

CUSTOMER CONTRACT REQUIREMENTS
Virtually Guided Certification of Computer Numerically Controlled Machine Tools via Virtual Twin
CUSTOMER CONTRACT DMDII-15-07-01

CUSTOMER CONTRACT REQUIREMENTS

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

1. Prime Contract Special Provisions The following prime contract special provisions apply to this purchase order

1.0 Structure . Boeing is the Project Team Lead and member of the DMDII consortium pursuant to the Membership Agreement between UI Labs and Boeing.

Subcontractors under this effort must be Project Participants and members of the DMDII consortium and must include all terms in this Customer Contract Requirements (CCR) in subawards and subcontracts issued regardless of tier.

To the extent that the provisions of this Agreement contradict any provisions of the Membership Agreement, the provisions contained in this Agreement will prevail over those of the Membership Agreement if those overridden provisions are referenced by specific article and where applicable section number in this Agreement.

2.1.3 Substitutions .

All Key Personnel substitutions under this Agreement will be made in writing to the UI LABS Contract Manager and those requests will provide a detailed explanation of the circumstances necessitating the proposed substitutions. The notification must contain a complete resume for the proposed substitute and any other information requested by the UI LABS Contract Manager or needed by the UI LABS Contract Manager to obtain approval of the proposed substitution by the Government, if applicable.

Key Personnel of Other Project Participants

Douglas Bristow - Associate Professor of Mechanical Engineering

Robert Landers - Professor of Mechanical Engineering

3.10 No Profits . In accordance with DoDGARs 22.205(b) and DoD Policy, the payment of fee or profit is unallowable under this Agreement to either the Project Team Lead or other Project Participants.

3.11 Reasonable Costs .

Subcontractor understands and agrees that Cost Share contributions are to be used solely for Agreement-related costs incurred that are reasonable in nature and amount, and allocable to this Agreement.

3.12 Audit Requirements & Financial Records .

Subcontractors will ensure that they perform, and have the right to allow the Government to perform audit(s) sufficient to meet the requirements of DoDGARs Part 32.26 for subcontractors who are an institution of higher education, hospital, or non-profit organization and DoDGARs Part 34.16 for subcontractors who are a for-profit organization. Adequate records will be maintained to

account for all funding under this Agreement in accordance with DoDGARS 32.53 for subcontractors who are an institution of higher education, hospital, or non-profit organization and DoDGARS Part 34.42 for subcontractors who are a for-profit organization. Relevant financial records, supporting documents, statistical records and all other records pertinent to this Agreement will be maintained and are subject to examination or audit by the Government or their auditors for a period of three (3) years after expiration of the period of performance of this Agreement. The only exceptions are as specified under DoDGARS 32.53(b). The Government and their auditors will have direct access to sufficient records and information of all participants to ensure full accountability for all funding under this Agreement. That audit, examination, or access will be performed during business hours on business days upon prior written notice and will be subject to the reasonable security requirements of the audited Party.

3.13 Project Income .

Income generated under this Agreement or resultant agreements with other Project Participants will be handled in accordance with DoDGARS 32.24 for Project Participants who are an institution of higher education, hospital, or non-profit organization and DoDGARS Part 34.14 for Project Participants who are a for-profit organization with the following clarifications. Project income earned during the term of this Agreement will be retained by the Project Team Lead and used to finance the Project Team Lead's or the applicable Project Participant's Cost Share required under the Agreement. However, during the performance of this Agreement, the Project Team Lead is not required to use Project income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under this Agreement to finance the Project Team Lead's or Project Participant's Cost Share required under this Agreement. The Project Team Lead has no obligation to UI LABS or to the Government for Project income earned after the end date of this Agreement.

3.16 Administration and Cost Principles .

Applicable to this Agreement, and incorporated in to this Agreement by reference, are the requirements, standards, and provisions of the appropriate DoDGARS and OMB Circulars and attachments hereto, as revised as of the Project Award Agreement Effective Date of this Agreement, listed below. For purposes of this paragraph, the term "appropriate" is determined by the organizational nature of the Project Team Lead (educational institution, non-profit organization, for-profit organization, state or local government) and each Project Participant.

- a. 32 CFR Part 22, "DoD Grants and agreements - Award and Administration"
- b. 32 CFR Part 32, "Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations"
- c. 32 CFR Part 33, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"
- d. A-21, "Cost Principles for Educational Institutions"
- e. A-87, "Cost Principles for State, Local and Indian Tribal Governments"
- f. A-102, "Grants and Cooperative Agreements with State and Local Governments"
- g. A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations"
- h. A-122, "Cost Principles for Non-Profit Organizations"
- i. A-133, "Audits of States, Local Governments, and Non-Profit Organizations"
- j. 32 CFR Part 34, "Administrative Requirements for Grants and Agreements with For Profit Organizations"

3.18 Subawards .

Parties performing work under this agreement will include these flowdowns in all subawards with other parties regardless of tier, for experimental, research or development work.

3.8 Standards for Financial Management Systems . DoD Grant and Agreement Regulations Part 34.11 are the governing standards given that the Project Team Lead (Boeing) is a For-profit organization.

3.9.1 Type of Institution . Allowability of costs for Project Team Lead costs incurred will be determined in accordance with OMB Circular A-122, Cost Principles for Non-Profit Organizations; or OMB Circular A-21 for Academic Institutions; or A-87 for State and Local Government; or with the Federal Acquisition Regulation (FAR), Part 31, depending on Project Team Lead's or the applicable Project Participant's type of entity. The project Team Leads and the Project Participant's Cost Share, including any in-kind contributions, will comply with and be valued in accordance with DoDGARs Part 32.23 for Project Team Leads who are an institution of higher education, hospital, or non-profit organization and DoDGARs Part 34.13 for Project Team Leads who are for-profit Organizations. The following clarifications regarding the allowability of costs and/or the valuation of cost share apply to this agreement:

- Costs for the construction of buildings or to buy land are not allowable as direct cost under this Agreement, regardless of whether using DMDII Authorized Cost or Project Team Lead Cost Share.
- The total value of any donated land and/or buildings for which title passes to the Project Team Lead will not be accepted as Cost Share, however, in accordance with DoDGARs Part 32.23(g)(2), depreciation or use charges for donated buildings and/or fair rental charges for donated land may be used as Project Team Cost Share.
- The portion of costs to renovate buildings, i.e., capital improvements to existing buildings and equipment, which are allocable to this Agreement may be used as Project Team Lead Cost Share with prior written approval from the UI LABS Contract Manager, but may not be charged as direct costs using DMDII funds.
- Equipment purchase as direct costs under this Agreement or resultant must be special purpose equipment necessary for the unique needs of DMDII. Prior written approval to purchase that equipment is required for the UI LABS Contract Manager.
- General purpose equipment may be used as Project Team Lead Cost Share for that portion directly allocable to this Agreement with prior written approval from the UI LABS Contract Manager, but may not be charged as direct costs using DMDII funds.