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 (33) 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 97). 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) 52.211-15 Defense Priority and Allocation Requirements (SEP 1990)

(9) 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.

(10) 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."

(11) 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."

(12) 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.

(13) 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.

(14) 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.

(15) 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 $500,000. "Contracting Officer" shall mean Buyer in subparagraph (a).

(16) 52.219-8 Utilization of Small Business Concerns (OCT 2000)

(17) 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.

(18) 52.222-26 Equal Opportunity (APR 2002) [subparagraphs (b)(1) through (11)]

(19) 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds $25,000.

(20) 52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998). This clause applies only if this contract exceeds $10,000.

(21) 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds $25,000.

(22) 52.222-41 Service Contract Act of 1965, as amended (MAY 1989). This clause applies only if this contract is subject to the Act.

(23) 52.223-14 Toxic Chemical Release Reporting (OCT 2000) [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 or their corresponding North American Industry Classification System (NAICS) sectors 31through 33.

(24) 52.225-13 Restrictions on Certain Foreign Purchases (JUL 2000)

(25) 52.227-1 Authorization and Consent (JUL 1995)

(26) 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.

(27) 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.
(28) 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.

(29) 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.

(30) 52.228-5 Insurance - Work on a Government Installation (JAN 1997). Seller shall provide and maintain insurance as set forth in this contract.

(31) 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).

(32) 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.

(33) 52.244-6 Subcontracts for Commercial Items (MAY 2002)

(34) 52.245-2 Government Property (DEC 1989)

(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) 252.209-7000 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.

(3) 252.225-7012 Preference for Certain Domestic Commodities (AUG 2000)

(4) 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.

(5) 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.
(6) 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.

(7) 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.

(8) 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.

(9) 252.227-7026 Deferred Delivery of Technical Data or Computer Software (APR 1988). This clause applies only if technical data or computer software may be originated, developed, or delivered under this contract.

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 252.243-7001 Pricing of Contract Modifications (DEC 1991)

(15) 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DOD Contracts) (MAR 2000)

(16) 252.247-7023 Transportation of Supplies by Sea (MAY 2002). This clause, in its entirety, 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. If the supplies being transported are the types of supplies described above, but this contract is not in excess of $100,000, only paragraphs (a) through (e) and (h) are applicable.

(17) 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.

(c) Cost Accounting Standards

(2) 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) Special Packing, Packaging and Shipment Requirements

The use of asbestos, excelsior, newspaper or shredded paper as packing materials is prohibited. Preservation, packaging and packing shall be in accord with ASTM Designation D3951-90. All shipment of items, including Buyer-provided property, between Seller and Buyer shall be at Buyer expense.

(e) Organizational Conflict of Interest

(1) "Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable to or potentially unable to render impartial assistance or advice to Buyer, or the person’s objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. “Person” includes business organization.

(2) Seller warrants that, to the best of its knowledge and belief, it does not have any organizational conflict of interest, as defined above.

(3) Seller agrees that, if in the performance of this order it discovers a potential organizational conflict of interest with respect to this order, it shall make an immediate and full disclosure in writing to Buyer, which shall include a description of the actions taken to avoid, eliminate or neutralize the conflict.
In the event Seller does not disclose a known potential conflict to Buyer, Buyer may terminate this order for default.

(4) If Seller is directed by authorized Buyer personnel by written or verbal directions to perform a service which Seller believes to constitute a potential organizational conflict of interest, Seller is required to notify Buyer in writing of the nature of the conflict within ten (10) days after the receipt of the Buyer directive. Buyer has the sole responsibility for determining whether a conflict does in fact exist. No effort shall be expended toward the performance of the services in question until this determination has been made or unless otherwise directed by Buyer.

(5) Seller hereby agrees that: if Seller provides system engineering and technical direction for a system under this order, but does not have overall contractual responsibility for its development, integration, assembly, checkout or production, then Seller shall not later supply the system or any major component thereof, or be a subcontractor or consultant to a supplier of the system or any major components thereof; if Seller assists under this order in the preparation of a statement of work to be used in competitively acquiring a system or service, or provides material leading directly to the statement of work, Seller shall not supply the system or major components thereof, nor the services unless it is the sole source, it has participated in the design and development work, or more than one Seller has been involved in preparing the statement of work; if Seller obtains access to the proprietary data of other companies in the course of performing on this order, Seller agrees to protect such data from unauthorized use or disclosure so long as it remains proprietary, agrees that it will not use such proprietary data in contracts for the supply of the systems, subsystems, or other components thereof which results directly from the work performed under this order, and agrees that it will not utilize such proprietary data in the performance of other contracts so long as the data remains proprietary.

(6) Such restraints as stated in this clause shall remain in effect until Buyer has determined that the organizational conflict of interest has satisfactorily been neutralized, mitigated or eliminated. Seller is hereby warned that the foregoing situations are not the only ones which may constitute an organizational conflict of interest, and is directed to FAR 9.5 for the principles of organizational conflict of interest.

(7) Buyer has the unilateral right to waive one or more of the provisions of this clause, on a case-by-case basis, if Seller demonstrates to Buyer that Seller can neutralize, mitigate or eliminate potential conflicts of interest.

(8) Seller shall place the substance of this clause in any subcontracts for more than $2,500 issued in support of this order.

(f) Small Business Subcontracting Plan Goals
Seller’s subcontracting plan goal shall be to place 25% by dollar of all subcontracts issued in support of this order with small businesses. This clause applies only to orders exceeding $500,000 in value placed with large businesses.

(g) Option To Extend Term Of Order

Buyer may extend the term of this order by written notice to Buyer within the period of performance of this order, provided Buyer gives Seller a preliminary written notice of its intent to extend at least 45 days before this order expires. The preliminary notice does not commit Buyer to an actual extension.

(h) English Language Communication

All reports, documentation and other written communication produced or used in the performance of this order shall be in standard American English. All oral communication used in performance of this order such as, but not limited to, training, meetings, and telephone support, shall be in standard American English.