

**CUSTOMER CONTRACT REQUIREMENTS**  
**SBINET**  
**CUSTOMER CONTRACT HSBP1006D01353**

**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** (Sep 2005). The clause applies only if the contract exceeds \$100,000.

**52.203-12 Limitation on Payments to Influence Certain Federal Transactions** (Sep 2005). 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.

**52.215-10 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 "The Boeing Company or any of its wholly owned subsidiaries." .

**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 (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 (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** (Oct 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)** (Jul 2005). 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.

**52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation** (Sep 2000). This clause applies only if this contract exceeds \$100,000. Buyer may withhold or recover from Seller the amount of any sums the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.

**52.222-11 Subcontracts (Labor Standards)** (Feb 1988). Seller shall include this clause in its subcontracts and shall require such subcontractors to flow this clause to all lower tier subcontractors. The following FAR clauses are incorporated herein by this reference and made a part of this contract: 52.222-6 Davis Bacon Act; 52.222-7 Withholding of Funds; 52.222-8 Payrolls and Basic Records; 52.222-9 Apprentices and Trainees; 52.222-10 Subcontracts (Labor Standards); 52.222-12 Contract Termination - Debarment; 52.222-13 Compliance with Davis Bacon and Related Act Regulations; 52.222-14 Disputes Concerning Labor Standards; and 52.222-15 Certification of Eligibility.

- 52.222-20 Walsh-Healy 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))** (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.
- 52.222-41 Service Contract Act of 1965, As Amended** (May 1989). This clause only applies to contracts which are subject to this act.
- 52.223-11 Ozone Depleting Substances** (Mar 2001).
- 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))** (Aug 2003). 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).
- 52.224-2 Privacy Act** (Apr 1984). This clause applies only if Seller is required to design, develop, or operate a system of records contemplated by this clause.
- 52.225-1 Buy American Act - Balance of Payments - Supplies** (Jun 2003). This clause does not apply if this contract is placed under a Department of Defense contract.
- 52.225-8 Duty-free Entry** (Feb 2000). This clause applies only if this contract identifies supplies to be afforded duty-free entry or if foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States. For the purposes of this clause, the blanks in paragraph (g)(3) are completed as follows: UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE, Duty-free entry is claimed pursuant Section XXII, Chapter 98, Subchapter VIII, Item No. 9808.00.30 of the Harmonized Tariff Schedule of the United States. Upon arrival of shipment at port of

entry, the importer or authorized agent will notify Commander, Defense Contract Management Area Operations (DCMAO, New York, 201 Varick Street, New York, New York, 10014-4811, Attention DCRN-NCT) for execution of Customs Forms 7501, 7501-A, or 7506 and required duty free entry certificates.

**52.225-13 Restrictions on Certain Foreign Purchases** (Feb 2006).

**52.227-1 Authorization and Consent** (Jul 1995).

**52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement** (Aug 1996). A copy of each notice sent to the Government will be sent to Buyer. "Contracting Officer" shall mean "Buyer". This clause applies only if this contract exceeds \$100,000.

**52.227-9 Refund of Royalties** (Apr 1984). This clause applies only if the amount of royalties reported during negotiation of this contract exceeds \$250.

**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.

**52.227-14 Rights in Data - General** (Jun 1987). This clause applies only if data will be produced, furnished or acquired under this contract.

**52.227-18 Rights in Data - Existing Works** (Jun 1987). In paragraph (b), "Government" means the Government and the Buyer.

**52.227-19 Commercial Computer Software - Restricted Rights** (Jun 1987).

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

**52.227-22 Major Systems - Minimum Rights** (Jun 1987).

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

**52.230-6 Administration of Cost Accounting Standards** (Apr 2005). Add "Buyer and the" before "CFAO" in paragraph (m). This provision applies if Clause H001, H002 or H004 is included in Buyer's contract.

**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** (Feb 2006).

**52.245-2 Government Property (Fixed Price Contracts)** (May 2004). 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.

**52.245-17 Special Tooling** (May 2004). This clause applies only if tooling is acquired for or furnished by the Government and to be retained for use by the Seller.

**52.245-18 Special Test Equipment** (Feb 1993). Change "30 days" to "45 days" in paragraph (b) and (c). The notice of intent to procure special test equipment required by this clause shall be forwarded to the Buyer.

**52.248-1 Value Engineering (excluding subparagraph (f))** (Feb 2000). The term "Contracting Officer" means Buyer. This clause applies only if this contract is for \$100,000 or more. If Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant, concurrent and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of the net acquisition savings and collateral savings shall not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.

**2. 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.

### 3. 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.

(2) (Applicable if this contract incorporates clause H002). The version of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, incorporated by clause H002 is the version dated April 1998.

(3) (Applicable if this contract incorporates clause H004). The version of FAR 52.230-5, Cost Accounting Standards - Educational Institution, incorporated by clause H004 is the version dated April 1998.

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

#### A. ENVIRONMENTAL & LAND USE REGULATORY ACTIVITIES

##### Environmental and Land Use Regulatory Activities

The following terms and conditions shall govern all environmental and land use regulatory activities that are carried out under this sub-contract.

(a) Definitions:

“Environmental regulatory activities” as used herein shall mean any effort, activity, or action taken by either the Government, the Contractor, or any subcontractor to ensure compliance with any environmental requirements as necessary to complete any task order or project carried out under this sub-contract.

“Environmental requirements” as used herein shall mean any applicable federal, state, or local law, common law, statute, executive order, ordinance, resolution rule, regulation, guidance, directive, or standard pertaining to health, safety, or protection of the

environment, wildlife, wilderness, and/or natural, historical, or cultural resources, including, but not limited to, the National Environmental Policy Act, 42 U.S.C. § 4321 et seq., National Historic Preservation Act, 16 U.S.C. § 470 et seq., the Endangered Species Act, 16 U.S.C. § 1531 et seq., the Wilderness Act, 16 U.S.C. § 1131 et seq., the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Federal Water Pollution Control Act or Clean Water Act, 33 U.S.C. § 1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11001 et seq., and all amendments thereto as of this date and to be added in the future. This definition shall also include all applicable requirements established by the International Water and Boundary Commission.

“Land use regulatory activities” as used herein shall mean any effort, activity, or action taken by the Government, the Contractor, or any subcontractor to acquire any interest in land, including but not limited to, any ownership or fee interest, easement, or leasehold, or to negotiate any right of access, right of entry, special use permit, and/or any other similar authorization or interest as necessary to complete any task order or project carried out under this contract.

- (b) The Government shall plan, manage, execute, be responsible for and retain sole and exclusive decision making authority for any and all environmental and land use regulatory activities that are carried out under the prime contract.
- (c) In support of the Government, the sub-Contractor shall be required to perform, for each task order involving environmental and land use regulatory activities, specified taskings. Such taskings shall include, but not necessarily be limited to:
  - i. Preparing project descriptions;
  - ii. Identifying the environmental requirements applicable to each project or task order;
  - iii. Identifying land that is to be used for a project or task order;
  - iv. Identifying affected stakeholders and formulating communication strategies;
  - v. Formulating environmental and land use regulatory compliance strategies;



vi. Developing preliminary and final schedules for environmental and land use regulatory activities; and

vii. Developing or supplying information or data for use with environmental and other studies, reports, and/or analyses.

(d) For each task order, the sub-Contractor shall appoint a principal representative or representatives who will act as the sub-Contractor's principal point of contact for environmental and land use regulatory activities on said task order. The sub-Contractor's principal representative (s) shall also be required to serve on any integrated project team ("IPT") for environmental and land use issues that is formed for said task order.

(e) In addition to sub-Contractor obligations under Subsections (c) and (d) of this order, the Contractor may assign to the sub-Contractor additional tasks, responsibilities, or actions that will support or assist the Contractor with its completion of the applicable environmental and land use regulatory activities. Such additional tasks, responsibilities, or actions may include, but not necessarily be limited to:

i. Preparation of environmental studies, analyses, or reports;

ii. Review and commenting on environmental and other studies, reports, surveys, or analyses;

iii. Discussion and communication with federal state, or local agencies, affected tribes, interested parties, or landowners;

iv. Attendance at public meetings; or

v. Preparation of biological, cultural, or historic resource surveys, studies, or analyses.

(f) Notwithstanding any such assignment of tasks, responsibilities, or actions to the sub-Contractor by Contractor, and unless specified otherwise by the Government, no document relating to the environmental or land use regulatory activities carried out under this contract may be released to the public without the express approval of the Government. Any and all contact with outside agencies, stakeholders, or other interested parties performed by the sub-Contractor shall be expressly on behalf of the Government. The Government shall be the sole authorized entity for all commitments, agreements, or other business conducted by the sub-Contractor. The sub-

Contractor shall not be a party to any commitments, positions, or other conditions binding the Government in the areas of real estate, land use, environmental requirements, or inter-governmental agreements. The sub-Contractor will ensure that its subcontractors are made aware of these provisions.

- (g) The sub-Contractor shall submit progress or tracking reports for any tasks, responsibilities or actions relating to environmental or land use regulatory activities that are assigned to the sub-Contractor by the Contractor. The sub-Contractor shall also ensure that the Contractor is promptly provided with any information that is developed or acquired by the sub-Contractor in carrying out such tasks, responsibilities, or actions.
- (h) As part of its obligations pursuant to this clause of the contract, the sub-Contractor shall ensure that applicable environmental and land use regulatory activities are accounted for, made a part of, and incorporated into the planning and execution of any engineering, concept design, or construction work that is performed by the sub-Contractor or its subcontractors under a task order.
- (i) Should the sub-Contractor require the services of an environmental expert, consultant, or subcontractor for any tasks, responsibilities, or actions relating to environmental or land use regulatory activities that are assigned to the sub-Contractor by the Contractor, the sub-Contractor's selection of such expert, consultant, or subcontractor shall be subject to the prior written authorization (consent) of the Contractor. This requirement shall only apply to environmental or land use experts, consultants or subcontractors the costs of which are charged directly to a task order issued under this sub-contract.
- (j) The sub-Contractor shall establish formal lines of communication between any of its experts, consultants, or subcontractors and the Contractor and ensure that the experts, consultants, or subcontractors appoint a principal representative or representatives who will serve as a principal point of contact relating to the environmental or land use regulatory activities being performed by the subcontractor. As indicated above, the Government retains full decision making authority in environmental and land use regulatory activities, but to the extent specific tasks are assigned by the Contractor to the sub-Contractor, the sub-Contractor shall ensure that its experts, consultants, or subcontractors' principal representative, as appropriate, serves under the direction of the sub-Contractor on any task order IPT. The sub-Contractor shall ensure that the Contractor is promptly provided with any information that is acquired or developed by any expert, consultant, or subcontractor.
- (k) In carrying out its responsibilities under this clause the sub-Contractor shall ensure that its personnel who attend meetings, conduct business by phone or work in situations where their actions could be construed as acts of Government officials, properly identify themselves as sub-contractor personnel. The sub-Contractor shall impose the requirements of this

paragraph (k) on all expert, consultant or subcontractor personnel retained by the sub-Contractor.

- (l) The Contractor shall specify and enumerate the duties and responsibilities of the sub-Contractor under this provision on a task order by task order basis.
- (m) Any delay or inability to obtain an environmental or land use or regulatory permit, license, approval, or other authority under this clause or implementing task order (s), if later than the specified required dates for such approvals, shall entitle the sub-Contractor to an equitable adjustment in contract price for the task order concerned, if any, and a commensurate schedule extension to complete the work.

## **B. 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)).

### **C. INSURANCE**

For purposes of the "Insurance -- Work on a Government Installation" clause, FAR 52.228-5, the kinds and minimum amounts of insurance required under this contract are those specific in FAR 28.307-2.

### **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.

### **E. SBINET SECURITY PROCEDURES**

(1) Controls. The Seller shall comply with the U.S. Bureau of Customs and Border Protection (CBP) administrative, physical and technical security controls to ensure that the Government's security requirements are met.

(2) Identification Badges. All Seller employees shall be required to wear identification badges when working in Government or Boeing facilities.

(3) Security Background Data. A Seller employee shall not begin working under the contract until the entire background investigation (BI) is completed with approval from CBP, Security Programs Division. Exceptions to this requirement will be handled on a case-by-case basis, and access to facilities, systems, data, etc. will be limited until the individual is cleared. Seller employee personnel hired to work within the United States or its territories and possessions that require access to CBP facilities, information systems, security items and products, and/or sensitive but unclassified information shall either be U.S. citizens or have lawful permanent resident status. The following security screening requirements apply to both citizens and lawful permanent residents who are hired as Seller personnel: all personnel employed by the Seller or responsible to the Seller for the performance of work hereunder shall either currently possess or be able to favorably pass a background investigation; the Seller shall submit within ten (10) working days after award of this order a list containing the full name, social security number, and date of birth of these people who claim to have successfully passed a background investigation by the CBP, or submit such information and documentation as may be required by the Government to have a BI performed for all personnel. The information must be correct and be reviewed by a Customs Official for completeness. Normally this shall consist of SF-85P, "Questionnaire for Public Trust Positions;" FD-258, "Fingerprint Chart;" and a Financial Statement. Failure of any Seller personnel to pass a BI means that the Seller has failed to satisfy the contract's requirement to provide cleared personnel. The continuing failure to meet the requirement to provide cleared personnel is grounds for termination of the order, unless cleared personnel are timely provided as replacements. The Seller must provide a qualified replacement capable of passing a BI for any person who fails to successfully pass a BI. This policy also applies to any personnel hired as replacements during the term of the order. The Contracting Officer must approve, through Boeing, all personnel replacements. Estimated completion of the investigation is approximately ninety (90) to one-hundred twenty (120) days from the date the completed forms are received in the Security Programs Division.

(4) Notification of Personnel Changes. The Seller shall notify the Contracting Officer's Technical Representative, Boeing, and the Contracting Officer via phone, FAX, or electronic transmission, no later than one work day after any personnel changes occur. Written confirmation is required for phone notification. This includes, but is not limited to, name changes, resignations, terminations, and reassignments (i.e., to another contract.). The Seller shall notify through Boeing the OIT Information Systems Security Branch (ISSB) of any change in access requirements for its employees no later than one day after any personnel changes occur. This includes name changes, resignations, terminations, and transfers to other Contractors. The Seller shall provide the following information to OIT ISSB at TEL: (703) 921-6116 and FAX (703) 921-6570: full name, social security number, effective date, and reason for change.

(5) Separation Procedures. In accordance with Customs Directive No. 51715-006, "Separation Procedures for Contractor Employees," the Seller is responsible for ensuring that all separating employees complete relevant portions of the Contractor Employee Separation Clearance, Customs Form 242. This requirement covers all Seller employees who depart while a contract is still active (including resignation, termination, etc.) or upon final contract completion. Failure of a Seller to properly comply with these requirements shall be documented and considered when completing Contractor Performance Reports.

(6) General Security Responsibilities During Performance. The Seller shall ensure that its employees follow the general procedures governing physical, environmental, and information security described in the various CBP regulations pertaining thereto, good business practices, and the specifications, directives, and manuals for conducting work to generate the products as required by this order. Personnel will be responsible for the physical security of their area and government furnished equipment (GFE) issued to them under the provisions of the order.

(7) Non-Disclosure Agreements. When determined to be appropriate, Seller employees may be required to execute a non-disclosure agreement as a condition to access of sensitive but unclassified information.

## **F. SBINET SMALL BUSINESS SUBCONTRACTING PLAN**

### **SMALL BUSINESS SUBCONTRACTING PLAN**

Boeing has pursued an aggressive, proactive, and innovative socio-economic subcontracting strategy to achieve the Secure Border Initiative goals. As the Prime Contractor for the Secure Border Initiative program, and in accordance with Federal Acquisition Regulation (FAR) 52.219-8, Utilization of Small Business Concerns and FAR 52.219-9, Small Business Subcontracting Plan, Boeing will require that all its large business subcontractors whose subcontract exceeds \$500K (\$1,000,000 for construction of any public facility), submit a Small Business Subcontracting Plan. Seller will flow down the same goals to these large businesses, require these plans be updated by the Subcontractors as necessary to support changes that are incorporated, and

will monitor performance to their plans by requiring them to report lower-tier Small Business subcontracting dollars using the Boeing Supplier Diversity template on a semi-annual basis.

(1) Buyer's Small Business Plan goals are set forth below. Seller shall endeavor to support these goals:

SBI net Goals

(% of Supplier subcontracted Dollars)

Small Business	40.0%
Small Disadvantaged Business	5.0%
Woman-Owned Small Business	5.0%
Historically Underutilized Business Zone Small Business	1.0%
Veteran-Owned Small Business	3.5%
Small Disadvantaged/Veteran-Owned Small Business	3.0%

Note: These goals are based on dollars going to small businesses through and including the third-tier subcontracts. Seller is a first-tier subcontractor.

(2) Seller will provide to Boeing Buyer a summary of its subcontracted effort with small businesses on a semi-annual basis, consistent with reporting requirements, as applicable, in FAR 52.219-9, paragraph (10)(iii). Seller will report all subcontracted effort to small businesses to include awards to small businesses from its second- and third-tier subcontractors.

(3) Seller will flow down this clause to large business subcontractors.

(4) Seller will provide a summary of its subcontracted effort with small businesses on a semi-annual basis using Supplier Diversity templates, consistent with the information required by Standard Form 295, Subcontracting Report for Individual Contracts. Seller will report all subcontracted effort to small businesses to include awards to small businesses from its first and second tier large business subcontracts. Dollars reported as Small Business awards will only be counted once.

(5) Seller shall include the Small Business Plan goals as a requirement and document all first and second tier subcontracts on the SBInet Program.

**G. TASK ORDER #HSBP1208J19751 Additional Requirements**

This TASK ORDER #HSBP1208J19751 is to be performed in accordance with the Buy American Act clauses present in this Customer Contract Requirements (CCR). The Seller shall notify the Buyer in writing to request concurrence with the purchase and use of any steel that is purchased or manufactured outside of the United States. Upon receipt of such request, Buyer will request concurrence from the Customer. Buyer will provide a

## H. Travel & Travel Costs.

Costs for transportation may be based on mileage rates, actual costs incurred, or on a combination thereof, provided the method used results in a reasonable charge. Costs for lodging, meals, and incidental expenses may be based on per diem, actual expenses, or a combination thereof, provided the method used results in a reasonable charge. Except as provided in FAR 31.205-46(a)(3), costs incurred for lodging, meals, and incidental expenses shall be considered reasonable and allowable to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in: Federal Travel Regulations, prescribed by the General Services Administration for travel in the contiguous 48 United States; Joint Travel Regulations, Volume 2, DoD Civilian Personnel (Appendix A), for travel in Alaska, Hawaii, and territories and possessions of the United States; and Standardized Regulations (Government Civilians, Foreign Areas) Section 925, prescribed by the Department of State, for all other areas. The maximum per diem rates referenced above generally would not constitute a reasonable daily charge when no lodging costs are incurred, and/or on partial travel days (appropriate downward adjustments from the maximum per diem rates would normally be required under these circumstances). Costs shall be allowable only if the following information is documented: date and place of the expense; purpose of the trip; and name of the person on the trip and that person's title. Travel costs directly attributable to specific contract performance are allowable and may be charged to the contract under FAR 31.202. Airfare and rail costs in excess of the lowest customary standard, coach or equivalent fare offered during normal business hours are unallowable, except where such accommodations require circuitous routing, require travel during unreasonable hours, excessively prolong travel, result in increased cost that would offset transportation savings, are not reasonably adequate for the physical or medical needs of the traveler, or are not reasonably available to meet mission requirements. The costs of travel by Seller-owned, leased or chartered aircraft and automobiles will be governed in accordance with FAR 31.205-46(e) and (f).

Applicable to labor hour support contracts only:

Seller shall obtain prior written authorization for all travel from the responsible Integrated Product Team Leader or Cost Account Manager where expenses will be invoiced. Seller shall furnish copies of approved travel authorization upon request of The Boeing Company. Travel expenses without prior written approval



shall be deemed unallowable and not paid, or if paid will be debited back to The Boeing Company.