

CUSTOMER CONTRACT REQUIREMENTS
SBX Support and Maintenance
CUSTOMER CONTRACT HQ0147-09-C-0007

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 \$100,000.

52.203-7 Anti-Kickback Procedures (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.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions (SEP 2007). This clause applies only if this contract exceeds \$100,000. 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."

52.203-13 Contractor Code of Business Ethics and Conduct (DEC 2008). This clause applies only if this contract is in excess of \$5,000,000 and has a period of performance of more than 120 days.

52.203-14 Display of Hotline Poster(s) (DEC 2007). This clause applies only if this contract is in excess of \$5,000,000 and is not for a commercial item or performed entirely outside the United States. For the purposes of this clause, the United States is defined as the 50 states, the District of Columbia, and outlying areas.

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.

52.211-15 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 (MAR 2009). 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.

52.215-10 Price Reduction for Defective Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds the threshold set forth in FAR 15.403-4 and is not otherwise exempt. 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."

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."

52.215-12 Subcontractor Cost or Pricing Data (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 "to The Boeing Company or The Boeing Company's representative (including data submitted, when applicable, to an authorized representative of the U.S. Government)."

52.215-13 Subcontractor Cost or Pricing Data -- Modification (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 (c) 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 "to The Boeing Company or The Boeing Company's representative (including data submitted, when applicable, to an authorized representative of the U.S. Government)."

52.215-14 Integrity of Unit Prices (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 (OCT 2004). This Clause applies to this contract if it meets the requirements of FAR 15.408(g).

52.215-21 Requirement for Cost or Pricing Data or Information Other Than Cost and 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 (APR 2008). This clause applies only if this contract exceeds \$550,000 and Seller is not a small business concern. Seller shall adopt a subcontracting plan that complies with the requirements of this clause. In addition, Seller shall submit to Buyer Form X31162, Small and Small Disadvantaged Business and Women-Owned Small Business Subcontracting Plan Certificate of Compliance. In accordance with

paragraph (d)(10)(iv), Seller agrees that it will submit the ISR and/or SSR using eSRS, and, in accordance with paragraph (d)(10)(vi), Seller agrees to provide the prime contract number, its own DUNS number, and the email address of the Government or Contractor official responsible for acknowledging or rejecting the reports, to its subcontractors with subcontracting plans.

52.222-20 Walsh-Healey Public Contracts Act (DEC 1996). This clause applies only if this contract exceeds \$10,000.

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

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)) (FEB 1999).

52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006). This clause applies only if this contract exceeds \$100,000.

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 (SEP 2006). This clause applies only if this contract exceeds \$100,000.

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.

52.222-50 Combating Trafficking in Persons (FEB 2009). In paragraph (d), the term "Contracting Officer" means Buyer, and in paragraph (e), the term "the Government" means Buyer.

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

52.223-11 Ozone Depleting Substances (MAY 2001).

52.225-13 Restriction on Certain Foreign Purchases (JUN 2008).

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 will be sent to Buyer.

52.227-10 Filing of Patent Applications - Classified Subject Matter (DEC 2007).

52.228-3 Workers' Compensation Insurance (Defense Base Act) (APR 1984).

52.228-4 Workers' Compensation and War Hazard Insurance Overseas (APR 1984).

52.229-8 Taxes-Foreign Cost Reimbursement Contracts (MAR 1990).

52.230-6 Administration of Cost Accounting Standards (MAR 2008). Add "Buyer and the" before "CFAO" in paragraph (m). This provision applies if clause H001, H002, or H004 is included in this contract.

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

52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984). This clause applies only if work will be performed on a Government installation. "Contracting Officer" shall mean Buyer.

52.242-15 Stop-Work Order (AUG 1989). Change "90 days" and "30 days" to "100 days" and "20 days" respectively. The terms "Contracting Officer" and "Government" shall mean Buyer.

52.244-5 Competition in Subcontracting (DEC 1996).

52.244-6 Subcontracts for Commercial Items (DEC 2008).

52.245-1 Government Property (JUN 2007). This clause applies only if Government property is acquired or furnished for contract performance. The Government-Owned Property article in GP4 is hereby deleted.

52.247-63 Preference for U.S.-Flag Air Carriers (JUN 2003). This clause only applies if this contract involves international air transportation.

52.247-67 Submission of Transportation documents for Audit (FEB 2006).

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 (DEC 2004). 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.

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

252.211-7003 Item Identification and Valuation (AUG 2008). Seller shall comply with the unique item identification requirements of this clause for those subassemblies, components, and parts specified elsewhere in this contract. Such identification and marking shall be a high-capacity 2D machine readable code to comply with the version of MIL-STD-130, Identification Marking of U.S. Military Property, set forth elsewhere in this contract; or if not so stated, then the Seller shall comply with MIL-STD-130 N. The code may include, as space is available, linear bar code and human readable characters. Unless otherwise specified in Boeing product drawings or specifications, the seller may use either Construct #1 or Construct #2. The Seller shall not be required to furnish item valuations as set forth in this clause.

252.215-7000 Pricing Adjustments (DEC 1991). This clause applies only if this contract exceeds \$650,000.

252.215-7004 Excessive Pass-Through Charges (MAY 2008). This clause applies unless this contract is (1) a firm-

fixed-price contract awarded on the basis of adequate price competition; (2) a fixed-price contract with economic price adjustment awarded on the basis of adequate price competition; (3) a firm-fixed-price contract for the acquisition of a commercial item, or (4) a fixed-price contract with economic price adjustment for the acquisition of a commercial item. In paragraph (a), "Contractor" retains its original meaning. In paragraph (b), "Government" and "Contracting Officer" mean Buyer. In paragraph (c) "Contracting Officer" means Buyer. In subparagraph (c)(2), "the proposal" means Seller's proposal. In paragraph (d), "Government" and "Contracting Officer" mean Buyer. In paragraph (e), "Contracting Officer" retains its original meaning.

252.219-7003 Small Business Subcontracting Plan (DOD Contracts) (APR 2007). Except paragraph (g) which is hereby deleted.

252.222-7000 Restrictions on Employment of Personnel (MAR 2000).

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

252.223-7002 Safety Precautions for Ammunition and Explosives (MAY 1994). This clause applies only if this contract involves ammunition or explosives. "Government" means Government or Buyer in paragraph (b)(2), each time it appears in (e), (f)(1), (f)(2), the first time it appears in (g)(1)(i), and in (g)(3). "Government" means Buyer in paragraphs (c)(3), (c)(4), (c)(5), and the second time it appears in (g)(1)(i). "Contracting Officer" means Contracting Officer and Buyer in paragraph (g)(4). "Contracting Officer" means Buyer in paragraphs (c)(1), (c)(2), (c)(3), (c)(4), (c)(5), and each time it appears in (d).

252.223-7003 Change in Place of Performance-Ammunition and Explosives (DEC 1991). This clause applies only if DFARS 252.223-7002 is applicable to this contract. The term "Contracting Officer" means Buyer.

252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (SEP 1999). This clause applies only if (1) this contract, or a subcontract at any tier, is for the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E) or (2) AA&E will be provided to Seller, or to a subcontractor at any tier, as Government-furnished property. "Arms, ammunition, and explosives (AA&E)" means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

252.225-7001 Buy American Act and Balance of Payments Program (JUN 2005).

252.225-7002 Qualifying Country Sources as Subcontractors (APR 2003).

252.225-7004 Reporting Of Contract Performance Outside The United States And Canada - Submission After Award (MAY 2007). The term "Contractor" in paragraph (b) and the term "Contracting Officer" in paragraphs (c) and (d) means "Buyer." This clause applies only if this contract exceeds \$550,000.

252.225-7006 QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (MAY 2007). This clause applies only if this contract exceeds \$550,000 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 (MAR 2008).

252.225-7013 Duty Free Entry (OCT 2006). This clause applies if Seller is located in a qualifying country (as defined in DFARS Part 225.8) or if Seller is located in any other country and the estimated U.S. duty for the deliverable items

will exceed \$200 per unit. Seller shall include the prime contract number on all shipping documents submitted to Customs for supplies for which duty-free entry is claimed pursuant to this clause. See Section 5 for the information required by paragraph (j)(3) of this clause.

252.225-7014 Preference for Domestic Specialty Metals (Deviation) (JUN 2005).

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (MAR 2006). This clause does not apply to the purchase of commercial items other than ball or roller bearings or to items which contain no ball or roller bearings.

252.225-7040 Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States (MAR 2008).

This clause, including this paragraph (q), applies only if, in performance of this contract, employees of Seller are authorized to accompany U.S. Armed Forces deployed outside the United States in (1) contingency operations; (2) humanitarian or peacekeeping operations; or (3) other military operations or military exercises, when designated by the Combatant Commander.

252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (MAR 2006). This clause applies only if this contract requires Seller to perform or travel outside the United States and Seller is not (i) a foreign government, (ii) a representative of a foreign government, or (iii) a foreign corporation wholly owned by a foreign government..

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.

252.227-7013 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.

252.227-7026 Deferred Delivery of Technical Data or Computer Software (APR 1988). This clause applies only if the delivery of data is required or 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.

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

252.227-7038 PATENT RIGHTS—OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS) (DEC 2007). This clause applies only if this contract is for experimental, developmental, or research work and Seller is not a small business firm or nonprofit organization.

252.231-7000 Supplemental Cost Principles (DEC 1991).

252.239-7000 Protection Against Compromising Emanations (JUN 2004). This clause applies only if computer equipment or systems that will be used to process classified information will be delivered under this contract.

252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (JAN 2007).

252.246-7003 Notification of Potential Safety Issues (JAN 2007).

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.

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.

252.249-7002 Notification Of Anticipated Contract Termination Or Reduction (DEC 2006). This clause applies only if this contract is \$550,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

252.251-7000 Ordering From Government Supply Sources (NOV 2004).

This clause applies only if Seller is notified by Buyer that Seller is authorized to purchase from Government supply sources in the performance of this 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 Government clauses in Sections 1 and 2 above are deleted and the following FAR/DFARS clauses are inserted in lieu thereof:

52.203-13 Contractor Code of Business Ethics and Conduct (DEC 2008). This clause applies only if this contract is in excess of \$5,000,000 and has a period of performance of more than 120 days.

52.219-8 Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns (JUN 1997). 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 (MAR 2007).

52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006). This clause applies only if this contract exceeds \$100,000.

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.

252.225-7014 Preference for Domestic Specialty Metals (DEVIATION) (JUN 2005).

252.246-7003 Notification of Potential Safety Issues (JAN 2007).

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.

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

52.230-2 Cost Accounting Standards (OCT 2008). (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 October 2008.

(2) (Applicable if this contract incorporates clause H002) The version of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, incorporated by H002 is the version dated October 2008.

(3) (Applicable if this contract incorporates clause H003) The version of FAR 52.230-5, Cost Accounting Standards - Educational Institution, is the version dated October 2008.

(4) (Applicable if this contract incorporates clause H007) The version of FAR 52.230-4, Disclosure and Consistency of Cost Accounting Standards for Contracts Awarded to Foreign Concerns, is the version dated October 2008.

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

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.

Environmental Policy .

. The Contractor and subcontractors shall maintain accurate accident and injury/illness records for the GMD Element. For Contractor or subcontractor work performed on Government installations, the Contractor shall notify DoD installation Commander, or designee, immediately (flash notification via telephone and/or email) of all accidents, injuries, environmental illnesses, or other issues regarding compliance with environmental regulations or policies. The Contractor and subcontractor shall report environmental releases and/or incidents (including violations) to the host installation and MDA's Environmental Management Office.

COMMINGLING AND REALLOCATION OF GMD ASSETS .

COMMINGLING AND REALLOCATION OF GMD ASSETS

a. This Special Contract Requirement (SCR) is applicable to MDA/GMD Contract HQ0006-01-C-0001, Ground-based Midcourse Defense (GMD) System; Contract HQ0147-09-C-0007, GMD Weapon System PBL/Operations and Sustainment; and Contract HQ0147-09-C-0008, CCC Development.

b. Definitions pertinent to this provision are as follows:

(1) Like Assets: Items having the same or interchangeable part numbers; identified by engineering drawings and configuration management requirements as physically and functionally interchangeable to meet all design specification requirements of all uses for which the items part numbers are approved.

(2) Commingling: Intermixing of like assets.

(3) Reallocation: The transfer of assets (parts or material) between contracts.

(4) Physical Transfer: The actual movement of a piece of hardware (an asset) from use on one contract to another contract.

(5) Accountability Transfer: A formal documented change to custodial, individual or stock records to reflect the physical transfer of assets from one contract to another.

(6) Payback: The return of a like asset or the transfer of appropriate costs.

c. The Contractor or its subcontractors may commingle all Contractor-Acquired Property (CAP)/Government-Furnished assets which are accountable to this contract with like assets accountable to the other MDA/GMD contracts referenced above. Assets commingled may range from an individual component or bit part to functional groups. The

Contractor's or its subcontractors' records shall reflect the balance accountable to each MDA/GMD contract for each commingled asset. The unit cost of the asset is irrelevant with respect to the commingling action. Documentation of a reallocation is required in accordance with the Contractor's or its subcontractors' established Material Management and Accounting System (MMAS) to the extent that commingling and payback is authorized. The documentation shall include an accountability transfer and a plan for payback of the asset to the contract from which it is reallocated.

d. Reallocation of MDA/GMD Furnished Assets, to include Government Furnished Property, requires prior approval of the Administration Contracting Officer (ACO). However, ACO failure to approve such reallocation to or from this contract shall not constitute a basis for claim under the MDA/GMD contracts cited in paragraph "a." above.

e. The Contractor and its subcontractors, to the extent that approved MMAS authorizes commingling and payback, shall publish and maintain adequate procedures to implement the requirements of this clause. These procedures, including all revisions thereto, shall be subject to post publication review by the ACO. The ACO shall have the right to disapprove such procedures if they do not meet the requirements of this clause.

f. Assets transferred to this contract pursuant to this SCR shall be deemed to meet all contract requirements of this contract provided that they met the contract requirement of the contract under which they were generated.

g. The Contractor and its subcontractors may be subjected to periodic reviews to ensure compliance with established policies, procedures and guidance established in this clause.