



Terms & Conditions:

MODIFICATIONS TO GENERAL TERMS AND CONDITIONS B1-B PRIME CONTRACT F33657-96-C-2075

MD-1870-35 (15 APR 99) NEW

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 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.

52.203-10 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.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions. 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. "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.

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

52.215-26 Integrity of Unit Prices (excluding subparagraph (b)) (October 1995 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.

52.215-26 Alternate I (April 1991 Version).

52.215-27 Termination of Defined Benefit Pension Plans (March 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) (March 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.

52.219-9 Small, Small Disadvantaged and Woman-Owned Small Business Subcontracting Plan. 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. "Contracting Officer" shall mean 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.

52.223-11 Ozone Depleting Substances.

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. "Contracting Officer" shall mean "Buyer". This clause applies only if this contract exceeds the simplified acquisition threshold.

52.227-10 Filing of Patent Applications — Classified Subject Matter.

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. Change "90 days" and "30 days" to "100 days" and "20 days" respectively. The terms "Contracting Officer" and "Government" shall mean Buyer.

52-244-6 Subcontracts for Commercial Items and Commercial Components.

52.245-2 Government Property. "Government" shall mean Government throughout except the first time it appears in paragraph (f) when "Government" shall mean the Government or the Buyer.

52.245-18 Special Test Equipment. Change "30 days" to "45 days" in paragraph (b) and (c).

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. "Contractor" and "contract" are not changed in paragraphs (a) and (b). In paragraph (e), "Government" shall mean Government or Buyer. In paragraph (f), "through the Buyer" is inserted after "Contracting Officer". Paragraph (g) is deleted and "Contracting Officer" shall mean Contracting Officer.

252.204-7000 Disclosure of Information. 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.

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

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

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

252.225-7026 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 (November 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 (June 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.

252.227-7015 Technical Data - Commercial Items (November 1995 Version). This clause applies only if the delivery of data is required for commercial items under this contract.

252.227-7016 Rights in Bid or Proposal Information (June 1995 Version).

252.227-7019 Validation of Asserted Restrictions - Computer Software (June 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 (October 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 1997 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 (November 1995 Version). This clause applies only if the delivery of data is required by this contract.

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

252.245-7001 Reports of Government Property. Seller will provide information that the Buyer may require to complete Buyer's annual report.

252.247-7023 Transportation of Supplies by Sea. This clause applies only if this contract exceeds the Simplified Acquisition Threshold in FAR Part 13. In paragraph (c), "45 days" is changed to "60 days".

252.247-7024 Notification of Transportation of Supplies by Sea. "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" shall 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. In paragraph (c), "two weeks" is changed to "10 days".

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.

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

A. 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."

B. ORGANIZATIONAL CONFLICT OF INTEREST

1. To prevent conflicting roles which may bias the Seller's judgement or objectivity, or to preclude the Seller from obtaining an unfair competitive advantage in concurrent or future acquisitions, the Seller will be restricted as set forth in subparagraph 3 below.

2. The following descriptions or definitions apply:

a. "Systems Engineering" means preparing specifications, identifying and resolving interface problems, developing test requirements, evaluating test data, and supervising design.

b. "Technical Direction" means developing work statements, determining parameters, directing other contractor's operations, or resolving technical controversies.

c. "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.

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

e. "System" means the system that is the subject of this contract.

f. "System Life" means all phases of the system's development. Production or support.

g. "Contractor or Seller" means the business entity receiving the award of this contract, its parents, affiliates, divisions and subsidiaries.

3. The following rules apply:

a. 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 (1) protect other company's information from unauthorized use or disclosure for as long as it is considered proprietary by the other company and (2) 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 Contracting Officer. These agreements are not intended to protect information which available to the Government or to the Seller from other sources and furnished voluntarily without restriction.

b. The Seller agrees to accept and to complete all issued work under this contract, and not to contract with Government prime contractors or first-tier subcontractors in such a way as to create an organizational conflict of interest.

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

C. FOREIGN OBJECT DAMAGE/CONTROL

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

D. BASE SUPPORT

If any work under this contract is to be performed on an Air Force installations and if this contract is a cost, cost-reimbursement, time-and-material, or labor-hour type of contract, the Seller agrees that in the performance of this contract or any major subcontract no direct or indirect costs for property will be incurred, if the Government determines that property is available at, or through any Air Force installation where the contract will be performed. Only the prior written approval of the Contracting Officer can relieve the Seller from this restriction.