(a) The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. Unless provided for otherwise elsewhere in this contract, the only FAR clauses applicable to any portion of this contract that is for commercial items or commercial components, as those terms are defined at FAR 52.202-1, are the clauses listed in FAR 52.244-6 [see subparagraph (44) below]. In all of the following clauses, “Contractor” and “Offeror” shall mean Seller.

1. 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995). This clause applies only if this contract exceeds $100,000.

2. 52.203-7 Anti-Kickback Procedures (JUL 1995) [excluding subparagraph (c)(1)]. This clause applies only if this contract exceeds $100,000. Buyer may withhold from sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract.

3. 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997). This clause applies to this contract if Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this contract. Seller shall indemnify Buyer for any and all losses suffered by Buyer due to violations of the Act (as set forth in this clause) by Seller or its subcontractors at any tier.

4. 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 or recover from Seller the amount of the reduction.

5. 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991). This clause applies only if this contract exceeds $100,000.

6. 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 1997). This clause applies only if this contract exceeds $100,000. Paragraph (c)(4) is modified to read as follows: "(c) (4) Seller will promptly submit any disclosure required (with written notice to Buyer) directly to the PCO for the prime contract. Buyer will identify the cognizant Government PCO at Seller’s request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor."
(7) 52.204-2 Security Requirements (AUG 1996) (excluding any reference to the Changes clause of this contract). This clause applies only if access to classified information is required.

(8) 52.211-5 Material Requirements (AUG 2000)

(9) 52.211-15 Defense Priority and Allocation Requirements (SEP 1990)

(10) 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.

(11) 52.215-10 Price Reduction For Defective Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds $550,000. 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.”

(12) 52.215-12 Subcontractor Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds $550,000. 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.”

(13) 52.215-14 Integrity of Unit Prices (OCT 1997) [excluding paragraph (b)]

(14) 52.215-15 Pension Adjustments and Asset Reversions (DEC 1998). This clause applies only if under this contract certified cost or pricing data is required or preaward or postaward cost determinations are subject to FAR part 31. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause. “Contracting Officer” shall mean Buyer.

(15) 52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (OCT 1997). This clause applies only if under this contract certified cost or pricing data is required or preaward or postaward cost determinations are subject to FAR subpart 31.2. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause. “Contracting Officer” shall mean Buyer.
(16) 52.215-19 Notification of Ownership Changes (OCT 1997). This clause applies only if under this contract certified cost or pricing data is required or preaward or postaward cost determinations are subject to FAR subpart 31.2. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause. "Contracting Officer" shall mean Buyer.

(17) 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 $550,000. "Contracting Officer" shall mean Buyer in subparagraph (a).

(18) 52.219-8 Utilization of Small Business Concerns (OCT 2000)

(19) 52.219-9 Small Business Subcontracting Plan (JAN 2002). This clause applies only if this contract exceeds $500,000 and Seller is not a small business concern. In paragraph (c), "Contracting Officer" shall mean Buyer.

(20) 52.222-1 Notice to the Government of Labor Disputes (FEB 1997). "Contracting Officer" shall mean Buyer.

(21) 52.222-2 Payment of Overtime Premiums (JUL 1990). The word "zero" is inserted in the blank space indicated by an asterisk.

(22) 52.222-4 Contract Work Hours and Safety Standards Act -- Overtime Compensation (SEP 2000). This clause applies only if this contract exceeds $100,000. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.

(23) 52.222-20 Walsh-Healey Public Contracts Act (DEC 1996). This clause applies only if this contract exceeds $10,000. This clause applies only if this contract is in performance under CLINs 0201 and 0203.

(24) 52.222-21 Prohibition of Segregated Facilities (FEB 1999)

(25) 52.222-26 Equal Opportunity (FEB 1999) [subparagraphs (b)(1) through (11)]

(26) 52.222-35 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998). This clause applies only if this contract is for $10,000 or more.

(27) 52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998). This clause applies only if this contract exceeds $10,000.

(28) 52.222-37 Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 1999). This clause applies only if this contract is for $10,000 or more.
(29) 52.223-3 Hazardous Material Identification and Material Safety Data (JAN 1997). This clause applies only if Seller will deliver hazardous materials.

(30) 52.223-7 Notice of Radioactive Materials (JAN 1997). This clause applies only if this contract involves (i) radioactive material requiring specific licensing under the regulations issued pursuant to the Atomic Energy Act of 1954, as amended, as set forth in Title 10 of the Code of Federal Regulations, in effect on the date of this contract, or (ii) other radioactive material not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries. "Contracting Officer" shall mean Buyer. In the blank in paragraph (a), insert "90 days."

(31) 52.223-11 Ozone Depleting Substances (JUN 1996)

(32) 52.223-14 Toxic Chemical Release Reporting (OCT 1996) [excluding paragraph (e)]. This clause applies only if this contract was competitively awarded, exceeds $100,000 (including all options), is not for commercial items as defined in FAR Part 12 and Seller has a SIC designation of major groups 20 through 39 as set forth in FAR 19.102.

(33) 52.225-8 Duty-Free Entry (FEB 2000). This clause applies only if supplies are be afforded duty-free entry or foreign supplies in excess of $10,000 may be imported into the customs territory of the United States.

(34) 52.225-13 Restrictions on Certain Foreign Purchases (JUL 2000)

(35) 52.227-1 Authorization and Consent (JUL 1995), Alternate I (APR 1984). Alternate I applies only if this contract involves performance under a 01xx-series CLIN.

(36) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996). This clause applies only if this contract exceeds $100,000. A copy of each notice sent to the Government will be sent to Buyer.

(37) 52.227-10 Filing of Patent Applications - Classified Subject Matter (APR 1984). This clause applies only if this contract will involve access to classified information.

(38) 52.227-11 Patent Rights – Retention by the Contractor (Short Form) (JUN 1997). This clause applies only if this contract is for experimental, developmental, or research work and Seller is a small business or nonprofit organization.

(39) 52.227-12 Patent Rights – Retention by the Contractor (Long Form) (JAN 1997). This clause applies only if this contract is for experimental, developmental, or research work and Seller is not a small business or nonprofit organization.
(40) 52.230-6 Administration of Cost Accounting Standards (NOV 1999). This clause applies only if clause 3050 or 3051 is incorporated in this contract. Add “Buyer and the” before “Contracting Officer” in paragraph (f).

(41) 52.234-1 Industrial Resources Developed Under Defense Production Act Title III (DEC 1994)

(42) 52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984). This clause applies only if this contract requires work on a Government installation.

(43) 52.244-5 Competition in Subcontracting (DEC 1996)

(44) 52.244-6 Subcontracts for Commercial Items and Commercial Components (OCT 1998)

(45) 52.245-18 Special Test Equipment (FEB 1993)

(46) 52.247-63 Preference for U.S. – Flag Air Carriers (JAN 1997). This clause applies only if this contract may involve international air transportation

(b) The following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" shall mean Seller.

(1) 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (MAR 1999). This clause applies only if this contract exceeds $100,000 and is not for commercial items or components.

(2) 252.204-7000 Disclosure of Information (DEC 1991). Seller will submit requests for authorization to release through Buyer.

(3) 252.209-7000 Acquisition From Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty (NOV 1995). This clause applies only if this contract exceeds $100,000 and is not for commercial items.

(4) 252.211-7000 Acquisition Streamlining (DEC 1991). This clause applies only if this contract exceeds $1,000,000.

(5) 252.215-7000 Pricing Adjustments (DEC 1991)

(6) 252.223-7001 Hazard Warning Labels (DEC 1991). This clause applies only if Seller delivers hazardous material under this contract.

(7) 252.223-7002 Safety Precautions for Ammunition and Explosives (MAY 1994). This clause applies only if this contract involves ammunition or explosives. “Government” means Government or Buyer in paragraph (b)(2), each time it appears in (e), (f)(1), (f)(2), the first time it appears in (g)(1)(i),
and in (g)(3). "Government" means Buyer in paragraphs (c)(3), (c)(4), (c)(5), and the second time it appears in (g)(1)(i). "Contracting Officer" means Contracting Officer and Buyer in paragraph (g)(4). "Contracting Officer" means Buyer in paragraphs (c)(1), (c)(2), (c)(3), (c)(4), (c)(5), and each time it appears in (d).

(8) 252.223-7003 Change in Place of Performance – Ammunition and Explosives (DEC 1991). This clause applies only if DFARS 252.223-7002 is applicable to this contract.

(9) 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993)

(10) 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (SEP 1999)


(12) 252.225-7010 Duty-Free Entry -- Additional Provisions (MAR 1998). This clause applies if FAR 52.225-10 applies. Additional information referenced in this clause is available on request.

(13) 252.225-7012 Preference for Certain Domestic Commodities (MAY 1999)


(15) 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (AUG 1998). This clause applies unless this contract is for (1) commercial items other than ball or roller bearings or (2) items that do not contain ball or roller bearings.

(16) 252.225-7022 Restriction on Acquisition of Polycrylonitrile (PAN) Based Carbon Fiber (JUN 1997)

(17) 252.225-7026 Reporting of Contract Performance Outside the United States (JUN 2000). This clause applies only if this contract exceeds $500,000 and is not for commercial items, construction, ores, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.

(18) 252.227-7013 Rights in Technical Data -- Noncommercial Items (NOV 1995). This clause applies only if this contract requires Seller to provide noncommercial technical data to Buyer for delivery to the Government.

(19) 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995). This clause applies only if this contract requires Seller to provide noncommercial computer software or noncommercial computer software documentation to Buyer for delivery to the Government.
(20) 252.227-7016 Rights in Bid or Proposal Information (JUN 1995). This clause applies only if DFARS 252.227-7013, Rights in Technical Data - Noncommercial Items; or, DFARS 252.227-7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation, applies.

(21) 252.227-7019 Validation of Asserted Restrictions -- Computer Software (JUN 1995). This clause applies only if this contract requires Seller to provide computer software to Buyer for delivery to the Government.

(22) 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 1995)

(23) 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.

(24) 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.

(25) 252.227-7036 Certification of Technical Data Conformity (JAN 1997). This clause applies only if the delivery of technical data is required under this contract.

(26) 252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 1999). This clause applies only if the delivery of technical data is required under this contract and the contract is not for commercial items or commercial components.

(27) 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (DEC 1991)

(28) 252.231-7000 Supplemental Cost Principles (DEC 1991)

(29) 252.234-7001 Earned Value Management System (MAR 1998). This clause applies only if this contract states that the Earned Value Management System criteria applies to Seller. Insert the following companies in paragraph (f) of the clause: Northrop Grumman; Raytheon Company; Teledyne Brown Engineering; TRW Strategic Systems Division; United Technologies; and Xon Tech, Inc.

(30) 252.235-7003 Frequency Authorization (DEC 1991). This clause applies only if this contract involves the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.
(31) 252.244-7000  Subcontracts for Commercial Items and Commercial Components (DOD Contracts) (MAR 2000)

(32) 252.245-7001  Reports of Government Property (MAY 1994). Seller will provide information Buyer may require to complete Buyer's annual report.

(33) 252.247-7023  Transportation of Supplies by Sea (MAR 2000). This clause applies only if this contract exceeds $100,000 and 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.

(34) 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.

(35) 252.249-7002  Notification of Proposed Program Termination or Reduction (DEC 1996). This clause applies only if this contract is $500,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

(36) 252.251-7000  Ordering From Government Supply Sources (MAY 1995). This clause applies only if Seller is notified by Buyer that it is authorized to purchase from Government supply sources in the performance of this contract.

(c) Cost Accounting Standards

(1) The version of FAR 52.230-2, Cost Accounting Standards, incorporated by clause 3050 is the version dated April 1998.

(2) The version of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, incorporated by clause 3051 is the version dated April 1998.

(d) This paragraph applies only if this contract involves construction work.

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

(1) 52-204-2 Security Requirements, Alternate II (AUG 1996)
(2) 52.215-2 Audit and Records – Negotiation, Alternate I (JUN 1999)
(3) 52.222-6 Davis Bacon Act (FEB 1995)
(4) 52.222-7 Withholding of Funds (FEB 1988)
(5) 52.222-8 Payrolls and Basic Records (FEB 1988)
(6) 52.222-9 Apprentices and Trainees (FEB 1988)
(7) 52.222-10 Compliance with Copeland Act Requirements (FEB 1988)
(8) 52.222-11 Subcontracts (Labor Standards) (FEB 1988)
(9) 52.222-12 Contract Termination-Debarment (FEB 1988)
(10) 52.222-13 Compliance with Davis-Bacon and Related Act Regulations (FEB 1988)
(11) 52.222-14 Disputes Concerning Labor Standards (FEB 1988)
(12) 52.222-15 Certification of Eligibility (FEB 1988)
(13) 52.222-16 Approval of Wage Rates (FEB 1998)
(14) 52.222-17 Labor Standards for Construction Work – Facilities Contracts (FEB 1999)
(15) 52.222.27 Affirmative Action Compliance Requirements for Construction (FEB 1999)
(16) 252.222-7000 Restrictions on Employment of Personnel (MAR 2000). In the blank in paragraph (a), insert “Alaska.”
(17) 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.
(18) 252.227-7033 Rights in Shop Drawings (APR 1966)
(e) Public Release of Information

All public information materials prepared by Seller shall be submitted to Buyer for clearance prior to release. These materials include, but are not limited to,
technical papers and responses to news queries which relate to work under this contract. However, once work has been cleared for public release, it need not be cleared again for later use. All materials to be cleared must be sent to Buyer.

Seller shall submit the material proposed for release to the above address via a letter of transmittal setting forth: 1) to whom the material is to be released; 2) the desired date for public release; 3) a statement that the material has been approved by Seller officials for public release; 4) the contract number and prime contract number. Three copies of each item shall be submitted at least two months in advance of the proposed release date. Final approval for release or disclosure of the material cannot be given on the basis of abstracts; outlines or rough drafts will not be cleared. Materials submitted to Buyer for release purposes shall be void of all Seller logos or other attributions to the Seller.

(f) Organizational Conflict of Interest

Purpose. This clause is to aid in ensuring that: Seller’s scientific objectivity and judgment are not biased because of present or planned interests (financial, contractual, organizational or otherwise) which relate to work under this contract; Seller does not obtain an unfair competitive advantage by virtue of its access to non-public Government information regarding Government program plans and actual or anticipated resources; and Seller does not obtain any unfair competitive advantage by virtue of its access to proprietary information belonging to others. Restrictions described herein shall apply to performance or participation by Seller and any of its affiliates or their successors in interest in the activities covered by this clause as subcontractor, co-sponsor, joint venture, consultant or in any similar capacity. Information furnished voluntarily by the owner without limitations on its use, or which is available without restrictions from other sources, is not considered proprietary.

(1) Certification Restriction. The Seller shall be restricted from performing validation, verification, accreditation, or certification of any products developed or delivered under this contract. Additionally, the Seller shall not serve as a software independent validation and verification (IV&V) contractor for any software developed or delivered under this contract.

(2) Access To and Use of Government Information. If in the performance of this contract, Seller obtains access to information such as plans, policies, reports, studies, financial plans, or data which has not been released or otherwise made available to the public, Seller agrees that without prior written approval of Buyer it shall not use such information for any private purpose unless the information has been released or otherwise made available to the public; compete for work, other than the Boeing contract, based on such information after the completion of this order, or until such information is released or otherwise made available to the public; submit an unsolicited proposal to the Government which is based on such information after such information is released or otherwise made available to the public; or release such information unless such information has previously been released or otherwise made available to the public by the Government.
(3) **Access To & Protection Of Proprietary Information.** Seller agrees that, to the extent it receives or is given access to proprietary data, trade secrets, or other confidential or privileged technical, business, or financial information (hereinafter referred to as “proprietary data”) under this order, it shall treat such information in accordance with any restrictions imposed on such information. Seller further agrees to enter into a written agreement for the protection of the proprietary data of others and to exercise diligent effort to protect such proprietary data from unauthorized use or disclosure. In addition, Seller shall obtain from each employee who has access to proprietary data under this order a written agreement which shall in substance provide that such employee shall not, during his/her employment by Seller or thereafter, disclose to others or use for their benefit proprietary data received in connection with work under this order. Seller will educate its employees regarding the philosophy of Part 9.505-4 of the Federal Acquisition Regulation so that they will not use or disclose proprietary information or data generated or acquired in the performance of this order except as provided herein.

(4) **Subcontracts:** The Seller shall include this or substantially the same clause, including this paragraph, in consulting agreements and subcontracts at all tiers. The terms “Contract”, “Contractor”, and “Contracting Officer” will be appropriately modified to preserve the Government’s rights.

(5) **Disclosures.** If Seller discovers an organizational conflict of interest or potential conflict of interest after award, a prompt and full disclosure shall be made in writing to the Buyer. This disclosure shall include a description of the action the Seller has taken or proposes to take in order to avoid or mitigate such conflicts.

(6) **Remedies & Waiver.** For breach of any of the above restrictions or for non-disclosure or misrepresentation of any relevant facts required to be disclosed concerning this order, Buyer may terminate this order for default, disqualify Seller for subsequent related contractual efforts, and pursue such other remedies as may be permitted by law or this order. If, however, in compliance with this clause, the Seller discovers and promptly reports an actual or potential organizational conflict of interest subsequent to award of the order, Buyer may terminate this order for convenience if such termination is determined to be in Buyer’s best interest. Seller recognizes that this clause has potential effects which will survive performance of this order and that it is impossible to foresee each circumstance to which it might be applied in the future. Accordingly, Seller may at any time seek a waiver from the Boeing Director of Supplier Management and Procurement, via Buyer by submitting a full written description of requested waiver and reasons in support thereof.

(7) **Modifications.** Prior to order modification, when the statement of work is changed to add new work or the period of performance is significantly increased, Buyer may require Seller to submit to the Government through
Buyer either an organizational conflict of interest disclosure or an update of the previously submitted disclosure or representation.

(g)  Insurance

Seller shall maintain Workmen’s Compensation and all occupational disease insurance as required by state law. Seller’s liability insurance (including occupational disease not covered by Workmen’s Compensation) shall provide for a minimum of $100,000 per accident. Seller’s comprehensive general liability insurance shall provide for a minimum of $500,000 per occurrence. Seller’s automobile liability insurance shall provide for a minimum of $200,000 per person; $500,000 per accident; and $20,000 for property damage. In the event that other coverages of higher minimum amounts are required by any Treaty or DoD Post, Base Camp, or Station regulations, such other coverage(s) or higher minimum amount(s) shall apply to that installation.

(h)  Travel and Travel Costs

Costs for transportation may be based on mileage rates, actual costs incurred, or on a combination thereof, provided the method used results in a reasonable charge. Costs for lodging, meals, and incidental expenses may be based on per diem, actual expenses, or a combination thereof, provided the method used results in a reasonable charge. Except as provided in FAR 31.205-46(a)(3), costs incurred for lodging, meals, and incidental expenses shall be considered reasonable and allowable to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in: Federal Travel Regulations, prescribed by the General Services Administration for travel in the contiguous 48 United States; Joint Travel Regulations, Volume 2, DoD Civilian Personnel (Appendix A), for travel in Alaska, Hawaii, and territories and possessions of the United States; and Standardized Regulations (Government Civilians, Foreign Areas) Section 925, prescribed by the Department of State, for all other areas. The maximum per diem rates referenced above generally would not constitute a reasonable daily charge when no lodging costs are incurred, and/or on partial travel days (appropriate downward adjustments from the maximum per diem rates would normally be required under these circumstances). Costs shall be allowable only if the following information is documented: date and place of the expense; purpose of the trip; and name of the person on the trip and that person’s title. Travel costs directly attributable to specific contract performance are allowable and may be charged to the contract under FAR 31.202. Airfare and rail costs in excess of the lowest customary standard, coach or equivalent fare offered during normal business hours are unallowable, except where such accommodations require circuitous routing, require travel during unreasonable hours, excessively prolong travel, result in increased cost that would offset transportation savings, are not reasonably adequate for the physical or medical needs of the traveler, or are not reasonably available to meet mission requirements. The costs of travel by Seller-owned, leased or chartered aircraft and automobiles will be governed in accordance with FAR 31.205-46(e) and (f).

Applicable to labor hour support contracts only:
Seller shall obtain prior written authorization for all travel from the responsible Integrated Product Team Leader or Cost Account Manager where expenses will be invoiced. The Seller shall furnish copies of approved travel authorization upon request of The Boeing Company. Travel expenses without prior written approval shall be deemed unallowable and not paid, or if paid will be debited back to The Boeing Company.

(i) Advance Change Adjustment Agreement

Applies only when a cost plus fixed fee order over $5,000,000 is placed:

(1) Purpose. This SCR establishes a procedure by which the parties agree to change this contract according to the clause entitled “Changes - Cost Reimbursement” without equitable adjustments to the contract price as specified in this subparagraph. The parties agree that each change not exceeding $250,000, which also does not affect the contract delivery, or performance schedules or any other contract provision shall be a change having no effect on the contract price. There will be no fee adjustment for each change not exceeding $250,000 which does not affect contract delivery or performance, or any contract provision.

(2) Procedure. When it is proposed to make a change under the "Changes - Cost Reimbursement" clause and both parties agree that such a change will require no equitable adjustment as contemplated by subparagraph a. of this SCR, the contractor shall submit an abbreviated proposal or offer to accomplish the proposed change without an equitable adjustment. If the Contracting Officer concurs that no adjustment is necessary, the contractor's proposal may be accepted by issuing an executed copy of a Standard Form 30.

The modification shall:

i. Be issued under the "Changes - Cost Reimbursement" clause;

ii. Cite this SCR;

iii. Reference the contractor's proposal or offer; and

iv. Direct the changes to be made.

The issuance of the modification shall constitute acceptance of the contractor's proposal or offer, shall be binding on both parties, and shall be a full, complete and final settlement for the directed changes.

(3) Limitation. The parties agree that this advance Change Agreement shall not be used more than three times per year for each calendar year that this contract is in effect.

(j) Seller Use of Buyer Provided GMD Site Vehicles/Equipment
Pursuant to Buyer’s GMD prime contract, Buyer intends to utilize government funds to purchase and/or obtain by lease a limited number of vehicles/equipment (cars, trucks, fork-lifts) for use by Buyer, Seller, and other Buyer subcontract Site Activation personnel for the sole purpose of supporting GMD contract requirements at various GMD sites. Seller use of the said vehicles/equipment is limited to the above purpose and shall be subject to the following additional Seller obligations:

Seller personnel must be properly licensed/certified as a condition for Seller use of the applicable vehicle/equipment and must comply with a vehicle/equipment sign out/sign in procedure.

Seller shall maintain in full force and effect the levels of insurance set forth elsewhere in this purchase order. Buyer shall be named as an additional insured with respect to Buyer’s liability arising out of the operation or use by Seller or its employees, agents or invitees of the subject Buyer furnished vehicles/equipment.

Seller assumes the risk of loss or damage to the vehicles/equipment arising from Seller’s use thereof and agrees to indemnify Boeing for any resulting loss, damage, or destruction of same except for normal wear and tear. In addition, Seller shall indemnify and hold Buyer harmless from and against any and all other claims or liability for bodily injury to or death of any person, or loss of or damage to any property arising out of the operation or use of the subject vehicle/equipment by Seller, or its employees, agents, or invitees.

(The above clause applies only to Sellers who use a vehicle from said GMD motor pools.)

(k) Enabling Clause for Boeing Interface Support

It is anticipated that during the performance of this order, Seller may be required to support meetings with other Sellers and other Government agencies. Appropriate organizational conflict of interest agreements will be negotiated by the Seller as needed to protect the rights of Seller and Buyer. This agreement is not intended to establish privity of contract between Seller and the Government, nor is it intended to relieve Seller of any of its responsibility to manage its subcontracts effectively. Personnel from other Sellers or from any Government agency are not authorized to direct Seller in any way.

(l) Identification of Technical Data, Computer Software and Software Documentation to Be Delivered With Less Than Unlimited Rights

Except for data and software specifically identified in this order as being delivered with less than unlimited rights, all technical data, computer software, and software documentation required to be delivered under this order will be provided with unlimited rights.

(m) Hardware, Software, Government Property and End Items
For any hardware, software, Government property, and end items delivered under this order or shipped to Buyer or direct to the Government, use best commercial practices in packing the items to ensure they are adequately protected during shipment and handling, unless specifically instructed otherwise in this order.

(n) Export of Technical Data and Defense Services

(1) If the performance of the contract Statement of Work, Subcontractor will be expected to support Buyer in its activities with foreign entities and/or persons. This activity could include the export of defense services and/or technical data, including classified information as long as that information does not disclose the details of design, development, production or manufacture of any defense article. When directed in writing from Buyer, the Subcontractor shall export on behalf of Buyer technical data to a named foreign entity or persons in the manner and under the conditions provided for in the direction. When, in the performance of this contract, the need arises for the Subcontractor to export defense services, the Subcontractor shall export those services subject to the applicable requirements of the U.S. export control laws and regulations. All such exports will be made pursuant to a valid export license or as otherwise authorized by applicable U.S. Government export regulations. Nothing in this clause shall affect the protection or allocation of rights to technical data between Buyer or any Subcontractors as provided for in this contract or subcontract hereunder; nor shall this clause affect the scope of any license otherwise granted to the Government or the recipient of the transferred or disclosed technical data.

(2) The Subcontractor shall not export any technical data and/or defense services without the prior notification and approval of Buyer.

(3) As soon as practicable, and preferably six months in advance of a specific need, the Subcontractor will identify the need to export technical data or defense services to BMDO through Buyer. In the event that the timing of coordination required by BMDO before the release by the Subcontractor of data or the performance of services (including, but not limited to "program related information") unreasonably impacts Subcontractor performance, and such untimely coordination is determined to have been without the fault or negligence of the Subcontractor, the parties agree that the cost impact shall be considered for an equitable adjustment to the contract under the “Changes” clause.

(4) The Subcontractor shall include this clause in all subcontracts at any tier, the performance of which may require the export of technical data and/or defense services, and the Buyer may direct an export subject to the limitations stated herein.

(o) Compliance With Environmental Safety and Health Program Protection
The Contractor and Subcontractors shall maintain accurate accident and injury/illness records for the GMD System. For Contractor or Subcontractor work performed on Government installations, the Contractor shall notify DoD installation Commander, or designee, immediately of all accidents, injuries, environmental illness, or other unusual occurrence.

(1) The Contractor shall conduct accident investigations and provide documentation to the host installation.

(2) On an annual basis, the Contractor shall provide OSHA 200 logs prepared by the Contractor or Subcontractors for the GMD Program and copies of all accident investigations to Boeing along with a listing of all other accidents/incidents related to this contract.

(p) Segregation of Costs

This clause applies only to cost-reimbursement, flexibly-priced (e.g. fixed-price incentive) or letter subcontracts, involving subcontract line items funded by both RDT&E and Procurement appropriations.

The prime Government contract contains items funded by Research, Development, Test & Evaluation (RDT&E) appropriations and Procurement appropriations. Separate Contract Line Item Numbers (CLINs) and Subordinate Contract Work Breakdown Structure (CWBS) designations apply to the work funded by RDT&E and work funded by Procurement appropriations. The Contractor shall segregate costs for the RDT&E-funded CLINs from the Procurement-funded CLINs. The Contractor shall emphasize to its direct labor employees that are likely to charge time under this contract the fact that work is funded from different appropriations and that separate work accounting charge numbers have been established and are to be used pursuant to the Contractor’s established labor charging and accounting systems. Similar action shall be taken to emphasize the need for segregating costs to subcontractors holding subcontracts involving both RDT&E-funded and CLINs and Procurement-funded CLINs.

(q) First Tier Subcontracts

Seller agrees, upon request, to render to Buyer a report listing all of Seller’s first tier subcontracts, as defined in FAR 52.244-2, paragraph (a), relating to this order. This report shall include for each subcontract, the name of the supplier, a brief statement of the general scope of work contemplated thereunder, the estimated cost or price, the form of contract and the current status and progress thereof. Seller further agrees to furnish, upon request of the Buyer, a copy of all such subcontracts.

(r) Government Property

(1) Property on Existing Contracts. The Contractor or its Subcontractors are authorized use of Government Property from the following contracts on a
(Remainder of list TBD – will contain list of contracts for which permission has been granted to use the Government property.)

* Refers to Government Property used for CLIN 0007 (BMC3).

(2) **Models and Simulations.** The Contractor has requested the use of the following software models and simulations in the performance of this contract. To the extent that approval has not been received from the cognizant activity as of the award of this contract, BMDO will work with the Contractor to obtain such approval. Given the nature of models and simulations, they are being furnished on an “as is” and “as available from the cognizant activity” basis.

(List of models and simulations TBD)

(s) **Communication with Boeing Customer**

(1) Boeing shall be solely responsible for all liaison, coordination, status requests, and other communication with, and deliveries to, the Boeing Customer (i.e., the Ballistic Missile Defense Organization, the BMDO GMD supporting contractors, and the U.S. Government "user" commands are referred to herein as the "Boeing Customer"), concerning the GMD prime contract (HQ0006-01-C-0001), this subcontract, and any related lower-tier subcontract. Subcontractor and its lower-tier subcontractors shall not contact the Boeing Customer, or otherwise attempt to lobby, intervene in or status contract actions, negotiations or discussions, or otherwise release information to such Boeing Customer(s), either directly or indirectly (except through Boeing), without Boeing’s written direction. Subcontractor agrees that no public
announcement will be made except through, or as approved in writing by Boeing.

(2) Exceptions to the general rule stated in paragraph 1., above, shall be made: (i) when an authorized Boeing person is present at a face-to-face meeting, or when an authorized Boeing person is involved as a participant in the telephone conversation, and consents to the communication; or, (ii) when a release relates solely to Subcontractor’s internal processes, proprietary rates expressly excluded from release to Boeing under subcontract terms and conditions, or Government allegations of the Subcontractor’s or a lower-tier subcontractor’s misconduct, or (iii) pursuant to a properly issued subpoena or other order of a court of competent jurisdiction, or (iv) as is required to respond to questions initiated by a Federal auditor in the course of a Program audit. In the event an exception applies, written notice of any statement and/or the questions and answers will be provided by the Subcontractor to the cognizant authorized Boeing Procurement Agent within two business days of the communication.

(3) Further, except as required by law, no release of information, or confirmation or denial of same, with respect to the prime contract, this subcontract or a related lower-tier subcontract, or the subject matters thereof, will be made by Subcontractor without the prior written approval of Boeing.

(4) Subcontractor agrees to incorporate the substance of this clause, suitably adjusted, in all lower-tier subcontracts under this subcontract.