



## Section 9 : GOVERNMENT CONTRACT REQUIREMENTS

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CLAUSE 975 (7/3/97)

TITAN IV LAUNCH VEHICLE PROGRAM

LOCKHEED MARTIN SUBCONTRACT RL5-110029

(F04701-96-C-0001)

GOVERNMENT CONTRACT REQUIREMENTS

(a) The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. Unless provided for elsewhere in this contract, only subparagraphs (22), (23), (24), and (35) of this paragraph (a) shall apply to any portion of this contract that is for commercial items or commercial components, as those terms are defined at FAR 52.202-1. In all of the following clauses, "Contractor" and "Offeror" shall mean Seller.

(1) 52.203-6 Restrictions on Subcontractor Sales to the Government (OCT 1995). This clause applies only if this contract exceeds \$100,000.

(2) 52.203-7 Anti-Kickback Procedures (JUL 1995) [excluding subparagraph (c)(1)]. This clause applies only if this contract exceeds \$100,000. 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.

(3) 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (SEP 1990). 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 or recover from Seller the amount of the reduction.

(4) 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991). This clause applies only if this contract exceeds \$100,000.

(5) 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JAN 1990). 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 Buyer) directly to the PCO for the prime contract. Buyer will identify the cognizant Government PCO at Seller's request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor."

(6) 52.204-2 Security Requirements (APR 1984) (excluding any reference to the Changes clause of this contract). This clause applies only if access to classified material is required.

(7) 52.211-5 New Materials (MAY 1995)

(8) 52.211-7 Other Than New Material, Residual Inventory, and Former Government Surplus Property (MAY 1995)

(9) 52.211-15 Defense Priority and Allocation Requirements (SEP 1990)

(10) 52.215-2 Audit and Records -- Negotiation (OCT 1995). 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.

(11) 52.215-26 Integrity of Unit Prices (OCT 1995) [excluding paragraph (c)]

(12) 52.215-27 Termination of Defined Benefit Pension Plans (SEP 1989). This clause applies only if under this contract certified cost or pricing data is required and preaward or postaward cost determinations are subject to FAR subpart 31.2. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause. "Contracting Officer" shall mean Buyer.

(13) 52.215-30 Facilities Capital Cost of Money (SEP 1987). This clause applies only if Seller includes facilities capital cost of money as a proposed cost of this contract.

(14) 52.215-31 Waiver of Facilities Capital Cost of Money (SEP 1987). This clause applies only if Seller did not include facilities capital cost of money as a proposed cost of this contract.

(15) 52.215-39 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB) (FEB 1995). This clause applies only if under this contract certified cost or pricing data is required or preaward or postaward cost determinations are subject to FAR part 31. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause. "Contracting Officer" shall mean Buyer.

(16) 52.215-40 Notification of Ownership Changes (FEB 1995). This clause applies only if under this contract certified cost or pricing data is required or preaward or postaward cost determinations are subject to FAR subpart 31.2. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause. "Contracting Officer" shall mean Buyer.

(17) 52.219-8 Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns (OCT 1995)

(18) 52.219-9 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (OCT 1995). This clause applies only if this contract exceeds \$500,000 and Seller is not a small business concern. In paragraph (c), "Contracting Officer" shall mean Buyer.

(19) 52.222-1 Notice to the Government of Labor Disputes (APR 1984). "Contracting Officer" shall mean Buyer.

(20) 52.222-4 Contract Work Hours and Safety Standards Act -- Overtime Compensation (JUL 1995). This clause applies only if this contract exceeds \$100,000. Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its

subcontractors under this clause.

(21) 52.222-20 Walsh-Healey Public Contracts Act (APR 1984). This clause applies only if this contract exceeds \$10,000.

(22) 52.222-26 Equal Opportunity (APR 1984) [subparagraphs (b)(1) through (11)]

(23) 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984). This clause applies only if this contract is for \$10,000 or more.

(24) 52.222-36 Affirmative Action for Handicapped Workers (APR 1984). This clause applies only if this contract exceeds \$2,500.

(25) 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (JAN 1988). This clause applies only if this contract is for \$10,000 or more.

(26) 52.223-2 Clean Air and Water (APR 1984). This clause applies only if this contract exceeds \$100,000.

(27) 52.223-11 Ozone-Depleting Substances (MAY 1995)

(28) 52.225-11 Restrictions on Certain Foreign Purchases (MAY 1992)

(29) 52.227-1 Authorization and Consent (APR 1984)

(30) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (APR 1984). This clause applies only if this contract exceeds \$100,000. A copy of each notice sent to the Government will be sent to Buyer.

(31) 52.227-9 Refund of Royalties (APR 1984). This clause applies only if the amount of royalties reported during negotiation of the contract exceeds \$250.

(32) 52.227-10 Filing of Patent Applications -- Classified Subject Matter (APR 1984)

(33) 52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984). This clause applies only if this contract requires work on a Government installation.

(34) 52.244-5 Competition in Subcontracting (APR 1984)

(35) 52.244-6 Subcontracts for Commercial Items and Commercial Components (OCT 1995)

(36) 52.245-2 Government Property (DEC 1989)

(37) 52.245-17 Special Tooling (APR 1984)

(38) 52.245-18 Special Test Equipment (FEB 1993)

(39) 52.246-23 Limitation of Liability (APR 1984)

(40) 52.248-1 Value Engineering (MAR 1989) [excluding subparagraph (f)]. This clause applies only if this contract is for \$100,000 or more. "Contracting Officer" shall mean Buyer. If a 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 net acquisition savings or 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.

(b) 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" shall mean Seller.

- (1) 252.204-7000 Disclosure of Information (DEC 1991). Seller will submit requests for authorization to release through Buyer.
- (2) 252.204-7003 Control of Government Personnel Work Product (APR 1992)
- (3) 252.205-7000 Provision of Information to Cooperative Agreement Holders (DEC 1991)
- (4) 252.209-7000 Acquisition From Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty (NOV 1995). This clause applies only if this contract exceeds \$100,000 and is not for commercial items.
- (5) 252.211-7000 Acquisition Streamlining (DEC 1991). This clause applies only if this contract exceeds \$1,000,000.
- (6) 252.215-7000 Pricing Adjustments (DEC 1991)
- (7) 252.219-7003 Small Business and Small Disadvantaged Business Subcontracting Plan (DoD Contracts) (APR 1993)
- (8) 252.223-7001 Hazard Warning Labels (DEC 1991)
- (9) 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993)
- (10) 252.225-7001 Buy American Act and Balance of Payments Program (JAN 1994)
- (11) 252.225-7009 Duty-Free Entry -- Qualifying Country End Products and Supplies (DEC 1991)
- (12) 252.225-7014 Preference for Domestic Specialty Metals (DEC 1991), Alternate I (DEC 1991)
- (13) 252.225-7016 Restriction on Acquisition of Antifriction Bearings (APR 1993)
- (14) 252.225-7022 Restriction on Acquisition of Polyacrylonitrile (PAN) Based Carbon Fiber (DEC 1991)
- (15) 252.225-7025 Foreign Source Restrictions (APR 1993)
- (16) 252.225-7026 Reporting of Contract Performance Outside the United States (NOV 1995). This clause applies only if this contract exceeds \$100,000 and is not for commercial items, construction, ores, natural

gases, utilities, petroleum products and crudes, timber (logs), or subsistence.

(17) 252.227-7013 Rights in Technical Data -- Noncommercial Items (JUN 1995). This clause applies only if this contract requires Seller to provide noncommercial technical data to Buyer for delivery to the Government.

(18) 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995). This clause applies only if this contract requires Seller to provide noncommercial computer software or noncommercial computer software documentation to Buyer for delivery to the Government.

(19) 252.227-7019 Validation of Asserted Restrictions -- Computer Software (JUN 1995). This clause applies only if this contract requires Seller to provide computer software to Buyer for delivery to the Government.

(20) 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR 1988). This clause applies only if technical data or computer software may be generated as part of the performance of this contract.

(21) 252.227-7030 Technical Data - Withholding of Payment (OCT 1988). In this clause, "Government" and "Contracting Officer" shall mean Buyer. This clause applies only if the delivery of technical data is required under this contract.

(22) 252.227-7036 Certification of Technical Data Conformity (MAY 1987). This clause applies only if the delivery of technical data is required under this contract.

(23) 252.227-7037 Validation of Restrictive Markings on Technical Data (JUN 1995). This clause applies only if the delivery of technical data is required under this contract and the contract is not for commercial items or commercial components.

(24) 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (DEC 1991)

(25) 252.231-7000 Supplemental Cost Principles (DEC 1991)

(26) 252.235-7003 Frequency Authorization (DEC 1991) This clause applies only if this contract involves the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.

(27) 252.243-7001 Pricing of Contract Modifications (DEC 1991)

(28) 252.247-7023 Transportation of Supplies by Sea (NOV 1995). This clause applies only if this contract exceeds \$100,000.

(29) 252.247-7024 Notification of Transportation of Supplies by Sea (NOV 1995). "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" mean Buyer.

(30) 252.249-7001 Notification of Substantial Impact on Employment (MAY 1994). This clause applies only if this contract is \$500,000 or more.

(31) 252.249-7002 Notification of Proposed Program Termination or Reduction (MAY 1995). This clause

applies only if this contact is \$500,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

(c) Cost Accounting Standards

If clause 383 or 384 is incorporated in this contract, the date of the "Administration of Cost Accounting Standards" clause (FAR 52.230-5) is hereby changed from AUG 1992 to FEB 1995. In clause 384 the date of the "Disclosure and Consistency of Cost Accounting Practices" clause (FAR 52.230-3) is hereby changed from AUG 1992 to NOV 1993.

(d) Enabling Clause for General Systems Engineering and Integration

(1) Buyer's contract covers part of the Titan program which is under the general program management of the Air Force Space Missile Command (SMC). The Air Force has entered into a contract with the Aerospace Corporation for the services of a technical group which will support the DOD program office by performing General Systems Engineering and Integration.

(2) General Systems Engineering and Integration (GSE&I) deals with overall system definition; integration both within the system and with associated systems; analysis of system segment and subsystem design; design compromises and trade-offs; definition of interfaces; review of hardware and software including manufacturing and quality control; observation, review and evaluation of tests and test data; support of launch, flight test, and orbital operations; appraisal of the Contractors' technical performance, through meeting with contractors and subcontractors, exchange and analysis of information on progress and problems, review of plans for future work; development of solutions to problems, technical alternatives for reduced program risk, providing comments and recommendations in writing to the DOD System Program Manager and/or Project Officer as an independent technical assessment for consideration for modifying the program or redirecting Buyer's efforts, all to the extent necessary to assure timely and economical accomplishment of program objectives consistent with mission requirements.

(3) In the performance of this contract, Seller agrees to cooperate with the Aerospace Corporation by responding to invitations from Buyer to attend meetings; by providing access to technical information and research, development and planning data such as, but not limited to, design and development analyses; test data and results; equipment and process specifications; test and test equipment specifications and procedures; parts and quality control procedures, records and data; manufacturing and assembly procedures; and schedule and milestone data, all in their original form or reproduced form and excluding financial data; by delivering data as specified in the Subcontract Data Requirements List (SDRL); by providing access to Seller's facilities utilized in the performance of this contract; and by allowing observation of technical activities by appropriate Aerospace technical personnel. The Aerospace personnel engaged in general systems engineering and integration effort are authorized access to any technical information pertaining to this contract.

(4) Seller further agrees to include in each lower-tier subcontract a clause requiring compliance by such subcontractor with the response and access provisions of paragraph (3) above, subject to coordination with Buyer through Seller. This agreement does not relieve Seller of its responsibility to manage the lower-tier subcontracts effectively and efficiently nor is it intended to establish privity of contract between Buyer, Lockheed Martin, the Government or the Aerospace Corporation and such lower-tier subcontractors.

(5) The Aerospace Corporation personnel are not authorized to direct Seller in any manner. Seller agrees to accept technical direction from Buyer only.

(e) Enabling Clause for Technical Review

(1) Buyer's contract with the Air Force is managed by the Air Force Space and Missile Systems Center (SMC). The Air Force has entered into a contract with The Aerospace Corporation (Aerospace) for performance of Technical Review (TR) tasks.

(2) Technical Review (TR) is the process of appraising the technical performance of contractors through meetings, exchanging information on progress and problems, reviewing reports, evaluating presentations, reviewing hardware and software, witnessing and evaluating tests, analyzing plans for future work, evaluating efforts relative to contract technical objectives, and providing comments and recommendations in writing to the System Program Director as an independent technical assessment for his/her consideration for modifying the program or redirecting effort to assure timely and economical accomplishment of program objectives.

(3) In the performance of this contract, Seller agrees to cooperate with Aerospace or its successor by responding to invitations from authorized personnel to attend meetings; by providing access to technical information and research, development and planning data such as, but not limited to, design and development analyses; test data and results; equipment and process specifications; test and test equipment specifications and procedures, parts and quality control procedures, records and data; manufacturing and assembly procedures; and cost, schedule, and milestone data, all in their original form or reproduced form; by delivering data or providing access to data; by discussing technical matters relating to this contract; by providing access to Seller's facilities used in the performance of this contract; and by allowing observation of technical activities by appropriate technical personnel. The support personnel engaged in this technical review effort are authorized access to any technical information pertaining to this contract.

(4) Seller further agrees to include in each subcontract a clause requiring compliance by the subcontractor and succeeding levels of subcontractors with the response and access provisions of paragraph (3) above, subject to coordination with Buyer. This agreement does not relieve Seller of its responsibility to manage the subcontracts effectively and efficiently, nor is it intended to establish privity of contract between the Government or Aerospace and such subcontractors.

(5) Aerospace personnel are not authorized to direct Seller in any manner. Seller agrees to accept technical direction solely from Buyer's authorized purchasing representative.

(f) Use of Government Supply Source for Acquisition of Class S Parts

(1) Definition. "JAN Class S parts" as used in this clause are space-quality military standard electronic parts as described in MIL-S-19500 for semiconductors, MIL-M-38510 for microcircuits and associated specifications for passive electronic parts.

(2) Seller is encouraged to acquire JAN Class S parts in FSC 5961 and FSC 5962 as defined on the list\* from the Defense Electronic Supply Center (DESC) using Military Standard Requisitioning and Issue Procedures (MILSTRIP). If the parts are not available from DESC to meet contractual time requirements or if Seller intends to acquire the parts from sources other than DESC, Seller will identify the Parts Control Board the alternate acquisition source prior to actual purchase of the parts.

\*JAN Class S NSN List. This list will change from time to time. For most recent version, contract SSD/SDEEP, P.O. Box 92960, Los Angeles, CA 90009-2960, telephone (213) 336-1256.

(3) To use MILSTRIP, Seller shall obtain a letter of authorization from Buyer which includes the list of parts (Including national stock numbers, general part numbers, and order quantities) authorized to be ordered through MILSTRIP.

(4) JAN Class S parts obtained from DESC pursuant hereto shall be considered supplier furnished material, since the items are acquired directly by Seller. Seller shall retain responsibility for assuring timely delivery of parts to support this contract.

(5) DESC shall be responsible for reimbursing or replacing any defective part from the operating stock, provided the defect was not caused by Seller. Defective DESC parts shall be reported to DESC/QAR, Dayton, OH 45444-5000, telephone (513) 296-5146.

(6) Seller shall be responsible for rework, repair, retest, and schedule impacts of defective assemblies or systems caused by parts failures, including those caused by JAN Class S parts acquired from DESC, in the same manner as if the defective material had been acquired from sources other than DESC. The Government's and Buyer's liability for parts failure shall not exceed the cost of the JAN Class part and this limitation of liability shall apply in lieu of any other liability provision of this contract.

(7) Seller, through Buyer, shall follow AFM 67-1, Volume 1, MILSTRIP Requisitioning Procedures, as specified by the acquisition activity.

(8) Seller agrees to include a clause substantially the same as this clause, including this paragraph (8), in every lower-tier subcontract issued in performance of this contract, unless it is known that the item purchased does not contain any electronic parts identified in paragraph (2) above.

(9) Seller shall pay bills from DESC promptly upon receipt of billings.

(10) Seller agrees that JAN Class S parts required under this clause shall only be used to perform Government Contracts.

(g) Inspections by Lockheed Martin

In Article 3, Paragraph (A) of Buyer 858 and Buyer 859, after the term "Buyer," add the words "and Lockheed Martin."