NAS10-02007
Checkout Assembly and Payload Processing Services (C APPS)

(a) FAR CLAUSES

The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. Unless provided for elsewhere in this contract, only subparagraphs (17), (23), (24), (25), and (43) of this paragraph (a) shall apply to any portion of this contract that is for commercial items or commercial components, as those terms are defined at FAR 52.202-1. In all of the following clauses, unless otherwise indicated, “Government” and “Contracting Officer” shall mean Buyer, “Contractor” and “Offeror” shall mean Seller, and all reference to “disputes”, the “disputes clause”, or the “Contracts Disputes Act” shall be references to the Disputes clause of the General Provisions of this contract.

(1) 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1985). 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 pain by Seller or its subcontracts at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract.

(3) 52.203-10 Price of Fee adjustment for Illegal or Improper Activity (JAN 1997). This clause applies only if this contract exceed $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 man withhold or recover from Seller the amount of the reduction.

(4) 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991)

(5) 52.203-12 Limitation of Payment to Influence Certain Federal Transactions (JUN 1997). This clause applies only if this contact exceeds $100,000.

(6) 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.

(7) 52.211-5 Material Requirements (AUG 2000)

(8) 52.211-15 Defense Priority and Allocation Requirements (SEPT 1990)

(9) 52.215-2 Audit and Records-Negotiation (JUN 1999). This clause applies only if this contract exceeds $100,000.
<table>
<thead>
<tr>
<th>Clause Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5057</td>
<td>Clause Number: 5057</td>
</tr>
<tr>
<td>10</td>
<td>52.215-11 Price Reduction for Defective Cost or Pricing Data-Modifications (OCT 1997). This clause applies only if this contract exceeds $550,000.</td>
</tr>
<tr>
<td>11</td>
<td>52.215-13 Subcontractor Cost or Pricing Data-Modifications (OCT 1997). This clause applies only if this contract exceeds $550,000.</td>
</tr>
<tr>
<td>12</td>
<td>52.215-14 Integrity of Unit Prices (OCT 1997) [excluding paragraph (b)]. This clause applies only if this contract exceeds $100,000.</td>
</tr>
<tr>
<td>13</td>
<td>52.215-15 Pension Adjustments and Asset Reversions (DEC 1998) This clause applies only if under this contact 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.</td>
</tr>
<tr>
<td>14</td>
<td>52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (OCT 1997). This clause applies only if under this contact 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.</td>
</tr>
<tr>
<td>15</td>
<td>52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data-Modifications (OCT 1997) and Alternate II (OCT 1997) and Alternate III (OCT 1997) [3.5” floppy disk or CD ROM].</td>
</tr>
<tr>
<td>16</td>
<td>52.216-7 Allowable Cost and Payment (MAR 2000). This clause only applies if the contract is a cost reimbursement contract using GP4 as the general provisions. This clause never applies if the general provisions are GP1, GP2, or GP3.</td>
</tr>
<tr>
<td>17</td>
<td>52.219-8 Utilization of Small Business Concerns (OCT 2000). This clause applies only if this contract exceed $100,000. In accordance with FAR 19.708 (a)(2), this clause does not apply to performance of the contact, together with all its subcontracts, entirely outside of any State, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.</td>
</tr>
<tr>
<td>18</td>
<td>52.219-9 Small Business Subcontracting Plan (OCT 2000) and Alternate II (OCT 2000). 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.</td>
</tr>
<tr>
<td>19</td>
<td>52.222-1 Notice to the Government of Labor Disputes (FEB 1997).</td>
</tr>
<tr>
<td>20</td>
<td>52.222-4 Contract Work Hours and Safety Standards Act-Overtime Compensation (SEPT 2000). This clause applies only if this contact exceeds $100,000. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of</td>
</tr>
</tbody>
</table>
liabilities of Seller or its subcontractors under this clause. In accordance with FAR 22.305(d), this clause does not apply to work performed solely within a foreign country or within a territory under United States jurisdiction other than a State, the District of Columbia, Puerto Rico, the Virgin Islands, Outer Continental Shelf Lands as defined in the Outer Continental Shelf Lands Act (43 U.S.C 1331), American Samoa, Guam, Wake Island, and Johnston Island.

(21) 52.222-20 Walsh-Healey Public Contracts Act (DEC 1996). This clause applies only if this contract exceeds $10,000. In accordance with FAR 22.604-2(a)(2), this clause does not apply to suppliers manufactured outside the United States, Puerto Rico, or the Virgin Islands.

(22) 52.222-21 Prohibition of Segregated Facilities (FEB 1999).

(23) 52.222-26 Equal Opportunity (FEB 1999) [subparagraphs (b)(1) through (11) only].

(24) 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1998). This clause applies only if this contract exceeds $10,000 or more unless otherwise exempt.

(25) 52.222-36 Affirmative Action for Workers with Disabilities (JUNE 1998). This clause applies only if this contract exceeds $10,000.

(26) 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.

(27) 52.223-3 Hazardous Material Identification and Material Safety Data (JAN 1997) and Alternate I (JUL 1995). This clause applies only if delivery of hazardous materials (as defined in FAR 23.301) is required under this contract.

(28) 52.223-12 Refrigeration Equipment and Air Conditioners (MAY 1995). This clause applies only if this contract is a service contract and includes maintenance, repair, or disposal of any equipment or appliance using ozone-depleting substances as a refrigerant.

(29) 52.223-14 Toxic Chemical Release Reporting (OCT 2000) [excluding paragraph (e)]. This clause applies only if this contact exceeds $100,000.

(30) 52.225-8 Duty Free Entry (FEB 2000). This clause applies only if supplies are to be afforded duty-free entry or foreign supplies in excess of $10,000 may be imported into the customs territory of the United States.

(31) 52.225-13 Restriction on Certain Foreign Purchases (JUL 2000)

(32) 52.227-1 Authorization and Consent (JUL 1995). This clause applies only if this contract exceeds $100,000.

(33) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996). This clause applies only if this contact exceeds $100,000.
(34) 52.227-11 Patent Rights-Retention by the Contractor (Short Form) (Jun 1997)-as modified by NASA FAR Supplement 18.52.227-11 (applicable to small business). This clause applies only if this contract is for experimental, developmental, or research work. This clause will also apply for construction and architect-engineer services if such work has as a purpose the performance of experimental, developmental, research work or test and evaluation studies.

(35) 52.227-14 Rights in Data-General (JUN 1997)-as modified by NASA FAR Supplement 1852.227-14 and Alternate II (JUN 1987) and Alternate III (JUN 1987). This clause applies only if data will be produced, furnished, or acquired under this contract.

(36) 52.227-16 Additional Data Requirements (JUN 1987). This clause applies only if this contract involves experimental, developmental, research or demonstration work (other than basic or applied research to be performed solely by a university or college where the contract amount will be $500,000 or less).

(37) 52.227-17 Rights in Data-Special Works (JUN 1987)-as modified by NASA FAR Supplement 1852.227-17. This clause applies only if this contract is primarily for the production or compilation of data (other than limited rights data or restricted computer software).

(38) 52.228-7 Insurance-Liability to Third Persons (MARCH 1996). This clause applies only if Boeing General Provisions 4 is incorporated into this contract.

(39) 52.230-6 Administration of Cost Accounting Standards (NOV 1999). This clause does not apply to small businesses.

(40) 52.237-2 Protection of Government Building, Equipment, and Vegetation (APR 1984). This clause applies only if this contract is for on-site services other than construction work.

(41) 52.242-13 Bankruptcy (JUL 1995)

(42) 52.244-5 Competition in Subcontracting (APR 1984). This clause applies only if this contact exceeds $100,000.

(43) 52.244-6 Subcontract for Commercial Items (MAY 2001)

(44) 52.245-2 Government Property-Fixed Price Contract (DEC 1089). If the contract is cost reimbursement utilizing GP4 or time-and-material or labor-hour utilizing GP3, then FAR 52.245-5 Government Property-Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts (JAN 1986) is substituted for this clause and paragraph (g) of FAR 52.245-5 is revised to read as follows:

(g) Risk of Loss. Seller, upon the delivery to it or acquisition by it of any Government property, assumes the risk of and shall be responsible for all loss thereof or damage thereto. When such property is no longer needed for the performance of this contract, or at such other time as
may be directed by Buyer pursuant to paragraph (i) of this clause, Seller shall return such property to Buyer or the Government, as applicable, in as good condition as when received, except for reasonable wear and tear, and except for such property as has been reasonable consumed in the performance of work hereunder.

In this clause, the term “Government-furnished property” shall include both Boeing furnished and Government-furnished property and all references to title passing to or vesting in the Government shall refer to the United States of America Government.

(45) 52.245-18 Special Test Equipment (FEB1993). Wherever “30 days” appears in this clause, substitute “75 days”. The following provision is added to the end of paragraph (b) of this clause: “Notification required by this clause shall contain the following information for each item of special test equipment or components thereof: A list of alternate items that could be used, Estimated cost, function, technical justification for the item, and date item is required. If required date is within seventy-five (75) days of the date of the notification, give reason for the late notice”.

(46) 52.247-63 Preference for U.S.- Flag Air Carriers (JAN 1997)

(b) NASA FAR SUPPLEMENT CLAUSES

The following contract clauses are incorporated by reference from the National Aeronautics and Space Administration Federal Acquisition Regulation Supplement and apply to the extent indicated. Unless provided for elsewhere in this contract, only subparagraphs (5), and (7), of this paragraph (b) shall apply to any portion of this contract that is for commercial items or commercial components, as those terms are defined at FAR 52.202-1. In all of the following clauses, unless otherwise indicated, “Government” and “Contracting Officer” shall mean Buyer, “Contractor” and “Offeror” shall mean Seller, and all reference to “disputes”, the “disputes clause”, or the “Contracts Disputes Act” shall be references to the Disputes clause of the General Provisions of this contract.

(1) 1852.204-76 Security Requirement for Unclassified Information Technology Resources (JUL 2000).

(2) 1852.219-74 Use of Rural Area Small Businesses (SEPT 1990). This clause applies only if this contract offers subcontracting possibilities. In accordance with NASA FAR Supplement 1819.7103, this clause does not apply to work that, together with all subcontracts, is to be performed entirely outside of any State, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Trust Territory of the Pacific Islands.
(3) 1852.219-75 Small Business Subcontracting Reporting (MAY 1999). This clause applies only if this contract exceeds $500,000 and Seller is not a small business concern.

(4) 1852.223-74 Drug-and-Alcohol-Free Workforce (MAR 1996). This clause applies only if this contract in which work is performed by an employee in a sensitive position, except subcontracts for commercial items.

(5) 1852.227-14 Rights In Data-General. This clause applies only if data will be produced, furnished, or acquired under this contract, except contracts for basic or applied research with universities or colleges.

(6) 1852.227-70 New Technology (JULY 1995) This clause applies only if experimental, developmental research, design, or engineering work is to be performed by other than a small business firm or a non-profit organization.

(7) 1852.227-86 Commercial Computer Software-Licensing (DEC 1987). This clause only applies if technical data or computer software will be generated or delivered.

(8) 1852.227-87 Transfer of Technical Data Under Space Station International Agreements (APR 1989)

(9) 1852.228-75 Minimum Insurance Coverage (OCT 1988). This clause applies only if this contract requires work on a Government installation.

(10) 1852.237-71 Pension Portability (JAN 1997) [paragraph (a) only].

(c) NOTIFICATION OF OWNERSHIP CHANGES, Reference FAR 52.215-19 (OCT 1997). This clause applies only if this contract requires the submission of cost or pricing data or for which any preaward or postaward cost determination will be required.

1. The Seller shall make the following notifications in writing:
   a. When the Seller becomes aware that a change in it’s ownership has occurred, or is certain to occur, that could result in change in the valuation of its capitalized assets in the accounting records, the Seller shall notify the Buyer within 30 days.
   b. The Seller shall also notify the Buyer within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

2. The Seller shall:
   a. Maintain current, accurate, and complete inventory records of assets and their costs,
b. Provide the Buyer or designated representative ready access to the records upon request,

c. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Sellers ownership changes, and

d. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Seller ownership change.

(d) NOTICE OF RADIOACTIVE MATERIALS, Reference FAR 52.223-7 (JAN 1997). This clause applies only if this contract includes the delivery of radioactive materials as defined in paragraph (1) of the clause.

1. The Seller shall notify the Buyer, in writing 90 days prior to the delivery of, or prior to completion of any servicing required by this contract of, items containing either (1) 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 (2) other radioactive material not requiring specific licensing in which the specific activity is greater than .002 micro curies per gram or the activity per item equals or exceeds 0.01 micro curies. Such notice shall specify the part or parts of the items which contain radioactive materials, a description of the materials, the name and activity of the isotope, the manufacturer of the materials, and any other notice as to the hazards involved (OMB No. 9000-0107)

2. If there has been no change affecting the quantity of activity, or the characteristics and composition of the radioactive material from deliveries under this contract or prior contracts, the Seller may request that the Buyer waive the notice requirement in paragraph (1) of this clause. Any such request shall:

   a) Be submitted in writing

   b) State that the quantity of activity, characteristics, and composition of the radioactive material have not changed, and

   c) Cite the contract number on which the prior notification was submitted and the contracting office to which it was submitted.

3. All item, parts, or subassemblies which contain radioactive materials in which the specific activity is greater than 0.002 micro curies per gram or activity per item equals or exceeds 0.01 micro curies, and all containers in which such items, parts
or subassemblies are delivered to the Buyer shall clearly marked and labeled as required by the latest revision of MIL-STD 129 in effect on the date of the contract.

(e) OZONE-DEPLETING SUBSTANCES, Reference FAR 52.223-11 (MAY 2001)

1. Definition. “Ozone-depleting substance”, as used in this clause, means any substance the Environmental Protection Agency designated in 40 CFR Part 82 as:
   a) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform, or
   b) Class II, including, but not limited to, hydrochlorofluorocarbons.

2. The Seller shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C 7671j(b), (c), and (d) and 40 CFR part 82, Subpart E, as follows:

   Warning

   Contains (or manufactured with, if applicable) *_______, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.

   * The Seller shall insert the name of the substance(s)

(f) CONSTRUCTION CLAUSES

The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. Unless provided for elsewhere in this contract, these clauses only apply if this contract is for construction, in excess of $2,000 on a government installation. In all of the following clauses, unless otherwise indicated, “Government” and “Contracting Officer” shall mean Buyer, “Contractor” and “Offeror” shall mean Seller, and all reference to “disputes”, the “disputes clause”, or the “Contracts Disputes Act” shall be references to the Disputes clause of the General Provisions of this contract.

(1) 52.222-6 Davis-Bacon Act (FEB 1995)
(2) 52.222-7 Withholding of Funds (FEB 1988)
(3) 52.222-8 Payrolls and Basic Records (FEB 1988)
(4) 52.222-9 Apprentices and Trainees (FEB 1988)
(5) 52.222-10 Compliance with Copeland Act Requirements (FEB 1988)
(6) 52.222-11 Subcontracts (Labor Standards) (FEB 1988)
(7) 52.222-12 Contract Termination-Debarment (FEB 1988)
(8) 52.222-13 Compliance with Davis-Bacon and Related Act Regulations (FEB 1988)
(9) 52.222-14 Disputes Concerning Labor Standards (FEB 1988)


1. Definitions. As used in this clause:

“Component” means any article, material, or supply incorporated directly into construction materials

“Construction Materials” means an article, material, or supply brought to the construction site by the Seller or the Seller's subcontractor for incorporation into the building or work. The term also includes an item brought to the site pre-assembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distant construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site.

“Cost of components” means:

a. For components purchased by the Seller, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

b. For components manufactured by the Seller, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs
associated with the manufacture of the end product.

“Domestic construction material” means:

a. An unmanufactured construction material mined or produced in the United States; or

b. A construction material manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which non-availably determinations have been made are treated as domestic.

“Foreign construction material” means a construction material other than a domestic construction material.

“United States” means the 50 states and the District of Columbia, U.S. territories and possessions, Puerto Rico, the Northern Mariana Islands, and any other place subject to U.S. jurisdiction, but does not include leased bases.

2. Domestic preference.

a. This clause implements the Buy American Act (41 U.S.C 10a-10d) and the Balance of Payments Program by providing a preference for domestic construction material. The Seller shall use only domestic construction material in performing this contract, except as provided in paragraphs (2)(a) and (2)(b) of this clause.

b. This requirement does not apply to the construction material or components listed by the Buyer as follows: NONE

c. The Buyer may add other foreign construction material to the list in paragraph (2)(b) of this clause if the Buyer determines that-

i. The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the requirements of the Buyer American Act is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent. For determination of unreasonable cost under the Balance of Payment Program, the
Contracting Officer will use a factor of 50 percent;

ii. The application of the restriction of the Buy American Act or Balance of Payments Program to a particular construction material would be impracticable or inconsistent with the public interest; or

iii. The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

3. Request for determination of inapplicability of the Buy American Act or Balance of Payment Program.

   a. (i) Any Seller request to use foreign construction material in accordance with paragraph (2)(c) of this clause shall include adequate information for Buyers or Government evaluation of this request, including: a description of the foreign and domestic construction materials, unit of measure, quantity, price, time of delivery or availability, location of the construction project, name and address of the proposed supplier, and a detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (2)(c) of this clause.

   (ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph 4 of this clause.

   (iii) The price of construction material shall include all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be used).

   (iv) Any Seller request for a determination submitted after contract award shall explain why the Seller could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Seller does not submit a satisfactory explanation, the Buyer need not make a determination.

   b. If the Buyer or Government determines after contract award that an exception to the Buy American Act or Balance of Payment Program applies and the Buyer and the Seller negotiate adequate consideration, the Buyer will modify the contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (xxxxx) of this clause.
c. Unless the Buyer or Government determines that an exception to the Buyer American Act or Balance of Payment Program applies, use of foreign construction material in noncompliant with the Buyer American Act or Balance of Payment Program.

4. Data. To permit evaluation of requests under paragraph (xxx) of this clause based on unreasonable cost, the Seller shall include the following information and any applicable supporting data based on the survey of suppliers:

<table>
<thead>
<tr>
<th>Construction material description</th>
<th>Unit of measure</th>
<th>Quantity</th>
<th>Price (dollars)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign construction material</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Domestic construction material</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

[List name, address, telephone number, and contact for suppliers surveyed. Attach copy of response; if oral, attaché summary.]

[Include other applicable supporting information.]

[*Include all delivery costs to the construction site and any applicable duty (whether or not a duty-free entry certificate is issued).]

(g) SERVICE CONTRACTS

The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. Unless provided for elsewhere in this contract, these clauses only apply if this contract is for services, in excess of $2,500.

(1) 52.222-41 Service Contract Act of 1965, as Amended (MAY 1989).

(2) 52.222-42 Statement Of Equivalent Rates For Federal Hires (MAY 1989). By this reference U.S Department of Labor wage determination number 1986-0519, revision 6, dated 06/07/2001 is incorporated.

(h) 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.