

**CUSTOMER CONTRACT REQUIREMENTS
MATURATION OF ADVANCED MANUFACTURING
FOR LOW COST SUSTAINMENT
CUSTOMER CONTRACT RSC16030**

CUSTOMER CONTRACT REQUIREMENTS:

1.01 Trafficking in Persons (March 2015)

This award is subject to the requirements of section 106 (g) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7104, as implemented by 2 CFR 175)

You as the sub-recipient and your employees may not—

- (a) Engage in severe forms of trafficking in persons during the period of time that the award is in effect; or
 - (ii) Procure a commercial sex act during the period of time that the award is in effect;
- or
 - (iii) Use forced labor in the performance of the award or subawards under the award.

1.2 Title to Property – Identified in Budget (March 2015)

Title to personal property acquired with agreement funds shall vest in the sub-recipient upon acquisition, except that supplies shall be managed in accordance with 2 CFR 200 Section 314. Title to real property shall vest in the sub-recipient subject to conditions contained in 2 CFR 200 Section 311. The sub-recipient shall dispose of real property in accordance with 2 CFR 200 Section 311.

1.3 Property System (March 2015)

Sub-recipient's property system shall meet the standards as set forth in 2 CFR 200 Section 310-316.

1.4 Cost Principles (March 2015)

Sub-recipient(s) shall comply with the cost principles as contained in 2 CFR 200, Subpart E, Cost Principles.

1.5 Standards for Financial Management (March 2015)

Sub-recipient(s) financial management system shall comply with the standards identified in 2 CFR 200 Section 302.

1.6 Audit Requirements/Retention and Access to Records (March 2015)

Sub-recipient shall comply with the audit requirements of 2 CFR 200, Subpart F Audit Requirements and shall comply with the requirements appropriate for the type of entity receiving the award. Sub-recipient's financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained and access to them permitted in accordance with 2 CFR 200 Section 336.

1.7 Cost Sharing (August 2001)

Sub-recipient's contributions may count as cost sharing only to the extent that they comply with 2 CFR 200(200.306)

1.08 Export Control (March 2015) (TAILORED)

(a) Access to the technology developed under this agreement by foreign firms, institutions or individuals shall be controlled by the Sub-recipient under applicable U.S. export control laws.

(b) If the export or re-export of the information is restricted by Export Control laws without an available exemption under the law, the sub-recipient shall receive the NCDMM grants officer approval before assigning or granting access to any work, equipment, or technical data generated or delivered under this agreement to foreign persons or their representatives. The 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.

1.09 Inventions (March 2015)

(a) The clause entitled Patent Rights (Small Business Firms and Nonprofit Organizations, (37 CFR 401.14(a)) is hereby incorporated by reference and is modified as follows: replace the word "recipient" with "Sub-recipient"; replace the words "agency," "Federal Agency" and "funding Federal Agency" with "NCDMM"; replace the word "contract" with "agreement"; delete paragraphs (g)(2), (g)(3) and the words "to be performed by a small business firm or domestic nonprofit organization" from paragraph (g)(1). Paragraph (1), Communications, point of contact on matters relating to this clause will be the servicing Staff Judge Advocate's office

(b) Interim or final Invention Reports 1) listing subject invention(s) and stating that all subject inventions have been disclosed, or 2) stating that there are no such inventions, shall be sent to the NCDMM. Please include in the subject line of the e-mail the contract number followed by the words "Invention Reporting." The Sub-recipient shall file Invention (Patent) Reports on the DD Form 882, Report of Inventions and Subcontracts, as of the close of each performance year and at the end of the term for this agreement. Annual reports are due 60 days after the end of each year of performance and final reports are due 60 days after the expiration of the final performance period. Negative reports are also required annually.

(c) The DD Form 882 may also be used for the notification any lower tier award for experimental, developmental or research work which contain a "Patent Rights" clause

(d) This provision also constitutes the request for the following information for any subject invention for which the recipient has retained ownership: 1) the filing date, 2) serial number and title, 3) a copy of the patent application and 4) patent number and issue date. Submittal shall be to the NCDMM.

1.10 Data Rights (March 2015)

- (a) All rights and title to data, as defined in 48 CFR 27.401, generated under this agreement shall vest in the sub-recipient.
- (b) The sub-recipient hereby grants to the U.S. Government a royalty free, world-wide, nonexclusive, irrevocable license to use, modify, reproduce, release, perform, display or disclose any data for Government purposes.
- (c) The sub-recipient is responsible for affixing appropriate markings indicating rights on all data delivered under the agreement. The Government will have unlimited rights in all data delivered without markings.
- (d) The sub-recipient shall include this article, suitably modified to identify the parties, in all lower tier contracts and awards, regardless of tier, for experimental, developmental, or research work.

1.11 Publishing Project Results (March 2015)

(a) Publications. The Sub-recipient(s) is expected to publish or otherwise make publicly available the results of the work conducted under this subaward. One copy of all publications resulting from the project shall be forwarded to the NCDMM as it becomes available.

(b) An acknowledgment of awarding agency's support shall appear in the publication of any material, whether copyrighted or not. The acknowledgement shall read:

"This material is based on research sponsored by Air Force Research Laboratory under agreement number FA8650-16-2-5700. The U.S. Government is authorized to reproduce and distribute reprints for Governmental purposes notwithstanding any copyright notation thereon."

(c) The Sub-recipient is responsible for assuring that every publication of material based on or developed under this project contains the following disclaimer:

"The views and conclusions contained herein are those of the authors and should not be interpreted as necessarily representing the official policies or endorsements, either expressed or implied, of Air Force Research Laboratory or the U.S. Government."

1.12 Reporting Subawards and Executive Compensation (March 2015)

(a) Reporting of first-tier subawards.

(1) Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

(2) Where and when to report.

(i) You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.

(ii) For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

(3) What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

(b) Reporting Total Compensation of Recipient Executives.

(1) Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if-

(i) the total Federal funding authorized to date under this award is

\$25,000 or more; (ii) in the preceding fiscal year, you received-

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

(2) Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:

(i) As part of your registration profile at <http://www.ccr.gov>.

(ii) By the end of the month following the month in which this award is made, and annually thereafter. (c) Reporting of Total Compensation of Subrecipient Executives.

(1) Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if-

(i) in the subrecipient's preceding fiscal year, the subrecipient received

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

(2) Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

(i) To the recipient.

(ii) By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

(d) Exemptions: If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

(1) Subawards, and

(2) The total compensation of the five most highly compensated executives of any subrecipient. (e) Definitions. For purposes of this award term:

(1) Entity means all of the following, as defined in 2 CFR part 25:

(i) A Governmental organization, which is a State, local government, or Indian tribe;

(ii) A foreign public entity;

(iii) A domestic or foreign nonprofit organization;

(iv) A domestic or foreign for-profit organization;

(v) A Federal agency, but only as a subrecipient under an award or subaward to a non-

Federal entity. (2) Executive means officers, managing partners, or any other

employees in management positions. (3) Subaward:

(i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

(ii) A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract. ·

(4) Subrecipient means an entity that:

(i) Receives a subaward from you (the recipient) under this award; and

(ii) Is accountable to you for the use of the Federal funds provided by the subaward.

(5) Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

(i) Salary and bonus.

(ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

(iii) Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

(iv) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

(v) Above-market earnings on deferred compensation which is not tax-qualified.

(vi) Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

1.13 Disclosure or Information (March 2015) (Tailored)

(a) The Sub-recipient shall not release to anyone outside the Sub-recipient's organization any unclassified information, regardless of medium (e.g., film, tape, document, media announcements, etc.), pertaining to U.S. Government Agency-Driven Projects unless-

- (1) The NCDMM Agreements Officer has given prior written approval; or
- (2) The information is otherwise in the public domain before the date of release.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Sub-recipient shall submit its request to the NCDMM Agreements Officer at least 65 days before the proposed date for release through NCDMM.

(c) The Sub-recipient agrees to include a similar requirement in each sub-agreement under this agreement. Sub-recipients shall submit requests for authorization to release through the NCDMM to the Agreements Officer.

1.14 Procurement System (March 2015)

The sub-recipient's procurement system shall comply with the standards contained in 2 CFR 200 Section 317-326.

1.15 Military Recruiting on Campus (March 2015)

As a condition for receipt of funds available to the Department of Defense (DoD) under this award, the Sub-recipient agrees that it is not an institution of higher education (as defined in 32 CFR 216) that has a policy or practice that prohibits or, in effect, prevents ROTC or military recruiting on campus, as described in DFARS 252.209-7005(b). If the Sub-recipient is determined, using the procedures in 32 CFR part 216, to be such an institution of higher education during the period of performance of this agreement, and therefore to be in breach of this clause, the NCDMM will cease all payments of DoD funds under this agreement and all other DoD grants and cooperative agreements to the sub-recipient, and it may suspend or terminate such grants and agreements unilaterally for material failure to comply with the terms and conditions of award.

1.16 Assurances (March 2015)

(a) By signing or accepting funds under the agreement, the Sub-recipient assures that it will comply with applicable provisions of the following National policies on: (1) Prohibiting discrimination:

(i) On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), as implemented by DoD regulations at 32 CFR part 195;

(ii) On the basis of age, in the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) as implemented by Department of Health and Human Services regulations at 45 CFR part 90;

(iii) On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by Department of Justice regulations at 28 CFR part 41 and DoD regulations at 32 CFR part 56;

(iv) On the basis of sex or blindness, in Title IX of the Educational Amendments of 1972 (20 U.S.C. 1681, et. seq.).

(2) The Clean Air Act (42 U.S.C. 7401, et seq.) and Clean Water Act (33 U.S.C. 1251, et seq.), as implemented by Executive Order 11738 (3 CFR, 1971-1975 Comp., p. 799).

The Sub-recipient shall obtain assurances of compliance for all subawards under this effort

1.17 Prohibition on Using Funds under Grants and Cooperative Agreement with Entities that Require Certain Internal Confidentiality Agreements (June 2015)

(a) The sub-recipient may not require its employees, contractors, or subawardees seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting them from lawfully reporting that waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

(b) The sub-recipient must notify its employees, contractors, or subawardees that the prohibitions and restrictions of any internal confidentiality agreements inconsistent with paragraph (a) of this award provision are no longer in effect.

(c) The prohibition in paragraph (a) of this award provision does not Contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(d) If the NCDMM determines that the sub-recipient is not in compliance with this award provision, it:

(1) Will prohibit the sub-recipient's use of funds under this award, in accordance with section 743 of Division E of the Consolidated and Further Continuing Resolution Appropriations Act, 2015, (Pub. L. 113-235) or any successor provision of law; and

(2) May pursue other remedies available for the sub-recipient's material failure to comply with prime award terms and conditions.