



Terms & Conditions:

MODIFICATIONS TO GENERAL TERMS AND CONDITIONS B-1B PRIME CONTRACT F33657-97-C-0002

MD-1870-27 (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 70-C-33 (MD-1965-02) is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 30.

1. 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. 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. This clause applies only if this contract exceeds \$100,000.

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.

52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity. 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. This clause applies only if this contract exceeds

the simplified acquisition threshold. 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. "Changes clause" means the changes clause of this contract. This clause applies only if access to classified material is required.

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

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

52.214-26 Audit and Records - Sealed Bidding. This Clause applies to this contract if it is expected to exceed the threshold in FAR 15.403-4(a)(1) for submission of cost or pricing data..

52.215-2 Audit and Records - Negotiation. This clause applies only if this contract exceeds the simplified acquisition threshold.

52.215-26 Integrity of Unit Prices (excluding subparagraph (b))(JAN 1997 Version). This clause applies except for contracts at or below the simplified acquisition threshold (as defined in FAR Part 2; 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.

52.215-27 Termination of Defined Benefit Pension Plans (MAR 1996 Version). This Clause applies to this contract if it meets the requirements of FAR 15.408(g).

52.215-39 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB)(MAR 1996 Version). This Clause applies to this contract if it meets the requirements of FAR 15.408(j).

52.219-8 Utilization of Small, Small Disadvantaged and Woman-Owned Small Business Concerns.

52.222-1 Notice to Government of Labor Disputes. "Contracting Officer" means Buyer.

52.222-4 Contract Work Hours and Safety Standards Act — Overtime Compensation. 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.

52.222-20 Walsh-Healy Public Contracts Act. This clause applies only if this contract exceeds \$10,000.

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.

52.225-11 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 simplified acquisition threshold.

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.

52.242-15 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).

52.245-18 Special Test Equipment.

52.247-63 Preference for U.S.-Flag Air Carriers.

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels. This clause applies only if this contract exceeds \$25,000.

52.248-1 Value Engineering (excluding subparagraph (f)). 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. 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 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 Part 13 simplified acquisition threshold and does not apply to the purchase of commercial items or commercial components.

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

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 Part 13 simplified acquisition threshold and does not apply to the purchase of commercial items or commercial components.

252-223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials. This clause applies to this contract if it requires, may require, or permits Seller to treat or dispose of non-DoD-owned toxic or hazardous materials as defined in this clause.

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

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

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

252.225-7022 Restriction on Acquisition of Polyacrylonitrile (PAN) Based Carbon Fiber. "Contracting Officer"

means Buyer.

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 \$500,000.

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

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

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 (JAN 1997). This clause applies only if the delivery of data is required by this contract.

252.227-7037 Validation of Restrictive Markings on Technical Data (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.

252.234-7001 Earned Value Management System. This clause applies only if this contract states that the Earned Value Management System criteria applies to Seller.

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

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

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

252.245-7001 Reports of Government Property.

252.247-7023 Transportation of Supplies by Sea. This clause applies only if this contract exceeds the Simplified Acquisition Threshold in FAR Part 13.

252.247-7024 Notification of Transportation of Supplies by Sea. "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" mean Buyer. This clause does not apply to the procurement of commercial items or commercial components.

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 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.

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

A. OZONE DEPLETING SUBSTANCES.

The Seller shall notify Buyer's purchasing representative if any Class 1 Ozone Depleting Substances (ODS) are used or anticipated to be used in the design, manufacture, test, operation, or maintenance of any system, subsystem, item, component or process set forth in this contract.

B. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

Seller shall provide immediate notice to MDC 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.

C. ORGANZATIONAL CONFLICTS OF INTEREST

(a) To prevent conflicting roles which may bias the Seller's judgment or objectivity, or to preclude the Seller from obtaining an unfair competitive advantage in concurrent or future acquisitions, the Seller will be retracted as set forth in subparagraph (c).

(b) The following descriptions or definitions apply:

(1) "Systems Engineering" means preparing specifications, identifying and resolving interface

problems, developing test requirements, evaluating test data, and supervising design.

(2) "Technical Direction" means developing work statements, determining parameters, directing other Seller's operations, or resolving technical controversies.

(3) "Development" means all efforts towards solution of broadly-defined problems. This may encompass research, evaluating technical feasibility, proof of design and test, or engineering of programs not yet approved for acquisition or operation.

(4) "Proprietary Information" means all information designated as proprietary in accordance with law and regulation, and held in confidence or disclosed under restriction to prevent uncontrolled distribution. Examples include limited or restricted data, trade secrets, sensitive information, and computer software, and may appear in cost and pricing data or involve classified information.

(5) "System" means the system that is the subject of this contract.

(6) "System Life" means all phases of the system's development, production or support.

(7) "Seller" means the business entity receiving the award of this contract, its parents, affiliates, divisions and subsidiaries.

(c) The following shall apply:

(1) The Seller may gain access to proprietary information of other companies during contract performance. The Seller agrees to enter into company-to-company agreements to (i) protect the other company's information from unauthorized use or disclosure for as long as it is considered proprietary by the other company and (ii) refrain from using the information for any purpose other than that for which it was furnished. For information purposes, the Seller shall furnish copies of these agreements to the Buyer. Those agreements are not intended to protect information which is available to the Government or the Buyer from other sources and furnished voluntarily without restriction.

(2) The Seller agrees to accept and to complete all task orders, and not to contract with Government prime contractors or first-tier subcontractors in such a way as to create an organizational conflict of interest.

(d) The above restrictions shall be included in all subcontracts, teaming agreements, and other agreements calling for performance of work related to this contract, unless excused in writing by the Contracting Officer.