

CUSTOMER CONTRACT REQUIREMENTS
QF-16 Air Superiority Target (AST)
CUSTOMER CONTRACT FA8678-09-R-0001

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below. If this contract is for the procurement of commercial items under a Government prime contract, as defined in FAR Part 2.101, see Section 3 below.

1. FAR Clauses. The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller.

52.203-6 Restrictions on Subcontractor Sales to the Government (Sep 2006) .

This clause applies only if this contract exceeds \$100,000.

52.203-7 Anti-Kickback Procedures (excluding subparagraph (c)(1)) (Jul 1995) .

Buyer may withhold from sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract. This clause applies only if this contract exceeds \$100,000.

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

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997) .

This clause applies only if this contract exceeds \$100,000. If the Government reduces Buyer's price or fee for violations of the Act by Seller or its subcontractors at any tier, Buyer may withhold from sums owed Seller the amount of the reduction.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions

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

52.203-13 Contractor Code of Business Ethics and Conduct (Dec 2007) . This clause applies only if this contract is in excess of \$5,000,000, has a period of performance of more than 120 days, and is not for a commercial item or performed entirely outside the United States. For the purposes of this clause, the United States is defined as the 50 states, the District of Columbia, and outlying areas.

52.203-14 Display of Hotline Poster(s) (Dec 2007) . This clause applies only if this contract is in excess of \$5,000,000 and is not for a commercial item or performed entirely outside the United States. For the purposes of this clause, the United States is defined as the 50 states, the District of Columbia, and outlying areas.

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

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

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

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

52.215-10 Price Reduction For Defective Cost or Pricing Data (Oct 1997) . This clause applies only if this contract exceeds 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 Paragraph (c), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Paragraphs (c)(1), (c)(1)(ii), and (c)(2)(i), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Subparagraph (c)(2)(i)(A), delete "to the Contracting Officer." In Subparagraph (c)(2)(ii)(B), "Government" shall mean "Government or Buyer." In Paragraph (d), "United States" shall mean "United States or Buyer.".

52.215-11 Price Reduction For Defective Cost or Pricing Data - Modifications (Oct 1997) . This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. "Contracting Officer" shall mean "Contracting Officer or Buyer." In subparagraph (d)(2)(i)(A), delete "to the Contracting Officer." In subparagraph (d)(2)(ii)(B), "Government" means "Government" or "Buyer." In Paragraph (e), "United States" shall mean "United States or Buyer.".

52.215-12 Subcontractor Cost or Pricing Data (Oct 1997) . This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise

exempt. The certificate required by paragraph (b) of the referenced clause shall be modified as follows: delete "to the Contracting Officer or the Contracting Officer's representative" and substitute in lieu thereof "The Boeing Company or any of its wholly owned subsidiaries."

52.215-13 Subcontractor Cost or Pricing Data - Modifications (Oct 1997) . This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. The certificate required by paragraph (c) 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 (excluding subparagraph (b)) (Oct 1997) . This clause applies except for contracts at or below \$100,000; construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; commercial items; and petroleum products.

52.215-15 Pension Adjustments and Asset Reversions (Oct 2004) . 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 Postretirement Benefits Other Than Pensions (PRB) (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 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications (Oct 1997) . This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4. The term "Contracting Officer" shall mean Buyer.

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

52.219-9 Small Business Subcontracting Plan (Apr 2008), Alternate I (Oct 2001) . This clause applies only if this contract exceeds \$550,000 and Seller is not a small business concern.

52.219-9 Small Business Subcontracting Plan (Apr 2008) . This clause applies only if this contract exceeds \$550,000 and Seller is not a small business concern. In paragraph (c), "Contracting Officer" shall mean Buyer. In accordance with paragraph (d)(10)(iv), Seller agrees that it will submit the ISR and/or SSR using eSRS.

52.222-1 Notice to Government of Labor Disputes (Feb 1997) . Contracting Officer shall mean Buyer.

- 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation** (Jul 2005) . Buyer may withhold or recover from Seller the amount of any sums the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.
- 52.222-20 Walsh-Healy Public Contracts Act** (Dec 1996) . This clause applies only if this contract exceeds \$10,000.
- 52.222-21 Prohibition of Segregated Facilities** (Feb 1999) .
- 52.222-26 Equal Opportunity** (Mar 2007) .
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans** (Sep 2006) . This clause applies only if this contract exceeds \$100,000.
- 52.222-36 Affirmative Action for Workers With Disabilities** (Jun 1998) . This clause applies only if this contract exceeds \$ 10,000.
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans** (Sep 2006) . This clause applies only if this contract exceeds \$100,000.
- 52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees** (Dec 2004) . This clause applies only if this contract exceeds \$100,000.
- 52.222-50 Combating Trafficking in Persons** (Aug 2007) . In paragraph (d), the term “Contracting Officer” means Buyer, and in paragraph (e), the term “the Government” means Buyer..
- 52.223-3 Hazardous Material Identification and Material Safety Data** (Jan 1997) . This clause applies only if Seller delivers hazardous material under this contract.
- 52.223-11 Ozone Depleting Substances** (May 2001) . .
- 52.223-14 Toxic Chemical Release Reporting (excluding subparagraph (e))** (Aug 2003) . This clause applies only if this contract is not for commercial items as defined in FAR Part 2, was competitively awarded, and exceeds \$100,000 (including all options).
- 52.224-2 Privacy Act** (Apr 1984) . This clause applies only if Seller is required to design, develop, or operate a system of records contemplated by this clause.
- 52.225-8 Duty-free Entry** (Feb 2000) . This clause applies only if this contract identifies supplies to be afforded duty-free entry or if foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States. For the purposes of this clause, the blanks in paragraph (g)(3) are completed as follows: UNITED

STATES GOVERNMENT, DEPARTMENT OF DEFENSE, Duty-free entry is claimed pursuant Section XXII, Chapter 98, Subchapter VIII, Item No. 9808.00.30 of the Harmonized Tariff Schedule of the United States. Upon arrival of shipment at port of entry, the importer or authorized agent will notify Commander, Defense Contract Management Area Operations (DCMAO, New York, 201 Varick Street, New York, New York, 10014-4811, Attention DCRN-NCT) for execution of Customs Forms 7501, 7501-A, or 7506 and required duty free entry certificates.

52.225-13 Restrictions on Certain Foreign Purchases (Jun 2008) .

52.227-1 Authorization and Consent (Dec 2007) .

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007) . A copy of each notice sent to the Government will be sent to Buyer.

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

52.227-13 PATENT RIGHTS -- OWNERSHIP BY THE GOVERNMENT (Dec 2007) .

52.227-21 Technical Data Declaration, Revision, and Withholding of Payment - Major Systems (Dec 2007) .

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

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

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

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

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

52.242-15 Stop Work Order (Aug 1989), Alternate I (Apr 1984) . Change "90 days" and "30 days" to "100 days" and "20 days" respectively. The terms "Contracting Officer" and "Government" shall mean Buyer. In the first sentence of Alternate I, "the Termination clause of this contract" is modified to read "the Termination/Cancellation clause of this contract."

52.244-5 Competition in Subcontracting (Dec 1996) .

52.244-6 Subcontracts for Commercial Items (Mar 2007) .

52.245-1 Government Property (Jun 2007) .

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

(a) Definitions. As used in this clause—

“Acquisition cost” means the cost to acquire a tangible capital asset including the purchase price of the

asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use

include the cost of placing the asset in location and bringing the asset to a condition necessary for normal

or expected use.

“Cannibalize” means to remove serviceable parts from one item of equipment in order to install them on

another item of equipment.

“Contractor-acquired property” means property acquired, fabricated, or otherwise provided by the Contractor for performing a contract, and to which the Government has title.

“Contractor inventory” means—

(1) Any property acquired by and in the possession of a Contractor or subcontractor

under a contract for which title is vested in the Government and which exceeds the amounts needed to

complete full performance under the entire contract;

(2) Any property that the Government is obligated or has the option to take over under

any type of contract, e.g., as a result either of any changes in the specifications or plans thereunder or of

the termination of the contract (or subcontract thereunder), before completion of the work, for the

convenience or at the option of the Government; and

(3) Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.

“Contractor's managerial personnel” means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of—

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operation at any one plant or separate location; or

(3) A separate and complete major industrial operation.

“Demilitarization” means rendering a product unusable for, and not restorable to, the purpose for which it

was designed or is customarily used.

“Discrepancies incident to shipment” means any differences (e.g., count or condition) between the items

documented to have been shipped and items actually received.

“Equipment” means a tangible asset that is functionally complete for its intended purpose, durable,

nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and

does not ordinarily lose its identity or become a component part of another article when put into use.

“Government-furnished property” means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract.

“Government property” means all property owned or leased by the Government. Government property

includes both Government-furnished and Contractor-acquired property.

“Material” means property that may be consumed or expended during the performance of a contract,

component parts of a higher assembly, or items that lose their individual identity through incorporation

into an end-item. Material does not include equipment, special tooling and special test equipment.

“Nonseverable” means property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed.

“Precious metals” means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

“Property” means all tangible property, both real and personal.

“Property Administrator” means an authorized representative of the Contracting Officer appointed in

accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a Contractor.

“Provide” means to furnish, as in Government-furnished property, or to acquire, as in contractor-acquired

property.

“Real property” means land and rights in land, ground improvements, utility distribution systems, and

buildings and other structures. It does not include foundations and other work necessary for installing

personal property.

“Sensitive property” means property potentially dangerous to the public safety or security if stolen, lost, or

misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability.

Examples include weapons, ammunition, explosives, controlled substances, radioactive materials,

hazardous materials or wastes, or precious metals.

“Surplus property” means excess personal property not required by any Federal agency as determined by

the Administrator of the General Services Administration (GSA).

(b) Property management.

(1) The Contractor shall have a system to manage (control, use, preserve, protect, repair and maintain) Government property in its possession. The system shall be adequate to satisfy the

requirements of this clause. In doing so, the Contractor shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective control of Government property,

consistent with voluntary consensus standards and/or industry-leading practices and standards for

Government property management except where inconsistent with law or regulation. During the period of

performance, the Contractor shall disclose any significant changes to their property management system

to the Property Administrator prior to implementation.

(2) The Contractor's responsibility extends from the initial acquisition and receipt of

property, through stewardship, custody, and use until formally relieved of responsibility by authorized

means, including delivery, consumption, expending, disposition, or via a completed investigation,

evaluation, and final determination for lost, damaged, destroyed, or stolen property. This requirement

applies to all Government property under the Contractor's accountability, stewardship, possession or

control, including its vendors or subcontractors (see paragraph (f)(1)(v) of this clause).

(3) The Contractor shall include the requirements of this clause in all subcontracts under

which Government property is acquired or furnished for subcontract performance.

(c) Use of Government property. The Contractor shall use Government property, either furnished

or acquired under this contract, only for performing this contract, unless otherwise provided for in this

contract or approved by the Contracting Officer. The Contractor shall not modify, cannibalize, or make

alterations to Government property unless this contract specifically identifies the modifications, alterations

or improvements as work to be performed.

(d) Government-furnished property.

(1) The Government shall deliver to the Contractor the Government-furnished property

described in this contract. The Government shall furnish related data and information needed for the

intended use of the property. The warranties of suitability of use and timely delivery of Government-furnished

property do not apply to property acquired or fabricated by the Contractor as contractor-acquired property and subsequently transferred to another contract with this Contractor.

(2) The delivery and/or performance dates specified in this contract are based upon the

expectation that the Government-furnished property will be suitable for contract performance and will be

delivered to the Contractor by the dates stated in the contract.

(i) If the property is not delivered to the Contractor by the dates stated in the

contract, the Contracting Officer shall, upon the Contractor's timely written request, consider an equitable

adjustment to the contract.

(ii) In the event property is received by the Contractor, or for Government-furnished

property after receipt and installation, in a condition not suitable for its intended use, the

Contracting Officer shall, upon the Contractor's timely written request, advise the Contractor on a course

of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or

otherwise disposing of the property at the Government's expense. Upon completion of the required

action(s), the Contracting Officer shall consider an equitable adjustment to the contract (see also paragraph (f)(1)(ii)(A) of this clause).

(iii) The Government may, at its option, furnish property in an "as-is" condition.

The Contractor will be given the opportunity to inspect such property prior to the property being provided.

In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of

the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the

Contractor's expense.

(3)(i) The Contracting Officer may by written notice, at any time—

(A) Increase or decrease the amount of Government-furnished property

under this contract;

(B) Substitute other Government-furnished property for the property

previously furnished, to be furnished, or to be acquired by the Contractor for the Government under this

contract; or

(C) Withdraw authority to use property.

(ii) Upon completion of any action(s) under paragraph (d)(3)(i) of this clause, and

the Contractor's timely written request, the Contracting Officer shall consider an equitable adjustment to

the contract.

(e) Title to Government property.

(1) The Government shall retain title to all Government-furnished property. Title to

Government property shall not be affected by its incorporation into or attachment to any property not

owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(2) Fixed-price contracts.

(i) All Government-furnished property and all property acquired by the Contractor,

title to which vests in the Government under this paragraph (collectively referred to as "Government

property"), are subject to the provisions of this clause.

(ii) Title to each item of equipment, special test equipment and special tooling

acquired by the Contractor for the Government under this contract shall pass to and vest in the

Government when its use in performing this contract commences or when the Government has paid for it,

whichever is earlier, whether or not title previously vested in the Government.

(iii) If this contract contains a provision directing the Contractor to purchase

material for which the Government will reimburse the Contractor as a direct item of cost under this

contract—

(A) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(B) Title to all other material shall pass to and vest in the Government upon—

(1) Issuance of the material for use in contract performance;

(2) Commencement of processing of the material or its use in contract performance; or

(3) Reimbursement of the cost of the material by the Government, whichever occurs first.

(3) Title under Cost-Reimbursement or Time-and-Material Contracts or Cost-Reimbursable contract line items under Fixed-Price contracts.

(i) Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this contract shall pass to and vest in the Government upon the vendor's delivery of such property.

(ii) Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon—

(A) Issuance of the property for use in contract performance;

(B) Commencement of processing of the property for use in contract performance; or

(C) Reimbursement of the cost of the property by the Government, whichever occurs first.

(iii) All Government-furnished property and all property acquired by the

Contractor, title to which vests in the Government under this paragraph (e)(3)(iii) (collectively referred to

as "Government property)", are subject to the provisions of this clause.

(f) Contractor plans and systems.

(1) Contractors shall establish and implement property management plans, systems, and procedures at the contract, program, site or entity level to enable the following outcomes:

(i) Acquisition of Property. The Contractor shall document that all property was acquired consistent with its engineering, production planning, and material control operations.

(ii) Receipt of Government Property. The Contractor shall receive Government

property (document the receipt), record the information necessary to meet the record requirements of

paragraph (f)(1)(iii)(A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any

discrepancies incident to shipment.

(A) Government-furnished property. The Contractor shall furnish a

written statement to the Property Administrator containing all relevant facts, such as cause or condition

and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies

are discovered upon receipt of Government-furnished property.

(B) Contractor-acquired property. The Contractor shall take all actions

necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon

receipt, in shipment of Contractor-acquired property from a vendor or supplier, so as to ensure the proper

allocability and allowability of associated costs.

(iii) Records of Government property. The Contractor shall create and maintain

records of all Government property accountable to the contract, including Government-furnished and

Contractor-acquired property.

(A) Property records shall enable a complete, current, auditable record of

all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

(1) The name, part number and description, manufacturer, model

number, and National Stock Number (if needed for additional item identification tracking and/or disposition).

(2) Quantity received (or fabricated), issued, and balance-onhand.

(3) Unit acquisition cost.

(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

(5) Unit of measure.

(6) Accountable contract number or equivalent code designation.

(7) Location.

(8) Disposition.

(9) Posting reference and date of transaction.

(10) Date placed in service.

(B) Use of a Receipt and Issue System for Government Material. When

approved by the Property Administrator, the Contractor may maintain, in lieu of formal property records, a

file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is

issued for immediate consumption.

(iv) Physical inventory. The Contractor shall periodically perform, record, and

disclose physical inventory results. A final physical inventory shall be performed upon contract completion

or termination. The Property Administrator may waive this final inventory requirement, depending on the

circumstances (e.g., overall reliability of the Contractor's system or the property is to be transferred to a

follow-on contract).

(v) Subcontractor control.

(A) The Contractor shall award subcontracts that clearly identify assets

to be provided and shall ensure appropriate flow down of contract terms and conditions (e.g., extent of

liability for loss, damage, destruction or theft of Government property).

(B) The Contractor shall assure its subcontracts are properly

administered and reviews are periodically performed to determine the adequacy of the subcontractor's

property management system.

(vi) Reports. The Contractor shall have a process to create and provide reports of

discrepancies; loss, damage, destruction, or theft; physical inventory results; audits and selfassessments;

corrective actions; and other property related reports as directed by the Contracting Officer.

(A) Loss, damage, destruction, or theft. Unless otherwise directed by the

Property Administrator, the Contractor shall investigate and promptly furnish a written narrative of all

incidents of loss, damage, destruction, or theft to the property administrator as soon as the facts become

known or when requested by the Government.

(B) Such reports shall, at a minimum, contain the following information:

(1) Date of incident (if known).

(2) The name, commercial description, manufacturer, model

number, and National Stock Number (if applicable).

(3) Quantity.

- (4) Unique Item Identifier (if available).
- (5) Accountable Contract number.
- (6) A statement indicating current or future need.
- (7) Acquisition cost, or if applicable, estimated scrap proceeds, estimated repair or replacement costs.
- (8) All known interests in commingled property of which the Government property is a part.
- (9) Cause and corrective action taken or to be taken to prevent recurrence.
- (10) A statement that the Government will receive any reimbursement covering the loss, damage, destruction, or theft, in the event the Contractor was or will be reimbursed or compensated.
- (11) Copies of all supporting documentation.
- (12) Last known location.
- (13) A statement that the property did or did not contain sensitive or hazardous material, and if so, that the appropriate agencies were notified.
- (vii) Relief of stewardship responsibility. Unless the contract provides otherwise, the Contractor shall be relieved of stewardship responsibility for Government property when such property is—
 - (A) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract, including reasonable inventory adjustments of material as determined by the Property Administrator; or a Property Administrator granted relief of responsibility for loss, damage, destruction or theft of Government property;
 - (B) Delivered or shipped from the Contractor's plant, under Government

instructions, except when shipment is to a subcontractor or other location of the Contractor; or

(C) Disposed of in accordance with paragraphs (j) and (k) of this clause.

(viii) Utilizing Government property.

(A) The Contractor shall utilize, consume, move, and store Government

Property only as authorized under this contract. The Contractor shall promptly disclose and report

Government property in its possession that is excess to contract performance.

(B) Unless otherwise authorized in this contract or by the Property

Administrator the Contractor shall not commingle Government property with property not owned by the

Government.

(ix) Maintenance. The Contractor shall properly maintain Government property.

The Contractor's maintenance program shall enable the identification, disclosure, and performance of

normal and routine preventative maintenance and repair. The Contractor shall disclose and report to the

Property Administrator the need for replacement and/or capital rehabilitation.

(x) Property closeout. The Contractor shall promptly perform and report to the

Property Administrator contract property closeout, to include reporting, investigating and securing closure

of all loss, damage, destruction, or theft cases; physically inventorying all property upon termination or

completion of this contract; and disposing of items at the time they are determined to be excess to

contractual needs.

(2) The Contractor shall establish and maintain Government accounting source data, as

may be required by this contract, particularly in the areas of recognition of acquisitions and dispositions of

material and equipment.

(3) The Contractor shall establish and maintain procedures necessary to assess its

property management system effectiveness, and shall perform periodic internal reviews and audits.

Significant findings and/or results of such reviews and audits pertaining to Government property shall be

made available to the Property Administrator.

(g) Systems analysis.

(1) The Government shall have access to the contractor's premises and all Government

property, at reasonable times, for the purposes of reviewing, inspecting and evaluating the Contractor's

property management plan, systems, procedures, records, and supporting documentation that pertains to

Government property.

(2) Records of Government property shall be readily available to authorized Government

personnel and shall be safeguarded from tampering or destruction.

(3) Should it be determined by the Government that the Contractor's property

management practices are inadequate or not acceptable for the effective management and/or control of

Government property under this contract, and/or present an undue risk to the Government, the Contractor

shall immediately take all necessary corrective actions as directed by the Property Administrator.

(4) The Contractor shall ensure Government access to subcontractor premises, and all

Government property located at subcontractor premises, for the purposes of reviewing, inspecting and

evaluating the subcontractor's property management plan, systems, procedures, records, and supporting

documentation that pertains to Government property.

(h) Contractor Liability for Government Property.

(1) Unless otherwise provided for in the contract, the Contractor shall not be liable for

loss, damage, destruction, or theft to the Government property furnished or acquired under this contract,

except when any one of the following applies—

(i) The risk is covered by insurance or the Contractor is otherwise reimbursed (to

the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in

accordance with 31.205-19.

(ii) The loss, damage, destruction, or theft is the result of willful misconduct or

lack of good faith on the part of the Contractor's managerial personnel. Contractor's managerial

personnel, in this clause, means the Contractor's directors, officers, managers, superintendents, or

equivalent representatives who have supervision or direction of all or substantially all of the Contractor's

business; all or substantially all of the Contractor's operation at any one plant or separate location; or a

separate and complete major industrial operation.

(iii) The Contracting Officer has, in writing, revoked the Government's assumption

of risk for loss, damage, destruction, or theft, due to a determination under paragraph (g) of this clause

that the Contractor's property management practices are inadequate, and/or present an undue risk to the

Government, and the Contractor failed to take timely corrective action. If the Contractor can establish by

clear and convincing evidence that the loss, damage, destruction, or theft of Government property

occurred while the Contractor had adequate property management practices or the loss, damage,

destruction, or theft of Government property did not result from the Contractor's failure to maintain

adequate property management practices, the Contractor shall not be held liable.

(2) The Contractor shall take all reasonable actions necessary to protect the Government

property from further loss, damage, destruction, or theft. The Contractor shall separate the damaged and

undamaged Government property, place all the affected Government property in the best possible order,

and take such other action as the Property Administrator directs.

(3) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss, damage, destruction, or theft of Government property.

(4) Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation, including the prosecution of suit and the execution of instruments of assignment in favor of the Government in obtaining recovery.

(i) Equitable adjustment. Equitable adjustments under this clause shall be made in accordance with the procedures of the Changes clause. The right to an equitable adjustment shall be the Contractor's exclusive remedy and the Government shall not be liable to suit for breach of contract for the following:

(1) Any delay in delivery of Government-furnished property.

(2) Delivery of Government-furnished property in a condition not suitable for its intended use.

(3) An increase, decrease, or substitution of Government-furnished property.

(4) Failure to repair or replace Government property for which the Government is responsible.

(j) Contractor inventory disposal. Except as otherwise provided for in this contract, the Contractor shall not dispose of Contractor inventory until authorized to do so by the Plant Clearance Officer.

(1) Scrap to which the Government has obtained title under paragraph (e) of this clause.

(i) Contractor with an approved scrap procedure.

(A) The Contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, the Contractor shall submit the scrap on an inventory disposal schedule.

(B) For scrap from other than production or testing the Contractor may

prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the

approved scrap procedures), except that inventory disposal schedules shall be submitted for scrap

aircraft or aircraft parts and scrap that—

- (1) Requires demilitarization;
- (2) Is a classified item;
- (3) Is generated from classified items;
- (4) Contains hazardous materials or hazardous wastes;
- (5) Contains precious metals; or
- (6) Is dangerous to the public health, safety, or welfare.

(ii) Contractor without an approved scrap procedure. The Contractor shall submit

an inventory disposal schedule for all scrap. The Contractor may not dispose of scrap resulting from

production or testing under this contract without Government approval.

(2) Predisposal requirements.

(i) Once the Contractor determines that Contractor-acquired property is no longer needed for contract performance, the Contractor in the following order of priority—

(A) May contact the Contracting Officer if use of the property in the

performance of other Government contracts is practical;

(B) May purchase the property at the acquisition cost; or

(C) Shall make reasonable efforts to return unused property to the

appropriate supplier at fair market value (less, if applicable, a reasonable restocking fee that is consistent

with the supplier's customary practices).

(ii) The Contractor shall list, on Standard Form 1428, Inventory Disposal

Schedule, property that was not used in the performance of other Government contracts under paragraph

(j)(2)(i)(A) of this clause, property that was not purchased under paragraph (j)(2)

(i)(B) of this clause, and property that could not be returned to a supplier under paragraph (j)(2)(i)(C) of

this clause.

(3) Inventory disposal schedules.

(i) The Contractor shall use Standard Form 1428, Inventory Disposal Schedule, to identify—

(A) Government-furnished property that is no longer required for

performance of this contract, provided the terms of another Government contract do not require the

Government to furnish that property for performance of this contract;

(B) Contractor-acquired property, to which the Government has obtained

title under paragraph (e) of this clause, which is no longer required for performance of that contract; and

(C) Termination inventory.

(ii) The Contractor may annotate inventory disposal schedules to identify property the Contractor wishes to purchase from the Government.

(iii) Unless the Plant Clearance Officer has agreed otherwise, or the contract

requires electronic submission of inventory disposal schedules, the Contractor shall prepare separate

inventory disposal schedules for—

(A) Special test equipment with commercial components;

(B) Special test equipment without commercial components;

(C) Printing equipment;

(D) Information technology (e.g., computers, computer components, peripheral equipment, and related equipment);

(E) Precious metals;

(F) Mononuclear hazardous materials or hazardous wastes; or

(G) Nuclear materials or nuclear wastes.

(iv) The Contractor shall describe the property in sufficient detail to permit an understanding of its intended use. Property with the same description, condition code, and reporting

location may be grouped in a single line item.

(4) Submission requirements. The Contractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than—

(i) 30-days following the Contractor's determination that a Government property item is no longer required for performance of this contract;

(ii) 60 days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(iii) 120 days, or such longer period as may be approved by the Termination Contracting Officer following contract termination in whole or in part.

(5) Corrections. The Plant Clearance Officer may—

(i) Reject a schedule for cause (e.g., contains errors, determined to be inaccurate); and

(ii) Require the Contractor to correct an inventory disposal schedule.

(6) Postsubmission adjustments. The Contractor shall notify the Plant Clearance Officer

at least 10 working days in advance of its intent to remove an item from an approved inventory disposal

schedule. Upon approval of the Plant Clearance Officer, or upon expiration of the notice period, the

Contractor may make the necessary adjustments to the inventory schedule.

(7) Storage.

(i) The Contractor shall store the property identified on an inventory disposal

schedule pending receipt of disposal instructions. The Government's failure to furnish disposal

instructions within 120 days following acceptance of an inventory disposal schedule may entitle the

Contractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Contractor shall obtain the Plant Clearance Officer's approval to remove

Government property from the premises where the property is currently located prior to receipt of final

disposition instructions. If approval is granted, any costs incurred by the Contractor to transport or store

the property shall not increase the price or fee of any Government contract. The storage facility shall be

appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve

the Contractor of any liability for such property under this contract.

(8) Disposition instructions.

(i) If the Government does not furnish disposition instructions to the Contractor

within 45 days following acceptance of a scrap list, the Contractor may dispose of the listed scrap in

accordance with the Contractor's approved scrap procedures.

(ii) The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of

Contractor inventory as directed by the Plant Clearance Officer. If not returned to the Government, the

Contractor shall remove and destroy any markings identifying the property as U.S. Government-owned

property prior to its disposal.

(iii) The Contracting Officer may require the Contractor to demilitarize the

property prior to shipment or disposal. In such cases, the Contractor may be entitled to an equitable

adjustment under paragraph (i) of this clause.

(9) Disposal proceeds. As directed by the Contracting Officer, the Contractor shall credit

the net proceeds from the disposal of Contractor inventory to the contract, or to the Treasury of the United

States as miscellaneous receipts.

(10) Subcontractor inventory disposal schedules. The Contractor shall require its Subcontractors to submit inventory disposal schedules to the Contractor in accordance with the requirements of paragraph (j)(4) of this clause.

(k) Abandonment of Government property.

(1) The Government shall not abandon sensitive Government property or termination inventory without the Contractor's written consent.

(2) The Government, upon notice to the Contractor, may abandon any nonsensitive Government property in place, at which time all obligations of the Government regarding such property shall cease.

(3) The Government has no obligation to restore or rehabilitate the Contractor's premises under any circumstances; however, if Government-furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (i) of this clause may properly include restoration or rehabilitation costs.

(l) Communication. All communications under this clause shall be in writing.

(m) Contracts outside the United States. If this contract is to be performed outside of the United States and its outlying areas, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Governmentfurnished," respectively.

52.245-1 Government Property (Jun 2007) DEVIATION, Alternate I (Jun 2007) . This clause applies only if Government property is acquired or furnished for contract performance. Per DEVIATION 2007-O0012, the definition of plant equipment is deleted, and the second sentence in the definition of real property is modified to read: "It does not include foundations and other work necessary for installing personal property." .

52.248-1 Value Engineering (excluding subparagraph (f)) (Feb 2000) . The term "Contracting Officer" means Buyer. This clause applies only if this contract is for

\$100,000 or more. If Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant, concurrent and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of the net acquisition savings and collateral savings shall not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.

2. DoD FAR Supplement Clauses. DoD Contracts. The following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, \"Contractor\" and \"Offeror\" mean Seller except as otherwise noted.

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies (excluding paragraph (g)) (Dec 2004) . This clause applies only if this contract exceeds \$100,000 and does not apply to the purchase of commercial items or commercial components. \"Contractor\" and \"contract\" are not changed in paragraphs (a) and (b). In paragraph (e), \"Government\" shall mean Government or Buyer. In paragraph (f), \"through the Buyer\" is inserted after \"Contracting Officer\". Paragraph (g) is deleted and \"Contracting Officer\" shall mean Contracting Officer.

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

252.211-7000 Acquisition Streamlining (Dec 1991) . This clause applies only if this contract exceeds \$1 million.

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

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

252.219-7003 Small Business Subcontracting Plan (DoD Contracts) (Apr 2007) .

Except paragraph (g) which is hereby deleted.

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

252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (Sep 1999) .

This clause applies only if (1) this contract, or a subcontract at any tier, is for the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E) or (2) AA&E will be provided to Seller, or to a subcontractor at any tier, as Government-furnished property. "Arms, ammunition, and explosives (AA&E)" means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

252.225-7001 Buy American Act and Balance of Payment Program. (Jun 2005) .

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

252.225-7004 Report of Intended Performance Outside the United States and Canada - Submission After Award (May 2007) . The term "Contractor" in paragraph (b) and the term "Contracting Officer" in paragraphs (c) and (d) means "Buyer." This clause applies only if this contract exceeds \$550,000.

252.225-7006 Quarterly Reporting of Actual Contract Performance Outside the United States (May 2007) . This clause applies only if this contract exceeds \$550,000 and is not for commercial items, construction, ores, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.

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

252.225-7012 Preference for Certain Domestic Commodities (Mar 2008) .

252.225-7013 Duty-Free Entry (Oct 2006) . This clause applies if Seller is located in a qualifying country (as defined in DFARS Part 225.8) or if Seller is located in any other country and the estimated U.S. duty for the deliverable items will exceed \$200 per unit. Seller shall include the prime contract number on all shipping documents submitted to Customs for supplies for which duty-free entry is claimed pursuant to this clause. See Section 5 for the information required by paragraph (j)(3) of this clause.

252.225-7014 Preference For Domestic Specialty Metals (Jun 2005) (Deviation) - Alternate I (Deviation) (Jun 2005) .

252.225-7014 Preference for Domestic Specialty Metals (Jun 2005) - Alternate I (Apr 2003) .

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

(1) "Assembly" means an item forming a portion of a system or subsystem that can be provisioned and replaced as an entity and which incorporates multiple, replaceable parts.

(2) "Commercial derivative military article" means an item procured by the Department of Defense that is or will be produced using the same production facilities, a common supply chain, and the

same or similar production processes that are used for the production of articles predominantly used by

the general public or by nongovernmental entities for purposes other than governmental purposes.

(3) "Commercially available off-the-shelf item"--

(i) Means any item of supply that is--

(A) A commercial item;

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under a contract or subcontract at any

tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702), such as agricultural products and petroleum products.

(4) "Component" means any item supplied to the Government as part of an end item or of another component.

(5) "Electronic component" means an item that operates by controlling the flow of electrons or other electrically charged particles in circuits, using interconnections of electrical devices

such as resistors, inductors, capacitors, diodes, switches, transistors, or integrated circuits.

(6) "End item" means the final production product when assembled or completed, and ready for issue, delivery, or deployment.

(7) "Produce" means the application of forces or processes to a specialty metal to create desired physical properties through quenching or tempering of steel plate, or gas atomization or

sputtering of titanium.

(8) "Qualifying country" means any country listed in subsection 225.872-1(a) or (b) of the Defense Federal Acquisition Regulation Supplement (DFARS).

(9) "Required form" means in the form of mill product, such as bar, billet, wire, slab, plate or sheet, and in the grade appropriate for the production of--

(i) A finished end item delivered to the Department of Defense; or

(ii) A finished component assembled into an end item delivered to the Department of Defense.

(10) "Specialty metal" means--

(i) Steel--

(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements:

aluminum, chromium, cobalt, molybdenum, nickel, niobium (columbium), titanium, tungsten, or vanadium;

(ii) Metal alloys consisting of--

(A) Nickel or iron-nickel alloys that contain a total of alloying metals other than nickel and iron in excess of 10 percent; or

(B) Cobalt alloys that contain a total of alloying metals other than cobalt and iron in excess of 10 percent;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium alloys.

(11) "Subsystem" means a functional grouping of items that combine to perform a major function within an end item, such as electrical power, attitude control, and propulsion.

(b) Except as provided in paragraph (c) of this clause, any specialty metals incorporated in items delivered under this contract shall be melted or produced in the United States, its outlying areas, or a

qualifying country, except for--

(1) Electronic components;

(2)(i) Commercially available off-the-shelf (COTS) items; other than--

(A) COTS fasteners, unless such fasteners are incorporated into COTS

end items, subsystems, assemblies, or components.

(B) Forgings or castings of specialty metals, unless such forgings or

castings are incorporated into COTS end items, subsystems, or assemblies.

(C) Commercially available high performance magnets, unless such

high performance magnets are incorporated into COTS end items or subsystems;

(ii) A COTS item is considered to be "offered without modification" as long as it

is not modified prior to contractual acceptance by the next higher tier in the supply chain.

(A) Specialty metals contained in a COTS item that was accepted

without modification by the next higher tier are excepted and remain excepted even if a piece of the

COTS item subsequently is removed (e.g., the end is removed from a COTS screw or an extra hole is

drilled in a COTS bracket).

(B) For specialty metals that were not contained in a COTS item upon

acceptance, but are added to the COTS item after acceptance, the added specialty metals are subject to

the restrictions (e.g., a special reinforced handle made of specialty metal that is added to a COTS item).

(C) If two or more COTS items are combined in such a way that the

resultant item is not a COTS item, only the specialty metals involved in joining the COTS items together

are subject to the restrictions (e.g., a COTS aircraft is outfitted with a COTS engine, but not the COTS

engine normally provided with that aircraft.)

(D) For COTS items that are normally sold in the commercial

marketplace with various options, items that include such options are also COTS items. However, if a

COTS item is offered to the Government with an option that is not normally offered in the commercial

marketplace, that option is subject to the specialty metals restrictions. (e.g., An aircraft is normally sold to

the public with an option for several different radios. DoD requests a military-unique radio. The aircraft is

still a COTS item, but the military-unique radio is not a COTS item, and must comply with the specialty

metals restrictions, unless another exception applies.

(3) Fasteners that are commercial items that are purchased under a contract or

subcontract with a manufacturer of such fasteners, if the manufacturer has certified that it will purchase,

during the relevant calendar year, an amount of domestically melted specialty metal, in the required form,

for use in the production of fasteners for sale to the Department of Defense and other customers, that is

not less than 50% of the total amount of the specialty metal that it will purchase to carry out the production of such fasteners for all customers.

(4) Items manufactured in a qualifying country;

(5) Items for which the Government has determined in accordance with 225.700X-3 of

Class Deviation 2008-00002 that specialty metal melted or produced in the United States cannot be

acquired as and when needed in--

(i) A satisfactory quality;

(ii) A sufficient quantity; and

(iii) The required form.

(6) Specialty metals, other than specialty metals in high performance magnets, that do

not meet any of the exceptions in paragraphs (b)(1) through (5) of this clause, if the total weight of such

noncompliant metals does not exceed 2 percent of the total weight of specialty metals in the item, as

estimated in good faith by the Contractor.

(c)(1) Streamlined compliance for commercial derivative military articles. As an alternative to the compliance required in paragraph (b) of this clause, the Contractor may purchase an amount of domestically melted specialty metals in the required form, for use during the period of contract performance in the production of the commercial derivative military article and the related commercial

article, in the amount determined in accordance with paragraph (c)(2) of this clause, if--

(i) This is an acquisition of commercial derivative military articles; and

(ii) The Contractor has certified in its offer in accordance with paragraph (c)(2) of this clause.

(2) Certification for streamlined compliance for commercial derivative military articles (to

be submitted with offer when applicable). The offeror ___ certifies ___ does not certify that prior to award

it will have entered into a contractual agreement or agreements to purchase an amount of domestically

melted or produced specialty metal in the required form for use during the period of contract performance

in the production of the commercial derivative military article and the related commercial article, that is not

less than the Contractor's good faith estimate of the greater of--

(i) An amount equivalent to 120% of the amount of specialty metal that is

required to carry out the production of the commercial derivative military article (including the work

performed under each subcontract); or

(ii) An amount equivalent to 50% of the amount of specialty metal that is

purchased by the Contractor and its subcontractors for use during such period in the production of the

commercial derivative military article and the related commercial article.

(3) For the purposes of the certification in paragraph (c)(2) of this clause, the amount of specialty metal that is required to carry out the production of the commercial derivative military article

includes specialty metal contained in any item, including commercially available off-the-shelf items,

incorporated into such commercial derivative military article.

(d) Unless the Contractor has certified in accordance with paragraph (c), the Contractor shall insert the substance of this clause, excluding paragraph (c) but including this paragraph (d), in all subcontracts for articles containing specialty metals.

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (Mar 2006) .

This clause does not apply to the purchase of commercial items other than ball or roller bearings or to items which contain no ball or roller bearings.

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

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

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

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

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

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

252.227-7027 Deferred Ordering of Technical Data or Computer Software (Apr 1988) . This clause applies only if technical data or computer software may be generated as part of the performance of this contract.

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

252.227-7037 Validation of Restrictive Markings on Technical Data (Sep 1999) . This clause applies only if the delivery of data is required by this contract.

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

252.231-7000 Supplemental Cost Principles (Dec 1991) .

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

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

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

252.235-7003 FREQUENCY AUTHORIZATION (Dec 1991) - **Alternate 1** (Aug 2008) .

Para (a), name of contracting agency(ies): 'United States Air Force'

Para (a), contract number(s): 'FA8678-09-R-0001'

Para (b), name of contracting agency(ies): 'United States Air Force'

252.239-7000 Protection Against Compromising Emanations (Jun 2004) . This clause applies only if computer equipment or systems that will be used to process classified information will be delivered under this contract.

252.242-7002 Earned Value Management System (Mar 2005) . This clause applies only if it is indicated elsewhere in this contract that Seller must use an earned value management system (EVMS)..

252.242-7005 Cost/Schedule Status Reports (Mar 2005) . This clause applies to this contract if the contract is more than 12 months in duration and is other than firm-fixed-price.

252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (Jan 2007) .

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

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

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

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

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

252.247-7023 Transportation of Supplies by Sea (May 2002) . This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), "45 days" is changed to "60 days." In paragraph (g) "Government" means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

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

252.249-7002 Notification of Anticipated Contract Terminations or Reduction (Dec 2006) . This clause applies only if this contract is \$550,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

252.251-7000 Ordering From Government Supply Sources (Nov 2004) .

This clause applies only if Seller is notified by Buyer that Seller is authorized to purchase from Government supply sources in the performance of this contract.

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

52.203-13 Contractor Code of Business Ethics and Conduct (Dec 2008) . This clause applies only if this contract is in excess of \$5,000,000 and has a period of performance of more than 120 days.

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

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

52.222-26 Equal Opportunity (Mar 2007) .

52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006) . This clause applies only if this contract exceeds \$100,000.

52.222-36 Affirmative Action for Workers With Disabilities (Jun 1998) . This clause applies only if this contract exceeds \$10,000.

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

252.225-7012 Preference for Certain Domestic Commodities (Jan 2007) .

252.225-7014 Preference for Domestic Specialty Metals (DEVIATION) (Jun 2005)

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

(1) "Assembly" means an item forming a portion of a system or subsystem that can be provisioned and replaced as an entity and which incorporates multiple, replaceable parts.

(2) "Commercial derivative military article" means an item procured by the Department of

Defense that is or will be produced using the same production facilities, a common supply chain, and the

same or similar production processes that are used for the production of articles predominantly used by

the general public or by nongovernmental entities for purposes other than governmental purposes.

(3) "Commercially available off-the-shelf item"--

(i) Means any item of supply that is--

(A) A commercial item;

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under a contract or subcontract at any

tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702), such as agricultural products and petroleum products.

(4) "Component" means any item supplied to the Government as part of an end item or of another component.

(5) "Electronic component" means an item that operates by controlling the flow of electrons or other electrically charged particles in circuits, using interconnections of electrical devices such as resistors, inductors, capacitors, diodes, switches, transistors, or integrated circuits.

(6) "End item" means the final production product when assembled or completed, and ready for issue, delivery, or deployment.

(7) "Produce" means the application of forces or processes to a specialty metal to create desired physical properties through quenching or tempering of steel plate, or gas atomization or sputtering of titanium.

(8) "Qualifying country" means any country listed in subsection 225.872-1(a) or (b) of the Defense Federal Acquisition Regulation Supplement (DFARS).

(9) "Required form" means in the form of mill product, such as bar, billet, wire, slab, plate

or sheet, and in the grade appropriate for the production of--

(i) A finished end item delivered to the Department of Defense; or

(ii) A finished component assembled into an end item delivered to the Department of Defense.

(10) "Specialty metal" means--

(i) Steel--

(A) With a maximum alloy content exceeding one or more of the

following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements:

aluminum, chromium, cobalt, molybdenum, nickel, niobium (columbium), titanium, tungsten, or vanadium;

(ii) Metal alloys consisting of--

(A) Nickel or iron-nickel alloys that contain a total of alloying metals

other than nickel and iron in excess of 10 percent; or

(B) Cobalt alloys that contain a total of alloying metals other than cobalt

and iron in excess of 10 percent;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium alloys.

(11) "Subsystem" means a functional grouping of items that combine to perform a major function within an end item, such as electrical power, attitude control, and propulsion.

(b) Except as provided in paragraph (c) of this clause, any specialty metals incorporated in items delivered under this contract shall be melted or produced in the United States, its outlying areas, or a

qualifying country, except for--

(1) Electronic components;

(2)(i) Commercially available off-the-shelf (COTS) items; other than--

(A) COTS fasteners, unless such fasteners are incorporated into COTS end items, subsystems, assemblies, or components.

(B) Forgings or castings of specialty metals, unless such forgings or castings are incorporated into COTS end items, subsystems, or assemblies.

(C) Commercially available high performance magnets, unless such high performance magnets are incorporated into COTS end items or subsystems;

(ii) A COTS item is considered to be "offered without modification" as long as it is not modified prior to contractual acceptance by the next higher tier in the supply chain.

(A) Specialty metals contained in a COTS item that was accepted

without modification by the next higher tier are excepted and remain excepted even if a piece of the

COTS item subsequently is removed (e.g., the end is removed from a COTS screw or an extra hole is

drilled in a COTS bracket).

(B) For specialty metals that were not contained in a COTS item upon

acceptance, but are added to the COTS item after acceptance, the added specialty metals are subject to

the restrictions (e.g., a special reinforced handle made of specialty metal that is added to a COTS item).

(C) If two or more COTS items are combined in such a way that the

resultant item is not a COTS item, only the specialty metals involved in joining the COTS items together

are subject to the restrictions (e.g., a COTS aircraft is outfitted with a COTS engine, but not the COTS

engine normally provided with that aircraft.)

(D) For COTS items that are normally sold in the commercial

marketplace with various options, items that include such options are also COTS items. However, if a

COTS item is offered to the Government with an option that is not normally offered in the commercial

marketplace, that option is subject to the specialty metals restrictions. (e.g., An aircraft is normally sold to

the public with an option for several different radios. DoD requests a military-unique radio. The aircraft is

still a COTS item, but the military-unique radio is not a COTS item, and must comply with the specialty

metals restrictions, unless another exception applies.

(3) Fasteners that are commercial items that are purchased under a contract or

subcontract with a manufacturer of such fasteners, if the manufacturer has certified that it will purchase,

during the relevant calendar year, an amount of domestically melted specialty metal, in the required form,

for use in the production of fasteners for sale to the Department of Defense and other customers, that is

not less than 50% of the total amount of the specialty metal that it will purchase to carry out the production of such fasteners for all customers.

(4) Items manufactured in a qualifying country;

(5) Items for which the Government has determined in accordance with 225.700X-3 of

Class Deviation 2008-00002 that specialty metal melted or produced in the United States cannot be

acquired as and when needed in--

(i) A satisfactory quality;

(ii) A sufficient quantity; and

(iii) The required form.

(6) Specialty metals, other than specialty metals in high performance magnets, that do

not meet any of the exceptions in paragraphs (b)(1) through (5) of this clause, if the total weight of such

noncompliant metals does not exceed 2 percent of the total weight of specialty metals in the item, as

estimated in good faith by the Contractor.

(c)(1) Streamlined compliance for commercial derivative military articles. As an alternative to the

compliance required in paragraph (b) of this clause, the Contractor may purchase an amount of

domestically melted specialty metals in the required form, for use during the period of contract

performance in the production of the commercial derivative military article and the related commercial

article, in the amount determined in accordance with paragraph (c)(2) of this clause, if--

(i) This is an acquisition of commercial derivative military articles; and

(ii) The Contractor has certified in its offer in accordance with paragraph (c)(2) of

this clause.

(2) Certification for streamlined compliance for commercial derivative military articles (to

be submitted with offer when applicable). The offeror ___ certifies ___ does not certify that prior to award

it will have entered into a contractual agreement or agreements to purchase an amount of domestically

melted or produced specialty metal in the required form for use during the period of contract performance

in the production of the commercial derivative military article and the related commercial article, that is not

less than the Contractor's good faith estimate of the greater of--

(i) An amount equivalent to 120% of the amount of specialty metal that is

required to carry out the production of the commercial derivative military article (including the work

performed under each subcontract); or

(ii) An amount equivalent to 50% of the amount of specialty metal that is

purchased by the Contractor and its subcontractors for use during such period in the production of the

commercial derivative military article and the related commercial article.

(3) For the purposes of the certification in paragraph (c)(2) of this clause, the amount of

specialty metal that is required to carry out the production of the commercial derivative military article

includes specialty metal contained in any item, including commercially available off-the-shelf items,

incorporated into such commercial derivative military article.

(d) Unless the Contractor has certified in accordance with paragraph (c), the Contractor shall

insert the substance of this clause, excluding paragraph (c) but including this paragraph (d), in all

subcontracts for articles containing specialty metals.

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

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

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

This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), "45 days" is changed to "60 days." In paragraph (g) "Government" means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

252.247-7024 Notification of Transportation of Supplies by Sea (Mar 2000) .

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

4. Cost Accounting Standards.

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