyer’s customer’s work site. The Contracting Officer reserves the right to exclude or remove from the work site any employee of the contractor or of a subcontractor whom the Government deems careless, uncooperative, or whose continued employment on the work site is deemed by the Government to be contrary to the public interest.
- (b) The Contractor shall inform its employees that Buyer and Buyer’s customer have a zero tolerance policy for harassing behavior. Any Contractor or subcontractor employee determined by the Government to have engaged in harassing behavior shall be immediately escorted from the premises and denied further access to the worksite. The Contractor shall emphasize this requirement to its employees.
- (c) The Contractor shall also inform its employees with access to Buyer’s customer’s information systems that they shall use those systems only for the official U.S. Government authorized purposes and shall access only that information for which they have a valid need-to-know. Unauthorized collection, transmission, or use of Buyer’s customer’s procurement and financial information constitutes a misuse of government controlled information and in most circumstances a violation of non-disclosure agreements that can result in server consequences for all parties involved, including criminal punishment, civil liability, and revocation of access.
- (d) Exclusion from the worksite under the circumstances described in this clause shall not relieve the Contractor from full performance of the contract, nor will it provide the basis for an excusable delay or any claims against the Government or Buyer.

**CI 204-1 SECURITY REQUIREMENTS (DEC 2020).**

This clause applies only when Seller will require access to national security information, up to and including sensitive compartmented information. The term “contractor” shall mean “Seller”. The term “the Government” shall mean “the Government or Buyer”. The term “Contracting Officer” shall mean “Buyer”.

- (a) This clause shall apply to any aspect of this contract involving access to national security information, up to and including sensitive compartmented information (SCI).
- (b) The contractor shall maintain a comprehensive security program in accordance with the requirements of:
  - (1) Buyer’s customer Security Manual;
  - (2) National Industrial Security Program Operating Manual (NISPOM);
  - (3) Buyer’s customer Personnel Security Instruction (PSI);
  - (4) Intelligence Community Directive (ICD) 704, *Personnel Security*;
  - (5) Committee for National Security Systems (CNSS) Directive 504, Directive on Protection of National Security Systems from Insider Threat;
  - (6) For contracts requiring SCI access, NISPOM Supplement 1 (NISPOMSUP); ICD 705, Sensitive Compartmented Information Facilities; ICD 710, Classification and Control Markings System; and the Integrated Buyer’s customer Classification Guide;
  - (7) Additional Intelligence Community and Buyer’s customer directives, instructions, policy guidance, standards, and special access program classification and program security guides as specified in the attached DD Form 254; and
  - (8) The latest revision to each document listed above, notice of which has been furnished to the contractor by the Government.

- (c) If, subsequent to the date of this contract, the security classification or security requirements of this contract are changed by the Government, and if the changes cause an increase or decrease in security costs or otherwise affect any other term or condition of this contract, the contract may be subject to an equitable adjustment under the Changes clause of this contract.
- (d) The contractor shall submit a Standard Operating Procedures (SOP) document to the cognizant Buyer's customer Program Security Officer (PSO) within 30 days of contract award unless otherwise specified in the contract. The SOP must be prepared in accordance with the Buyer's customer Security Manual, NISPOM, and the requirements specified in the DD Form 254 and the List of Applicable IT-IA-IM Documents attached referenced/attached to the DD254 of this contract.
- (e) Classification levels of the association, work, hardware, and reports under this contract and associated security requirements are set forth in the attached DD Form 254. The contractor shall maintain all modified and/or fabricated hardware at the proper classification level(s) and physical security environment(s).
- (f) The contractor agrees to permit the necessary polygraph interview of contractor and subcontractor personnel requiring access to SCI information. It is understood that the polygraph interview will be limited to counter-intelligence issues.
- (g) The Government shall be afforded full, free, and uninhibited access to all facilities, installations, technical capabilities, operations, documentation, records, and data bases for the purpose of assessing the efficacy and efficiency of the contractor's safeguards against threats and hazards to the availability, integrity, and confidentiality of Buyer's customer information.
- (h) The prime contractor is responsible for providing security oversight and ensuring an effective security program for all subcontractor relationships that are formed as the result of this contract. The prime contractor shall include provisions in all subcontracts that substantially conform to the requirements of this clause.
- (i) If any provision of the contract conflicts with the security instructions issued by the Contracting Officer, the contractor shall notify the Contracting Officer who will resolve the conflicts. When security regulations are in conflict, the contractor shall follow the most restrictive guidance and immediately refer the matter to the Contracting Officer for resolution.
- (j) The contractor shall not disseminate in any manner technology or other program information prior to PSO evaluation and determination of appropriate security classification and control. Dissemination of classified program information to other Government agencies or to contractor personnel other than those specifically assigned to this contract is prohibited unless approved in writing in advance of the release by the PSO and the Contracting Officer.
- (k) The contractor shall report security and compliance status as directed by the Government.
- (l) If a change in security requirements, as provided in paragraph (c), results in a change in the security classification of this contract or any of its elements from an unclassified status or a lower classification to a higher classification, or in more restrictive area controls than previously required, the contractor shall exert every reasonable effort compatible with the contractor's established policies to continue the performance of work under the contract in compliance with the change in security classification or requirements. If, despite reasonable efforts, the contractor determines that the continuation of work under this contract is not practicable because of the change in security classification or requirements, the contractor shall notify the Contracting Officer in writing. Until the Contracting Officer resolves the problem, the contractor shall continue safeguarding all classified material as required by this contract. After receiving the written notification, the Contracting Officer shall analyze the circumstances surrounding the proposed change in security classification or requirements, and shall endeavor to work out a mutually

satisfactory method whereby the contractor can continue performance of the work under this contract. If, 15 days after receipt by the Contracting Officer of the notification of the contractor's stated inability to proceed, (1) the application to this contract of the change in security classification or requirements has not been withdrawn, or (2) a mutually satisfactory method for continuing performance of work under this contract has not been agreed upon, the contractor may request the Contracting Officer to terminate the contract in whole or in part. The Contracting Officer shall terminate the contract in whole or in part, as may be appropriate, and the termination shall be deemed a termination under the termination term of this contract.

(m) Security requirements are a material condition of this contract. Failure of the contractor to maintain and administer a security program compliant with the security requirements of this contract constitutes grounds for termination for default.

#### **CI 204-5 PROTECTION AGAINST COMPROMISING EMANATIONS (APR 2014).**

This clause applies when performance of this Contract will require processing national security information. The term "the Government" shall mean "the Government and Buyer". The term "contractor" shall mean "Seller".

(a) The contractor shall implement Customer countermeasures in compliance with Customer Requirements, if electronically processing classified Buyer's customer information. *Contact Buyer's Representative for additional information.*

(b) Contract deliverables that process, store, or transmit national security information shall be designed to minimize the possibility of compromising emanations.

(c) The Government may, as part of its inspection and acceptance, conduct tests to ensure that equipment or systems delivered under this contract satisfy the security standards specified. Notwithstanding the existence of valid accreditations of equipment prior to the award of this contract, the Government may conduct additional tests at the installation site or contractor's facility.

#### **CI 204-8 NOTICE OF LITIGATION (AUG 2010).**

In subparagraph (a)(1), the term "Contracting Officer" shall mean "Buyer". In subparagraph (a)(2), the term "Contracting Officer" shall mean "Contracting Officer and Buyer". The term "contractor" shall mean "Seller".

(a) With respect to litigation to which the contractor is a party relating to this contract:

(1) The contractor shall, within five business days, notify the Contracting Officer of any litigation filed by a third party (including individuals, organizations, and federal, state, or local governmental entities) or subpoena involving or in any way relating to this contract and/or related subcontracts. Said notice shall include a copy of all documents filed with the court in connection with the litigation or subpoena to the extent such documents are not covered by a court-ordered seal or protective order.

(2) The Contracting Officer shall have the right to examine any pertinent documents filed with the court during the conduct of the litigation, and any documents and records provided to the third party in response to the subpoena.

(b) The contractor agrees to insert this clause in any subcontract under this contract.

#### **CI 204-9 RELEASE OF CONTRACT INFORMATION (JAN 2020).**

Any release of contract information requires approval of Buyer's customer, which shall be coordinated through Buyer.

#### **CI 204-11 INFORMATION TECHNOLOGY-INFORMATION ASSURANCE-**

**INFORMATIONMANAGEMENT REQUIREMENTS (NOV 2022).**

This clause applies if Seller will be required to access, operate, maintain, design, build, and/or acquire an information system processing national security information. The term “Government” and “Contracting Officer shall mean “Buyer.” The term “contractor” shall mean “Seller”.

(a) Definitions. The terms used in this clause are defined in Committee for National Security Systems (CNSS) Instruction 4009, *Committee on National Security Systems Glossary*.

(b) This clause shall apply to any aspect of this contract involving access to or processing of national security information, up to and including sensitive compartmented information (SCI).

(c) The contractor shall comply with the requirements of:

(1) Customer *Information Technology-Information Assurance-Information Management Contract Requirements Document (IT-IA-IM CRD)*;

(2) For contracts involving IT system development and production, and/or requiring access to Customer networks, ICD 503, Intelligence Community Information Technology Systems Security Risk Management, and CNSS Instruction 1253, Security Categorization and Control Selection for National Security Systems;

(3) Other IT-IA-IM policies, standards, and special access program classification and program security guidance specified in the contract; and

(4) The latest revision to each document listed above, notice of which has been furnished to the contractor by the Government.

(d) If, subsequent to the date of this contract, the IT-IA-IM requirements of this contract are changed by the Government, and if the changes cause an increase or decrease in costs or otherwise affect any other term or condition of this contract, the contract may be subject to an equitable adjustment under the Changes clause of this contract.

(e) The prime contractor is responsible for providing IT-IA-IM oversight for all subcontractor relationships that are formed as the result of this contract. The contractor shall include provisions in all subcontracts that substantially conform to the requirements of this clause.

(f) If any provision of the contract conflicts with instructions issued by the Contracting Officer, the contractor shall notify the Contracting Officer who will resolve the conflict. When IT-IA-IM regulations are in conflict, the contractor shall follow the most restrictive guidance and immediately refer the matter to the Contracting Officer for resolution.

(g) The contractor shall report security and compliance status and reconfigure national security systems as directed by the Government.

(h) The IT-IA-IM requirements specified in this clause are a material condition of this contract. Failure of the contractor to maintain and administer an information security program compliant with the IT-IA-IM requirements of this contract constitutes grounds for termination for default.

**CI 204-12 INDUSTRY PARTNER ACCESS (OCT 2020).**

(a) Definitions. As used in this clause:

“Industry Partner” is any company, Federally Funded Research and Development Center, University Affiliated Research Center, or other entity that has a contractual relationship with the Customer. The terms “Subscriber” and “Contractor” and “Subcontractor,” when used in the context of the IPA program and this clause, also mean “Industry Partner.”

(b) For additional information, contact Buyer Contracts or Supply Chain.

(c) The contractor shall include this clause in all subcontracts.

**CI 204-13 PRIME CONTRACTS AND SUBCONTRACTS WITH EDUCATIONAL INSTITUTIONS (NOV 2018).**

(a) Acknowledgement and Approval. All contracts and subcontracts with educational institutions, to include Federally Funded Research and Development Centers and University Affiliated Research Centers managed by an educational institution, require written acknowledgement and approval by a responsible official (e.g., president, chancellor, provost, director, or equivalent senior official) authorized to approve such contracts on behalf of the educational institution. This letter shall acknowledge the involvement of the Buyer's customer with the educational institution and approve the proposed contractual relationship.

(b) Prime Contracts. The offeror shall submit a copy of the signed letter conforming to the Buyer's customer sample letter in an attachment to its offer.

(c) Subcontracts. The prime contractor shall obtain a signed letter conforming to the Buyer's customer's sample letter from the educational institution and submit a copy of the letter in an attachment to its offer (pre-award) or directly to the Contracting Officer (post-award).

**CI 204-15 PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES (NOV 2022).**

In paragraph (c)(1), the term "Contracting Officer" means "Buyer". All reporting required by paragraph (c) shall be reported through Buyer.

(a) Definitions. As used in this clause –

Covered article means any hardware, software, or service that –

- (1) Is developed or provided by a covered entity;
- (2) Includes any hardware, software, or service developed or provided in whole or in part by a covered entity; or
- (3) Contains components using any hardware or software developed in whole or in part by a covered entity.

Covered entity means –

- (1) Kaspersky Lab;
  - (2) Any successor entity to Kaspersky Lab;
  - (3) Any entity that controls, is controlled by, or is under common control with Kaspersky Lab;
- or
- (4) Any entity of which Kaspersky Lab has a majority ownership.

(b) Prohibition. Section 1634 of Division A of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115–91) prohibits Government use of any covered article. The Seller is prohibited from –

- (1) Providing any covered article (including subcontractors at any tier) that the Buyer or Government will use; and
- (2) Using any covered article, in the development of data or deliverables first produced in the performance of the contract or order.

(c) Reporting requirement.

(1) In the event the Seller identifies a covered article provided, or to be provided, to the Buyer or Government during contract performance, or if the Seller is notified of such by a subcontractor at any tier or any other source, the Contractor shall report, in writing, to the Buyer. For indefinite delivery contracts or simplified acquisitions, the Seller shall report to the Buyer for both the indefinite delivery contract and for any affected orders.

(2) The Seller shall report the following information pursuant to paragraph (c)(1) of this clause:

- (i) Within one business day from the date of such identification: The contract number; the

order number(s), if applicable; supplier name; brand; model number (Original Equipment Manufacturer (OEM) number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within ten business days of submitting the report pursuant to paragraph (c)(1) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the Seller shall describe in writing to the Buyer the efforts it undertook to prevent use or submission of a covered article, any reasons that led to the use or submission of the covered article, and any additional efforts that will be incorporated to prevent future use or submission of covered articles.

(d) Subcontracts. The Seller shall insert the substance of this clause, including this paragraph (d), in all subcontracts, including subcontracts for the acquisition of commercial products or commercial services.

**CI 204-17 PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (NOV 2022).**

Paragraph (b) is deleted and replaced with the following: “Seller is prohibited from providing Buyer with covered telecommunications equipment or services, or with any equipment, systems, or services that use covered equipment or services regardless of whether that use is in performance of work under a U.S. Government contract.” Paragraph (c) is deleted in its entirety. Paragraph (d)(1) is deleted and replaced with the following: “In the event Seller identifies covered telecommunications equipment or services provided to Buyer during contract performance, or Seller is notified of such by a subcontractor at any tier or any other source, Seller shall report the information in paragraph (d)(2) of this clause via email to Buyer's Authorized Procurement Representative, with the required information in the body of the email.”

(a) *Definitions.* As used in this clause—

*Backhaul* means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

*Covered foreign country* means The People’s Republic of China.

*Covered telecommunications equipment or services* means—

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

(2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

*Critical technology* means—

- (1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;
- (2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled-
  - (i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or
  - (ii) For reasons relating to regional stability or surreptitious listening;
- (3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);
- (4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);
- (5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or
- (6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

*Interconnection arrangements* means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

*Reasonable inquiry* means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

*Roaming* means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

*Substantial or essential component* means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) *Prohibition.* (1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub.L. 115–232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104.

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115–232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any

system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) *Exceptions.* This clause does not prohibit contractors from providing—

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement.

(1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this clause to the Contracting Officer. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause

(i) Within one business day from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) *Subcontracts.* The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products or commercial services.

#### **CI 209-2 DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN**

**GOVERNMENT** (NOV 2022). Seller/Bidder shall comply with the requirements of this clause when submitting a response to Buyer's solicitation. In addition, in the event of any change after contract award which requires disclosure under this clause, Seller shall submit a new or revised SF 328 to Buyer no later than three days after such change. The new or revised SF 328 shall meet the requirements of paragraph (c). "through Buyer" is added to the end of paragraph (b). The term "Contracting Officer" shall mean "Buyer and Buyer's customer". The term "contractor" shall mean "Seller".

(a) Definitions.

"FOCI Information," as used in this clause, means a complete set of Foreign Ownership, Control, or Influence (FOCI) documents to include a Standard Form 328, Certificate Pertaining to Foreign Interests (SF 328), an Organizational Entity Structure (OES) form when there is a

parent-level entity, and a Key Management Personnel List (KMPL).

(b) Pre-Award: The Offeror is required to submit FOCI Information. In the case of a corporate family, a contractor or offeror may submit consolidated FOCI Information. The OES shall include the complete ownership chain from the highest parent, domestic or foreign, down to any subsidiaries or affiliates the contractor may own. The Offeror is also required to request, collect, and submit the complete FOCI Information from all proposed subcontractors and/or lower-tier subcontractors performing classified work. The Offeror is responsible for the thoroughness and completeness of each subcontractor's FOCI Information.

All affirmative answers contained in a Standard Form must explain the identify, nature, degree, and impact on its organization or activities. Customer reserves the right to request additional information.

The KPML must identify the Company Security Officer (CSO) and the required senior management by name, position, social security number, date/place of birth, citizenship status, ownership interest in the company, security clearances and any supplemental information which may be requested.

(c) Post-Award: The Contractor shall report any changes in FOCI status and KMPL information during the period of performance of this contract for itself and any subcontractors performing classified work. An updated SF 328 is required, whenever there is a change in a response to any questions on the SF 328. An updated KMPL is required whenever there is a key management personnel change. The documentation shall be submitted to the Contracting Officer. Failure to provide timely notice may result in termination of Customer's customer accredited locations and this contract.

(d) Subcontracts. The Contractor shall insert the substances of this clause, including this paragraph (d) in all subcontracts which are performing classified work. The Contractor shall be responsible for compliance by any Subcontractor or lower-tier Subcontractor with the provisions set forth in paragraphs (a) through (d) of this clause.

### **CI 209-3 ORGANIZATIONAL CONFLICT OF INTEREST (JUL 2016).**

The term "Government" and "Contracting Officer shall mean "Buyer". The term "contractor" shall mean "Seller".

Definitions:

"Avoid" means to prevent the occurrence of an actual or potential OCI through a specific action, such as exclusion of sources or modification of requirements.

"Contractor" means the business entity receiving a contract award, including its employees, agents, and any foreign or domestic divisions, sectors, parent corporation, affiliates, sister corporations, and subsidiaries.

"Conflicted Party" means a contractor for whom an actual organizational conflict of interest exists.

"Development" means the systematic use of scientific and technical knowledge in the design, development, testing, or evaluation of a potential new product or service (or improvement of an existing product or service) to meet specific performance requirements or objectives. It includes the functions of design engineering, prototyping, and engineering testing, but does not include subcontracted technical effort for the sole purpose of developing an additional source for an existing product. Development does not include the creation of databases, techniques, models, methodologies, or related software in support of a study, analysis, or evaluation conducted as part of a support services contract task.

"Disclosing Party" means the owner or developer of proprietary or sensitive information.

"Firewall" is a combination of procedures and physical security that restricts the flow of

sensitive and proprietary information between certain contractor business units and personnel, or between team members under the same contract.

“Mitigate” means to reduce or alleviate the impact of OCI to an acceptable level of risk so that the Government’s interest with regard to fair competition and/or contract performance is not prejudiced.

“Neutralize” means to negate, through a specific action, potential or actual OCI related to an unfair competitive advantage or contractor objectivity during contract performance.

“Organizational Conflict of Interest (OCI)” exists when, due to other activities or relationships, a contractor is unable or potentially unable to render impartial assistance or advice to the Government; or the contractor’s objectivity in performing the contract work is, or might be, otherwise impaired or appear to be impaired; or the contractor gains an unfair competitive advantage due to the contractor’s other contract efforts. There are three types of OCI:

- Unequal Access to Information: The contractor has access to nonpublic information that may provide them an unfair competitive advantage in a later competition for a government contract.
- Biased Ground Rules: As a function of performance on a government contract, the contractor has set the ground rules for another government contract which could skew the competition in their favor.
- Impaired Objectivity: A contractor’s business relationships create an economic incentive to provide biased advice under a government contract.

“Organizational Conflict of Interest Plan” is a structured approach proposed by the contractor or developed by the Government that formally documents the actions required to reduce the risk of identified and/or potential OCI to an acceptable level. A contractor-proposed OCI plan establishes a binding requirement on the contractor.

“Proprietary Information” as used in this clause means information contained in a bid or proposal, cost or pricing data, or any other information disclosed to the Government that is properly designated and/or marked as proprietary by a contractor, in accordance with the law and regulation, and is held in confidence or disclosed under restriction to prevent uncontrolled distribution.

“Sensitive Information” means the Government’s nonpublic planning, budgetary, and acquisition information (to include source selection sensitive, advanced acquisition, and contractor information), and any contractor technical data or computer software delivered to the Government with other than unlimited rights as defined in clause CI 227-2, and marked with a conforming marking.

Source Selection Activities are defined as:

- Developing acquisition strategies, acquisition plans, government cost estimates, and source selection plans;
- Developing justifications and approvals;
- Developing estimates of work;
- Developing evaluation factors for award (Section M) and instructions to offerors (Section L)
- Evaluating submitted proposals/quote information, determining competitive range, and ranking bids, proposals, or competitors; and
- Preparing contracts

“Support Services” as used in this clause, include advisory and assistance services, management support services, consultant and professional services; studies, analysis and evaluations; and systems engineering, technical direction and assistance.

“System” refers to the subject of a contract effort, and is defined as the organization of hardware, software, material, facilities, personnel, data, and services needed to perform a designated function with specified results.

(a) The offeror warrants, to the best of its knowledge and belief, that (1) there are no relevant facts that could give rise to organizational conflicts of interest (OCI), as defined herein; or (2) the offeror has disclosed all relevant information regarding any actual or potential OCI. Offerors are encouraged to inform the Contracting Officer of any potential conflicts of interest, including those involving contracts with other foreign or domestic government organizations, before preparing their proposals to determine whether the Government will require mitigation of those conflicts. If the successful offeror was aware, or should have been aware, of an OCI before award of this contract and did not fully disclose that conflict to the Contracting Officer, the Government may terminate the contract for default.

(b) If during contract performance the contractor discovers an OCI involving this contract, the contractor agrees to make an immediate and full disclosure in writing to the Contracting Officer. Such notification will include a description of the action the contractor and/or subcontractor has taken or proposes to take to avoid, neutralize, or mitigate the conflict. The contractor will continue contract performance until notified by the Contracting Officer of any contrary actions to be taken. The Government may terminate this contract for its convenience if it deems such termination to be in the best interest of the Government.

(c) The contractor shall inform the Contracting Officer of any activities, efforts, or actions planned, entered into, or on-going by the contractor or any other corporate entity of the contractor, at the prime or sub- contract level, involving the review of information or providing any advice, assistance, or support to foreign or domestic government agencies, entities, or units outside of Buyer’s customer which may result in a perceived or actual OCI with any known Buyer’s customer activity. The contractor shall provide detailed information to the Contracting Officer as to the specifics of the situation immediately upon its recognition. Based on the severity of the conflict, the Contracting Officer may direct the contractor to take certain actions, revise current work effort, or restrict the contractor's future participation in Buyer’s customer contracts as may be necessary to appropriately neutralize, mitigate, or avoid the OCI.

(d) If necessary to mitigate OCI concerns, or when directed to do so by the Contracting Officer, the contractor shall submit an OCI plan for approval. The plan must describe how the contractor will mitigate, neutralize, or avoid potential and/or actual conflicts of interest or unfair competitive advantages. The contractor shall attach a completed Buyer’s customer Form CI4-55, *OCI Plan Matrix*, to each new or revised OCI plan submitted to the Contracting Officer. After approval of the OCI plan, the contractor must conduct a yearly self-assessment and submit an annual certification of compliance with the terms of the plan signed by a corporate official at the level of Vice President or above. The contractor shall submit a revised OCI plan for approval whenever corporate, contractual, or personnel changes create or appear to create new OCI concerns, or when directed to do so by the Contracting Officer.

(e) The contractor shall insert a clause containing all the requirements of this clause in all subcontracts for work similar to the services provided by the prime contractor.

(f) Before this contract is modified to add new work or to significantly increase the period of performance, the contractor agrees to submit an OCI disclosure or representation if requested by the Government.

(g) The contractor shall allow the Government to review the contractor's compliance with these provisions or require such self-assessments or additional certifications as the Government deems appropriate.

**CI 209-4 Organizational Conflict of Interest: Support Services (OCT 2014)**

This clause applies if the contract is above the simplified acquisition threshold.

(a) Determination. This contract requires the contractor to provide support services to the Government that may result in actual or potential conflicts of interest for the contractor, or may provide the contractor with the potential to attain an unfair competitive advantage. To effectively mitigate such issues while fulfilling this contract, the contractor shall comply fully with the requirements and restrictions of this clause.

(b) Notification. The contractor shall notify the Contracting Officer promptly upon learning that their company and/or any foreign or domestic division, sector, parent corporation, affiliate, sister corporation, or subsidiary thereof, intends to bid as a prime contractor or subcontractor at any tier on a solicitation to supply a particular system, program, and/or contract, or to serve as a subcontractor, vendor, or consultant to the supplier for any acquisition for which the contractor is providing program support under this contract. When this situation occurs, the contractor shall be prohibited from providing support for source selection activities for that system, program, and/or contract until the date of contract award. Upon notification by the contractor, the Contracting Officer will make a determination whether the contractor accrued an actual conflict prior to solicitation pursuant to their activities under this contract.

(c) Employee Restrictions. Contractor employees providing support services under this contract shall wait a minimum of two years from the date they stop working under this contract before beginning work on another proposal or contract to supply to the Government (either as a prime contractor or subcontractor) or act as a consultant to a supplier of any supplies or services that are directly or indirectly related to the subject of any work or services performed under this contract. This restriction applies whether the former support contract employee is now working for the same support contractor, for another division of the same corporation, or for a different company.

(d) Organizational Conflict of Interest Plan.

(1) The contractor shall submit an organizational conflict of interest (OCI) plan to the Contracting Officer describing how the contractor will mitigate, neutralize, or avoid any potential or actual conflicts of interest or unfair competitive advantage. Contract award shall not occur before Government approval of the contractor OCI plan.

(2) The restrictions of this clause apply fully except as amended in the approved OCI plan.

(3) The contractor shall conduct a yearly self-assessment and submit an annual certification of compliance with the terms of the OCI plan signed by a corporate official no lower than the Vice President or corporate equivalent.

(4) The contractor shall notify the Contracting Officer within seven calendar days whenever corporate, contractual, or personnel changes create or appear to create new organizational conflict of interest concerns. When necessary to mitigate those concerns, the contractor shall submit a revised OCI plan for approval, or may be directed to do so at any time by the Contracting Officer.

(5) In rare instances, the Director, Office of Contracts may waive the restrictions of this clause.

(e) Corporate Changes. The contractor shall inform the Contracting Officer within seven calendar days of the effective date of any corporate merger, acquisition, and/or divestiture that may affect this contract or the United States Government Customer in any way.

(f) Flow-down. The requirements of this clause shall be included in all subcontracts above the simplified acquisition threshold. Subcontractors shall be subject to this clause in the same manner as the contractor.

(g) Corporate Organizational Conflict of Interest Plan. If the contractor has an approved Corporate OCI Plan on file with the United States Government, the most current approved

version of the plan is incorporated into this contract by reference and is in full effect. If the contractor withdraws its approved Corporate OCI Plan and is unable to provide an acceptable OCI plan or to obtain a waiver, the Contracting Officer may terminate this contract for default due to non-compliance with OCI requirements

#### **CI 209-6 ENABLING CLAUSE FOR PRIME AND SUPPORT CONTRACTOR RELATIONSHIPS (OCT 2011)**

The term “support contractor” retains its original meaning. The term “contractor” shall mean “Seller”.

- (a) The Government currently has, or may enter into, contracts with one or more companies, the primary purpose of which is to furnish independent and impartial advice or technical assistance directly to the Government in support of the Government’s management and oversight of a program or effort. These companies (hereafter referred to as support contractors), are obligated by the terms of clause CI 209-8, *Support Contractor Corporate Non-Disclosure Agreement*, incorporated into their respective contracts, and/or by separate non-disclosure, confidentiality, proprietary information, or similar agreements to safeguard the sensitive and proprietary information of other contractors, subcontractors, suppliers, and vendors to which they have access.
- (b) In the performance of this contract, the contractor agrees to cooperate with companies as directed by Buyer. Cooperation includes, but is not limited to, allowing the listed support contractors to attend meetings; observe technical activities; discuss with the contractor technical matters related to this program at meetings or otherwise; and access contractor integrated data environments and facilities used in the performance of the contract.
- (c) The contractor must provide the support contractors access to data such as, but not limited to, design and development analyses; test data, procedures, and results; research, development, and planning data; parts, equipment, and process specifications; testing and test equipment specifications; quality control procedures; manufacturing and assembly procedures; schedule and milestone data; and other contract data. To fulfill contractual requirements to the Government, support contractors engaged in general systems engineering and integration efforts and technical support are normally authorized access to information pertaining to this contract. Exceptions, such as when the contractor seeks to restrict access to contractor trade secrets, will be handled on a case-by-case basis. If the contractor seeks to limit distribution of data to Government personnel only, the contractor must submit this request in writing to the Contracting Officer.
- (d) The contractor further agrees to include in all subcontracts, except for those to provide only commercial and/or non-developmental items, a clause requiring the subcontractor and succeeding levels of subcontractors to comply with the response and access provisions of paragraph (b) above, subject to coordination with the contractor. This clause does not relieve the contractor of the responsibility to manage the subcontracts effectively and efficiently, nor is it intended to establish privity of contract between the Government or support contractors and such subcontractors. The contractor and its subcontractors are not required to take contractual direction from support contractors.
- (e) The contractor and its subcontractors are not required to take contractual direction from support contractors.
- (f) Clauses CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*, and CI 209-8, which will be incorporated into all Buyer’s customer support contracts, require the support contractors to protect data and software related to this contract, and prohibit them from using such data for any purpose other than performance of the support contract.

- (g) Support contractors shall protect the proprietary information of disclosing contractors, subcontractors, suppliers, and vendors in accordance with clause CI 209-8. Because this clause provides that such disclosing contractors, subcontractors, suppliers, and vendors are intended to be third-party beneficiaries, all such disclosing parties agree that these terms satisfy the non-disclosure agreement requirements set forth in 10 U.S.C. §2320(f)(2)(B). Accordingly, the contractor may only enter into a separate non-disclosure, confidentiality, proprietary information, or similar agreement with a disclosing party on an exception basis, and only after notifying the Contracting Officer through the Buyer. The Government and the disclosing contractors, subcontractors, suppliers, and vendors agree to cooperate to ensure that the execution of any non-disclosure agreement does not delay or inhibit performance of this contract, and the Government shall require support contractors to do the same. Such agreements shall not otherwise restrict any rights due the Government or Buyer under this contract. Separate non-disclosure agreements may be executed only in the following exceptional circumstances:
- (1) The support contractor is a direct competitor of the disclosing party in furnishing end items or services of the type developed or produced for the program or effort;
  - (2) The support contractor will require access to extremely sensitive business data; or
  - (3) Other unique business situations exist in which the disclosing party can clearly demonstrate that clause CI 209-8 does not adequately protect their competitive interests.
- (h) Any proprietary information furnished to support contractors shall be:
- (1) Disclosed in writing and clearly marked "proprietary" or with other words of similar meaning; or
  - (2) Disclosed orally or visually for instance, during a plant tour, briefing, or demonstration) and identified as proprietary information at the time of the oral or visual disclosure by the Government or a disclosing party. The support contractors shall treat all such information as proprietary unless within fifteen (15) days the support contractor coordinates with Buyer or disclosing party to obtain a written version of the proprietary information and determine the extent of the proprietary claims; or
  - (3) Disclosed by electronic transmission (e.g., facsimile, electronic mail, etc.) in either human readable form or machine readable form, and the contractor marks it electronically as proprietary within the electronic transmissions, such marking to be displayed in human readable form along with any display of the proprietary information; or
  - (4) Disclosed by delivery of an electronic storage medium or memory device, and the contractor marks the storage medium or memory device itself as containing proprietary information and electronically marks the stored information as proprietary, such marking to be displayed in human readable form along with any display of the proprietary information.
- (i) The contractor agrees not to hold the support contractor liable for unauthorized disclosure of proprietary information if it can be demonstrated in written documentation or other competent evidence that the information was:
- (1) Already known to the support contractor without restriction on its use or disclosure at the time of its disclosure by the disclosing party;
  - (2) In the public domain or becomes publicly known through no wrongful act of the support contractor;
  - (3) Proprietary information disclosed by the support contractor with the contractor's prior written permission;
  - (4) Independently developed by the support contractor, subsequent to its receipt, without the use of any proprietary information;
  - (5) Disclosed to the support contractor by a third party who was legally entitled to disclose the same and who did not acquire the proprietary information from the disclosing party;

- (6) Specifically provided in writing by the U.S. Government to the support contractor with an unlimited rights license; or
- (7) Disclosed by the support contractor as required by law, regulatory or legislative authority, including subpoenas, criminal or civil investigative demands, or similar processes, provided the support contractor provides the disclosing party that originated the proprietary information with prompt written notice so that the disclosing party may seek a protective order or other appropriate remedy, and provided that, in the absence of a timely protective order, the support contractor furnishes only that minimum portion of the proprietary information that is legally required.
- (j) Any notice to the support contractor(s) required or contemplated under the provisions of this clause or clause CI 209-8 shall be in writing and shall be deemed to have been given on:
- (1) The date received if delivered personally or by overnight courier;
  - (2) The third day after being deposited in the U.S. mail, postage prepaid; or
  - (3) The date sent if sent by facsimile transmission or e-mail with a digital copy.
- (k) Buyer and contractor agree to cooperate in resolving any unauthorized disclosure or misuse of proprietary information by a support contractor. This shall not be construed as requiring the contractor to conduct an inquiry into an unauthorized disclosure or misuse, or as authorizing the allocation of costs for such an inquiry directly to this contract. Any costs incurred by the contractor in said fact-finding efforts may be allowable and allocable upon determination of Buyer after adjudicating the circumstances related to any unauthorized disclosures or misuse.

#### **CI 209-8 SUPPORT CONTRACTOR CORPORATE NON-DISCLOSURE AGREEMENT (FEB 2011)**

(a) Definitions. As used in this clause:

- (1) *Proprietary information* means information contained in a bid or proposal, cost or pricing data, or any other information disclosed to the Government, including a contractor's technical data, computer software, or business data (as those terms are defined in clause CI 227-2) that is properly designated and/or marked as proprietary by a contractor in accordance with law and regulation, and is held in confidence or disclosed under restriction to prevent uncontrolled distribution.
  - (2) *Sensitive information* means the Government's nonpublic planning, budgetary, and acquisition information (to include source selection sensitive, advanced acquisition, and contract information), and any contractor technical data or computer software delivered to the Government with limited or restricted rights (as defined in clause CI 227-2), and marked with a conforming marking.
  - (3) *Disclosing party* means the owner or developer of proprietary or sensitive information.
  - (4) *Support contractor*, for purposes of this agreement, means a contractor under a contract the primary purpose of which is to furnish management support services, consultant and professional services; studies, analysis and evaluations; systems engineering, technical direction and assistance; operations and maintenance activities; and other services that may provide contractor employees access to sensitive or proprietary information.
  - (5) *Unauthorized disclosure* means the disclosure of sensitive or proprietary information to any party who does not have a need to know that information or who is not contractually authorized to access the information.
- (b) Purpose. This support contract requires the contractor to have access to sensitive information and the proprietary information of other contractors, subcontractors, suppliers, and vendors. Any sensitive or proprietary information disclosed to the contractor by the Government, another authorized contractor, or a disclosing party under the provisions of this clause shall not be used

by the receiving contractor for any purpose other than support of the Government contract for which it was furnished. The contractor understands that its unauthorized disclosure of such sensitive or proprietary information would be injurious to the interests of the Government and the owner of the information, and shall therefore protect such information from disclosure by exercising the same degree of care used to protect its own proprietary information, and with no less than a reasonable standard of care for protection.

(c) Corporate Non-Disclosure Agreement. To relieve the contractor from the burden of negotiating separate agreements to access or use disclosed proprietary information originating from other contractors, subcontractors, suppliers, and vendors, as well as U.S. Government program offices, the Government and contractor agree that this clause sets forth the rights and obligations of the contractor in its role as a support contractor and its subcontractors regarding the use, handling, protection, and safeguarding of sensitive or proprietary information on this contract. The contractor agrees to protect any such information for as long as it remains subject to restrictions. This clause is meant to satisfy the non-disclosure agreement (NDA) requirements set forth in 10 U.S.C. §2320(f)(2)(B). As such, the contractor shall only enter into a separate NDA, confidentiality agreement, proprietary information agreement, or similar agreement with a disclosing party whose proprietary information is accessed or used in the performance of this contract on an exception basis, such as when the contractor is or may reasonably be expected to be a competitor of the disclosing party. The contractor shall notify the Contracting Officer if an additional agreement is required by a disclosing party. Any such protections provided by such agreement for contractor proprietary information are in addition to, and take precedence over, the terms of this clause regarding contractor proprietary information.

(d) Third-Party Beneficiaries. In its role as a support contractor, the contractor agrees that each disclosing party (contractor, subcontractor, supplier, or vendor) which, pursuant to its U.S. Government contract or subcontract, discloses proprietary information to the Government or to the support contractor is a third-party beneficiary of this clause.

(e) Liability for Unauthorized Disclosure. The contractor agrees that the unauthorized disclosure of sensitive or proprietary information constitutes a breach of contract that may subject the contractor to appropriate legal remedies. If the Government or the disclosing party seeks legal remedy for breach by the contractor in their role as a support contractor, the contractor agrees:

(1) It will not require the Government to be added as a necessary party to any enforcement action between the disclosing party and the contractor;

(2) It will not seek a court to require either to post bond or to prove damages to seek injunctive relief;

(3) To consent to federal jurisdiction for Government actions; and

(4) That the disclosing party may bring a direct, civil action in law or equity against the support contractor in any state or federal court of competent jurisdiction.

(f) Cooperation. The contractor agrees in the event of an unauthorized disclosure, whether suspected or actual, to promptly notify the Government and the disclosing party, and cooperate with the Government and the disclosing party, whether acting separately or independently, in support of any reasonable fact-finding efforts and mutually agreed upon resolution actions. Any costs incurred by the contractor in said fact-finding efforts will not be passed on to the Government or disclosing party.

(g) Flowdown. The requirements of this clause shall be flowed down to and included in all subcontracts directly chargeable to this contract. The contractor shall notify the Contracting Officer within seven business days of the award of any support subcontract. The notification shall identify the programs and/or contracts being supported, certify that the subcontractors have

executed all appropriate implementing NDAs, and confirm that the terms of this clause have been accepted by the subcontractor.

(h) Implementing NDAs. Except as set forth elsewhere in this clause, the contractor shall make sensitive or proprietary information available only to individuals who have a valid need to access the information. The contractor shall require each individual requiring access to sensitive or proprietary information to execute an implementing NDA before granting access to such information. This individual implementing NDA shall include all the elements specified by the United States Government Customer. The contractor shall maintain a list of individuals who have signed NDAs and have access to sensitive or proprietary information as an attachment to its approved OCI Plan for this contract, and submit an annual certification of compliance with the terms of the plan.

(i) Identification of Proprietary Information. Proprietary information shall be protected pursuant to this clause if it is disclosed:

(1) In writing and clearly marked on its face as "proprietary" or with other words of similar meaning;

(2) Orally or visually (for instance, during a plant tour, briefing, or demonstration), and is identified as proprietary at the time of the oral or visual disclosure by the Government or a contractor. The contractor shall treat all such information as proprietary unless within fifteen days the contractor coordinates with the Government or disclosing party to obtain a written version of the proprietary information and determine the extent of the proprietary claims;

(3) By electronic transmission (e.g., facsimile, electronic mail, etc.) in either human readable form or machine readable form, and the disclosing party marks it electronically as proprietary within the electronic transmission, with such marking to be displayed in human readable form along with any display of the proprietary information; or

(4) By delivery of an electronic storage medium or memory device, and the disclosing party marks the storage medium or memory device itself as containing proprietary information and electronically marks the stored information as proprietary, such marking to be displayed in human readable form along with any display of the proprietary information.

(j) Permissible Disclosure. Notwithstanding paragraph (e) above, the contractor is authorized to discuss and disclose sensitive or proprietary information that it receives in support of a particular Government program to employees of that particular Government program office pursuant to this contract pursuant to this contract and the license granted the Government by the disclosing party (including other support contractors supporting that same specific program), and other senior Government executives outside of the program offices provided that any sensitive or proprietary information continues to bear the same legend(s) affixed by the disclosing party, whether provided in its original form or in some other format.

(k) Exceptions to Liability for Unauthorized Disclosure. The support contractor shall not be liable for unauthorized disclosure of sensitive or proprietary information if it can be demonstrated in written documentation or other competent evidence that the information was:

(1) Already known to the support contractor without restriction on its use or disclosure at the time of its disclosure by the Government or the disclosing party;

(2) In the public domain or became publicly known through no wrongful act of the support contractor;

(3) Sensitive information disclosed by the support contractor with the Contracting Officer's prior written approval;

(4) Proprietary information disclosed by the contractor with the disclosing party's prior written permission;

(5) Independently developed by the support contractor, subsequent to its receipt, without the use of any sensitive or proprietary information;

(6) Disclosed to the support contractor by a third party who was legally entitled to disclose the same and who did not acquire the proprietary information from the disclosing party;

(7) Specifically provided in writing by the Government to the support contractor with an unlimited rights license; or

(8) Disclosed by the support contractor as required by law, regulatory or legislative authority, including subpoenas, criminal or civil investigative demands, or similar processes, provided the support contractor provides the disclosing party that originated the proprietary information with prompt written notice so that the disclosing party may seek a protective order or other appropriate remedy, and provided that, in the absence of a timely protective order, the support contractor furnishes only that minimum portion of the sensitive or proprietary information that is legally required.

(l) Licenses. Nothing contained in this clause, including the disclosure of any information hereunder, shall be construed as granting to the contractor a license or right to use the sensitive or proprietary information, either express or implied, under any patent, copyright, trade secret, or other intellectual property right now or hereafter owned by or controlled by or controlled by the disclosing party.

(m) No Warranties. The contractor expressly agrees that each disclosing party who discloses proprietary information to the contractor makes no warranties, assurances, guarantees, or representations as to the accuracy, completeness, or technical or scientific quality of any of their proprietary information. Without restricting the generality of the foregoing, no warranty, assurance, guarantee, or representation is made by any disclosing party as to the merchantability, fitness for a particular purpose, or non-infringement of patents, copyrights, trademarks, trade secrets, or any other rights of third parties of any proprietary information disclosed to the support contractor.

(n) Compliance with Export Control Laws. The contractor shall not export (to include disclosing or providing access to a foreign person located anywhere as defined in 22 C.F.R §120.16) any technical information furnished by the disclosing party without first complying with all applicable U.S. export control laws and regulations, including the requirements of the International Traffic in Arms Regulations and the Export Administration Regulations. The contractor will first obtain the written consent of the disclosing party who originated the proprietary information before submitting an application to export such proprietary information.

(o) Notices. For any notice required or contemplated by this clause, the support contractor has the burden of determining from the Contracting Officer the disclosing party's contractual point of contact, and for providing written notice thereto. The Contracting Officer will provide a list of the points of contact for service of notices for all support contractors identified in conjunction with clause CI 209-6, *Enabling Clause for Prime and Support Contractor Relationships*. Notice shall be deemed to have been given on:

(1) The date received if delivered personally or by overnight courier;

(2) The third day after being deposited in the U.S. mail, postage prepaid; or

(3) The date sent if sent by facsimile transmission or e-mail with a digital copy of the notice.

(q) Return of Sensitive and Proprietary Information. All proprietary information disclosed to the support contractor by the Government or a disclosing party shall remain the property of the disclosing party. Sensitive or proprietary information shall be destroyed or otherwise returned promptly at the request of the Government or a disclosing party, together with any copies thereof, to include that stored by computer memory or data storage system, and the contractor will certify to the disclosing party that it has done so. Notwithstanding the foregoing, the

contractor may retain an archival copy for dispute resolution purposes in its legal counsel's office, as well as copies of any reports prepared for and provided to the Government specific to performance of this contract that contain or refer to the sensitive or proprietary information.

(p) No Waiver. Failure by the Government or a disclosing party to enforce any requirement in this clause shall not constitute a waiver in any subsequent breach of that requirement. If any requirement of this clause or part of such requirement is or becomes invalid or unenforceable, the remaining requirements shall remain in effect.

(r) Effective Date. The requirements of this clause shall be in force as of the effective date of this contract, and expire upon the completion or termination of this contract. These requirements may only be terminated or amended by the Contracting Officer and the contractor by supplemental agreement. The confidentiality requirements of this clause shall survive completion or termination of this contract.

**CI 211-9 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (NOV 2022).** – In lieu of FAR 52.211-14 and 52.211-15.

This is a *DX-A7* rated order certified for national defense use, and the contractor shall follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700).

**CI 215-10 EXCLUSIVE TEAMING PROHIBITION (JAN 2020).**

The term "Government" shall mean "Buyer".

(a) Definition. An exclusive teaming arrangement is created when two or more companies agree—in writing, through understandings, or by any other means—to team together to pursue a Buyer's customer procurement program, and further agree not to team with any competitors for that program.

(b) Prohibition. Offerors are prohibited from entering into any exclusive teaming arrangements. The Buyer's customer has determined that such arrangements unduly limit competition. Corporate or company capabilities below the prime-level essential to contract performance must be made available on fair and equitable terms to all competitors. The Government will direct the dissolution of any exclusive teaming arrangement which the Contracting Officer discovers, or prohibit the offer from further award consideration. If, after contract award, the Government becomes aware that the awardee entered into an exclusive teaming arrangement, the contract shall be voidable at the Government's option. This prohibition does not apply to the following exclusive teaming arrangement(s) approved in accordance with paragraph (c):  
NONE

(c) Waiver. Parties to an exclusive teaming arrangement may request a waiver from the Buyer's customer Director of Contracts, through Buyer, to maintain the arrangement. Such written requests must explain the purpose for the arrangement and why it is not anti-competitive.

**CI 215-3 INTENTION TO USE CONSULTANTS (JAN 2005).**

(a) The Government intends to utilize the services of non-Government consultants in technical, advisory, and consulting roles for overall technical review of the activities covered by this contract. Although the consultants shall not have the right of technical direction, they will attend technical reviews, participate in technical interchange meetings, observe processing and production efforts, witness fabrication and assembly, and monitor testing within contractor and subcontractor facilities. Such consultants will provide advice to the Government concerning viability of technical approaches, utilization of acceptable procedures, value and results of tests, and the like. The consultants will therefore require access to program-related contractor and subcontractor facilities and documentation. Contractor proprietary data shall not be made

available to consultants unless and until a protection agreement has been generated between the consultant and the contractor, and evidence of such agreement has been made available to the Contracting Officer, through Buyer.

(b) It is expressly understood that the operations of this clause will not be the basis for an equitable adjustment.

#### **CI 215-14 Cost Estimating System Requirements (JAN 2005)**

The term "Government" shall mean "Government and Buyer". The term "contractor" shall mean "Seller".

(a) Definition.

*Estimating system* means the contractor's policies, procedures, and practices for generating estimates of costs and other data included in proposals submitted to customers in the expectation of receiving contract awards. The estimating system includes the contractor's organizational structure; established lines of authority, duties, and responsibilities; internal controls and managerial reviews; workflow, coordination, and communication; and estimating methods, techniques, accumulation of historical costs, and other analyses used to generate cost estimates.

(b) General.

(1) The contractor shall establish, maintain, and comply with an estimating system that is consistently applied and produces reliable, verifiable, supportable, and documented cost estimates that are an acceptable basis for negotiation of fair and reasonable prices.

(2) The system should be consistent and integrated with the contractor's related management systems, and subject to applicable financial control systems.

(c) Applicability. Paragraphs (d) and (e) of this clause apply if the contractor is a large business or received, in its fiscal year preceding award of this contract, Government prime contracts or subcontracts totaling \$50 million or more for which certified cost or pricing data were required.

(d) System Requirements.

(1) The contractor shall disclose its estimating system to the Government in writing. If the contractor wants the Government to protect this information as privileged or confidential, the contractor must mark the documents with the appropriate legends before submission.

(2) An estimating system disclosure is adequate when the contractor documentation accurately describes those policies, procedures, and practices that the contractor currently uses to prepare cost proposals, and provides sufficient detail for the Government to reasonably make an informed judgment regarding the adequacy of the contractor's estimating practices.

(3) The contractor shall comply with its disclosed estimating system, and disclose significant changes to the cost estimating system to the Government on a timely basis.

(e) Estimating System Deficiencies.

(1) The contractor shall respond to a written report from the Government which identifies deficiencies in the contractor's estimating system as follows:

(i) If the contractor agrees with the report findings and recommendations, the contractor shall, within 30 days, state its agreement in writing, and, within 60 days, correct the deficiencies or submit a corrective action plan proposing milestones and actions leading to elimination of the deficiencies.

(ii) If the contractor disagrees with the report, the contractor shall, within 30 days, state its rationale for disagreeing.

(2) The Government will evaluate the contractor's response and notify the contractor of the determination concerning remaining deficiencies and/or the adequacy of any proposed or completed corrective action.

**CI 219-1 UTILIZATION OF SMALL BUSINESS CONCERNS (JUN 2023).**

The term “contractor” shall mean “Seller”.

(a) It is the policy of the United States that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns shall have the maximum practicable opportunity to participate in performing contracts let by any Federal Agency, including contracts and subcontracts for subsystems, assemblies, components and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns.

(b) The contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The contractor further agrees to cooperate in any studies or surveys as may be conducted by the Contracting Officer or his representative as may be necessary to determine the extent of the contractor's compliance with this clause.

(c)(1) A joint venture qualifies as a small business concern if –

(i) Each party to the joint venture qualifies as small under the size standard for the solicitation; or

(ii) The protégé is small under the size standard for the solicitation in a joint venture comprised of a mentor and protégé with an approved mentor-protégé agreement under a SBA mentor-protégé program.

(2) A joint venture qualifies as—

(i) A service disabled veteran-owned small business concern if it complies with the requirements in 13 CFR part 125; or

(ii) A HUBZone small business concern if it complies with the requirements in 13 CFR 126.616(a) through (c).

(d) Definitions. As used in this contract--

“HUBZone Small Business Concern” means a small business concern that meets the requirements described in 13 CFR 126.200, is certified by the Small Business Administration (SBA) and designated by SBA as a HubZone small business concern in the Dynamic Small Business Search (DSBS) and SAM.

“Service-disabled Veteran-owned Small Business Concern”

(1) Means a small business concern -

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) “Service-disabled Veteran” means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

“Small Business Concern” means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

“Small Disadvantaged Business Concern” means a small business concern that represents, as part of its offer that--

- (1)(i) It has received certification as a small disadvantaged business concern consistent with 13 CFR part 124, subpart B;
  - (ii) No material change in disadvantaged ownership and control has occurred since its certification;
  - (iii) Where the concern is owned by one or more individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
  - (iv) It is identified, on the date of its representation, as a certified small disadvantaged business in the Central Contractor Registration (CCR) Dynamic Small Business Search database maintained by the Small Business Administration, or
- (2) It represents in writing that it qualifies as a small disadvantaged business (SDB) for any Federal subcontracting program, and believes in good faith that it is owned and controlled by one or more socially and economically disadvantaged individuals and meet the SDB eligibility criteria of 13 CFR 124.1002.

“Veteran-owned Small Business Concern” means a small business concern—

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C.101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (2) The management and daily business operations of which are controlled by one or more veterans.

“Women-owned Small Business Concern” means a small business concern—

- (1) That is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
  - (2) Whose management and daily business operations are controlled by one or more women.
- (e)(1) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as a small business concern, a veteran-owned small business concern, a service-disabled veteran-owned small business concern, a HUBZone small business concern, a small disadvantaged business concern, or a women-owned small business concern.
- (2) The contractor shall confirm that a subcontractor representing itself as a HUBZone small business concern is certified by SBA as a HUBZone by accessing SAM or by accessing DSBS at [https://web.sba.gov/pro-net/search/dsp\\_dsbs.cfm](https://web.sba.gov/pro-net/search/dsp_dsbs.cfm). If the subcontractor is a joint venture, the Contractor shall confirm that at least one party to the joint venture is certified by SBA as a HUBZone small business concern. The Contractor may confirm the representation by accessing SAM.

#### **CI 223-5 PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS (JAN 2004).**

The term “Contracting Officer” shall mean “Buyer”. The term “contractor” shall mean “Seller”.

(a) Definitions. As used in this clause:

- (1) *Storage* means a non-transitory, semi-permanent or permanent holding, placement, or leaving of material. It does not include a temporary accumulation of a limited quantity of a material used in or a waste generated or resulting from authorized activities, such as servicing, maintenance, or repair of Government items, equipment, or facilities.
  - (2) *Toxic or hazardous materials* means those materials identified in the EPA Title III List of Lists.
- (b) The contractor is prohibited from transporting, storing, disposing, or using toxic or hazardous materials in performing this contract except for those materials listed in (c) below or

when authorized in writing by the Contracting Officer.

(c) Seller shall obtain written authorization from Buyer to use toxic and/or hazardous materials in the performance of this contract.

**CI 223-6 CONTRACTOR COMPLIANCE WITH ENVIRONMENTAL, OCCUPATIONAL SAFETY AND HEALTH, AND SYSTEM SAFETY REQUIREMENTS (OCT 1997).**

The term "Contracting Officer" shall mean "Buyer". The term "contractor" shall mean "Seller". In the first sentence in paragraph (b), insert "through Buyer" after "Contracting Officer."

(a) In performing work under this contract, the contractor shall comply with-

(1) All applicable Federal, State, and local environmental, occupational safety and health, and system safety laws, regulations, policies and procedures in effect as of the date the contract is executed;

(2) Any regulations, policies and procedures in effect at any Government facility where work will be performed;

(3) Any contract specific requirements; and

(4) Any Contracting Officer direction.

(b) Conflicting Requirements. The contractor shall provide written notification to the Contracting Officer of any conflicts in requirements. The notification will describe the conflicting requirements and their source; provide an estimate of any impact to the contract's cost, schedule, and any other terms and conditions; and provide a recommended solution. The notification will also identify any external organizations that the Contracting Officer or the contractor may have to coordinate with in order to implement the solution. The Contracting Officer will review the notification and provide written direction. Until the Contracting Officer issues that direction, the contractor will continue performance of the contract, to the extent practicable, giving precedence in the following order to requirements that originate from:

(1) Federal, state, and local laws, regulations, policies and procedures;

(2) Government facility regulations, policies and procedures; and

(3) Contract specific direction.

(c) Material Condition of Contract. Environmental, occupational safety and health, and system safety requirements are a material condition of this contract. Failure of the contractor to maintain and administer an environmental and safety program that is compliant with the requirements of this contract shall constitute grounds for termination for default.

(d) The Contractor shall include this clause in all subcontracts.

**CI 225-3 EXPORT CONTROLLED ITEMS (NOV 2018).**

(a) Definition. "Export-controlled items," as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). The term includes:

(1) "Defense items," defined in the Arms Export Control Act, 22 U.S.C. 2778(j)(4)(A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120.

(2) "Items," defined in the EAR as "commodities", "software", and "technology," terms that are also defined in the EAR, 15 CFR 772.1.

(b) The Seller shall comply with all applicable laws and regulations regarding export-controlled items, including, but not limited to, the requirement for Seller to register with the Department of State in accordance with the ITAR. The Seller shall consult with the Department of State regarding any questions relating to compliance with the ITAR and shall consult with the

Department of Commerce regarding any questions relating to compliance with the EAR.

(c) The Seller's responsibility to comply with all applicable laws and regulations regarding export- controlled items exists independent of, and is not established or limited by, the information provided by this clause.

(d) Nothing in the terms of this contract adds, changes, supersedes, or waives any of the requirements of applicable Federal laws, Executive orders, and regulations, including but not limited to—

(1) The Export Administration Act of 1979, as amended (50 U.S.C. App. 2401, et seq.);

(2) The Arms Export Control Act (22 U.S.C. 2751, et seq.);

(3) The International Emergency Economic Powers Act (50 U.S.C. 1701, et seq.);

(4) The Export Administration Regulations (15 CFR Parts 730-774);

(5) The International Traffic in Arms Regulations (22 CFR Parts 120-130); and

(6) Executive Order 13222, as extended.

(e) The Seller shall include the substance of this clause, including this paragraph (e), in all subcontracts.

#### **CI 227-1 TECHNICAL DATA AND COMPUTER SOFTWARE: COMMERCIAL PRODUCT AND COMMERCIAL SERVICE (NOV 2022).**

This clause is inapplicable to non-deliverables. It also does not apply to products or services which are contract data requirements but have not yet been delivered to the Government. The term “contractor” shall mean “Seller”. Buyer and its customer shall be granted a limited license to use data and software for this program.

(a) Definitions. As used in this clause:

(1) *Business data* means recorded information, regardless of the form or method of the recording, including specific business data contained in a computer database, of a financial, administrative, cost or pricing, or management nature, or other information incidental to contract administration or protected from disclosure under the Freedom of Information Act, 5 U.S.C. 552(b)(4).

(2) *Commercial product and commercial service* have the meanings defined in FAR 2.101.

(3) *Computer database* means a collection of data recorded in a form capable of being processed and operated by a computer. The term does not include computer software.

(4) *Computer program* means a set of instructions, rules, or routines, recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.

(5) *Computer software* means computer programs, source code, source code listings, object code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the software to be reproduced, recreated, or recompiled. The term does not include computer databases or computer software documentation.

(6) *Computer software documentation* means owner's manuals, users manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using or maintaining the computer software.

(7) *Form, fit, and function data* means technical data that describes the required overall physical, functional, and performance characteristics (along with the qualification requirements, if applicable) of an item, component, or process to the extent necessary to permit identification of physically and functionally interchangeable items. For computer software it means data identifying source, functional characteristics, and performance requirements, but specifically excludes the source code, algorithms, processes, formulas, and flow charts of the software.

(8) *Technical data* means recorded information (regardless of the form or method of the

recording, including computer databases) of a scientific or technical nature (including computer software documentation). The term includes recorded information of a scientific or technical nature that is included in computer databases. (See 41 U.S.C. 403(8)). This term does not include computer software or business data.

(b) License in Commercial Technical Data.

(1) The Government shall have the unrestricted right to use, modify, reproduce, release, perform, display, or disclose technical data relating to a commercial product or commercial service, and to permit others to do so, that:

(i) Have been provided to the Government or others without restrictions on use, modification, reproduction, release, or further disclosure other than a release or disclosure resulting from the sale, transfer, or other assignment of interest in the technical data to another party, or the sale or transfer of some or all of a business entity or its assets to another party;

(ii) Are form, fit, and function data;

(iii) Are a correction or change to technical data furnished to the contractor by the Government;

(iv) Are necessary for operation, maintenance, installation, or training (other than detailed manufacturing or process data); or

(v) Have been provided to the Government under a prior contract or licensing agreement through which the Government has acquired the rights to use, modify, reproduce, release, perform, display, or disclose technical data without restrictions.

(2) Except as provided in paragraph (b)(1), the Government may use, modify, reproduce, release, perform, display, or disclose technical data within the Government only.

(3) The Government shall not use the technical data to manufacture additional quantities or release, perform, display, disclose, or authorize use of the technical data outside the Government without the contractor's written permission unless a release, disclosure, or permitted use is necessary for emergency repair or overhaul of the commercial products furnished under this contract, or for performance of work by Government support contractors.

(c) License in Commercial Computer Software. Commercial computer software and commercial computer software documentation shall be acquired under the licenses customarily provided to the public unless such licenses are inconsistent with federal procurement law or do not otherwise satisfy user needs. The Government shall have only the rights specified in the license under which the commercial computer software and commercial computer software documentation was obtained. Such license shall be attached to and made a part of this contract.

(d) Additional License Rights. The contractor and its subcontractors are not required to provide the Government additional rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software. However, if the Government desires to obtain additional rights in technical data or computer software, the contractor agrees to promptly enter into negotiations with the Contracting Officer to determine whether acceptable terms for transferring such rights can be reached. All technical data and computer software in which the contractor grants the Government additional rights shall be listed or described in a special license agreement made part of this contract. The license shall specifically enumerate the additional rights granted the Government.

(e) Release From Liability. The contractor agrees that the Government, and other persons to whom the Government may have released or disclosed technical data or computer software delivered or otherwise furnished under this contract, shall have no liability for any release or disclosure of technical data or computer software that are not marked to indicate that such data are licensed data subject to use, modification, reproduction, release, performance, display, or disclosure restrictions.

**CI 227-2 RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE:**

**NONCOMMERCIAL ITEMS (FEB 2011).** This clause is inapplicable to non-deliverables. It also does not apply to items which are contract data requirements but have not yet been delivered to the Government.

The term “contractor” shall mean “Seller”.

(a) Definitions. As used in this clause:

(1) *Business data* means recorded information, regardless of the form or method of the recording, including specific business data contained in a computer database, of a financial, administrative, cost or pricing, or management nature, or other information incidental to contract administration or protected from disclosure under the Freedom of Information Act, 5 U.S.C. §552(b)(4).

(2) *Computer data base* means a collection of data recorded in a form capable of being processed and operated by a computer. The term does not include computer software.

(3) *Computer program* means a set of instructions, rules, or routines, recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.

(4) *Computer software* means computer programs, source code, source code listings, object code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the software to be reproduced, recreated, or recompiled. Computer software does not include computer databases or computer software documentation.

(5) *Computer software documentation* means owner’s manuals, user’s manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using or maintaining the software.

(6) *Delivery* means the formal act of transferring technical data, computer software, or business data to the Government as expressly delineated in the contract (including, but not limited to the Contract Data Requirements List, the statement of work, or elsewhere in the contract), in accordance with a specified schedule.

(7) *Detailed manufacturing or process data* means technical data and computer software that describes the steps, sequences, and conditions of manufacturing, processing, or assembly used by the manufacturer to produce an item or component, or to perform a process.

(8) *Developed* means that an item, component, or process, or an element of computer software has been shown through sufficient analysis or test to demonstrate to one of ordinary skill in the applicable art that there is a reasonable probability that the item, component, process, or element of computer software will work or perform its intended application, function, or purpose.

(9) *Developed exclusively at private expense* means development was accomplished entirely with costs charged to indirect cost pools, costs not allocated to a Government contract, or any combination thereof. Under fixed-price contracts, when total costs are greater than the firm-fixed-price or ceiling price of the contract, the additional development costs necessary to complete development shall not be considered when determining whether development was at Government, private, or mixed expense. Private expense determinations should be made at the lowest practicable level.

(10) *Developed exclusively with Government funds* means all the costs of development were charged directly to a Government contract.

(11) *Developed with mixed funding* means development was accomplished partially with costs charged to indirect cost pools and/or costs not allocated to a Government contract, and partially with costs charged directly to a Government contract.

(12) *Form, fit, and function data* means technical data that describes the required overall physical, functional, and performance characteristics (along with the qualification requirements,

if applicable) of an item, component, or process to the extent necessary to permit identification of physically and functionally interchangeable items. For computer software it means data identifying source, functional characteristics, and performance requirements, but specifically excludes the source code, algorithms, processes, formulas, and flow charts of the software.

(13) *Government purpose* means any activity in which the United States Government is a party, including cooperative agreements with international or multi-national defense organizations, or sales or transfers by the United States Government to foreign Governments or international organizations. Government purposes include providing technical data and computer software for use in a competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display, or disclose technical data and computer software for commercial purposes or authorize others to do so.

(14) *Technical data* means recorded information (regardless of the form or method of the recording, including computer databases) of a scientific or technical nature (including computer software documentation). The term includes recorded information of a scientific or technical nature that is included in computer databases (See 41 U.S.C. §403(8)). This term does not include computer software or business data.

(b) Government Rights in Technical Data and Computer Software.

(1) *Government purpose rights* means the rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software within the Government without restriction, to release or disclose technical data or computer software outside the Government, and to authorize persons to whom release has been made to use, modify, reproduce, perform, or display that technical data or computer software, provided that the recipient exercises such rights for Government purposes only.

(i) The Government shall have Government purpose rights for a five-year period after contract completion or for such other period as may be mutually negotiated. Upon expiration of the five-year or other negotiated period, the Government shall have unlimited rights in the technical data or computer software.

(ii) The contractor has the exclusive right, including the right to license others, to use technical data or computer software in which the Government has obtained Government purpose rights under this contract, for any commercial purpose during the time period specified in paragraph (b)(1)(i) above and/or in the Government purpose rights legend prescribed by this clause.

(iii) The Government shall have Government purpose rights in technical data or computer software delivered under this contract that:

(A) Pertain to items, components, computer software, or processes developed with mixed funding, except when the Government is entitled to unlimited rights;

(B) Were created with mixed funding in the performance of a contract that does not specifically require the development, manufacture, construction, or production of items, components, computer software, or processes;

(C) The contractor has previously or is currently providing with Government purpose rights under another Government contract; or

(D) The parties have agreed shall be delivered with Government purpose rights.

(iv) The Government may release the technical data or computer software to any third party as described in paragraph (b)(1) above if:

(A) The receiving development contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-5, *Protection of Information*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*;

(B) The receiving support contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-8, *Support Contractor Corporate Non-Disclosure Agreement*, and CI 227-5,

*Limitations on the Use or Disclosure of Government- Furnished Information Marked with Restrictive Legends.* When clause CI 209-8 is used, additional non-disclosure, confidentiality, proprietary information, or similar agreements may be required by the owner of the technical data or computer software, but only on an exception basis, e.g., when such third party is or may be a direct competitor of the owner of the technical data or computer software. In the event an additional agreement is deemed necessary, the Contracting Officer shall be notified prior to its execution.

(C) The Government and contractor agree to cooperate to ensure that execution of any additional agreements shall not delay or inhibit performance of this contract. Such agreements shall not otherwise restrict any rights due the Government under this contract;

(2) *Limited rights* means the rights to use, modify, reproduce, release, perform, display, or disclose technical data, in whole or in part, within the Government.

(i) The Government may not, without the written permission of the party asserting limited rights, release or disclose the technical data outside the Government, use the technical data for manufacture, or authorize the technical data to be used by another party, except that the Government may reproduce, release, or disclose such data, or authorize the use or reproduction of the data by persons outside the Government if such reproduction, release, disclosure, or use is:

(A) Necessary for emergency repair and overhaul. In each instance of disclosure outside the Government, the Government shall:

(I) Prohibit the further reproduction, release, or disclosure of such technical data;

(II) Notify the party who has granted limited rights that such reproduction or use by, or release or disclosure to particular contractors or subcontractors is necessary;

(III) Insert clause CI 209-5, Protection of Information, and CI 227-5, Limitations on the Use or Disclosure of Government- Furnished Information Marked with Restrictive Legends, into the contractual arrangement with the receiving development contractors;

(IV) Insert clause CI 209-8, Support Contractor Corporate Non-Disclosure Agreement, and CI 227- 5, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends, into the contractual arrangement with the receiving support contractor(s).

An additional non- disclosure, confidentiality, proprietary information, or similar agreement may be required by the owner of the technical data, but only on an exception basis, e.g., when such third party is or may be a direct competitor of the owner of the technical data. In the event an additional agreement is deemed necessary, the Contracting Officer shall be notified prior to its execution; and

(V) Require the recipient of limited rights technical data necessary for emergency repair or overhaul to destroy such technical data and any copies in its possession promptly following completion of the emergency repair/overhaul, and to notify the contractor that it has been destroyed; or

(B) Is in the interest of the Government when a release or disclosure of technical data (other than detailed manufacturing or process data) to, or use of such data by, a foreign government is required for evaluation or information purposes, and is subject to a prohibition on further release, disclosure, or use of the technical data.

(ii) The Government and the contractor agree to cooperate to ensure that execution of necessary NDAs shall not delay or inhibit performance of this contract. Said agreements shall not otherwise restrict any rights due the Government under this contract.

(iii) Except as otherwise provided under paragraphs (b)(6)(i)-(xi), the Government shall have limited rights in technical data delivered under this contract that:

(A) Pertain to items, components, or processes developed exclusively at private expense and

marked with the limited rights legends prescribed by this clause;

(B) Created exclusively at private expense in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes;  
or

(C) The parties have agreed shall be delivered with limited rights.

(iv) The contractor and its subcontractors are not required to provide the Government additional rights to use, modify, reproduce, release, perform, or display, technical data furnished to the Government with limited rights. However, if the Government desires to obtain additional rights in technical data in which it has limited rights, the contractor agrees to promptly enter into negotiations with the Contracting Officer to determine whether there are acceptable terms for transferring such rights. All technical data in which the contractor has granted the Government additional rights shall be listed or described in a license agreement made part of the contract. The license shall enumerate the additional rights granted the Government in such items.

(3) *Prior Government rights* means that technical data or computer software that will be delivered, furnished, or otherwise provided to the Government under this contract, in which the Government has previously obtained rights shall be delivered, furnished, or provided with the pre-existing rights, unless

(i) The parties have agreed otherwise; or

(ii) Any restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose the data have expired or no longer apply.

(4) *Restricted rights* apply only to non-commercial computer software, and means the Government's rights to:

(i) Use a computer program with one computer at one time. The program may not be accessed by more than one terminal or central processing unit or time-shared unless otherwise permitted by this contract;

(ii) Transfer a computer program to another Government agency without the further permission of the contractor if the transferor destroys all copies of the program and related computer software documentation in its possession and notifies the licensor of the transfer. Transferred programs remain subject to the provisions of this clause;

(iii) Make the minimum number of copies of the computer software required for safekeeping (archive), backup, or modification purposes;

(iv) Modify computer software, provided that the Government may—

(A) Use the modified software only as provided in paragraphs (b)(4)(i) and (iii) of this clause;  
and

(B) Not release or disclose the modified software except as provided in paragraphs (b)(4)(ii), (v) and (vi) of this clause;

(v) Permit contractors or subcontractors performing service contracts in support of this or a related contract to use computer software to diagnose and correct deficiencies in a computer program, to modify computer software to enable a computer program to be combined with, adapted to, or merged with other computer programs, or when necessary to respond to urgent tactical situations, provided that—

(A) The Government notifies the party which has granted restricted rights that a release or disclosure to particular contractors or subcontractors is necessary;

(B) The receiving development contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-5, *Protection of Information*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*;

(C) The receiving support contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-8, *Support Contractor Corporate Non-Disclosure Agreement*, and CI 227-5,

*Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.* When clause CI 209-8 is used, additional non-disclosure, confidentiality, proprietary information, or similar agreements may be required by the owner of the technical data or computer software, but only on an exception basis, e.g., when such third party is or may be a direct competitor of the owner of the technical data or computer software. In the event an additional agreement is deemed necessary, the Contracting Officer shall be notified prior to its execution.

(D) The Government and contractor agree to cooperate to ensure that execution of any additional agreements shall not delay or inhibit performance of this contract. Such agreements shall not otherwise restrict any rights due the Government under this contract;

(E) The Government shall not permit the recipient to decompile, disassemble, or reverse engineer the software, or use software decompiled, disassembled, or reverse engineered by the Government pursuant to paragraph (b)(4)(iv) of this clause, for any other purpose; and

(F) Such use is subject to the limitation in paragraph (b)(4)(i) of this clause.

(vi) Permit contractors or subcontractors performing emergency repairs or overhaul of items or components of items procured under this or a related contract to use the computer software when necessary to perform the repairs or overhaul, or to modify the computer software to reflect the repairs or overhaul made, provided that -

(A) The receiving development contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-5, *Protection of Information*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*;

(B) The receiving support contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-8, *Support Contractor Corporate Non-Disclosure Agreement*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*. When clause CI 209-8 is used, additional non-disclosure, confidentiality, proprietary information, or similar agreements may be required by the owner of the technical data or computer software, but only on an exception basis, e.g., when such third party is or may be a direct competitor of the owner of the technical data or computer software. In the event an additional agreement is deemed necessary, the Contracting Officer shall be notified prior to its execution.

(C) The Government and contractor agree to cooperate to ensure that execution of any additional agreements shall not delay or inhibit performance of this contract. Such agreements shall not otherwise restrict any rights due the Government under this contract.

(D) The Government shall not permit the recipient to decompile, disassemble, or reverse engineer the software, or use software decompiled, disassembled, or reverse engineered by the Government pursuant to paragraph (b)(4)(iv) of this clause, for any other purpose.

(vii) The Government shall have restricted rights in noncommercial computer software required to be delivered or otherwise provided to the Government under this contract that was developed exclusively at private expense.

(viii) The contractor, its subcontractors, or suppliers are not required to provide the Government additional rights in noncommercial computer software delivered or otherwise provided to the Government with restricted rights. However, if the Government desires to obtain additional rights in such software, the contractor agrees to promptly enter into negotiations with the Contracting Officer to determine whether there are acceptable terms for transferring such rights. All noncommercial computer software in which the contractor has granted the Government additional rights shall be listed or described in a license agreement made part of the contract (see paragraph (b)(5) of this clause). The license shall enumerate the additional rights granted the Government.

(5) *Specifically negotiated license rights* means a license granted by the contractor wherein the standard license rights granted to the Government under paragraphs (b)(1), (2), (3), (4), and (6), including the period during which the Government shall have government purpose rights in technical data or computer software, are modified by mutual agreement to provide such rights as the parties consider appropriate, but does not provide the Government lesser rights than limited rights for technical data or restricted rights for computer software unless mutually agreed by the contracting parties. Any rights so negotiated shall be identified in a license agreement made part of this contract and incorporated into the contract as an Attachment/Exhibit.

(6) *Unlimited rights* means the rights to use, modify, reproduce, perform, display, release, or disclose technical data and computer software in whole or in part, in any manner and for any purpose whatsoever, and to have or authorize others to do so. The Government shall have unlimited rights in:

- (i) Technical data pertaining to an item, component, or process, or pertaining to software code or a software program that has been or will be developed exclusively with Government funds;
- (ii) Computer software developed exclusively with Government funds;
- (iii) Form, fit, and function data;
- (iv) Technical data that is necessary for installation, operation, maintenance, or training purposes (other than detailed manufacturing or process data);
- (v) Studies, analyses, test data, or similar data when the study, analysis, test, or similar work was specified as an element of performance;
- (vi) Computer software documentation required to be delivered under this contract;
- (vii) Technical data created exclusively with Government funds in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes;
- (viii) Corrections or changes to technical data or computer software furnished by the Government;
- (ix) Technical data or computer software that is otherwise publicly available or has been released or disclosed by the contractor or subcontractor without restriction on the further use, release or disclosure, other than a release or disclosure resulting from the sale, transfer, or other assignment of interest in the technical data or computer software to another party, or the sale or transfer of some or all of a business entity or its assets to another party;
- (x) Technical data or computer software in which the Government has obtained unlimited rights under another Government contract or as a result of negotiations;
- (xi) Technical data or computer software furnished to the Government under this or any other Government contract or subcontract thereunder, with Government purpose rights, limited rights, or restricted rights, and the restrictive condition(s) has/have expired, or the Government purpose rights and the contractor's exclusive right to use such data for commercial purposes have expired.

(c) For business data marked as proprietary or with similar legends, the Government may duplicate, use, and disclose such data within the Government solely for evaluation, verification, validation, reporting, and program monitoring and management purposes in connection with this contract. The Government may disclose such business data to its support contractors identified in clause CI 209-6, *Enabling Clause for Prime and Support Contractor Relationships*, for these same purposes if and when:

- (1) The receiving development contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-5, *Protection of Information*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*;
- (2) The receiving support contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-8, *Support Contractor Corporate Non-Disclosure Agreement*, and CI 227-5,

*Limitations on the Use or Disclosure of Government- Furnished Information Marked with Restrictive Legends.* When clause CI 209-8 is used, additional non-disclosure, confidentiality, proprietary information, or similar agreement may be required by the owner of the business data, but only on an exception basis, e.g., when such third party is or may be a direct competitor of the owner of the technical data or computer software. In the event an additional agreement is deemed necessary, the Contracting Officer shall be notified prior to its execution.

(i) The Government and contractor agree to cooperate to ensure that execution of any additional agreements shall not delay or inhibit performance of this contract. Such agreements shall not otherwise restrict any rights due the Government under this contract;

(d) Other Information That Cannot Easily Be Categorized. For information that cannot easily be categorized as technical data or business data (e.g., program schedules, Earned Value Management System reports, and program management reports), and is of sufficient detail to show a contractor's confidential business practices, shall be identified before or as soon as practicable after contract award. The parties will agree as to the parties' rights and obligations in such data and how it is to be marked, handled, used, and disclosed to third parties. Such agreement shall be in writing, attached to, and made a part of the contract.

(e) Release from Liability. The contractor agrees to release the Government from liability for any release or disclosure of technical data and computer software made in accordance with this clause, in accordance with the terms of a license per this clause, or by others to whom the recipient has released or disclosed the data, and to seek relief solely from the party who has improperly used, modified, reproduced, released, performed, displayed, or disclosed contractor data marked with restrictive legends.

(f) Rights in Derivative Computer Software or Computer Software Documentation. The Government shall retain its rights in the unchanged portions of any computer software or computer software documentation delivered under this contract that the contractor uses to prepare, or includes in, derivative computer software or computer software documentation.

(g) Contractor Rights in Technical Data and Computer Software. The contractor retains all rights not granted to the Government.

(h) Third Party Copyrights. The contractor shall not, without the written approval of the Contracting Officer, incorporate any copyrighted data in the technical data and computer software to be delivered under this contract unless the contractor is the copyright owner or has obtained for the Government the license rights necessary to perfect a license or licenses of the appropriate scope as defined in paragraphs (b)(1), (2), (4) and (6) of this clause, and has affixed a statement of the license or licenses obtained on behalf of the Government and other persons to the technical data and computer software transmittal document.

(i) Assertions of Other than Unlimited Rights.

(1) This paragraph does not apply to restrictions based solely on copyright.

(2) Except as provided in paragraph (i)(3) of this clause, technical data and/or computer software that the contractor asserts should be furnished to the Government with restrictions on use, release, or disclosure are identified in an attachment to this contract (the "Attachment"). The contractor shall not deliver any technical data or computer software with restrictive markings unless the technical data or computer software is listed in the Attachment.

(3) The contractor may make other assertions of other than unlimited rights in technical data and/or computer software after contract award. Such assertions must be based on new information or inadvertent omission unless the inadvertent omission would have materially affected the source selection decision in the reasonable determination of the Contracting Officer (in which case no assertion based on an inadvertent omission may be allowed).

(4) The contractor shall submit such post-contract award assertion(s) to the Contracting Officer

as soon as practicable but prior to the scheduled date for delivery of the technical data or computer software. All new assertions submitted after award shall be added to the Attachment in a timely fashion after submission of the assertion to the Contracting Officer. An official authorized to contractually obligate the contractor must sign the assertion(s). The contractor assertion(s) shall include the information specified in paragraph (d) of clause CI 227-4, *Identification and Assertion of Use, Release, or Disclosure Restrictions*.

(5) The Contracting Officer may request the contractor to provide sufficient information to enable the Government to evaluate the contractor's assertion(s). The Contracting Officer reserves the right to add the contractor's assertions to the Attachment and validate any listed assertion at a later date in accordance with the procedures outlined in clause CI 227-3, *Validation of Restrictive Markings on Technical Data and Computer Software*.

(j) **Marking Requirements for Delivered Technical Data or Computer Software.** The contractor may only assert restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data and computer software delivered to the Government by marking such technical data and computer software. Such markings shall be in the form of legends found in paragraphs (k)(1) through (4), or as otherwise authorized in this contract, (e.g., pursuant to an agreement for the marking of mixed data pursuant to paragraph (d) of this clause). The notice of copyright prescribed under 17 U.S.C. §401 or §402 (with language, if applicable, noting that the Government contributed funding and therefore has rights in the copyrighted material as specified in clause CI 227-2) is also allowed.

(k) **General Marking Instructions.** The contractor shall conspicuously and legibly mark the appropriate legend on all technical data and computer software that qualify for such markings. The authorized legends shall be placed on the transmittal document or storage container and, for printed material, on the title/cover page of the printed material containing technical data or computer software for which restrictions are asserted. Mark each subsequent sheet of data with an abbreviated marking(s) to indicate the applicable restrictive rights assertion(s), and refer to the title/cover page for additional information. When only portions of a page of printed material are subject to the asserted restrictions, such portions shall be identified by circling, underscoring, annotating, or other appropriate identifier. Technical data and computer software transmitted directly from one computer or computer terminal to another shall contain a notice of asserted restrictions. Reproductions of technical data and computer software, or any portions thereof subject to asserted restrictions, shall also reproduce the asserted restrictions.

(1) **Government Purpose Rights Markings.** Technical data or computer software delivered or otherwise furnished to the Government with Government purpose rights shall be marked as follows:

Government Purpose Rights

Contract No: \_\_\_\_\_

Contractor Name: \_\_\_\_\_

Contractor Address: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data and computer software are restricted by paragraph (b)(1) of clause CI 227-2, *Rights in Technical Data and Computer Software: Noncommercial Items*, contained in the contract identified above. No restrictions apply after the expiration date shown above. Any reproduction of technical data or computer software, or portions thereof marked with this legend, must also reproduce the markings.

(End of legend)

(2) **Limited Rights Markings.** Technical data delivered or otherwise furnished to the Government

with limited rights shall be marked as follows:

Limited Rights

Contract No: \_\_\_\_\_

Contractor Name: \_\_\_\_\_

Contractor Address: \_\_\_\_\_

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(2) of clause CI 227-2, *Rights in Technical Data and Computer Software: Noncommercial Items*, contained in the contract identified above. Any reproduction of technical data, or portions thereof marked with this legend, must also reproduce the markings. Any person, other than Government officials or others specifically authorized by the Government, who has been provided access to this technical data must promptly notify the above named contractor.

(End of legend)

- (3) Restricted Rights Markings. Computer software delivered or otherwise furnished to the Government with restricted rights shall be marked with the following legend:

Restricted Rights

Contract No: \_\_\_\_\_

Contractor Name: \_\_\_\_\_

Contractor Address: \_\_\_\_\_

The Government's rights to use, modify, reproduce, release, perform, display, or disclose this computer software are restricted by paragraph (b)(4) of clause CI 227-2, *Rights in Technical Data and Computer Software: Noncommercial Items*, contained in the contract identified above. Any reproduction of computer software or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such computer software must promptly notify the above-named contractor.

(End of legend)

- (4) Special License Rights Markings. Technical data and computer software in which the Government's rights stem from a specifically negotiated license shall be marked with the following legend:

Special License Rights

Contract No: \_\_\_\_\_

Contractor Name: \_\_\_\_\_

Contractor Address: \_\_\_\_\_

The Government's rights to use, modify, reproduce, release, perform, display, or disclose this data and/or software are restricted by *[Insert license identifier]*. Any reproduction of technical data, computer software, or portions thereof marked with this legend must also reproduce the markings.

(End of legend)

- (l) Pre-Existing Data Markings. If the terms of a prior contract or license permitted the contractor to restrict the Government's rights to use, modify, reproduce, release, perform, display, or disclose a technical data or computer software deliverable under this contract, and those restrictions are still applicable, the contractor may mark such technical data or computer software with the appropriate restrictive conforming legend for which the technical data or computer software qualified under the prior contract or license. The marking procedures in paragraphs (j) and (k) of this clause shall be followed.

- (m) Removal of Unjustified Markings. Notwithstanding any other provision of this contract concerning inspection and acceptance, if any technical data or computer software delivered or

otherwise provided under this contract are marked with the notices specified at (k)(1)-(4) of this clause, and the use of such is not authorized by this clause, the Government may ignore, or at the contractor's expense, correct or strike the marking if, in accordance with the procedures in clause CI 227-3, *Validation of Restrictive Markings on Technical Data and Computer Software*, of this contract, the technical data or computer software is delivered or otherwise provided with a restrictive marking determined to be unjustified.

(n) **Removal of Nonconforming Markings.** A nonconforming marking is a marking placed on technical data or computer software delivered to the Government under this contract that is not in a format authorized by this contract. Correction of nonconforming markings is not subject to the *Validation of Restrictive Markings on Technical Data and Computer Software* clause of this contract. To the extent practicable, the Government shall return technical data or computer software marked with nonconforming markings to the contractor and provide the contractor an opportunity to correct or strike the nonconforming marking at no cost to the Government. If the contractor fails to correct the nonconforming marking and return the corrected technical data or computer software within 60 days following the contractor's receipt of the data, the Contracting Officer may ignore, or at the contractor's expense, remove, correct, or strike any nonconforming marking.

(o) **Unmarked Technical Data or Computer Software.** Technical data or computer software delivered to the Government under this contract without restrictive markings as set forth herein shall be presumed to have been delivered with unlimited rights and may be released or disclosed without restriction. However, to the extent the technical data or computer software has not been disclosed without restriction outside the Government, the contractor may request, within six months after delivery of such technical data or computer software (or a longer time approved by the Contracting Officer for good cause shown), permission to have notices placed on qualifying technical data or computer software at the contractor's expense, and the Contracting Officer may agree to do so if the contractor:

(1) Identifies the technical data or computer software on which the omitted notice is to be placed;

(2) Demonstrates that the omission of the notice was inadvertent;

(3) Establishes that the use of the proposed notice is authorized; and

(4) Acknowledges that the Government has no liability with respect to the disclosure, use, or reproduction of any such technical data or computer software made prior to the addition of the notice or resulting from the omission of the notice.

(p) **Relation to Patents.** Nothing contained in this clause shall imply a license to the Government under any patent, or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(q) **Limitation on Charges for Rights in Technical Data or Computer Software.**

(1) The contractor shall not charge to this contract any cost, including but not limited to license fees, royalties, or similar charges, for rights in technical data or computer software to be delivered under this contract when -

(i) The Government has acquired, by any means, the same or greater rights in the technical data or computer software; or

(ii) The technical data or computer software is available to the public without restrictions.

(2) The limitation in paragraph (q)(1) of this clause -

(i) Includes costs charged by a subcontractor or supplier, at any tier, or costs incurred by the contractor to acquire rights in subcontractor or supplier technical data or computer software if the subcontractor or supplier has been paid for such rights under any other Government contract or under a license conveying the rights to the Government; and does not include the reasonable

costs of reproducing, handling, or mailing the documents or other media in which the technical data or computer software will be delivered.

(r) Applicability to Subcontractors or Suppliers.

(1) The contractor shall ensure that the rights afforded its subcontractors and suppliers under 10 U.S.C. §2320, 10 U.S.C. §2321, and the identification, assertion, and delivery processes of paragraph (i) of this clause are recognized and protected.

(2) Whenever any technical data or computer software for noncommercial items is to be obtained from a subcontractor or supplier for delivery to the Government under this contract, the contractor shall flow down this clause to all of its subcontractors, vendors or suppliers (at any tier), and require its subcontractors, vendors, or suppliers to do so, without alteration, except to identify the parties. No other clause shall be used to enlarge or diminish the Government's, the contractor's, or a higher-tier subcontractor's or supplier's rights in a subcontractor's or supplier's technical data or computer software.

(3) Technical data or computer software required to be delivered by a subcontractor or supplier shall normally be delivered to the next higher-tier contractor, subcontractor, or supplier. However, when there is a requirement in the prime contract for technical data or computer software which may be submitted with other than unlimited rights by a subcontractor or supplier, then said subcontractor or supplier may fulfill its requirement by submitting such technical data or computer software directly to the Government, rather than through a higher-tier contractor, subcontractor, or supplier.

(4) The contractor and higher-tier subcontractors or suppliers shall not use their power to award contracts as economic leverage to obtain rights in technical data or computer software from their subcontractors or suppliers.

(5) In no event shall the contractor use its obligation to recognize and protect subcontractor or supplier rights in technical data or computer software as an excuse for failing to satisfy its contractual obligation to the Government.

### **CI 227-3 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA AND COMPUTER SOFTWARE (NOV 2022).**

This clause applies to Seller's delivery of technical data or computer software except for commercial products, commercial services, or commercial components. The term "contractor" shall mean "Seller". Any requests from or to the Contracting Officer shall be through Buyer.

(a) The Government shall presume that a contractor's asserted use or release restrictions are justified on the basis that the item (to include computer software), component, or process was developed exclusively at private expense for commercial products and commercial services as defined in FAR Part 12. The Government will not challenge such assertions unless information the Government demonstrates that the item, component, or process was not developed exclusively at private expense.

(b) Justification. The contractor is responsible for maintaining records sufficient to justify the validity of its markings that restrictions on the Government's right to use, modify, reproduce, perform, display, release, or disclose technical data or computer software delivered or required to be delivered under the contract or subcontract. Except for commercial products and commercial services, the contractor shall be prepared to furnish to the Contracting Officer a written justification for such restrictive markings in response to a challenge under paragraph (e) of this clause.

(c) Pre-challenge Request for Information.

(1) The Contracting Officer may request the contractor to furnish a written explanation for any restriction asserted by the contractor on the right of the United States to use, or authorize use of,

technical data or computer software. If, upon review of the explanation submitted, the Contracting Officer remains unable to ascertain the basis of the restrictive marking, the Contracting Officer may further request the contractor to furnish additional information in the records of, or otherwise in the possession of or reasonably available to, the contractor to justify the validity of any restrictive marking on technical data or computer software, accompanied with supporting documentation. The contractor shall submit such written data within a reasonable time after it is requested by the Contracting Officer.

(2) If the Contracting Officer, after reviewing the written data furnished pursuant to paragraph (c)(1) of this clause, or any other available information pertaining to the validity of a restrictive marking, determines that reasonable grounds exist to question the current validity of the marking, and that continued adherence to the marking would make impracticable the subsequent competitive acquisition of the item, component, or process to which the technical data or computer software relates, the Contracting Officer shall follow the procedures in paragraph (d) of this clause.

(3) If the contractor fails to respond to the Contracting Officer's request for information under paragraph (c)(1) of this clause, and the Contracting Officer determines that continued adherence to the marking would make impracticable the subsequent competitive acquisition of the item, component, or process to which the technical data or computer software relates, the Contracting Officer may challenge the validity of the marking as described in paragraph (d) of this clause.

(d) Challenge.

(1) Notwithstanding any provision of this contract concerning inspection and acceptance, if the Contracting Officer determines that a challenge to the restrictive marking is warranted, the Contracting Officer shall send a written challenge notice to the contractor or subcontractor asserting the restrictive markings. Such challenge shall:

(i) State the specific grounds for challenging the asserted restriction;

(ii) Require a response within sixty (60) days justifying and providing sufficient evidence as to the current validity of the asserted restriction;

(iii) State that a Contracting Officer's final decision, issued pursuant to paragraph (f) of this clause, sustaining the validity of a restrictive marking identical to the asserted restriction, within the three-year period preceding the challenge, shall serve as justification for the asserted restriction if the validated restriction was asserted by the same contractor or subcontractor (or any licensee of such contractor or subcontractor to which such notice is being provided); and

(iv) State that failure to respond to the challenge notice may result in issuance of a final decision pursuant to paragraph (e) of this clause.

(2) The Contracting Officer shall extend the time for response if the contractor or subcontractor submits a written request showing the need for additional time to prepare a response.

(3) The contractor's or subcontractor's written response shall be considered a claim within the meaning of the Contract Disputes Act of 1978, and shall be certified in the form prescribed at FAR Subpart 33.207, regardless of dollar amount.

(4) A contractor or subcontractor receiving challenges to the same restrictive markings from more than one Contracting Officer shall notify each Contracting Officer of the existence of more than one challenge. The notice shall also state which Contracting Officer initiated the first unanswered challenge. The Contracting Officer initiating the first unanswered challenge after consultation with the contractor and the other Contracting Officers, shall formulate and distribute a schedule for responding to each of the challenge notices to all interested parties. The schedule shall afford the contractor an opportunity to respond to each challenge notice. All parties will be bound by this schedule.

(e) Final Decision When Contractor or Subcontractor Fails to Respond. When a contractor or

subcontractor fails to respond to a challenge notice, other than a failure to respond to a challenge related to a commercial product or commercial service, the Contracting Officer will issue a final decision to the contractor or subcontractor in accordance with the *Disputes* clause of this contract pertaining to the validity of the asserted restriction. This final decision shall be issued as soon as possible after the expiration of the time period of paragraph (d)(1)(ii) or (d)(2) of this clause. Following issuance of the final decision, the Contracting Officer will comply with the procedures in paragraphs (f)(2)(ii) through (iv) of this clause.

(f) Final Decision When the Contractor Responds.

(1) If the Contracting Officer determines that the contractor or subcontractor has justified the validity of the restrictive marking, the Contracting Officer shall issue a final decision to the contractor or subcontractor sustaining the validity of the restrictive marking, and stating that the Government will continue to be bound by the restrictive marking. This final decision shall be issued within sixty (60) days after receipt of the contractor's or subcontractors response to the challenge notice, or within such longer period that the Contracting Officer has notified the contractor or subcontractor that the Government will require. The notification of a longer period will be made within sixty (60) days after receipt of the response to the challenge notice.

(2)(i) If the Contracting Officer determines that the validity of the restrictive marking is not justified, the Contracting Officer shall issue a final decision to the contractor or subcontractor in accordance with the *Disputes* clause of this contract. Notwithstanding paragraph (e) of the *Disputes* clause, the final decision shall be issued within sixty (60) days after receipt of the contractors or subcontractors response to the challenge notice, or within such longer period that the Contracting Officer has notified the contractor or subcontractor that the Government will require. The notification of a longer period will be made within sixty (60) days after receipt of the response to the challenge notice.

(ii) The Government agrees that it will continue to be bound by the restrictive marking for ninety (90) days from the issuance of the Contracting Officer's final decision. The contractor agrees that if it intends to file suit in the United States Claims Court, it will provide a notice of intent to file suit to the Contracting Officer within ninety (90) days from the issuance of the Contracting Officer's final decision under paragraph (f)(2)(i) of this clause. If the contractor fails to appeal, file suit, or provide a notice of intent to file suit to the Contracting Officer within the ninety-day period, the Government may cancel or ignore the restrictive markings, and the failure of the contractor to take the required action constitutes agreement with the Contracting Officers final decision.

(iii) The Government agrees that it will continue to be bound by the restrictive marking where a notice of intent to file suit in the United States Claims Court is provided to the Contracting Officer within ninety (90) days from the issuance of the final decision under paragraph (f)(2)(i) of this clause. The Government will no longer be bound, and the contractor agrees that the Government may strike or ignore the restrictive markings, if the contractor fails to file its suit within one (1) year after issuance of the Contracting Officer final decision. Notwithstanding the foregoing, where the Government agency's Director, Office of Contracts determines that urgent or compelling circumstances will not permit waiting for the filing of a suit in the United States Claims Court, the contractor agrees that the Government may, following notice to the contractor, authorize release or disclosure of the technical data or computer software. Such determination may be made at any time after issuance of the Contracting Officer final decision, and will not affect the contractor's right to damages against the United States where its restrictive markings are ultimately upheld, or to pursue other relief, if any, as may be provided by law.

(iv) The Government agrees that it will be bound by the restrictive marking where an appeal or suit is filed pursuant to the Contract Disputes Act until final disposition by an agency Board of

Contract Appeals or the United States Claims Court. Notwithstanding the foregoing, where the Government agency's Director, Office of Contracts determines, following notice to the contractor that urgent or compelling circumstances will not permit awaiting the decision by such Board of Contract Appeals or the United States Claims Court, the contractor agrees that the Government may authorize release or disclosure of the technical data or computer software. Such determination may be made at any time after issuance of the final decision and will not affect the contractor's right to damages against the United States where its restrictive markings are ultimately upheld, or to pursue other relief, if any, as may be provided by law.

(g) Final Disposition of Appeal or Suit.

(1) If the contractor or subcontractor appeals or files suit, and if, upon final disposition of the appeal or suit, the Contracting Officer's decision is sustained:

(i) The restrictive marking on the technical data or computer software shall be struck, canceled, ignored, or corrected at the contractors or subcontractors expense; and

(ii) If the restrictive marking is found not to be substantially justified, the contractor or subcontractor asserting the restriction shall be liable to the Government for payment of the cost to the Government of reviewing the restrictive marking and the fees and other expenses (as defined in 28 U.S.C. 2412(d)(2)(A)) incurred by the Government in challenging the marking, unless special circumstances would make such payment unjust.

(2) If the contractor or subcontractor appeals or files suit, and if, upon final disposition of the appeal or suit, the Contracting Officer's decision is not sustained:

(i) The Government shall continue to be bound by the restrictive marking; and

(ii) The Government shall be liable to the contractor for payment of fees and other expenses (as defined in 28 U.S.C. 2412(d)(2)(A)) incurred by the contractor or subcontractor in defending the marking if the challenge by the Government is found not to have been made in good faith.

(h) Duration of Right to Challenge. The Government, when there are reasonable grounds, may review and challenge the validity of any restriction asserted by the contractor or subcontractor on the Governments rights to use, modify, reproduce, release, perform, display, or disclose technical data or computer software delivered, to be delivered, or otherwise provided by the Contractor or subcontractor in the performance of a contract. During the period within three (3) years of final payment on a contract, or within three (3) years of delivery of the technical data or computer software to the Government, whichever is later, the Contracting Officer may review and make a written determination to challenge any restriction. The Government may, however, challenge a restriction on the release, disclosure, or use of technical data or computer software at any time if such technical data or computer software:

(1) Is publicly available;

(2) Has been furnished to the United States without restriction; or

(3) Has been otherwise made available without restriction.

(i) Decision Not to Challenge. The absence of a challenge to an asserted restriction shall not constitute validation under this clause. Only the Contracting Officers final decision resolving a formal challenge by sustaining the validity of a restrictive marking, or actions of an agency Board of Contract Appeals or a court of competent jurisdiction sustaining the assertion, constitutes validation as addressed in 10 U.S.C. 2321.

(j) Privity of Contract. The contractor or subcontractor agrees that the Contracting Officer may transact matters under this clause directly with subcontractors at any tier that assert restrictive markings or assert restrictions on the Governments right to use, modify, release, perform, display, or disclose technical data or computer software. However, neither this clause nor any action taken by the Government under this clause shall create or imply privity of contract between the Government and subcontractors.

(k) Flowdown. The contractor or subcontractor agrees to insert this clause in contractual instruments with its subcontractors or suppliers at any tier requiring the delivery of technical data or computer software, except contractual instruments for commercial products and commercial services.

**CI 227-4 IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS (JUL 2018).**

The term “contractor” or “Offeror” shall mean “Seller”. The term “Contracting Officer” shall mean Buyer.

- (a) The terms used in this provision are defined in the *Technical Data and Computer Software: Noncommercial Items* clause contained in this solicitation.
- (b) The identification and assertion requirements in this clause apply to technical data and computer software to be delivered with other than unlimited rights. Notification and identification is not required for restrictions based solely on copyright.
- (c) Offers submitted in response to this solicitation shall identify, to the extent known at the time an offer is submitted to the Government, the technical data or computer software that the offeror, its subcontractors or suppliers, or potential subcontractors or suppliers, assert should be furnished to the Government with restrictions on use, release, or disclosure.
- (d) The contractor’s assertions, including the assertions of its subcontractors or suppliers, shall be submitted as an attachment to its offer/proposal in the following format, dated and signed by an official authorized to contractually obligate the contractor:

**Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data or Computer Software**

The contractor asserts for itself, or the person identified below asserts that the Government's rights to use, release, or disclose the following technical data or computer software should be restricted:

Technical Data or Computer Software to Be Furnished With Restrictions (1)	Basis for Assertion (2)	Asserted Rights Category (3)	Name of Person Asserting Restrictions (4)
(LIST) (5)	(LIST)	(LIST)	(LIST)

- (1) For technical data (other than computer software documentation) pertaining to items, components, or processes developed at private expense, identify both the deliverable technical data and each such item, component, or process (to include document titles, version numbers, and dates for clarity). For computer software or computer software documentation, identify the software or documentation (to include document and software titles, version numbers, and dates for clarity).
- (2) Generally, development at private expense, either exclusively or partially, is the only basis for asserting restrictions. For technical data, other than computer software documentation, development refers to development of the item, component, or process to which the data pertain. The Government's rights in computer software documentation generally may not be restricted. For computer software, development refers to the software. Indicate whether development was accomplished exclusively or partially at private expense. If development was not accomplished at private expense, or for computer software documentation, enter the

specific basis for asserting restrictions.

(3) Enter the asserted rights category (e.g., Government purpose license rights from a prior contract, limited, restricted, or Government purpose rights under this or a prior contract, or specially negotiated licenses).

(4) Identify the corporation, individual, or other person, as appropriate.

(5) Enter "None" when all data or software will be submitted without restrictions.

Date: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Signature: \_\_\_\_\_

(End of identification and assertion)

(e) A contractor's failure to submit, complete, or sign the notification and identification required by paragraph (d) of this provision with its offer will constitute a minor informality. If assertions are required and the contractor does not correct such informality within the time prescribed by the Contracting Officer, the offer may be ineligible for award.

(f) If the contractor is awarded a contract, the assertions identified in paragraph (d) of this provision shall be included in an attachment (the Attachment) and incorporated as a separate attachment in the resultant contract. Upon request by the Contracting Officer, the contractor shall provide sufficient information to enable the Contracting Officer to evaluate any listed assertion. Updates to the assertion list shall be included in an amended Attachment.

#### **CI 227-5 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (NOV 2022).**

In paragraph (c)(1), the term "Government" shall mean "Government, Buyer and Buyer's customer". The term "contractor" shall mean "Seller".

(a) The terms limited rights, restricted rights, special license rights, and Government purpose rights are defined in the *Rights in Technical Data and Computer Software: Noncommercial Items* clause of this contract.

(b) Technical data or computer software provided to the contractor as Government-furnished information (GFI) under this contract may be subject to restrictions on use, modification, reproduction, release, performance, display, or further disclosure.

(1) GFI Marked with Limited or Restricted Rights Legends. The contractor shall use, modify, reproduce, perform, or display technical data received from the Government with limited rights legends, or computer software received with restricted rights legends only in the performance of this contract. The contractor shall not, without the express written permission of the party whose name appears in the legend, release or disclose such data or software to any unauthorized person. Prior to providing limited rights technical data or restricted rights computer software as GFI, the Government shall ensure that:

(i) The receiving development contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-5, *Protection of Information*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*; and

(ii) The receiving support contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-8, *Support Contractor Corporate Non-Disclosure Agreement*, and CI 227-5,

*Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.*

(2) GFI Marked with Government Purpose Rights Legends. The contractor shall use technical data or computer software received from the Government with Government purpose rights legends for Government purposes only. The contractor shall not, without the express written permission of the party whose name appears in the restrictive legend, use, modify, reproduce, release, perform, or display such technical data or computer software for any commercial purpose, or disclose such data or software to a person other than its subcontractors, suppliers, or prospective subcontractors or suppliers who require the data or software to submit offers for, or perform, contracts under this contract. Prior to disclosing the data or software, the contractor shall coordinate with the Buyer before requiring the persons to whom disclosure will be made to complete and sign non-disclosure agreements including the same limitations included in this paragraph.

(3) GFI Marked with Special License Rights Legends. The contractor shall use, modify, reproduce, release, perform, or display technical data or computer software received from the Government with specially negotiated license legends only as permitted in the license. Such data or software may not be released or disclosed to other persons unless permitted by the license.

(4) GFI technical data or computer software marked with commercial restrictive legends.

(i) The contractor shall use, modify, reproduce, perform, display technical data and/or computer software that is or pertains to a commercial product or commercial service and is received from the Government with a commercial restrictive legend (i.e. marked to indicate that such data are subject to use, modification, reproduction, release, performance, display, or disclosure restrictions) only in the performance of this contract. The Contractor shall not, without the express written permission of the party whose name appears in the legend, use the technical data to manufacture additional quantities of the commercial product, release or disclose such data to any unauthorized person. Prior to providing technical data or computer software marked with commercial restrictive legends, the Government shall ensure that:

(A) The receiving development contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-5, *Protection of Information*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*; and

(B) The receiving support contractor(s) or subcontractor(s) contract arrangements are subject to clauses CI 209-8, *Support Contractor Corporate Non-Disclosure Agreement*, and CI 227-5, *Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends*.

(c) Indemnification and Creation of Third Party Beneficiary Rights. The contractor agrees:

(1) To indemnify and hold harmless the Government, its agents, and employees from every claim or liability, including attorney's fees, court costs, and expenses, arising out of, or in any way related to, the misuse or unauthorized modification, reproduction, release, performance, display, or disclosure of technical data or computer software received from the Government with restrictive legends by the contractor or any person to whom the contractor has released or disclosed such data or software; and

(2) That the party whose name appears on the restrictive legend, in addition to any other rights it may have, is a third party beneficiary who has the right of direct action against the contractor, or any person to whom the contractor has released or disclosed such data or software, for the unauthorized duplication, release, or disclosure of technical data or computer software subject to restrictive legends.

**CI 227-6 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (OCT 2015).**

The term “contractor” shall mean “Seller.

The contractor shall attach to its offer an identification of all documents or other media incorporating technical data or computer software it intends to deliver under this contract with other than unlimited rights that are identical or substantially similar to documents or other media that the contractor has produced for, delivered to, or is obligated to deliver to the Government under any contract or subcontract. This requirement shall be flowed down to all subcontractors at all levels. The attachment shall identify:

- (a) The contract number under which the technical data or computer software was produced;
- (b) The contract number under which, and the name and address of the organization to whom, the technical data or computer software was most recently delivered or will be delivered; and
- (c) Any limitations on the Government's right to use or disclose the technical data or computer software, including, when applicable, identification of the earliest date the limitations expire.

**CI 227-7 RIGHTS IN BID OR PROPOSAL INFORMATION (JUL 2018).**

The term “contractor” or “Offeror” shall mean “Seller.

- (a) Definitions. The terms “technical data” and “computer software” are defined in the *Rights in Technical Data and Computer Software: Noncommercial Items* clause of this contract.
- (b) Government Rights to Contract Award. By submission of its offer, the offeror agrees that the Government:
  - (1) May reproduce the bid or proposal, or any portions thereof, to the extent necessary to evaluate the offer.
  - (2) Except as provided in paragraph (d) of this clause, shall use information contained in the bid or proposal only for evaluational purposes and shall not disclose, directly or indirectly, such information to any person, including potential evaluators, unless that person has been authorized by the Contracting Officer to receive such information.
- (c) Government Rights Subsequent to Contract Award. The contractor agrees:
  - (1) Except as provided in paragraphs (c)(2), (d), and (e) of this clause, the Government shall have the rights to use, modify, reproduce, release, perform, display, or disclose information contained in the contractor's bid or proposal within the Government.
  - (2) The Government's right to use, modify, reproduce, release perform, display, or disclose information that is technical data or computer software required to be delivered under this contract are determined by the *Rights in Technical Data and Computer Software: Noncommercial Items* clause of this contract.
- (d) Government-Furnished Information. The Government's rights with respect to technical data or computer software contained in the contractor's bid or proposal provided to the contractor by the Government are subject only to restrictions on use, modification, reproduction, release, performance, display, or disclosure, if any, imposed by the developer or licensor of such data or software.
- (e) Information Available Without Restrictions. The Government's rights to use, modify, reproduce, release, perform, display, or, disclose information contained in a bid or proposal, including technical data or computer software, and to permit others to do so, shall not be restricted in any manner if such information has been released or disclosed to the Government or to other persons without restrictions other than a release or disclosure resulting from the sale, transfer, or other assignment of interest in the information to another party, or the sale or transfer of some or all of a business entity or its assets to another party.
- (f) Flowdown. The contractor shall include this clause in all subcontracts or similar contractual

instruments, and require its subcontractors or suppliers to do so without alteration, except to identify the parties.

**CI 227-8 COMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE LICENSING-ORDER OF PRECEDENCE (NOV 2022).**

This clause applies when the contract requires delivery of commercial product or commercial service technical data, computer software, or computer software documentation. The term "Licensor" means "Seller" and the term "Licensee" means "Buyer." The Addendum required by paragraph (b) is incorporated into the contract.

- (a) Upon delivery of any commercial product or commercial service technical data, computer software, computer software documentation, or any combination thereof, to the Government contained in any CLIN or CDRL, the following provisions shall take precedence over conflicting provisions in any license associated with those items, notwithstanding any provisions in those licenses to the contrary through renewals or extensions, as needed, to this contract:
- (1) The Government shall have the right to use, perform, display, or disclose that commercial product and commercial service technical data, in whole or in part, within the Government.
  - (2) The Government may not, without the written permission of the Licensor, release or disclose the commercial product or commercial service technical data and commercial computer software outside the Government, use the commercial product or commercial service technical data and computer software for manufacture, or authorize the commercial product or commercial service technical data and computer software to be used by another party, except that the Government may reproduce, release, or disclose such data and software or authorize the use or reproduction of such data and software by persons outside the Government (including their subcontractors) to perform their respective contract(s) as identified in CI 209-6 in Section I.
  - (3) The Licensor agrees that the Government shall have the right to unilaterally add or delete contractors from those supporting this Program contract at any time, and its exercise of that right shall not entitle the Licensor to an equitable adjustment or a modification of any other terms and conditions of this contract.
  - (4) The duration of this license shall be, at a minimum, for the period of performance of this contract (including options, if exercised) unless the license specifies a longer period.
  - (5) License rights related to technical data described in, and granted to the U.S. Government under clause CI 227-1 shall apply to all such technical data associated with delivered computer software including, but not limited to, user's manuals, installation instructions, and operating instructions.
  - (6) Disputes arising between the Licensee and the U.S. Government pertaining to the provisions of the License shall be subject to the Contract Disputes Act. Furthermore, the jurisdiction and forum for disputes hereunder upon delivery to the U.S. Government shall be the Armed Services Board of Contract Appeals (ASBCA) or the U.S. Court of Federal Claims (COFC), as appropriate.
  - (7) By law, the U.S. Government cannot enter into any indemnification agreement where the Government's liability is indefinite, indeterminate, unlimited, and in violation of the Anti-Deficiency Act; therefore, any such indemnification provision in this License shall be void.
  - (8) In the event the Licensee files a claim with the U.S. Government on behalf of the Licensor and prevails in a dispute with the Government relating to that claim, the Licensor agrees that damages and remedies awarded shall exclude attorney's fees.
  - (9) Subject to the security requirements set forth in this contract, and upon receiving written consent by the U.S. Government, the Licensor may be permitted to enter Government installations for purposes such as software usage audits or other forms of inspection.

- (10) The items provided hereunder may be installed and used at any U.S. Government installation worldwide at which this Program equipment and/or software is located consistent with the provisions of the contract between the U.S. Government and the Licensee.
- (11) Under no circumstances shall terms of the License or any modifications thereto renew automatically so as to obligate funds in advance of funds being appropriated in contravention of the Anti-Deficiency Act.
- (12) The Licensor shall comply with, and all delivered items shall conform to, all applicable Government security/ classification rules and regulations applicable to this agreement, in particular those set forth in the applicable DD Form 254 (Department of Defense Contract Security Classification Specification).
- (13) The Licensor understands that the ultimate purpose of the Licensee entering into this License with the Licensor is for the Licensor to supply to the U.S. Government a critical component of a weapons system whose continued sustainment is mandated by Federal law (10 U.S.C. § 2281, 42 U.S.C. § 14712). Accordingly, should the U.S. Government use, release or disclose the items described in this License in a manner inconsistent with the terms of this License, the U.S. Government shall not be required to de-install and stop using those items or return such items to the Licensee, and the Licensor's remedy will be limited to monetary damages.
- (14) In the event of inconsistencies between the License and Federal law, Federal law shall apply.
- (15) The Government shall not be required to comply with the terms and conditions of any License that is inconsistent with any applicable laws, regulations, or policies pursuant to export controlled items.
- (16) Any claim the Licensee files with the U.S. Government on behalf of the Licensor, and any claim the U.S. Government files with the Licensor, shall be submitted within the period specified in FAR 52.233- 01 ("Disputes").
- (b) Subcontractor Flow-down. The contractor ("Licensee") shall include the following clause in any agreement between it and its subcontractors ("Licensors") that require the delivery of commercial product or commercial service technical data, computer software, or computer software documentation, and this clause shall be in effect during the period of performance of this contract or into perpetuity for perpetual licenses:

This Addendum is entered into between \_\_\_\_\_ ("Licensee") and \_\_\_\_\_ ("Licensor") and relates to the commercial product or commercial service technical data, computer software, or computer software documentation ("Items") licensed to the Licensee by the Licensor through the Licensee's License Agreement ("Agreement"), and this Addendum is incorporated by reference into the Agreement. The Addendum terms will come into effect if and when the Agreement is transferred to the Government. All references to such Items shall include all software updates (e.g., software maintenance patches, version changes, new releases) and future substitutions made by the Licensor. Upon delivery of that/those Items, Licensor and Licensee agree that the following provisions in this Addendum shall take precedence over conflicting provisions, if any, in the Agreement notwithstanding any provisions in the Agreement to the contrary:

- (1) License rights related to technical data granted to the U.S. Government under clause CI 227-1(b)(1) shall apply to all technical data associated with delivered computer software including, but not limited to, user's manuals, installation instructions, and operating instructions.
- (2) Disputes arising between the Licensee and the U.S. Government pertaining to the provisions of the Agreement shall be subject to the Contract Disputes Act. Furthermore, the jurisdiction and forum for disputes hereunder upon delivery to the U.S. Government shall be the Armed Services

Board of Contract Appeals (ASBCA) or the U.S. Court of Federal Claims (COFC), as appropriate.

(3) By law, the U.S. Government cannot enter into any indemnification agreement where the Government's liability is indefinite, indeterminate, unlimited, and in violation of the Anti-Deficiency Act; therefore, any such indemnification provision in this Agreement shall be void.

(4) In the event the Licensee files a claim with the U.S. Government on behalf of the Licensor and prevails in a dispute with the Government relating to that claim, the Licensor agrees that damages and remedies awarded shall exclude attorney's fees.

(5) Upon receiving written consent by the U.S. Government, the Licensor may be permitted to enter Government installations for purposes such as software usage audits or other forms of inspection.

(6) The Items provided hereunder may be installed and used at any U.S. Government installation worldwide consistent with the provisions of the contract between the U.S. Government and the Licensee (e.g., limitations on number of executing instances of software, number of users, other processing volume limitations).

(7) Under no circumstances shall terms of the Agreement or any modifications thereto renew automatically so as to obligate funds in advance of funds being appropriated in contravention of the Anti-Deficiency Act.

(8) Licensor shall comply with, and all delivered Items shall conform to, all applicable Government security/ classification rules and regulations applicable to this Agreement, in particular those set forth in the applicable DD Form 254 (Department of Defense, Contract Security Classification Specification).

(9) Licensor understands that the ultimate purpose of the Licensee entering into this Agreement with the Licensor is for the Licensor to supply to the U.S. Government a critical component of a weapons system whose continued sustainment is mandated by Federal law (10 U.S.C. § 2281, 42U.S.C. § 14712). Accordingly, should the U.S. Government use, release, or disclose the Items described in this Agreement in a manner inconsistent with the terms of this Agreement, the U.S. Government shall not be required to uninstall and stop using those Items or return such Items to the Licensee.

(10) In the event of inconsistencies between the Agreement and Federal law, Federal law shall apply.

#### **CI 227-9 DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (MAY 2005).**

Buyer may identify technical data or computer software (as defined in clause CI 227-1 or CI 227-2) for deferred delivery at any time during contract performance by listing such technical data or computer software in an attachment to or line item in this Contract titled "Deferred Delivery."

Buyer may require delivery of the items identified for deferred delivery up to three (3) years after either acceptance of all deliverables or contract termination, whichever is later. This clause will be flowed down to all subcontractors.

#### **CI 227-10 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (SEP 2013).**

(a) Buyer may defer ordering technical data, computer software (as defined in clause CI 227-1 or CI 227-2), or other information not easily categorized (as defined in clause CI 227-2(d) and mutually agreed to by the contractual parties) that is generated during the performance of this contract for a period of up to three (3) years after either acceptance of all deliverables or contract termination, whichever is later.

- (b) The categories of technical data, computer software, and other information not easily categorized that is subject to deferred ordering under this clause may be:
- (1) Incorporated into the contract in the Subcontract Data Requirements List (SDRL) item that describes the Data Accession List attached to the contract; or
  - (2) Identified by Buyer via a process agreed to by the parties and incorporated as an attachment/exhibit to the contract prior to contract award.
- (c) When the technical data, computer software, or other information not easily categorized is ordered, the contractor shall be reasonably compensated for converting the data or computer software into the prescribed form, for reproduction, and for delivery.
- (d) Buyer's customer rights to use said technical data and computer software shall be pursuant to the *Rights in Technical Data and Computer Software* clause(s) of this Contract (CI 227-1 and CI 227-2).
- (e) This clause shall be flowed down to all subcontractors.

**CI 227-11 TECHNICAL DATA AND COMPUTER SOFTWARE: WITHHOLDING OF PAYMENT (NOV 2007).**

The term "contractor" shall mean "Seller". The term "Government" and "Contracting Officer" shall mean "Buyer". In paragraph (b), "Government" means Buyer.

- (a) If technical data and computer software (as defined in clause CI 227-2) specified to be delivered under this contract are not delivered within the time specified by this contract, or are deficient upon delivery (including having unauthorized restrictive markings), the Contracting Officer shall, until such data and computer software are accepted by the Government, withhold all subsequent payments to the contractor until a reserve is established totaling 5 percent of the total contract price. Payments shall not be withheld nor any other action taken pursuant to this paragraph when the Contracting Officer determines that the contractor's failure to make timely delivery or to deliver the technical data or computer software without deficiencies arises out of causes beyond the control and without the fault or negligence of the contractor.
- (b) The withholding of any amount or subsequent payment to the contractor shall not be construed as a waiver of any rights accruing to the Government under this contract. Use of this clause constitutes a determination by the Contracting Officer that the limitation established by FAR Clause 52.232-9, Limitation on Withholding of Payments, shall not apply to the amount withheld under this clause.

**CI 227-17 PATENT RIGHTS – OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS (APR 2009).**

- (a) Definitions. As used in this clause.

Invention means

- (1) Any invention or discovery that is or may be patentable or otherwise protectable under Title 35 of the United States Code; or
- (2) Any variety of plant that is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321, et seq.)

Made means

- (1) When used in relation to any invention other than a plant variety, means the conception or first actual reduction to practice of the invention; or
- (2) When used in relation to a plant variety, means that the contractor has at least tentatively determined that the variety has been reproduced with recognized characteristics.

Nonprofit organization means

- (1) A university or other institution of higher education

(2) An organization of the type described in the Internal Revenue Code at 26 U.S.C. 501(c)(3) and exempt from taxation under 26 U.S.C. 501(a); or

(3) Any nonprofit scientific or educational organization qualified under a State organization statute.

Practical Application means

(1)(i) To manufacture, in the case of a composition or product;

(ii) To practice, in the case of a process or method; or

(iii) To operate, in the case of a machine or system; and

(2) In each case, under such conditions as to establish that

(i) The invention is being utilized; and

(ii) The benefits of the invention are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

Subject invention means any invention of the contractor made in the performance of work under this contract.

(b) Contractor rights.

(1) Ownership. The contractor may elect to retain ownership of each subject invention throughout the world in accordance with the provisions of this clause.

(2) License.

(i) The contractor shall retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, unless the contractor fails to disclose the invention within the times specified in paragraph (c) of this clause. The contractor's license

(A) Extends to any domestic subsidiaries and affiliates within the corporate structure of which the contractor is a part;

(B) Includes the right to grant sublicenses to the extent the contractor is legally obligated to do so at the time of contract award; and

(C) Is transferable only with the approval of the agency, except when transferred to the successor of that part of the contractor's business to which the invention pertains.

(ii) The agency

(A) May revoke or modify the contractor's domestic license to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with 37 CFR Part 404 and agency licensing regulations;

(B) Will not revoke the license in that field of use or the geographical areas in which the contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public; and

(C) May revoke or modify the license in any foreign country to the extent the contractor, its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(iii) Before revoking or modifying the license, the agency

(A) Will furnish the contractor a written notice of its intention to revoke or modify the license; and

(B) Will allow the contractor 30 days (or such other time as the funding agency may authorize for good cause shown by the contractor) after the notice to show cause why the license should not be revoked or modified.

(iv) The contractor has the right to appeal, in accordance with 37 CFR Part 404 and agency regulations, concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.

(c) Contractor obligations.

(1) The contractor shall

(i) Disclose, in writing, each subject invention to the Contracting Officer within 2 months after the inventor discloses it in writing to contractor personnel responsible for patent matters, or within 6 months after the contractor first becomes aware that a subject invention has been made, whichever is earlier;

(ii) Include in the disclosure

(A) The inventor(s) and the contract under which the invention was made;

(B) Sufficient technical detail to convey a clear understanding of the invention; and

(C) Any publication, on sale (i.e., sale or offer for sale), or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication; and

(iii) After submission of the disclosure, promptly notify the Contracting Officer of the acceptance of any manuscript describing the invention for publication and of any on sale or public use.

(2) The contractor shall elect in writing whether or not to retain ownership of any subject invention by notifying the Contracting Officer at the time of disclosure or within 8 months of disclosure, as to those countries (including the United States) in which the contractor will retain ownership. However, in any case where publication, on sale, or public use has initiated the one- year statutory period during which valid patent protection can be obtained in the United States, the agency may shorten the period of election of title to a date that is no more than 60 days prior to the end of the statutory period.

(3) The contractor shall

(i) File either a provisional or a non-provisional patent application on an elected subject invention within one year after election, provided that in all cases the application is filed prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after publication, on sale, or public use;

(ii) File a non-provisional application within 10 months of the filing of any provisional application; and

(iii) File patent applications in additional countries or international patent offices within either 10 months of the first filed patent application (whether provisional or non-provisional) or 6 months from the date the Commissioner of Patents grants permission to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) The contractor may request extensions for disclosure, election, or filing under paragraphs (c)(1), (2), and (3) of this clause. The Contracting Officer will normally grant the extension unless there is reason to believe the extension would prejudice the Governments interests.

(d) Government rights.

(1) Ownership. The contractor shall assign to the agency, upon written request, title to any subject invention

(i) If the contractor elects not to retain title to a subject invention;

(ii) If the contractor fails to disclose or elect the subject invention within the times specified in paragraph (c) of this clause and the agency requests title within 60 days after learning of the contractors failure to report or elect within the specified times;

(iii) In those countries in which the contractor fails to file patent applications within the times specified in paragraph (c) of this clause, provided that, if the contractor has filed a patent application in a country after the times specified in paragraph (c) of this clause, but prior to its receipt of the written request of the agency, the contractor shall continue to retain ownership in that country; and

(iv) In any country in which the contractor decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on, a patent on a subject invention.

(2) License. If the contractor retains ownership of any subject invention, the Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice, or have practiced for or on behalf of the United States, the subject invention throughout the world.

(e) Contractor action to protect Government interest.

(1) The contractor shall execute or have executed and promptly deliver to the agency all instruments necessary to

(i) Establish or confirm the rights the Government has throughout the world in those subject inventions in which the contractor elects to retain ownership; and

(ii) Assign title to the agency when requested under paragraph (d)(1) of this clause and enable the Government to obtain patent protection for that subject invention in any country.

(2) The contractor shall

(i) Require, by written agreement, its employees, other than clerical and non-technical employees, to

(A) Disclose each subject invention promptly in writing to personnel identified as responsible for the administration of patent matters, so that the contractor can comply with the disclosure provisions in paragraph (c) of this clause; and

(B) Provide the disclosure in the contractor's format, which should require, as a minimum, the information required by paragraph (c)(1) of this clause;

(ii) Instruct its employees, through employee agreements or other suitable educational programs, as to the importance of reporting inventions in sufficient time to permit filing of patent applications prior to U.S. or statutory foreign bars; and

(iii) Execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions.

(3) The contractor shall notify the Contracting Officer of any decisions not to file a non-provisional patent application, continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response or filing period required by the relevant patent office.

(4) The contractor shall include, within the specification of any United States non-provisional patent application and any patent issuing thereon covering a subject invention, the following statement: This invention was made with Government support under (identify contract) awarded by (identify the agency). The Government has certain rights in this invention.

(5) The contractor shall

(i) Establish and maintain active and effective procedures to ensure that subject inventions are promptly identified and disclosed to contractor personnel responsible for patent matters;

(ii) Include in these procedures the maintenance of

(A) Laboratory notebooks or equivalent records and other records as are reasonably necessary to document the conception and/or the first actual reduction to practice of subject inventions; and

(B) Records that show that the procedures for identifying and disclosing the inventions are followed; and

(iii) Upon request, furnish the Contracting Officer a description of these procedures for evaluation and for determination as to their effectiveness.

(6) The contractor shall, when licensing a subject invention, arrange to

(i) Avoid royalty charges on acquisitions involving Government funds, including funds

derived through the Governments Military Assistance Program or otherwise derived through the Government;

(ii) Refund any amounts received as royalty charges on the subject inventions in acquisitions for, or on behalf of, the Government; and

(iii) Provide for the refund in any instrument transferring rights in the invention to any party.

(7) The contractor shall furnish the Contracting Officer the following:

(i) Interim reports every 12 months (or any longer period as may be specified by the Contracting Officer) from the date of the contract, listing subject inventions during that period and stating that all subject inventions have been disclosed or that there are no subject inventions.

(ii) A final report, within three months after completion of the contracted work, listing all subject inventions or stating that there were no subject inventions, and listing all subcontracts at any tier containing a patent rights clause or stating that there were no subcontractors.

(8)(i) The contractor shall promptly notify the Contracting Officer in writing upon the award of any subcontract at any tier containing a patent rights clause by identifying

(A) The subcontractor

(B) The applicable patent rights clause;

(C) The work to be performed under the subcontract; and

(D) The dates of award and estimated completion.

(ii) The contractor shall furnish, upon request, a copy of the subcontract, and no more frequently than annually, a listing of the subcontracts that have been awarded.

(9) In the event of a refusal by a prospective subcontractor to accept one of the clauses specified in paragraph (l)(1) of this clause, the contractor

(i) Shall promptly submit a written notice to the Contracting Officer setting forth the subcontractors reasons for the refusal and other pertinent information that may expedite disposition of the matter; and

(ii) Shall not proceed with that subcontract without the written authorization of the Contracting Officer.

(10) The contractor shall provide to the Contracting Officer, upon request, the following information for any subject invention for which the contractor has retained ownership:

(i) Filing date

(ii) Serial number and title

(iii) A copy of any patent application (including an English-language version if filed in a language other than English).

(iv) Patent number and issue date

(11) The contractor shall furnish to the government, upon request, an irrevocable power to inspect and make copies of any patent application file.

(f) Reporting on utilization of subject inventions.

(1) The contractor shall

(i) Submit upon request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts in obtaining utilization of the subject invention that are being made by the contractor or its licensees or assignees;

(ii) Include in the reports information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and other information as the agency may reasonably specify; and

(iii) Provide additional reports that the agency may request in connection with any march-in proceedings undertaken by the agency in accordance with paragraph (h) of this clause.

(2) To the extent permitted by law, the agency shall not disclose the information provided

under paragraph (f)(1) of this clause to persons outside the Government without the contractor's permission, if the data or information is considered by the contractor or its licensee or assignee to be privileged and confidential (see 5 U.S.C. 552(b)(4)) and is so marked..

(g) Preference for United States industry. Notwithstanding any other provision of this clause, the contractor agrees that neither the contractor nor any assignee shall grant to any person the exclusive right to use or sell any subject invention in the United States unless the person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the agency may waive the requirement for an exclusive license agreement upon a showing by the contractor or its assignee that

(1) Reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States; or

(2) Under circumstances, domestic manufacture is not commercially feasible.

(h) March-in rights. The contractor acknowledges that, with respect to any subject invention in which it has retained ownership, the agency has the right to require licensing pursuant to 35 U.S.C. 203 and 210(c), 37 CFR 401.6, and any supplemental regulations of the agency in effect on the date of contract award.

(i) Other inventions. Nothing contained in this clause shall be deemed to grant to the Government any rights with respect to any invention other than a subject invention.

(j) Examination of records relating to inventions.

(1) The Contracting Officer or any authorized representative shall until 3 years after final payment under this contract, have the right to examine any books (including laboratory notebooks), records, and documents of the contractor relating to the conception or first reduction to practice of inventions in the same field of technology as the work under this contract to determine whether

(i) Any inventions are subject inventions

(ii) The contractor has established procedures required by paragraph (c)(5) of this clause; and

(iii) The contractor and its inventors have complied with the procedures.

(2) If the Contracting Officer or Buyer learns of an unreported contractor invention that the Contracting Officer believes may be a subject invention, the contractor shall be required to disclose the invention to the agency for a determination of ownership rights.

(3) Any examination of records under this paragraph (j) shall be subject to appropriate conditions to protect the confidentiality of the information involved.

(k) Withholding of payment (this paragraph does not apply to subcontracts).

(1) Any time before final payment under this contract, the Contracting Officer may, in the Government's interest, withhold payment until a reserve not exceeding \$50,000 or 5 percent of the amount of the contract, whichever is less, is set aside if, in the Contracting Officer's opinion, the contractor fails to

(i) Establish, maintain, and follow effective procedures for identifying and disclosing subject inventions pursuant to paragraph (c)(5) of this clause;

(ii) Disclose any subject invention pursuant to paragraph (c)(1) of this clause; or

(iii) Deliver acceptable interim reports pursuant to paragraph (e)(7)(i) of this clause; or

(iv) Provide the information regarding subcontracts pursuant to paragraph (e)(8) of this clause.

(2) The reserve or balance shall be withheld until the Contracting Officer has determined that the contractor has rectified whatever deficiencies exist and has delivered all reports, disclosures, and other information required by this clause.

(3) The Government will not make final payment under this contract before the contractor delivers to the Contracting Officer

(i) All disclosures of subject inventions required by paragraph (c)(1) of this clause; (ii) An acceptable final report pursuant to paragraph (e)(7)(ii) of this clause; and (iii) All past due confirmatory instruments.

(4) The Contracting Officer may decrease or increase the sums withheld up to the maximum authorized in paragraph (k)(1) of this clause. No amount shall be withheld under this paragraph while the amount specified by this paragraph is being withheld under other provisions of the contract. The withholding of any amount or the subsequent payment thereof shall not be construed as a waiver of any Government right.

(l) Subcontracts

(1) The contractor

(i) Shall include the substance of the Patent Rights Ownership by the Contractor clause set forth at 52.227-11 of the Federal Acquisition Regulation (FAR) in all subcontracts for experimental, developmental, or research work to be performed by a small business concern or nonprofit organization; and

(ii) Shall include the substance of this clause, including paragraph (l), in all other subcontracts for experimental, developmental, or research work, unless a different patent rights clause is required by FAR 27.303.

(2) For subcontracts at any tier

(i) The patent rights clause included in the subcontract shall retain all references to the Government and shall provide to the subcontractor all the rights and obligations provided to the contractor in the clause. The contractor shall not, as a consideration for awarding the subcontract, obtain rights in the subcontractors subject inventions; and

(ii) The Government, the prime contractor, and the subcontractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Government with respect to those matters covered by this clause. However, nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (h) of this clause.

#### **CI 227-19 PRE-AWARD AND POST-AWARD IDENTIFICATION AND ASSERTION OF RESTRICTIONS ON TECHNICAL DATA PERTAINING TO A COMMERCIAL ITEM AND COMMERCIAL COMPUTER SOFTWARE (NOV 2022).**

In paragraphs (b), (c), (c)(2), and (c)(3), the term "Government" means "Government and/or Buyer". In paragraph (b)(1), the term "Government" means "Buyer". In paragraphs (b)(1)(ii), (b)(1)(iii), (b)(2), (c)(2), and (d)(4), the term "Contracting Officer" means "Buyer". In paragraph (d)(3), the term "Government Contracting Officer" means "Buyer".

(a) The terms used in this clause are defined by USG.

(b) Identification and Assertion of Restrictions. The offeror shall not deliver or otherwise provide to the Government any commercial technical data or commercial computer software with restrictive markings (or otherwise subject to restrictions on access, use, modification, reproduction, release, performance, display, or disclosure) unless the commercial technical data or commercial computer software are identified in accordance with the following requirements:

(1) Pre-Award. The offeror (including its subcontractors or suppliers, or potential subcontractors or suppliers, at any tier) shall identify all commercial technical data and commercial computer software that it proposes will be delivered or otherwise provided (including all option CLINs, if exercised) with less than Unlimited Rights, to the extent known at the time an offer is submitted to the Government:

(i) The offeror shall also identify and assert any restrictions for all commercial computer software, including open source software, and commercial technical data (i.e., technical data

pertaining to a commercial product or commercial service) using the format provided in paragraph (e) below.

(ii) An offeror's failure to submit, adequately complete, or sign the notification and identification required by paragraph (e) of this clause with its offer will constitute a minor informality. If assertions are required and the offeror does not correct such informality within the time prescribed by the Contracting Officer, the offer may be ineligible for award.

(iii) If the offeror is awarded a contract, the assertions identified in this clause shall be listed in an attachment to that contract. Upon request by the Contracting Officer, the offeror shall provide sufficient information to enable the Contracting Officer to evaluate any listed assertion. Updates to the Commercial Assertions List shall be included in an amended attachment.

(2) Post-Award. In addition to the pre-award assertions made in the attachment pursuant to paragraph (b)(1)(iii), other assertions on technical data pertaining to a commercial product, commercial service and commercial computer software may be identified after award when based on new information or inadvertent omissions, unless the inadvertent omissions would have materially affected the source selection decision. Such identifications and assertions shall be submitted to the Contracting Officer as soon as practicable prior to the scheduled date for delivery of the technical data/computer software, following the same requirements and using the same table format for pre-award assertions found in paragraph (e), and signed by an official authorized to contractually obligate the contractor.

(c) Copies of Commercial Licenses. The offeror shall provide copies of all commercial licenses to commercial technical data or commercial computer software which the offeror proposes to deliver, including third party licenses, and these shall be submitted as an attachment to its offer. The Government will review the licenses to ensure that the licenses terms are consistent with federal procurement law and meet the Government's end user needs. All such commercial licenses will be made part of an attachment to the contract at award. If the offeror intends to deliver commercial technical data under the terms of clause CI 227-1, instead of its own commercial license, the offeror shall list clause CI 227-1 in the table at paragraph (e) below.

(1) Typical licensing terms that are inconsistent with federal procurement law can include jurisdiction and venue (must be Federal law and venue), indemnification of vendor and automatic renewals (Anti-Deficiency Act violation), order of precedence (the contract takes precedence over license), dispute resolution (must be in accordance with Disputes clause in the contract), to include termination clauses that allow the vendor to unilaterally (and often automatically) terminate the license if the Government is alleged to have breached it, and injunctive relief (no injunctive relief against the Government is available, per 28 USC §1498(b)). This list is not all-inclusive, but is intended to convey the most common license terms that are problematic to the Government, and must be resolved prior to award. See clause CI 227-8, Commercial Technical Data and Computer Software Licensing - Order of Precedence, for additional clarification.

(2) With respect to the Government program user needs for technical data and computer software delivered under this contract, the Government will need to distribute the commercial computer software and technical data outside of Government for any purpose where the Government is a party, but only under conditions that prohibit any further distribution by the third party recipient. To accomplish the distribution, the Government intends use non-disclosure agreements discussed in clauses CI 209-5, Protection of Information, and CI 209-8, Support Contractor Corporate Non-Disclosure Agreement. Additional non-disclosure agreements deemed necessary by the owner of the licensed technical data or computer software shall be submitted to the Contracting Officer for review prior to execution.

(3) If the offeror intends to use third party commercial technical data or commercial computer

software in the performance of the contract, and then deliver the commercial technical data or computer software to the Government at the conclusion of the contract, the offeror should list such commercial technical data or computer software in the table at paragraph (e). The offeror shall also ensure that the applicable license is transferable to the Government. The Government criteria for software license review will be the same for third party vendors as for the offeror's commercial computer software as described in paragraph (c)(1) and (c)(2) of this clause once the Government becomes the end user. The offeror should accomplish the actions in the paragraph prior to award of the contract.

(d) Contractor Use of Open Source Software (OSS). The Government treats OSS as a category of commercial computer software. If the contractor proposes to use OSS while performing under the contract, the contractor shall follow the same rules as prescribed in this clause for commercial computer software, and address the requirements in paragraphs (d)(1) and (d)(2) below. OSS is often licensed under terms that require a user to make user's modifications to the OSS or any software that the user combines with the OSS freely available in source code form pursuant to distribution obligations in the license.

(1) In cases where the Contractor proposes to use OSS while performing under a Government contract, regardless of whether the OSS is delivered, the Contractor shall not create, or purport to create, any Government distribution obligation with respect to Government computer software deliverables.

(2) Prior to using any OSS, the Contractor shall additionally evaluate each license and confirm that each of the following requirements is satisfied:

(i) The OSS license shall be compatible with all licenses for other commercial computer software that are or will be linked to, adapted to, integrated, combined or merged with the particular OSS;

(ii) The OSS license shall not impose a future Government distribution obligation;

(iii) The OSS license shall not contain licensing terms that are inconsistent with federal procurement law (see paragraph (c)(1) of this clause); and

(iv) Contractor's cost to comply with this requirement presents no additional cost to the Government.

(3) If, as a result of the Contractor's evaluation, the Contractor satisfies all of the requirements in paragraphs (d)(2)(i) through (d)(2)(iv) above, then the Contractor shall provide a written certification of the above findings to the Government Contracting Officer stating that the Contractor has evaluated the OSS use and the OSS license, and made each determination required in paragraphs (d)(2)(i) through (d)(2)(iv) above. The Contractor shall request permission from the Government Contracting Officer to use the proposed OSS. This notification shall also include all information regarding the identification and proposed use(s) of the OSS in the format required by paragraph (e) below.

(4) If the Contractor is unable to satisfy all of the requirements in paragraphs (d)(2)(i) through (d)(2)(iv) above for a particular commercial computer software license, then the Contractor may not use the OSS covered by the particular license without prior approval by the Contracting Officer. If the Contractor wants to use the OSS for which the requirements of paragraphs (d)(2)(i) through (d)(2)(iv) are not satisfied, the Contractor shall request approval to use the otherwise prohibited subject OSS from the Contracting Officer by providing a written notification that includes all information regarding the identification and proposed use(s) of the OSS in the format required by paragraph (e) below.

(e) Table Format for Identification and Assertion of Restrictions. Commercial technical data and commercial computer software restrictions shall be identified as follows:

**Identification of Commercial Technical Data/Computer Software (Including Open Source Software) Use and Modifications (Commercial Assertions List)**

Commercial Technical Data/Computer Software Title, Version #, and License*	Technical Use/Implementing Approach**	If OSS, Was OSS Modified by Contractor?***	Name of Contractor Delivering Commercial Software****

\* For commercial technical data (other than computer software documentation) pertaining to items, components, or processes developed at private expense, identify both the deliverable technical data and each such item, component, or process. For computer software or computer software documentation, identify the computer software or computer software documentation. The complete title and version number of the computer software should be listed. If OSS, list the license and version number. If a version number is not available, provide some other means of identification (e.g., checksum data). If commercial technical data is being delivered under the terms of clause CI 227-1, then clause CI 227-1 should be listed. If the OSS was downloaded from a website, the website address should also be provided but an actual copy of the license shall still be provided as set forth in paragraph (d). Enter “None” if all commercial technical data or commercial computer software will be submitted without restrictions.

\*\* The functionality of the commercial computer software should be described, as well as where it is being used within the larger computer software deliverable, if applicable.

\*\*\* If OSS is being used, the offeror should state whether it has modified the OSS or plans to do so.

\*\*\*\* Corporation, individual, or other person as appropriate.

Date: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**CI 231-1 SUPPLEMENTAL COST PRINCIPLES (SEP 2013).**

The determination, negotiation, and allowability of costs under this contract shall be in accordance with Part 31 of the Federal Acquisition Regulation and of Buyer’s customer imposed requirements in effect on the date of this contract.

**CI 231-3 CONTRACTOR TRAINING AND EDUCATION (SEP 2013).**

The term “Contracting Officer” shall mean “Buyer”.

(a) As used in this clause, “Buyer’s customer-unique training” is any specialized classroom course, on-the- job program of instruction, or computer-based training designed to develop employee skills directly applicable to the support of Buyer’s customer systems or missions. Commercially available training and education are not considered Buyer’s customer-unique.

(b) Contractor employees are expected to have all training necessary to perform the functions specified in the contract, and will not be authorized to attend Buyer’s customer-sponsored training or to directly charge the contract for other training unless the Contracting Officer determines that the training is Buyer’s customer-unique and required to effectively perform the contract.

(c) For contracts with cost-reimbursable contract line item numbers, the costs of contractor employee training and education are allowable as a direct charge against this contract only if approved in advance by the Contracting Officer. However, this determination of allowability

shall not constitute a determination of the adequacy or approval of the contractor's disclosure statement, and such costs are only allowable as a direct charge to this contract so long as they continue to be set forth as direct charges to contracts in the contractor's approved disclosure statement.

**CI 244-1 SUBCONTRACTS (EDUCATIONAL INSTITUTIONS) (MAR 2015).**

In paragraph (a), authorization from the Contracting Officer will be through Buyer. In paragraph (b), "Contracting Officer" means "Buyer."

- (a) The contractor shall obtain written authorization from the Contracting Officer through the Buyer prior to award, extension, or renewal of a subcontract with an educational institution.
- (b) The contractor shall obtain a letter from an official with authority to approve contracts on behalf of the subcontractor that acknowledges the subcontractor's involvement with the Buyer's customer and approves the proposed contractual relationship. The contractor shall submit a copy of this letter to the Contracting Officer through the Buyer along with a description of the work to be subcontracted and a technical justification documenting the necessity in relation to the project as a condition for obtaining the required written authorization. The sample letter at CI 4.7501(e)(2) may be used to fulfill this requirement.
- (c) The requirements of this clause must be included in all subcontracts.

**CI 244-2 SUBCONTRACT REPORTING, MONITORING, CONSENT, AND NOTIFICATION (MAY 2019).**

Seller shall submit reports to Buyer in support of paragraph (c), annually no later than April 15 each year and no later than 45 days after final close-out. Such reports shall include all lower tier subcontractors. In paragraph (e), Contracting Officer means Buyer. In paragraph (h), "Contracting Officer" means "Contracting Officer or Buyer." This clause does not apply to contracts with US-owned companies that provide only unclassified commercial products and/or services on a fixed price basis.

- (a) Definition. As used in this clause:

*Subcontract* means any contract or contractual action entered into by the prime contractor or a subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under this contract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders. For purposes of consent, the definition of *subcontract* in FAR 52.244-2 applies.

*Subcontractor* means any supplier, distributor, vendor, or firm that furnishes supplies, materials, equipment, or services of any kind under this contract or a subcontract entered into in connection with this contract, regardless of dollar value.

- (b) Flow-Down. The requirements of this clause must be included in all first-tier subcontracts directly chargeable to this contract, except for those subcontracts with US-owned companies to provide only unclassified commercial products and/or services on a fixed-price basis.
- (c) Reporting. The Seller shall electronically submit to the Buyer an annual report by 6 June each year providing the data specified below for all first and second-tier subcontracts directly chargeable to this contract that were awarded and/or modified within the previous twelve months. Individual fixed-price subcontracts under \$5,000 with US-owned companies to provide unclassified commercial products and/or services that will not be incorporated into a contract deliverable (e.g., office supplies, travel, postage) need not be reported. Reports will be electronically submitted to the Buyer's Authorized Procurement Representative using an Excel spreadsheet. Each subcontract report must include the following information in the format specified in the Excel spreadsheet to be provided by Buyer:

- § Prime Contract Number or Task Order Number
  - § Subcontractor Tier
  - § Is the Subcontract Classified?
  - § Relationship Between Prime Contractor and Subcontractor
  - § Subcontractor Business Name, Street Address, City, State, Zip Code, and Country
  - § Subcontractor Data Universal Numbering System (DUNS) Number
  - § Subcontractor Contractor and Government Entity (CAGE) Code
  - § Subcontractor Business Type
  - § Is the Subcontractor a Woman-owned Business?
  - § Is the Subcontractor a Veteran-owned Business?
  - § Is the Subcontractor a Service-disabled Veteran- owned Business?
  - § Is the Subcontractor a HUBZone Small Business?
  - § Subcontractor Country of Ownership
  - § DUNS Number of Company Awarding Subcontract
  - § Subcontractor's Parent Company Business Name
  - § Subcontract or Purchase Order Number
  - § Subcontract Value (Cumulative to Date)
  - § Subcontract Period of Performance - Start Date
  - § Subcontract Period of Performance – End Date
  - § Subcontract Place of Performance - City
  - § Subcontract Place of Performance – State
  - § Subcontract Place of Performance - Country
  - § Brief Description of Subcontract Effort
  - § Primary Subcontract Type
  - § Method Used to Select Subcontractor (Competitive or Sole-Source)
- (d) Monitoring. The parties agree that the Government shall have the right to:
- (1) Review all documentation pertaining to source selections or other competitive sourcing activities, fact-finding, and negotiation sessions with or for subcontractors or potential subcontractors;
  - (2) Observe any subcontractor test, verification, validation, shipment, or similar event;
  - (3) Attend any subcontractor design review, milestone review, program review, or similar event. Unless expressly agreed to by the prime contractor and the Contracting Officer, the Government will not require a subcontractor event to be rescheduled due to the Government's inability to attend; and
  - (4) Review and agree to the contractor's make-or-buy program when necessary to ensure negotiation of reasonable contract prices or satisfactory performance.
- (e) Consent.
- (1) All consent to subcontract requirements in FAR Clause 52.244-2 apply to this contract. In addition, the contractor shall obtain the Contracting Officer's written consent before awarding any subcontract with a value over \$50 million, or that exceeds \$3 million or five percent of prime contract value, whichever is less, to a company listed on the Subcontract Consent Registry.
  - (2) Requests for consent to subcontract shall be submitted in writing to the Contracting Officer, and provide, at a minimum, the information specified in FAR 52.244-2(e).
- (f) Notification. The prime contractor shall provide written notification to the Contracting Officer and COTR when a subcontract is expected to exceed the negotiated cost baseline by 15 percent.
- (g) Privity. Government collection of subcontract information, surveillance of subcontractor performance, and consent to subcontract do not relieve the contractor of any responsibility for the

effective management of all subcontracts and for the overall success of this contract. Actions taken under the authority of this clause do not establish privity of contract between the Government and subcontractors under this contract. The Government will not provide direction to or request action by any subcontractor except through the prime. However, all subcontractors must respond to direct requests for information from the Government, either directly or through the prime.

(h) Security. The Government reserves the right to direct through the Buyer the removal of any subcontractor under this contract on the basis of Government security concerns. The contractor shall be responsible for any lack of due diligence or negligence in the selection of a subcontractor, and will not be entitled to an equitable adjustment if the Contracting Officer determines that the Government's need to remove the contractor for security reasons is the fault of the contractor or subcontractor.

**CI 245-1 CONTRACT-ACCOUNTABLE GOVERNMENT PROPERTY: RESPONSIBILITIES, USE, REPORTING, AND ADMINISTRATION (NOV 2022).**

(a) General Requirements. The Seller shall maintain adequate property control procedures, records, and a system of identification for all Government property accountable to this contract in accordance with FAR 52.245-1 and this clause. If FAR and Buyer's Customer Acquisition Manual guidance conflict, the Buyer's Customer Acquisition Manual will have precedence. The terms "Government property," "contract accountable property," "Government equipment," and "contractor-acquired property/material" are used interchangeably and equally within this clause. All items provided to the Seller, including equipment, material, and facilities are equally considered to be Government property.

(b) Definitions. As used in this clause:

(1) Agency-Peculiar Property (AP) means Government property, consisting of end items and integral components of military weapons systems, along with the related peculiar support equipment which is not readily available as a commercial product.

(2) Equipment (EQ) means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, needed for the performance of a contract. Equipment is not intended for sale and does not ordinarily lose its identity or become a part of another article when put into use (e.g., machine tools, furniture, vehicles, and test equipment, including their accessory or auxiliary items). Equipment does not include information technology (IT) items as defined below.

(3) Government Furnished Material (GFM) means property provided to a contractor by the Government that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. GFM includes assemblies, expendable components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract. GFM does not include equipment, special tooling, special test equipment, real property, or information technology that has been incorporated into a higher assembly or an item incorporated into an item of special test equipment.

(4) Government-Owned, Contractor-Acquired Material (CAM) means property acquired or otherwise provided by the contractor to which the Government has title, and that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. CAM includes assemblies, expendable components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract. CAM does not include equipment, special tooling, special test equipment, real property, or information technology equipment that has been incorporated into a higher

assembly or an item incorporated into a higher assembly or an item incorporated into an item of special test equipment.

(5) Information Technology (IT) means equipment or interconnected systems or subsystems of equipment that is used in the automated acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. IT includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware, and similar procedures, services (including support services), and related resources. IT does not include equipment that contains imbedded information technology that is used as an integral part of the product, but the principal function of which is not the acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information.

(6) Land (L) means land, land rights, and improvements to land.

(7) Real Property (RP) means buildings, improvements to buildings, utility distribution systems, prefabricated structures, and fixed equipment required for the operation of a building which is permanently attached to and a part of the building and cannot be removed without cutting into the walls, ceilings, or floors. Examples of fixed equipment required for functioning of a building include plumbing, heating and lighting equipment, elevators, central air conditioning systems, and built-in safes and vaults. Foundations and work necessary for installing special tooling, special test equipment, or plant equipment are not included. This category includes acquisitions and improvements of structures and facilities other than buildings, such as power production facilities and distribution systems, reclamation and irrigation facilities, flood control and navigation aids, utility systems (heating, sewage, water and electrical) when they serve several buildings or structures, communication systems, traffic aids, roads and bridges, and nonstructural improvements such as sidewalks, parking areas, and fences. RP also includes Buyer's Customer-funded costs of improvements to leased buildings, structures, and facilities, as well as easements and right-of-way, where Buyer's Customer is the lessee or the cost is charged to a Buyer's Customer contract. Sellers shall report leasehold improvements with a unit acquisition cost of \$1,000,000 or more and a useful life of two years or more.

(8) Property management system means the Seller's system or systems for managing and controlling Government property.

(9) Significant deficiency means a system shortcoming that materially affects the reliability of required management information produced by the system.

(10) Special Test Equipment (STE) means a single or multipurpose integrated test unit engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. STE consists of items or assemblies of equipment including foundations and similar improvements necessary for installing special test equipment, and standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. STE does not include material, special tooling, real property, and equipment items used for general testing purposes or property that with relatively minor expense can be made suitable for general purpose use.

(11) Special Tooling (ST) means jigs, dies, fixtures, molds, patterns, taps, gauges, and all components of these items including foundations and similar improvements necessary for installing special tooling, and which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. ST does not include material, special test equipment, real property, equipment, machine tools, or similar capital

assets.

(12) Summary Record means a single document or data record used to account for components and details of special (small) tooling and/or equipment that do not require tagging (e.g., furniture and body armor) with a unit cost less than \$1,000. Summary records cannot be used for items requiring calibration, property requiring tagging (barcodes), or for classified or sensitive property.

(c) Property Analyst. The Buyer has delegated property administration authority to the Buyer Property Analyst.

(d) Seller Property Representatives. The Seller shall provide the name, address, and telephone number of the company official responsible for establishing and maintaining control of Government property under this contract to the Buyer Property Analyst within 30 days after receipt of this contract and upon assignment of a replacement official. Subcontractors in possession of Government property accountable to this contract shall provide contact information for their property managers to the Seller.

(e) Government Property List. The Government Property List attached to the solicitation and the resulting contract identifies all Government property offered to the Seller on a no-charge-for-use basis to perform this contract and the dates of availability for each item. Post-award, the inventory of Government property accountable to this contract is maintained in Seller's approved property management system based on Seller's quarterly property reports. After receipt of the Seller's initial quarterly property report, Buyer may delete the Government Property List from the contract.

(f) Property Transfers. The Buyer can direct the transfer of contract-accountable property between contracts with Government approval. All transfers must be coordinated between the losing and gaining Contracting Officers and Property Analysts, and by the COTRs, Associate Property Management Officers, and other Program Office personnel as appropriate. The Government will evaluate each transfer to ensure that the gaining contract includes the appropriate Government property clauses (52.245-1, 52.245-9 and CI 245-1), assist in validating the gaining contract requirement, and verify that the transfer will not adversely impact the losing contract. Transfers between contracts must be documented using a DD Form 1149, a Buyer's letter, or a contract modification. This documentation shall serve as the only record necessary to document transfers. When multiple items are transferred, a listing of items with all data elements prescribed below must be attached to the transfer document. Data elements to be included are as follows:

For tagged assets:

1. Description
2. Manufacturer
3. Model
4. Part number
5. Serial number
6. Property Class Code
7. Acquisition date
8. Disposition or transfer date
9. Contract number received from
10. Property tag number
11. Subcontractor name
12. Subcontractor Number
13. Location Bldg./Rm
14. Location City/State

15. Original Acquisition cost
16. Program Code
17. Last physical inventory date
18. Property status
19. Quantity

For Material (CAM/GFM)

1. Nomenclature
2. Part number
3. Serial number
4. Quantity
5. Acquisition Date
6. Unit cost
7. Total cost
8. Building
9. Floor
10. Location
11. Last Touch Date (Inventory Date)

The Seller must obtain approval of both the gaining and losing Contracting Officers or designees before property transfers occur, except for contractor-acquired material with a unit cost less than \$10,000 transferred within an approved Material Management and Accounting System (MMAS). The Seller shall notify the Buyer when such MMAS transfers are executed.

(g) Government Property Accountable to Other Contracts.

(1) The Seller may use Government property in their possession and accountable to another Buyer's contract for the performance of this contract on a rent-free, non-interference use (RFNIU) basis if approved in writing by the Contracting Officers for both contracts. The Seller may also be authorized to use Government property in their possession accountable to a non-Buyer's Customer contract if approved in writing by the Contracting Officers for both contracts. Requests for RFNIU must contain a liability provision from the requesting contract, and stipulate that:

- (i) The property will be used on a strictly rent-free, non-interference basis;
- (ii) Use will not impact the owning program;
- (iii) The property will be returned upon request from the owning contract to meet its urgent needs;
- (iv) The form, fit, and function of the property will not be altered without written approval from the owning Contracting Officer; and
- (v) The property will be controlled and accounted for at all times.

(2) RFNIU transactions must comply with the terms and conditions of both contracts as well as with any provisions in the Buyer's approval letter. Material is not eligible for RFNIU.

(h) Title. Title to all Government-furnished property and all contractor acquired property which has been reimbursed under the contract remains vested with the Government. Upon completion or termination of this contract, the Seller shall submit to the Buyer a list of all property acquired under the contract during the contract period. The list shall describe each item, including the manufacturer, model number, part number, serial number, date acquired, cost, location, and condition, and shall be submitted to the Buyer within 30 calendar days after completion or termination of the contract.

(i) Promotional Items. Stand-alone promotional items received from a vendor in conjunction with a Government purchase, whether as Government-furnished property or contractor-acquired property, must be accounted for as Government property. If the Seller has a valid need to use the

promotional items to fulfill contractual requirements, the items shall be managed as contract-accountable property. If there is no valid need for the items under the contract, the contractor shall disposition the items as directed by the Buyer.

(j) Audits and Analyses.

(1) The Government or Buyer will audit/analyze the Seller's processes, controls, policies, accountability, and administration of Government property in accordance with FAR and Customer Acquisition Manual requirements. Failure of the contractor to maintain an adequate property management system may result in revocation of the Government's assumption of risk by the Contracting Officer through the Buyer.

(2) Support Property Administration for subcontractors and alternate locations will be performed in accordance with FAR 45.502 and 45.503, and applicable Customer Acquisition Manual provisions. When Buyer is also performing as a subcontractor on another Buyer's Customer contract, the Buyer's Customer Property Analysts will, when appropriate, include any property accountable to that subcontract in their analysis of the Buyer. This support property administration applies to the property analysis and represents no change to the Seller to subcontractor relationship with respect to plant clearance, Loss, Damage, Destruction, or Theft (LDDT), and property reporting.

(k) Reporting.

(1) Quarterly Reports. The Seller shall submit quarterly reports of all property accountable to this contract and in the possession of the contractor or subcontractors.

(i) Submit reports not later than the 7th day after each of the following reporting periods:

First Quarter: 1 September -30 November

Second Quarter: 1 December - 28/29 February

Third Quarter: 1 March - 31 May

Annual Report: 1 June - 31 August

(ii) Each report must be submitted electronically to the Buyer per section (f) of this clause.

(iii) Prime contractors shall include all contract-accountable property in the possession of their subcontractors in each property report. Subcontractors will not submit property reports directly to the Buyer for their subcontracts.

(iv) Each tagged item of contract-accountable property must be assigned a Program Code to identify the Buyer's Customer program under which the item was originally acquired, or to designate the item as "non-program." Program property comprises contract-accountable property purchased to support the acquisition of a satellite, command and control system, data-processing system, or space launch. It includes sensitive assets known as "specials," and property funded by Buyer's Customer to conduct research and development activities. Such equipment is typically purchased for a specific research and development project and has no future use beyond that project.

(v) The Seller shall retain documents which support the data in their property reports for the periods specified in FAR Subpart 4.7 or for the life of the asset, whichever is longer. For each non-program tagged item (excluding material) with a value of \$1,000,000 or more (capital asset) acquired during the reporting period, the Seller must transmit to Buyer an electronic copy of the invoice or other valuation documentation specified below.

(vi) The Seller shall retain acceptable supporting documentation for each contract-accountable non- program capital asset. Acceptable supporting documentation includes the original invoice or purchase order with the corresponding receiving report. For fabricated items, a document certified by the Seller showing the total labor cost of the item (total labor hours multiplied by the applicable labor rates) and the itemized cost of materials is acceptable. The Seller is not required to support the cost of bench stock inventory items such as nuts and bolts.

(vii) If no supporting documentation is available for a non-program capital asset, the valuation should be estimated in accordance with instructions provided by Buyer. This estimate will be certified by the Seller property manager and include the following information:

1. Seller subcontract number;
2. Property identification number;
3. Description of property;
4. Acquisition date or date placed in service or receive date;
5. Acquisition value; and
6. Detailed basis of estimate.

(viii) For each non-program item with a value of \$1,000,000 or more acquired or manufactured during the reporting period, the Seller must transmit to Buyer an electronic copy of the invoice or other valuation documentation with the next quarterly property report.

(ix) Changes to these reporting requirements, including changes in frequency, style, substance, and level of detail, may be made at any time during the performance of this contract at no change in contract value. When changes in Federal Accounting Standards and OMB reporting requirements occur, Seller may also be required to submit supplemental information with this report. Failure to provide required reporting may result in termination of this contract, suspension of payment by the Buyer until required reporting is received, or other action as deemed appropriate by the Buyer.

(2) Subcontractor Property Reports.

(i) The Seller shall maintain the following information for each item of property accountable to this contract that is in the possession of subcontractors:

1. Subcontractor company name;
2. Prime contract number;
3. Subcontract number;
4. Complete listing of all tagged property;
5. Location of contract-accountable property, to include building, room, city, and state; and
6. Total quantity and dollar value for all CAM and GFM.

(ii) Seller shall include the information specified in subparagraph (i) in each quarterly property report submitted to Buyer.

(3) Inventory Reports. The Seller shall periodically conduct a physical inventory of contract-accountable property in accordance with leading Industry practices, standards and procedures. The Buyer will approve the frequency and method to be used by the Seller for the physical inventory process. Under a manual inventory system, the property inventoried shall be tagged or marked in a manner that indicates that the item has been inventoried. The tags used are normally color-coded or identify the current year, and should be designed to last through the inventory cycle. The Seller shall submit the results of each physical inventory (to include all inventories performed by the Seller and each subcontractor) to the Buyer not later than 60 days after inventory completion. The Seller shall also post the inventory results to their property records.

(4) Final (Zero) Property Report. After completion of the contract period of performance and within 30 days after disposition of all contract-accountable property under this contract, the Seller shall submit to the Buyer a final zero property report. Each subcontractor that had possession of Government property accountable to this contract shall report a final zero property report to the Seller. The Seller shall submit the report to the Buyer certifying the disposition of all contract-accountable property and providing along with documentation supporting the transfer or disposal of all Seller inventory (e.g., SF1428, DD 1149).

(l) Reutilization and Disposal.

(1) Reutilization. Government property that has had no activity should be reviewed annually by

Seller and Buyer personnel to determine whether reutilization is possible. The Buyer should work in concert with the Seller to ensure that the Program Offices have sufficient time to determine use inside or outside the organization. Government property is not to be stored, retained, or held by the Seller without proper authority from the Buyer or as specified by contract.

(2) Disposal. Once inactive Government property has been determined to be excess to contract requirements, the Seller shall screen it against all in-house Government contracts and then shall electronically submit to Buyer a list in Excel format containing items useable on other Government contracts and items to be excessed. In addition to the requirements in FAR 52.245-1, the Seller shall be held to a 120-day standard for plant clearance cases (PCC) unless circumstances dictate otherwise. The Seller shall not close any PCC or retire any property record until the Buyer provides notification that all PCC actions have been completed and closed.

(m) Special Test Equipment (STE) Notice of Intent (NOI). The Seller must obtain Buyer approval before acquiring or fabricating special test equipment at Government expense unless the equipment is itemized in this contract and/or specified in the Seller's proposal as STE. The NOI shall include details such as description, quantity, and dollar value of all components that make up the item of STE. The NOI shall also include a full and complete justification validating why the item is being requested and classified as STE.

(n) Property Classification and Records.

(1) Property Classification. The Seller shall include the appropriate Property Classification Code defined in paragraph (b) of this clause when establishing property records and preparing property reports for Buyer contract-accountable property.

(2) Records. The official Government property records shall be maintained by the Seller. All records shall contain the basic information as required in FAR 52.245-1 (f) (iii). In addition, all property records must include the following information:

(i) Tagged Assets

1. Classification of the property (same as type of property)
2. Serial Number (if applicable)
3. Model Number (if applicable)
4. Parent/Child Relationship (applies to STE and higher assemblies with components)(if applicable)
5. Location of the property (include building, room, city, and state)
6. Last physical inventory date

(ii) Material Items

1. Part Number
2. Actual, Average, Moving, or Estimated Cost (as applicable and approved by Buyer)
3. \*Acquisition/in-service date
4. Summary of quantity, line items, and dollar value

(3) System Records. When items of property are part of a system, such as components of STE or a higher assembly, each individual item/component shall have its own individual record showing the actual or estimated cost with the parent-child relationship clearly established. For example, the cost of STE components can be captured either in the total unit cost of the STE or as individually-priced components. The components of a parent-child relationship that are tracked and costed individually must also be disposed of individually. However, if the costs are tracked as a total unit cost, each component will be disposed of separately by decrementing the total unit cost of the STE. The Seller shall document how it tracks the cost of STE and higher assembly components.

(4) Records of Pricing Information. The unit price of Government-Furnished Property (GFP)

will be provided on the documentation covering shipment of the property to the Seller. In the event the unit price is not provided on the document, the Seller will take action to obtain the information. If the information is unavailable, the Seller may use estimated costs.

(5) Seller shall decrement their contract property records as appropriate to reflect the following property actions:

(i) Lost, Damaged, Destroyed, and Theft. Deletion amounts that result from relief from responsibility under FAR 45.503 granted during the reporting period.

(ii) Transferred in Place. Deletion amounts that result from transfer of property to a follow-on contract with the same Seller.

(iii) Transferred to Another Government Agency. Deletion amounts that result from transfer of property to another Government agency.

(iv) Purchased at Cost/Returned for Credit. Deletion amounts that result from Seller purchase or retention of Seller acquired property, or from contractor returns to suppliers.

(v) Disposed of Through Plant Clearance Process. Deletions other than transfers within the Federal Government (e.g., donations to eligible recipients, sold at less than cost, or abandoned/directed destruction).

(vi) Other. Types of deletion other than those reported in (i) through (v) of this section.

(o) Flowdown. The Seller shall include this clause in all subcontracts that will have any Government- furnished or contractor-acquired property accountable to the subcontract. When security issues preclude verbatim use of this clause, the contractor shall use a revised version which includes all the requirements of the original clause.