**BDS** Terms and Conditions Guide

Effective: 12/19/2016 Page 1 of 6

## CUSTOMER CONTRACT REQUIREMENTS Portable Flight Line Testers (PFLT) CUSTOMER CONTRACT FA8678-17-C-0001\*

## CUSTOMER CONTRACT REQUIREMENTS

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

- **1. FAR Clauses** The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller.
  - **52.203-6 Restrictions on Subcontractor Sales to the Government** (SEP 2006). This clause applies only if this contract exceeds (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold.
  - **52.203-7 Anti-Kickback Procedures** (MAY 2014). Buyer may withhold from sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract. This clause, excluding subparagraph (c)(1), applies only if this contract exceeds \$150,000.
  - **52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity** (MAY 2014). This clause applies to this contract if the Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this contract. The Seller shall indemnify Buyer for any and all losses suffered by the Buyer due to violations of the Act (as set forth in this clause) by Seller or its subcontractors at any tier.
  - **52.203-10 Price or Fee Adjustment for Illegal or Improper Activity** (MAY 2014). This clause applies only if this contract exceeds (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold. If the Government reduces Buyer's price or fee for violations of the Act by Seller or its subcontractors at any tier, Buyer may withhold from sums owed Seller the amount of the reduction.
  - **52.203-12 Limitation on Payments to Influence Certain Federal Transactions** (OCT 2010). This clause applies only if this contract exceeds \$150,000. Paragraph (g)(2) is modified to read as follows: "(g)(2) Seller will promptly submit any disclosure required (with written notice to Boeing) directly to the PCO for the prime contract. Boeing will identify the cognizant Government PCO at Seller's request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor."
  - **52.203-17** Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (APR 2014). This clause applies only if this contract exceeds \$150,000.
  - **52.204-10 Reporting Executive Compensation And First-Tier Subcontract Awards** (OCT 2015). Delete all paragraphs and replace with the following: "If Seller meets the executive compensation reporting requirements of 52.204-10, Seller shall provide the required executive compensation information by maintaining an active registration in the U.S. government System for Award Management (*SAM*) in accordance with 52.204-7. The required information of 52.204-10 will be made public."
  - **52.204-13** System for Award Management Maintenance (JUL 2013).
  - 52.209-6 Protecting the Government's Interests When Subcontracting With Contractors Debarred, Suspended or Proposed

BDS Terms and Conditions Guide

Effective: 12/19/2016
Page 2 of 6

**for Debarment** (OCT 2015). Seller agrees it is not debarred, suspended, or proposed for debarment by the Federal Government. Seller shall disclose to Buyer, in writing, whether as of the time of award of this contract, Seller or its principals is or is not debarred, suspended, or proposed for debarment by the Federal Government. This clause does not apply to contracts where Seller is providing commercially available off-the shelf items.

- 52.211-5 Material Requirements (AUG 2000). Any notice will be given to Buyer rather than the Contracting Officer.
- **52.211-15 Defense Priority and Allocation Requirements** (APR 2008). This clause is applicable if a priority rating is noted in this contract.
- **52.215-2 Audit and Records Negotiation** (OCT 2010). This clause applies only if this contract exceeds \$150,000 and (i) is costreimbursement, 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. Notwithstanding the above, Buyer's rights to audit Seller are governed by the Financial Records and Audit article of the General Provisions incorporated in the Contract.
- **52.215-14 Integrity of Unit Prices** (OCT 2010). This clause applies except for contracts at or below \$150,000; construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; commercial items; and petroleum products.
- 52.219-8 Utilization of Small Business Concerns (OCT 2014).
- **52.219-28 Post-Award Small Business Program Representation** (JUL 2013). In paragraph (b), delete "...or, if applicable paragraph (g) of this clause..." Delete paragraph (c) and insert the following paragraph (c) in lieu thereof: "Seller shall represent its size status in accordance with SBA's size code standards in effect at the time of this representation to Buyer. The size status shall corespond to the North American Industry Classification System (NAICS) code applicable to Seller's contract." Delete paragraphs (d) and (g). Delete paragraph (e) and insert the following paragraph (e) in lieu thereof: "Seller shall make the representation required by paragraph (b) of this clause by submitting an updated Buyer Form F70102 or updating Seller's profile information on line in Buyer's BEST system."
- **52.222-1 Notice to the Government of Labor Disputes** (FEB 1997). The terms "Contracting Officer" shall mean Buyer.
- 52.222-19 Child Labor Cooperation with Authorities and Remedies (FEB 2016). In (d), "Contracting Officer" means Buyer.
- **52.222-20 Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000.** (MAY 2014). This clause applies only if this contract exceeds \$15,000.
- 52.222-21 Prohibition of Segregated Facilities (APR 2015).
- **52.222-26 Equal Opportunity** (APR 2015).
- **52.222-35 Equal Opportunity for Veterans.** (OCT 2015). This clause applies only if this contract is \$150,000 or more.
- 52.222-36 Equal Opportunity for Workers with Disabilities (JUL 2014). This clause applies only if this contract exceeds \$15,000.
- **52.222-37 Employment Reports on Veterans** (FEB 2016). This clause applies if this contract is \$150,000 or more.
- **52.222-40** Notification of Employee Rights Under the National Labor Relations Act. (DEC 2010).
- **52.222-50 Combating Trafficking in Persons** (MAR 2015). The term "contractor" shall mean "Seller", except in the paragraph (a) definition of Agent, and except when the term "prime contractor" appears, which shall remain unchanged. The term "Contracting Officer" shall mean "Contracting Officer, Buyer's Authorized Procurement representative" in paragraph (d)(1). Paragraph (d)(2) shall

BDS Terms and Conditions Guide

Effective: 12/19/2016
Page 3 of 6

read as follows: "If the allegation may be associated with more than one contract, the Seller shall inform the Buyer's Authorized Procurement Representative for each affected contract." The term "the Government" shall mean "the Government and Buyer" in paragraph (e). The term "termination" shall mean "Cancellation" and "Cancellation for Default", respectively, in paragraph (e)(6). The term "Contracting Officer" shall mean "Contracting Officer and Buyer" in paragraph (f), except in paragraph (f)(2), where it shall mean "Contracting Officer or Buyer". Paragraph (h)(2)(ii) shall read as follows: "To the nature and scope of the activities involved in the performance of a Government subcontract, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons." The term "Contracting Officer" shall mean "Contracting Officer or Buyer" in paragraph (h)(4)(ii). The term "Contracting Officer" shall mean "Buyer" in paragraph (h)(5).

- **52.222-54 Employment Eligibility Verification** (OCT 2015). This clause applies to all subcontracts that (1) are for (i) commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item, or an item that would be a COTS item, but for minor modifications performed by the COTS provider and are normally provided for that COTS item), or (ii) construction; (2) has a value of more than \$3,500; and (3) includes work performed in the United States.
- 52.222-99 Establishing a Minimum Wage for Contractors (Deviation) (JUN 2014).
- 52.223-15 Energy Efficiency In Energy-Consuming Products (DEC 2007).
- 52.223-18 Encouraging Contractor Policies To Ban Text Messaging While Driving (AUG 2011).
- **52.225-1 Buy American Supplies** (MAY 2014). The term "Contracting Officer" shall mean Buyer the first time it is used in paragraph (c). In paragraph (d), the phrase "in the provision of the solicitation entitled 'Buy American Certificate' is deleted and replaced with "in its offer."
- **52.225-3** Buy American Act-Free Trade Agreements-Israeli-Trade Act (MAY 2014). "Contracting Officer" means Buyer in paragraph (b). In paragraph (c), the phrase "in the provision entitled 'Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate" is deleted.
- **52.225-5 Trade Agreements** (FEB 2016). In paragraph (b), the phrase "in the provision entitled 'Trade Agreement Certificate' " is deleted.
- 52.227-1 Authorization and Consent (DEC 2007).
- **52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement** (DEC 2007). A copy of each notice sent to the Government shall be sent to Buyer.
- **52.230-6 Administration of Cost Accounting Standards** (JUN 2010). Add "Buyer and the" before "CFAO" in paragraph (m). This clause applies if clause H001, H002, H004 or H007 is included in this contract.
- **52.232-39** Unenforceability of Unauthorized Obligations (JUN 2013).
- **52.232-40 Providing Accelerated Payments to Small Business Subcontractors.** (DEC 2013). This clause applies to contracts with small business concerns. The term "Contractor" retains its original meaning.
- **52.244-6 Subcontracts for Commercial Items** (JUN 2016). Clauses in paragraph (c) (1) are applicable to Seller for commercial items ordered by Buyer from Seller under this contract.
- **52.253-1** Computer Generated Forms (JAN 1991).
- **2. DoD FAR Supplement Clauses** DoD Contracts. The following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller except as otherwise noted.

**BDS Terms and Conditions Guide** 

after "Contracting Officer." Paragraph (g) is deleted.

Effective: 12/19/2016

Page 4 of 6

**252.203-7001** Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (DEC 2008). This clause applies only if this contract exceeds (i) \$100,000 if included in Buyer's customer RFP or customer contract issued before October 1, 2010 or (ii) \$150,000 if included in Buyer's customer RFP issued on or after October 1, 2010, or if the prime contract was issued prior to October 1, 2010 but was amended after October 1, 2010 to increase the Simplified Acquisition Threshold and is not for the purchase of commercial items or commercial components. Except in paragraph (a), "this contract" and "the contract" mean the contract between Buyer and Seller. In subparagraph (d)(2), delete the words "or first-tier subcontractor." In paragraph (e), the remedies described in subparagraphs (2) and (3) are available to Buyer, not the Government. In paragraph (f), "through the Buyer" is inserted

252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013).

252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support (MAY 2016).

252.211-7000 Acquisition Streamlining (OCT 2010). This clause applies only if this contract exceeds \$1.5 million.

252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (DEC 2010). This clause applies to all solicitations and contracts (including task or delivery orders and bilateral modifications adding new work) valued in excess of \$1 million, except for contracts for the acquisition of commercial items, including commercially available off-the-shelf-items. Seller agrees to flow down this clause to all covered subcontractors. Seller agrees by accepting this contract that it shall not enter into, and shall not take any action to enforce, any provision of any existing agreements, as describe in paragraph (b)(1) of this clause, with respect to any of Seller's employees or independent contractors performing work for Seller related to this contract.

**252.225-7001 Buy American and Balance of Payments Program Basic (Aug 2016)** Alternate I (AUG 2016). In paragraph (c), the phrase "in the Buy American Balance of Payments Program Certificate provision of the solicitation" is deleted and the word "certified" is deleted and replaced with the word "specified."

**252.225-7001 Buy American and Balance of Payments Program** (AUG 2016). In paragraph (c), the phrase "in the Buy American Balance of Payments Program Certificate provision of the solicitation" is deleted and the word "certified" is deleted and replaced with the word "specified."

252.225-7002 Qualifying Country Sources as Subcontractors (AUG 2016).

**252.225-7009** Restriction on Acquisition of Certain Articles Containing Specialty Metals (OCT 2014). Paragraphs (d) and (e) (1) of this clause are excluded. In paragraph (d) (1) (i), "Contracting Officer" means Buyer. In paragraph (e)(2) "Government" means Buyer. Paragraph (c)(6) is revised as follows:

(c)(6) End items of the prime contract containing a minimal amount of otherwise noncompliant specialty metals (*i.e.*, specialty metals not melted or produced in the United States, an outlying area, or a qualifying country, that are not covered by one of the other exceptions in this paragraph (c)), if the total weight of such noncompliant metals does not exceed 2 percent of the total weight of all specialty metals in that end item. This exception does not apply to high performance magnets containing specialty metals. If the Seller will furnish goods that contain otherwise noncompliant specialty metals (*i.e.*, specialty metals not melted or produced in the United States, an outlying area, or a qualifying country, that are not covered by one of the other exceptions in this paragraph (c)), then the Seller shall disclose to the Buyer (i) the total weight of all specialty metals in each of the goods of this contract, and (ii) the total weight of the noncompliant specialty metals in each of those goods. In the calculation of total weight of noncompliant specialty metals in each of the goods, exclude the weight of specialty metals covered by other exemptions in this paragraph (c).

252.225-7012 Preference for Certain Domestic Commodities (AUG 2016).

**252.225-7016 Restriction on Acquisition of Ball and Roller Bearings** (JUN 2011). This clause does not apply to contracts for commercial items or items that do not contain ball or roller bearings.

**252.225-7048** Export-Controlled Items (JUN 2013).

BDS Terms and Conditions Guide

Effective: 12/19/2016 Page 5 of 6

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

**252.227-7014** Rights In Noncommercial Computer Software And Noncommercial Computer Software Documentation (FEB 2014). This clause applies when noncommercial computer software or computer software documentation is to be obtained from Seller or Seller's subcontractors for delivery to the Government.

252.227-7037 Validation of Restrictive Markings on Technical Data (JUN 2013).

252.231-7000 Supplemental Cost Principles (DEC 1991).

**252.239-7018 Supply Chain Risk** (OCT 2015). This clause applies to all contracts involving the development or delivery of any information technology, whether acquired as a service or as a supply. "Government" shall mean "Government or Buyer".

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

**252.246-7003 Notification of Potential Safety Issues** (JUN 2013). This clause applies only if this subcontract is for: (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies and parts integral to a system. The notification required by paragraph (c) of this clause will be provided to Buyer and to the administrative contracting officer (ACO) and the procuring contracting officer (PCO) if Seller is aware of the ACO and PCO for the prime contract.

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

**52.203-13 Contractor Code of Business Ethics and Conduct** (OCT 2015). This clause applies only if this contract is in excess of \$5,500,000 and has a period of performance of more than 120 days.

**52.203-15** Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (JUN 2010). This clause applies if this contract is funded in whole or in part with Recovery Act funds.

52.204-21 Basic Safeguarding of Covered Information Systems (JUN 2016).

52.219-8 Utilization of Small Business Concerns (OCT 2014).

52.222-21 Prohibition of Segregated Facilities (APR 2015).

**52.222-26 Equal Opportunity** (APR 2015).

**52.222-35 Equal Opportunity for Veterans.** (OCT 2015). This clause applies only if this contract is \$150,000 or more.

52,222-36 Equal Opportunity for Workers with Disabilities (JUL 2014). This clause applies only if this contract exceeds \$15,000.

**52.222-37 Employment Reports on Veterans** (FEB 2016). This clause applies if the Contract is \$150,000 or more.

**52.222-40** Notification of Employee Rights Under the National Labor Relations Act. (DEC 2010).

**52.222-50 Combating Trafficking in Persons** (MAR 2015). The term "contractor" shall mean "Seller", except in the paragraph (a) definition of Agent, and except when the term "prime contractor" appears, which shall remain unchanged. The term "Contracting Officer" shall mean "Contracting Officer, Buyer's Authorized Procurement representative" in paragraph (d)(1). Paragraph (d)(2) shall read as follows: "If the allegation may be associated with more than one contract, the Seller shall inform the Buyer's Authorized Procurement Representative for each affected contract." The term "the Government" shall mean "the Government and Buyer" in

Effective: 12/19/2016 Page 6 of 6

paragraph (e). The term "termination" shall mean "Cancellation" and "Cancellation for Default", respectively, in paragraph (e)(6). The term "Contracting Officer" shall mean "Contracting Officer and Buyer" in paragraph (f), except in paragraph (f)(2), where it shall mean "Contracting Officer or Buyer". Paragraph (h)(2)(ii) shall read as follows: "To the nature and scope of the activities involved in the performance of a Government subcontract, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons." The term "Contracting Officer" shall mean "Contracting Officer or Buyer" in paragraph (h)(4)(ii). The term "Contracting Officer" shall mean "Buyer" in paragraph (h)(5).

52.222-50 Combating Trafficking in Persons Alternate I (MAR 2015). The term "Contractor" shall mean "Seller", except the term "prime contractor" shall remain unchanged. The term "Contracting Officer" shall mean "Contracting Officer and the Buyer's Authorized Procurement representative in paragraph (d)(1). Paragraph (d)(2) shall read as follows: "If the allegation may be associated with more than one contract, the Seller shall inform the Buyer's Authorized Procurement Representative for each affected contract." The term "the Government" shall mean "the Government and Buyer" in paragraph (e). The term "termination" shall mean "cancellation" and "Cancellation for Default", respectively, in paragraph (e)(6). Insert the following at the end of paragraph (e): "If the Government exercises one of the remedies identified in the paragraph (e) against Buyer as a result, in whole or in part, of the Seller's violation of its obligations under this clause, Buyer may impose that remedy against the Seller proportionate to the extent to which Seller's violation caused the Government's decision to impose a remedy on Buyer." The term "Contracting Officer" shall mean "Contracting Officer or Buyer".

Paragraph (h)(2)(ii) shall read as follows: "To the nature and scope of the activities involved in the performance of a Government subcontract, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons." The term "Contracting Officer" shall mean "Contracting Officer or Buyer" in paragraph (h)(4)(ii). The term "Contracting Officer" shall mean "Buyer" in paragraph (h)(5).

**52.222-54 Employment Eligibility Verification** (OCT 2015). This clause applies to all subcontracts that (1) are for (i) commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item, or an item that would be a COTS item, but for minor modifications performed by the COTS provider and are normally provided for that COTS item), or (ii) construction; (2) has a value of more than \$3,500; and (3) includes work performed in the United States.

**52.222-55 Minimum Wages Under Executive Order 13658** (DEC 2015). This clause applies if this contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and is to be performed in whole or in part in the United States. "Contracting Officer" shall mean "Buyer".

52.225-26 Contractors Performing Private Security Functions Outside the the United States (JUL 2013).

**52.232-40 Providing Accelerated Payments to Small Business Subcontractors.** (DEC 2013). This clause applies to contracts with small business concerns. The term "Contractor" retains its original meaning.

**52.244-6 Subcontracts for Commercial Items** (JUN 2016). Clauses in paragraph (c) (1) are applicable to Seller for commercial items ordered by Buyer from Seller under this contract.

**52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels** (FEB 2006). This clause does not apply if this contract is for the acquisition of commercial items unless (i) this contract is a contract or agreement for ocean transportation services; or a construction contract; or (ii) the supplies being transported are (a) items the Seller is reselling or distributing to the Government without adding value (generally, the Seller does not add value to the items when it subcontracts items for f.o.b. destination shipment); or (b) shipped in direct support of U.S. military (1) contingency operations; (2) exercises; or (3) forces deployed in connection with United Nations or North Atlantic Treaty Organization humanitarian or peacekeeping operations.