

**CUSTOMER CONTRACT REQUIREMENTS
GPS-III
CUSTOMER CONTRACT FA8807-04-C-0002**

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 (Jul 1995). This clause applies only if this contract exceeds \$100,000.

52.203-7 Anti-Kickback Procedures (excluding subparagraph (c)(1)) (Jul 1995). 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 applies only if this contract exceeds \$100,000.

52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (Jan 1997). 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 (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 from sums owed Seller the amount of the reduction.

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.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions (Jun 2003). 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 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.

52.204-2 Security Requirements (Aug 1996). Changes clause means the changes clause of this contract. This clause applies only if access to classified material is required.

52.211-5 Material Requirements (Aug 2000). Any notice will be given to Buyer rather than the Contracting Officer.

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.

52.215-11 Price Reduction For Defective Cost or Pricing Data - Modifications (Oct 1997). This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. "Contracting Officer" shall mean "Contracting Officer or Buyer." In subparagraph (d)(2)(i)(A), delete "to the Contracting Officer." In subparagraph (d)(2)(ii)(B), "Government" means "Government" or "Buyer." In Paragraph (e), "United States" shall mean "United States or Buyer." .

52.215-13 Subcontractor Cost or Pricing Data - Modifications (Oct 1997). This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. 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".

52.215-14 Integrity of Unit Prices (excluding subparagraph (b)) (Oct 1997). This clause applies except for contracts at or below \$100,000; 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.

52.215-15 Pension Adjustments and Asset Reversions (Jan 2004). This Clause applies to this contract if it meets the requirements of FAR 15.408(g).

52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB) (Oct 1997). This Clause applies to this contract if it meets the requirements of FAR 15.408(j).

52.215-19 Notification of Ownership Changes (Oct 1997). This Clause applies to this contract if it meets the requirements of FAR 15.408(k).

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 the threshold set forth in FAR 15.403-4. The term "Contracting Officer" shall mean Buyer.

52.219-8 Utilization of Small Business Concerns (May 2004).

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

52.222-1 Notice to Government of Labor Disputes (Feb 1997). Contracting Officer shall mean Buyer.

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)) (Apr 2002).

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

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

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.

52.223-3 Hazardous Material Identification and Material Safety Data (Jan 1997). This clause applies only if Seller delivers hazardous material under this contract.

52.223-13 Certification of Toxic Chemical Release Reporting (Aug 2003). Except for commercial items as defined in FAR Part 2, this clause applies to competitive procurements expected to exceed \$100,000 (including all options). If Seller is not subject to the Form R filing and reporting requirements, Seller shall inform Buyer which exemption or exemptions in subparagraph (b)(2) of this clause apply.

52.223-14 Toxic Chemical Release Reporting (excluding subparagraph (e)) (Oct 2000). This clause applies only if this contract is not for commercial items as defined in FAR Part 2, was competitively awarded, and exceeds \$100,000 (including all options).

52.227-1 Authorization and Consent (Jul 1995).

52.227-1 Authorization and Consent (JUL 1995) - Alternate I (APR 1984)

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.

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

52.227-12 Patent Rights - Retention by the Contractor (Long Form) (Jan 1997). This clause only applies if this Contract is for experimental, developmental, or research work and Seller is other than a small business firm or nonprofit organization.

52.227-21 Technical Data Declaration, Revision, and Withholding of Payment - Major Systems (Jan 1997).

52.230-6 Administration of Cost Accounting Standards (Nov 1999). Add "Buyer and the" before "Contracting Officer in paragraph (f). This provision applies if Clause H001, H002 or H004 is included in Buyer's contract.

52.234-1 Industrial Resources Developed Under Defense Production Act Title III (Dec 1994).

52.244-5 Competition in Subcontracting (Dec 1996).

52.244-6 Subcontracts for Commercial Items (Dec 2004).

52.245-2 Government Property (Fixed Price Contracts) (Dec 1989). This clause is not applicable if this contract incorporates Form GP4. "Government" shall mean Government throughout except the first time it appears in paragraph (f) when "Government" shall mean the Government or the Buyer..

52.247-67 Submission of Commercial Transportation Bills to the General Services Administration for Audit (Jun 1997).

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.

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies (excluding paragraph (g)) (Mar 1999). This clause applies only if this contract exceeds \$100,000 and does not apply to the purchase of commercial items or commercial components. "Contractor" and "contract" are not changed in paragraphs (a) and (b). In paragraph (e), "Government" shall mean Government or Buyer. In paragraph (f), "through the Buyer" is inserted after "Contracting Officer". Paragraph (g) is deleted and "Contracting Officer" shall mean Contracting Officer.

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

252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (Dec 1991). The term "Offeror" shall mean Seller. This clause applies only if this contract exceeds \$100,000 and if an item being purchased contains precious metal.

252.209-7000 Acquisition From Subcontractors Subject to On-site Inspection Under the Intermediate-Range Nuclear Forces Treaty (Nov 1995). This clause applies only if this contract exceeds \$100,000 and does not apply to the purchase of commercial items or commercial components.

252.211-7000 Acquisition Streamlining (Dec 1991). This clause applies only if this contract exceeds \$1 million.

252.215-7000 Pricing Adjustments (Dec 1991). This clause applies only if this contract exceeds \$500,000.

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

252.225-7001 Buy American Act and Balance of Payment Program (Mar 1998).

252.225-7002 Qualifying Country Sources as Subcontractors (Dec 1991).

252.225-7004 Reporting of Contract Performance Outside the United States (Apr 2003). 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.

252.225-7012 Preference for Certain Domestic Commodities (Jun 2004).

252.225-7022 Restriction on Acquisition of Polyacrylonitrile (PAN) Based Carbon Fiber (Jun 2005). Contracting Officer means Buyer. This clause applies only if the product furnished under this contract contains polyacrylonitrile carbon fibers (alternatively referred to as PAN-based carbon fibers or PAN-based graphite fibers).

252.226-7001 Utilization of Indian Organizations and Indian-Owned Economic Enterprises - DoD Contracts (Sep 2004). This clause applies if this contract exceeds \$100,000 and does not apply to the acquisition of commercial items/services as defined in FAR 2.101.

252.227-7013 Rights in Technical Data - Noncommercial Items (Nov 1995). This clause applies only if the delivery of data is required for noncommercial items under this contract.

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Jun 1995). This clause applies only if the

delivery of noncommercial computer software or noncommercial computer documentation may be originated, developed or delivered under this contract.

252.227-7016 Rights in Bid or Proposal Information (Jun 1995).

252.227-7019 Validation of Asserted Restrictions - Computer Software (Jun 1995). This clause applies only if computer software may be originated, developed, or delivered under this contract.

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.

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.

252.227-7036 Declaration of Technical Data Conformity (Jan 1997). This clause applies only if the delivery of data is required by this contract.

252.227-7037 Validation of Restrictive Markings on Technical Data (Sep 1999). This clause applies only if the delivery of data is required by this contract.

252.231-7000 Supplemental Cost Principles (Dec 1991).

252.234-7001 Earned Value Management System (Mar 1998). This clause is applicable only if this contract states that the Earned Value Management System criteria applies to Seller.

252.235-7003 Frequency Authorization (Dec 1991) - Alternate I (Dec 1991). This clause applies only if this contract requires the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required..

252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (Mar 2000).

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

252.247-7023 Transportation of Supplies by Sea (May 2002). This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), "45 days" is changed to "60 days." In paragraph (g) "Government" means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

252.249-7002 Notification of Anticipated Contract Terminations 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.

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 Government clauses in Sections 1 and 2 above are deleted and the following FAR/DFARS clauses are inserted in lieu thereof:

52.219-8 Utilization of Small Business Concerns (Oct 2000). Include in all subcontracts that offer further subcontracting opportunities. If a subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), Seller and any lower tier subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)) (Apr 2002).

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (Dec 2001). This clause applies only if this contract exceeds \$25,000.

52.222-36 Affirmative Action for Handicapped Workers (Jun 1998). This clause applies only if this contract exceeds \$10,000.

52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004). This clause applies only if this contract exceeds \$100,000.

52.247-64 Preference for Privately-Owned U.S. Flag Commercial Vessels (Apr 2003). . In paragraph (C)(2) "20" and "30" are changed to 10 and 20 respectively.

252.225-7014 Preference for Domestic Specialty Metals (Deviation) (JUN 2005) & Alternate I (Deviation) (Apr 2003).

252.247-7023 Transportation of Supplies by Sea (May 2002).

This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), "45 days" is changed to "60 days." In paragraph (g) "Government" means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

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.

4. Cost Accounting Standards.

(1) (Applicable if this contract incorporates clause H001). The version of FAR 52.230-2, Cost Accounting Standards, incorporated by clause H001 is the version dated April 1998.

5. The following prime contract special provisions apply to this purchase order:

A. ELIMINATION OF USE OF CLASS I OZONE DEPLETING SUBSTANCES (ODS)

(1) It is Air Force policy to preserve mission readiness while minimizing dependency on Class I Ozone Depleting Substances (ODS), and their release into the environment, to help protect the Earth's stratospheric ozone layer.

(2) Unless a specific waiver has been authorized, Air Force procurements:

(A) May not include any specification, standard, drawing, or other document that requires the use of a Class I ODS in the design, manufacture, test, operation, or maintenance of any system, subsystem, item, component, or process;

(B) May not include any specification, standard, drawing or other document that establishes a requirement that can only be met by use of a Class I ODS; and

(C) May not require the delivery of any item of supply that contains a Class I ODS or any service that includes the use of a Class I ODS.

(3) For the purposes of the Air Force policy, the following are Class I ODS:

(A) Halons: 1011, 1202, 1211, 1301, and 2402

(B) Chlorofluorocarbons (CFC): CFC-11, CFC-12, CFC-13, CFC-111, CFC-112, CFC-113, CFC-114, CFC-115, CFC-211, CFC-212, CFC-213, CFC-214, CFC-215, CFC-216, CFC-217, and the blends R-500, R-501, R-502, and R-503.

(C) Other controlled substances: carbon tetrachloride, methyl chloroform, and methyl bromide.

(4) The Air Force has reviewed the requirements specified in this contract to reflect this policy. Where considered essential, specific approval has been obtained to require use of the following substances: NONE.

(5) To assist the Air Force in implementing this policy, Seller is required to notify Buyer if any Class I ODS not specifically listed above is required in the performance of this contract.

B. ENABLING CLAUSE FOR GENERAL SYSTEMS ENGINEERING AND INTEGRATION

(a) This contract covers the TSAT Space Segment which is under the general program management of the Air Force Space and Missile Systems Center (SMC). The Air Force has entered into a contract with The Aerospace Corporation, The MITRE Corporation, and Software Engineering Institute (SEI) for the services of a technical group which will support the DOD program office by performing General Systems Engineering and Integration.

(b) General Systems Engineering and Integration (GSE&I) deals with overall system definition; integration both within the system and with associated systems; analysis of system segment and subsystem design; design compromises and trade-offs; definition of interfaces; review of hardware and software including manufacturing and quality control; observation, review and evaluation of tests and test data; support of launch, flight test, and orbital operations; appraisal of the contractors' technical performance, through meeting with contractors and subcontractors, exchange and analysis of information on progress and problems, review of plans for future work; developing of solutions to problems, technical alternatives for reduced program risk, providing comments and recommendations in writing to the DOD System Program Manager and/or Project Officer as an independent technical assessment for consideration for modifying the program or redirecting the contractors' efforts; all to the extent necessary to assure timely and economical accomplishment of program objectives consistent with mission requirements.

(c) In the performance of this agreement, the contractor agrees to cooperate with The Aerospace Corporation, The MITRE Corporation, and SEI by responding to invitations from authorized personnel to attend meetings; by providing access to technical information and research, development and planning data such as, but not limited to, design and development analyses; test data and results; equipment and process specifications; test and test equipment specifications and procedures, parts and quality control procedures, records and data; manufacturing and assembly procedures; and schedule and milestone data, all in their original form or reproduced form and including cost* data; by delivering data as specified in the Contract Data Requirements List; by discussing technical matters relating to this program; by providing access to contractor facilities utilized in the performance of this Agreement; and by allowing observation of technical activities by appropriate Aerospace Corporation, The MITRE Corporation, and SEI technical personnel. The Aerospace Corporation, The MITRE Corporation, and SEI personnel engaged in general systems engineering and integration effort are authorized access to any technical information pertaining to this contract.

(d) The contractor further agrees to include in each subcontract a clause requiring compliance by the subcontractor and succeeding levels of subcontractors with the response and access provisions of paragraph (c) above, subject to coordination with the contractor. This agreement does not relieve the contractor of his/her responsibility to manage the subcontracts effectively and efficiently nor is it intended to establish privity of contract between the Government or The Aerospace Corporation, The MITRE Corporation, and SEI and such subcontractors.

(e) The Aerospace Corporation, The MITRE Corporation, and SEI personnel are not authorized to direct the contractor in any manner. The contractor agrees to accept technical direction as follows:

1. Technical direction under this contract will be given to the contractor solely by SMC.

2. Whenever it becomes necessary to modify the contract and redirect the effort, a Change Order signed by the Contracting Officer, or a Supplemental Agreement signed by both the Contracting Officer and the Contractor will be issued. *Cost data is defined as information associated with the programmatic elements of life cycle (concept, development, production, operations, and retirement) of the system/program. As defined, cost data differs from "financial" data, which is defined as information associated with the internal workings of a company or contractor that is not specific to a project or program.

C. EXPORT CONTROLLED DATA RESTRICTIONS

(1) For the purpose of this clause,

(A) Foreign person is any person who is not a citizen of the or lawfully admitted to the for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, foreign organizations, and foreign governments;

(B) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation, or person; and

(C) Foreign sources are those sources (vendors, subcontractors, and suppliers) owned and controlled by a foreign person.

(2) Seller shall place a clause in subcontracts containing appropriate export control restrictions, set forth in this clause.

(3) Nothing in this clause waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export-controlled data and information.

(4) Equipment and technical data generated or delivered in the performance of this contract are controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128. An export license is required before assigning any foreign source to perform work under this contract or before granting access to foreign persons to any equipment and technical data generated or delivered during performance (see 22 CFR Section 125). Seller shall notify Buyer and obtain the written approval of Buyer prior to assigning or granting access to any work, equipment, or technical data generated or delivered in the performance of this contract to foreign persons or their representatives. This notification shall include the name and country of origin of the foreign person or representative, the specific work, equipment, or data to which the person will have

access, and whether the foreign person is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

D. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

Seller shall provide immediate notice to Buyer in the event of being debarred suspended, or proposed for debarment by any Federal Agency during the performance of this contract.