



Terms & Conditions:

MODIFICATIONS TO GENERAL TERMS AND CONDITIONS C-17 PRIME CONTRACT F33657-96-C-2059

MD-1870-17 (3 AUG 99) REV

GOVERNMENT CONTRACT REQUIREMENTS

If Form GP1 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 29. If Form MD-1965 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 36. If Form GP4 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 31. If Form MDA-TA 26-858 is applicable to this procurement, the Government clauses set forth in Article 36 of said Form are hereby deleted and the provisions set forth in this document are inserted in lieu thereof.

1. The following contract clauses are incorporated by reference from the Federal Acquisition Regulation (FAR) and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller. Unless otherwise provided, the clauses are those in effect as of the date of this contract.

52.203-6 Restrictions on Subcontractor Sales to the Government.

52.203-7 Anti-Kickback Procedures (excluding subparagraph (c)(1)). Buyer may withhold 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.

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity. This clause applies only if this contract exceeds the FAR small purchase limitation. 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. This clause applies only if this contract exceeds \$100,000.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions. This clause applies only if this Contract exceeds \$100,000.

52.204-2 Security Requirements. Delete Paragraph (b) and substitute the following in lieu thereof:

(b) The Contractor shall comply with (1) the Security Agreement (DD Form 441, including the National Industrial Security Program Operating Manual (DoD 5220.22-M), and (2) any revisions to that manual, notice of which has been furnished to the Contractor.

52.208-1 Required Sources for Jewel Bearings and Related Items.

52.211-5 New Material. Any notice will be given to Buyer rather than the Contracting Officer.

52.211-7 Used or Reconditioned Material, Residual Inventory and Former Government Surplus Property. The terms "Contracting Officer" and "Government" mean Buyer.

52.211-15 Defense Priority and Allocation Requirements. This clause is applicable if a priority rating is noted in this contract.

52.215-2 Audit and Records — Negotiation. This clause applies only if this contract exceeds \$25,000.

52.215-27 Termination of Defined Benefit Pension Plans. This Clause applies to this contract if it meets the requirements of FAR 15.804-8(e).

52.215-39 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB). This Clause

applies to this contract if it meets the requirements of FAR 15.804-8(f).

52.215-40 Notification of Ownership Changes.

52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns.

52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan. In paragraph (c), "Contracting Officer" means 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. "Contracting Officer" means Buyer.

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

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans. This clause applies only if this contract exceeds \$10,000.

52.222-36 Affirmative Action for Handicapped Workers. This clause applies only if this contract exceeds \$2,500.

52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Viet Nam Era. This clause applies only if this contract exceeds \$10,000.

52.223-2 Clean Air and Water. This clause applies only if this contract exceeds \$100,000.

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

52.223-7 Notice of Radioactive Materials. The period for giving the notice is 60 days.

52.225-10 Duty-free Entry. 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.

52.225-11 Restrictions on Certain Foreign Purchases.

52.227-1 Authorization and Consent.

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement. A copy of each notice sent to the Government will be sent to Buyer. This clause applies only if this contract exceeds the FAR small purchase limitation.

52.227-11 Patent Rights - Retention by the Contractor (Short Form). 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). 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.

52.234-1 Industrial Resources Developed Under Defense Production Act Title III.

52.242-15 Stop Work Order. The terms "Contracting Officer" and "Government" mean Buyer.

52.244-6 Subcontracts for Commercial Items and Commercial Components

52.245-2 Government Property (APR 1984 Version).

52.245-17 Special Tooling (Apr 1984 Version) [excluding Paragraph (i)].

52.245-18 Special Test Equipment

52.246.23 Limitation of Liability (APR 1984 Version).

52.246-24 Limitation of Liability - High Value Items. (APR 1984 Version) This Clause only applies to those high value items identified in this Contract as being subject to this clause.

2. DoD Contracts. If this Contract is placed under a Department of Defense Contract, the following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement (DFARS) and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller except as otherwise noted. Unless otherwise provided, the clauses are those in effect as of the date of this contract.

252.203-7001 Special Prohibition on Employment (excluding paragraph (g)). This clause applies only if this contract exceeds the FAR small purchase limitation.

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

252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material. Delete the second sentence in Paragraph (a) and in Paragraph (b) add the following list:

Precious Metal Quantity Deliverable Item

Silver 182.5 troy ozs. ship set Flotation Equipment

Deployment System (FEDS)

Explosive Transfer Lines

252.209-7000 Acquisition From Subcontractors Subject to On-site Inspection Under the Intermediate-Range Nuclear Forces Treaty. This clause applies only if this contract exceeds the FAR small purchase limitation and is not for

commercial or commercial-type products.

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

252.223-7002 Safety Precautions for Ammunition and Explosives. This clause applies only if Seller delivers ammunition or explosives under this contract.

252.223-7003 Change in Place of Performance — Ammunition and Explosives. "Contracting Officer" means Buyer. This clause applies only if Seller delivers ammunition or explosives under this contract.

252.225-7001 Buy American Act and Balance of Payment Program.

252.225-7009 Duty-free Entry — Qualifying Country End Products and Supplies.

252.225-7010 Duty-free Entry — Additional Provisions. This clause applies in addition to FAR 52.225-10. The following information is required to be furnished pursuant to this provision:

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Activity Address DCMC

P.O. Box 22608

Long Beach, California 90801-5608

Activity Address Number DLA8DL

Prime Contract Number F33657-96-C-2059

Contract Dollar Value \$14,209,367,578.00

Prime Contract Expiration Date November, 2004

252.225-7014 and Alt. 1 Preference for Domestic Specialty Metals.

252.225-7016 Restriction on Acquisition of Antifriction Bearings.

252.225-7025 Foreign Source Restrictions.

252.225-7026 Reporting of Contract Performance Outside the United States. This clause applies only if this contract exceeds \$100,000.

252.225-7038 Restriction on Acquisition of Aircraft Fuel Cells.

252.227-7013 Rights in Technical Data - Noncommercial Items (NOV 1995 Version).

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995 Version).

252.227-7015 Technical Data - Commercial Items (NOV 1995 Version).

252.227-7016 Rights in Bid and Proposal Information (JUN 1995 Version).

252.227-7019 Validation of Asserted Restrictions - Computer Software (JUN 1995 Version).

252.227-7030 Technical Data — Withholding of Payment (OCT 1988 Version). "Government" and "Contracting Officer" mean Buyer. This clause applies only if the delivery of data is required by this contract.

252.227-7036 Certification of Technical Data Conformity (MAY 1987 Version). This clause applies only if the delivery of data is required by this contract.

252.227-7037 Validation of Restrictive Markings on Technical Data (NOV 1995 Version). This clause applies only if the delivery of data is required by this contract.

252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles.

252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services. This clause applies only if this contract requires securing telecommunications.

252.243-7001 Pricing of Contract Modifications.

252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services.

252.245-7001 Reports of Government Property.

252.246-7001 Warranty of Data. The warranty period in paragraph (b) is three years from the Government's acceptance of the final items of data under this contract. "Government" and "Contracting Officer" mean Buyer.

252.247-7023 Transportation of Supplies by Sea. This clause applies only if this contract exceeds the FAR small purchase limitation.

252.249-7001 Notification of Substantial Impact on Employment. This clause applies only if this contract is for \$500,000 or more.

252.249-7002 Notification of Proposed Program Termination or Reduction. This clause applies only if this contract is

for \$500,000 or more.

3. If goods or services being procured under this contract are for commercial items and Clause 1086 is set forth in the purchase order, the foregoing Government clauses set forth in Sections 1. and 2. above are deleted and the following FAR and DFARS clauses are inserted in lieu thereof:

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

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans. This clause applies only if this contract exceeds \$10,000.

52.222-36 Affirmative Action for Handicapped Workers. This clause applies only if this contract exceeds \$2,500.

252.225-7014 and Alt. 1 Preference for Domestic Specialty Metals.

252.227-7015 Technical Data - Commercial Items (NOV 1995 Version).

4. The following special provisions are applicable to this contract:

A. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

Seller shall provide immediate notice to Buyer in the event of being suspended, debarred or declared ineligible by any Department or other Federal Agency, or upon receipt of a notice of proposed debarment from any DoD Agency, during the performance of this Contract.

B. GOVERNMENT PROPERTY

The Seller agrees that it will not directly or indirectly, through overhead charges or otherwise, include in the price of this contract, or seek reimbursement under this contract for, any rental charge paid by the Seller for use on other contracts of the facilities referred to herein. Any subcontract hereunder which authorizes the subcontractor to use Government facilities on a no-charge basis shall contain a provision to the same effect as this paragraph 38.

C. GOVERNMENT VISITS

The Government Contracting Officer or the Contracting Officer's representative may, at their discretion, visit the Seller's facility(ies) to review progress pertaining to the requirements of this contract.

D. TRAINING SYSTEMS COOPERATIVE ENABLING AGREEMENT

(a) The Seller agrees to provide, at a minimum, the Government designated Training contractor(s) with:

(i) All necessary design, performance, operational and characteristic (including flight test data) technical data of the C-17 system. If the Training Systems contractor(s), with Government concurrence, determines that the data provided is not adequate for Training Systems design, the Seller agrees to create and provide said data to the Training Systems contractor(s), within the scope of this contract. Differences between the contractors on the need for additional data will be resolved by the Government.

(ii) All technical data relating to the Producibility Enhancement/Performance Improvement (PE/PI) contract proposals, C-17 Engineering Change Proposals (ECP's), deviations, waivers or any other comparable documents that may change the Training Systems design. The Seller will release the technical data to the Training Systems contractor(s) as it is developed. The technical content of the proposals will be forwarded to the Training Systems contractor(s) as soon as practical, to enable Training System change proposals to be released concurrently with the aircraft proposals. Additionally, a copy of the final C-17 change proposal will be forwarded to the Training Systems contractor(s) concurrent with release to the Procuring Contracting Officer (PCO).

(iii) All technical data, and computer software, specifically developed in the Seller's internal simulation activities for the C-17 that the Government determines may otherwise be useful to the Training Systems contractor(s).

(b) The Seller agrees to sell to the Training Systems contractor(s) any C-17 aircraft parts required for the development, manufacture, or support of the Training Systems concurrent with the C-17 production and/or retrofit buy and negotiate an agreement with the Training Systems contractor(s) for control and nondisclosure of technical data and computer software data required by the Training Systems contractor(s) which is considered by Seller to be proprietary, provided that such data has not been delivered nor is deliverable under this or any other Government contract with unlimited rights as defined in the clause entitled, "Rights in Technical Data and Computer Software" of this contract.

(c) The cooperative enabling agreement shall also establish the capability for the Training Systems contractor(s) to provide to Buyer the training impact data and budgetary cost estimates associated with implementing changes.

(d) Under this contract the Seller shall perform only that effort and charge only those costs associated with the Training Systems Cooperative Enabling Agreement which are applicable to the Production effort.

E. SELLER LIABILITY FOR BREAKOUT OF SUPPORT EQUIPMENT, SPARES, REPAIR OF REPARABLES, RETROFIT AND MODIFICATIONS

(a) The Seller warrants the accuracy and completeness of its and its subcontractors' newly developed and/or developmentally modified design disclosure drawing(s) for Government use and/or Government breakout to third parties skilled in the applicable art, in the manufacture, retrofit, repair or modification of C-17 items. With respect to the above engineering data, the Seller makes no warranties express or implied including but not limited to the warranty of merchantability or fitness for a particular purpose. The Seller shall in no event be liable for incidental or consequential damages resulting from the misuse of (deviation from) the requirements specified on the design disclosure drawings.

(b) Seller shall not be held liable for claims or incidental and consequential damages arising out of the Government's misuse of or the Government breakout of control drawings to third parties wherein:

(1) The items or components are manufactured to new third party or Government design; and/or

(2) The third parties or the Government substitute material specifications and/or manufacturing processes other than Seller's material and/or process specifications specified on the Seller's or its subcontractors' engineering data; and/or

(3) The third parties or the Government manufacture, repair, retrofit, or modify items or components to engineering data developed by third parties or the Government to form, fit, and function requirements depicted on C-17 control drawings.

F. SAFETY AND ACCIDENT PREVENTION

In performing work under this Contract on a Government installation, Seller shall (a) conform to the specific safety requirements contained in the Contract, and (b) for those related activities not directly addressed by this Contract, conform to the applicable safety rules prescribed by the Government installation, and (c) take such additional precautions as Buyer or the Contracting Officer under Buyer's Government contract may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected as directed by Buyer or the Contracting Officer, shall be grounds for termination of this Contract in accordance with the default provisions hereof. Buyer may, by written order, direct additional safety and accident standards as may be required under Buyer's Government contract and any adjustments resulting from such direction will be in accordance with the provisions of this Contract entitled "Changes."

G. FOREIGN OBJECT DAMAGE/CONTROL

Seller shall establish and maintain systems and procedures necessary to provide a program of foreign object damage/control.