SECTION 1 - STANDARD SUBCONTRACT CLAUSE INDEX:

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# CLAUSE NO. 1 - GENERAL INSTRUCTIONS TO Subcontractor

a. Subcontract Number Identification for Invoicing and Shipping: This Subcontract number (including any modification or release designation) shall appear (i) on each invoice, packing list, and bill of lading; and (ii) on each package, container, or envelope for each shipment made pursuant to this Subcontract.

b. Bills of Lading: A bill of lading shall be sent in triplicate to the destination address shown within this Subcontract, or to consignee, on the day shipment is made.

c. Packing List: A packing list shall accompany each shipment of goods pursuant to this Subcontract and, if such shipment will complete delivery, the following notation shall appear thereon: “This shipment completes this order.”

d. Subcontract Number Identification on Data: Subcontractor shall mark this Subcontract number and Subcontractor’s address on all data delivered hereunder.

e. Packaging and Insurance: No additional charge for packaging or insurance shall be allowed (as a price, estimated or target cost, or fee adjustment) unless specifically provided for herein. Goods shall be packaged to ensure safe arrival at destination; and goods shall be described to conform with Carrier’s Classification Rules so as to obtain lowest transportation cost. Subcontractor shall not insure or declare value on shipments beyond the FOB point.

# CLAUSE NO. 2 - SUBCONTRACT DEFINITIONS

As used throughout all clauses of this document, the following terms shall have the meanings set forth below, except where otherwise a purposeful distinction has been made:

1. “Prime Contract” means a mutually binding legal relationship between the Buyer and the United States of America (hereinafter called the “Government” or “U.S. Government”) or its higher tier Contractor under which this Subcontract is issued.

b.  “Subcontract” means a mutually binding written agreement between the Buyer and Subcontractor obligating the Subcontractor to furnish the supplies or services identified and the Buyer to pay for them. In addition to bilateral written agreements, subcontracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the subcontract becomes effective by written acceptance or performance; and bilateral subcontract modifications.

c.   “Subcontractor” means the Seller who is obligated by a Subcontract to furnish the supplies or services in accordance with the terms hereof including any modifications or amendments.

d. The terms “this Subcontract” and “this contract” are interchangeable and wherever appearing herein shall be deemed to mean this Subcontract.

# CLAUSE NO. 3 - VALIDITY OF INDIVIDUAL PROVISION

The invalidity, in whole or in part, of any provision of this Subcontract shall not void or otherwise affect the validity of any other provision.

# CLAUSE NO. 4 - Electronic Commerce

The parties agree not to contest the validity or enforceability of electronically transmitted documents containing an electronic signature or other identifying symbol under the provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound thereby. Such documents, if introduced as evidence in any judicial, arbitration, mediation or administrative proceedings, shall be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of printed versions of such documents under the business records exception to the hearsay rule or the best evidence rule on the basis that such documents were not originated or maintained in documentary form.

**CLAUSE NO. 5 - SHIPPING AND DELIVERY**

Shipping terms. All deliveries are understood to be F.O.B. destination unless otherwise specified. Risk of loss in transit shall not pass to Buyer until delivery to the Buyer’s specified destination in accordance with all applicable federal, state or local laws or regulations, including but not limited to U.S. Department of Transportation and U.S. Environmental Protection Agency regulations for hazardous substances. In cases where the Subcontract authorizes shipment F.O.B. Subcontractor's shipping point, the Subcontractor agrees to use and coordinate all shipments using Northrop Grumman’s Supply Chain Active Tracking System (SCATS).

If Seller is permitted to use terms other than FCA Sellers Premises, Seller shall provide the name and contact information for all freight forwarders, carriers or cartage agents expected to handle Buyer’s cargo. Seller shall provide this information to the Buyer not later than 10 days after order acceptance. Seller proposed freight forwarders, carriers or cartage agents must have a reputation for honesty and a company policy prohibiting bribes and facilitating payments intended to expedite or secure performance of a routine governmental action, such as, customs clearance. Buyer retains the right to deny Seller’s use of Seller proposed freight forwarders, carriers or cartage agents within 30 days of Seller notification. Seller shall ensure that Buyer’s purchase does not transit through one of the Proscribed Countries listed in the U.S. International Traffic in Arms Regulations, 22 CFR 126.1.

**CLAUSE NO. 6 - PRICES/RATES**

The prices or rates set forth within the Subcontract are not subject to escalation unless an escalation formula is expressly provided for within the Subcontract. Travel where expressly authorized in this Subcontract shall be reimbursed in accordance with the Federal Travel Regulations, 41 Code of Federal Regulations (CFR) and FAR 31.205.46. Subcontractor shall also provide such evidence as Buyer may reasonably require in support of the invoice.If a prompt payment discount is provided for within the Subcontract, the discount period begins when the Goods or invoices are received, whichever is later, provided the period will be extended for delays caused by errors in invoicing or good faith disputes over the accuracy of the invoice. Buyer may, prior to making any payment due under this Subcontract, require Subcontractor to deliver lien waivers from itself and each of its subcontractors for Goods previously delivered.

# CLAUSE NO. 7 - DRAWING AND SPECIFICATION REVIEW

If, during the term of this Subcontract, Buyer representatives review drawings, specifications, or other data developed by Subcontractor in connection with this Subcontract and make suggestions or comments, or approve such documents and data, such action shall not serve to relieve Subcontractor of any responsibility for the reliability, quality, rate of output, cost, delivery, performance, or any other requirements of this Subcontract.

# CLAUSE NO. 8 - QUALITY CONTROL SYSTEM

All goods ordered hereunder shall be subject to inspection and test by Buyer to the extent practicable at all times and places, including the period of manufacture if the goods are to be specifically manufactured for Buyer in accordance with drawings, designs, or specifications furnished by Buyer, and in any event prior to acceptance. Such goods shall be subject to final inspection and to acceptance by Buyer after delivery to Buyer. If the goods are to specifically manufactured for Buyer in accordance with drawings, designs, or specifications furnished by Buyer: (1) Subcontractor shall provide and maintain an inspection and quality control system acceptable to Buyer and provide access to Subcontractor's facilities including all subcontractors facilities used in performance of this order at all reasonable times for inspection by Buyer's agents, employees, customer and regulatory authorities and shall provide all tools, facilities, and assistance reasonably necessary for inspection relating to the performance of this purchase order; and (2) Subcontractor shall maintain adequate and authenticated inspection and test documents which relate to work performed under this purchase order for a period of three years after completion of this purchase order or as otherwise specified in this purchase order, and shall make such records available to Buyer upon request; (3) Subcontractor shall supply Buyer with inspection and test reports, affidavits, certifications, or any other documents as may reasonably be requested by Buyer. Such inspection and test may be performed by U.S. Government representatives on behalf of Buyer; (4) Subcontractor shall notify Buyer in writing of any changes in product and/or process definition and obtain Buyers written approval prior to proceeding; and (5) Subcontractor shall include the substance of this clause in all applicable purchase orders or subcontracts issued in the performance of this order.

**CLAUSE NO. 9 - SUSPECT/COUNTERFEIT PARTS**

Subcontractor represents and warrants that it has policies and procedures in place to ensure that none of the supplies or materials furnished under this Subcontract are “suspect/counterfeit parts” and certifies, to the best of its knowledge and belief, that no such parts have been or are being furnished to Buyer by Subcontractor. “Suspect/counterfeit parts” are parts that may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. They also include refurbished parts, complete with false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government, such as parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP). If Buyer reasonably determines that Subcontractor has supplied suspect/counterfeit parts to Buyer, Buyer shall promptly notify Subcontractor and Subcontractor shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer. Subcontractor shall include the substance of this clause in all applicable purchase orders or subcontracts issued in the performance of this order. Notwithstanding any other provision contained herein, Subcontractor shall be liable for all costs incurred by Buyer to remove and replace the suspect/counterfeit parts, including without limitation Buyer’s external and internal costs of removing such counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Subcontractor’s goods after counterfeit parts have been exchanged. In addition, Buyer may unilaterally terminate this order for Convenience depending on the impact of the delivery of Suspect/Counterfeit parts on the Subcontractor’s overall performance on this order. Subcontractor’s warranty against suspect/counterfeit parts shall survive any termination or expiration of this Subcontract.

# CLAUSE NO. 10 - WARRANTIES

1. General: Notwithstanding any prior inspection and/or acceptance and the conclusiveness thereof, Subcontractor expressly warrants that all products and services delivered hereunder shall be free from defects, shall be of good materials and workmanship, and shall conform to applicable specifications, drawings, samples, and performance specifications, whether set forth in this Subcontract or in Subcontractor’s sales literature. In the event of a conflict between the terms of this Subcontract and such sales literature, the terms of this Subcontract shall prevail.
2. Warranty of Authenticity Subcontractor warrants that all products delivered under this order are new and in their original packaging. No substitutions are to be supplied without the Buyer's prior written consent. Subcontractor certifies that the products are genuine products authorized by the manufacturer and are entitled to the full manufacturer's warranty and service including any related software. Subcontractor shall include the substance of this clause in all applicable purchase orders or subcontracts issued in the performance of this order.

c. The foregoing warranties shall survive inspection and acceptance of, and payment for, the items delivered and services performed hereunder and shall remain in effect as to each item of material or services furnished for a period of eighteen months after it is accepted by Buyer and shall run to Buyer, its successors, assigns, and customers. Said warranties shall not be deemed to limit any warranties of additional scope given to Buyer by Subcontractor, not to limit Buyer’s rights or Subcontractor’s obligations under any other provision of this Subcontract, at law or in equity. No warranties are waived by Buyer supplying, reviewing, commenting upon, or approving plans, specifications, or data, or inspecting or accepting the products or services. When Buyer furnishes specifications to Subcontractor, Subcontractor shall immediately notify Buyer of any infringement claim, and Buyer may defend or negotiate the disposition of any such claims. Items repaired or replaced pursuant to this clause by Subcontractor shall, unless otherwise specifically provided herein, be subjected by Subcontractor to the same qualification/acceptance testing as was applicable to the item at the time of original delivery to Buyer.

d. In the event Subcontractor is required to replace or correct any component of any item as a result of a breach of any foregoing warranty, the running of the warranty period for the items of which the defective component is a part shall be suspended from the date Subcontractor receives notice of the breach of warranty until the date the component is replaced or corrected, and this warranty shall apply to such replacement or corrected items furnished for the unexpired portion of the warranty period.

e. Subcontractor agrees to indemnify, defend, protect, and hold harmless Buyer for all liabilities, loss, costs, damages, and expense (including reasonable attorney fees) resulting from any breach of any, or all, of Subcontractor’s warranties, express, or implied. In the event of Subcontractor’s breach of warranty, Buyer may, at its election and in addition to any other rights or remedies it may have at law or equity or under this order, recover from Subcontractor any cost of removing such items from property, equipment, or products in which such items have been incorporated, and any additional costs of disassembly, fault isolation, failure analysis, reinstallation, reinspection, and retesting. Further, Buyer may, at its election, (a) return the items at Subcontractor’s risk and expense and recover from Subcontractor the price paid therefor and, if elected by Buyer, purchase or manufacture similar items and recover from Subcontractor the excess costs and expenses thereof; (b) retain the items and equitably reduce their price; or (c) require Subcontractor, at Subcontractor’s expense, to promptly replace or correct the items and, if Subcontractor fails to promptly replace or correct such items as directed by Buyer, Buyer may repair them or have them repaired at Subcontractor’s expense or elect any of the remedies available to it under this order or at law or in equity.

**CLAUSE NO. 11 -** **RECORDS AND AUDITS**

For a period no less than three (3) years after final payment under each and every Subcontract or Task Order, Subcontractor shall maintain complete and accurate books, records, documents, and other evidence of the time worked, costs, expenses and allowances pertaining to this Subcontract (hereinafter collectively called "records") to the extent and in such detail as will properly reflect all net costs (indirect and direct) of labor, materials, equipment, supplies and services and other costs and expenses of whatever nature. Buyer shall have the right to examine, reproduce and audit any and all records.

# CLAUSE NO. 12 - INDEPENDENT CONTRACTOR

It is understood and agreed that the Subcontractor shall be deemed to be an independent contractor in all its operations and activities hereunder; that the employees furnished by Subcontractor to perform work hereunder shall be deemed to be Subcontractor’s employees exclusively, without any relation whatsoever to Buyer; that as employees of an independent contractor, said employees shall be paid by Subcontractor for all services in this connection; and that Subcontractor shall be responsible for all obligations and reports covering social security, unemployment insurance, workers’ compensation, income tax, and other reports and deductions required by state or federal law.

**CLAUSE NO. 13 -** **INSURANCE**

(Clause is applicable only if, and then only to the extent, work under this Subcontract is to be performed by Subcontractor on property under ownership, possession, or control of Buyer or Buyer's customer)

a. Subcontractor shall maintain the following insurances: (1) Worker’s or Workmen’s Compensation Insurance within statutory limits and in accordance with the law of the relevant state, including All State and Voluntary Compensation endorsement; (2) Employer’s Liability Insurance with a limit of $2,000,000; (3) Comprehensive General Liability Insurance, including (i) Operations and Premises Liability (with elevator liability), (ii) Contractor’s Protective Liability, (iii) Completed Operations and Product Liability (maintained in effect for a period of five years after the date of final payment), (iv) Personal Injury Liability, (v) Contractual Liability, and (vi) Broad Form Property Damage Liability (including for completed operations), on an occurrence basis in an amount of a combined single limit of not less than $2,000,000 per occurrence; and (4) Comprehensive Automobile Liability Insurance, including (I) personal injury and (ii) property damage, to cover (a) owned automobiles, (b) automobiles under long-term lease, (c) hired automobiles, (d) employer’s non-ownership liability, (e) medical payments, and (f) uninsured motorists, in the amount of a combined single limit of not less than $2,000,000 per occurrence.

b. Such insurance coverage as is required under this Subcontract shall be in a form and with insurance carriers satisfactory to Buyer and without additional cost to Buyer as a price adjustment, unless otherwise expressly provided for elsewhere within this Subcontract. Such insurance shall protect (i) Subcontractor, (ii) Buyer, (iii) any other party expressly designated by Buyer elsewhere within this Subcontract, from claims that arise out of or result from operations by Subcontractor under this Subcontract, any lower-tier Subcontractor(s) of Subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable.

c. Subcontractor shall have all liability insurance required under this Subcontract amended or endorsed to name Buyer as an additional insured and to indicate that, with respect to the additional insured, there shall be severability of interest. As evidence of said coverage, Subcontractor shall forward certificates of insurance, or copies of insurance policies, to Buyer, which instruments shall contain a provisions requiring notification of Buyer in writing of any cancellation or nonrenewal of said coverage not less than thirty days before its effectivity.

d. If Subcontractor fails to purchase or maintain liability insurance required under this subcontract, Buyer may, but is not obligated to, purchase such insurance on Subcontractor’s behalf and shall be entitled to be repaid for any premiums paid therefor by Buyer as a setoff on Subcontractor’s invoice(s).

# CLAUSE NO. 14 - DISCLOSURE OF INFORMATION (Also note clause of DFARS 252.204-7000)

# Subcontractor shall not, in any manner, advertise or publish the fact that it has furnished or contracted to furnish Buyer the goods or services herein mentioned without prior written consent of Buyer. Subcontractor shall not disclose any details in connection with this Subcontract to any party except as may be otherwise provided.

# CLAUSE NO. 15 - CONFIDENTIALITY OF BUYER’S DATA

Subcontractor shall keep confidential all information, drawings, specifications, or data and return, upon request, all documents furnished by Buyer and marked proprietary to Buyer and shall not divulge or use such information, drawings, specifications or data for the benefit of any other party. Except as required for the efficient performance of this Subcontract, Subcontractor shall not make copies or permit copies to be made without the prior written consent of Buyer. Except in performing this Subcontract, Subcontractor shall make no use, either directly or indirectly, of any such data or any information derived therefrom without obtaining Buyer’s written consent. Such obligations of confidentiality shall not apply to data or information that (i) was in the rightful possession of Subcontractor without restriction, prior to the first receipt from Buyer; or (ii) now or hereafter, through no act or failure to act on the part of Subcontractor, becomes generally known and available to the public without restriction; or (iii) is hereafter disclosed and made available to Subcontractor without restriction by others having the right to make such disclosure.

# CLAUSE NO. 16 - BUYER’S USE OF SUBCONTRACTOR’S DATA

Subcontractor agrees that all information heretofore or hereafter furnished or disclosed to Buyer by Subcontractor in connection with the placing or performance of this Subcontract is furnished or disclosed as a part of the consideration for this Subcontract; that such information is not, unless otherwise agreed to by Buyer in writing, to be treated as confidential or proprietary; and that Subcontractor shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by Buyer, its assigns, or its customers. No employee of Buyer has the authority to make an agreement providing for the confidential treatment of, or limiting the use of or disclosure of, information so furnished or disclosed, unless such agreement is made in writing and signed by Buyer’s cognizant manager or his authorized representative who has been delegated authority to sign such agreements. Any such separate agreement must specifically refer to this Subcontract by subcontract number for such separate agreement to apply to this Subcontract. However, notwithstanding any provision in this Subcontract or in a separate agreement, Subcontractor agrees that the items delivered under this Subcontract will not be treated as confidential or proprietary by Buyer, and Subcontractor agrees not to affix any restrictive markings to the deliverables. If any deliverable contains a restrictive marking, Subcontractor hereby authorizes Buyer to remove such restrictive marking. In the event this Subcontract is issued under a U.S. Government prime contract and any regulatory rights in technical data clause, noncommercial computer software clause, or other clause in the prime contract is incorporated into this Subcontract, such clause shall apply and take precedence over any conflicting term in this clause. Subcontractor does not acquire any direct claim, or direct course of action against the United States Governement solely through the incorporation of these prime contract clauses in this Subcontract. Buyer shall have the right to copy, modify, disclose and use Subcontractor’s information in the performance of the prime contract.

# CLAUSE NO. 17 - GOVERNMENT and BUYER PROPERTY FURNISHED TO SUBCONTRACTOR

a. The Buyer or Government shall retain title to all Buyer or Government furnished property, as applicable. Title to all property purchased by Subcontractor for which Subcontractor is entitled to be reimbursed as a direct item of cost under this Subcontract shall pass to and vest in the Government/Buyer upon the Subcontractor’s delivery of such property. Title to all other property, the cost of which is reimbursable to Subcontractor, shall pass to and vest in the Government/Buyer upon (i) issuance of the property for use in Subcontract performance;(ii) commencement of processing of the property or use in the Subcontractor’s performance; or (iii) reimbursement of the cost of the property by Buyer, whichever occurs first. All Government furnished property, all property acquired by Subcontractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), and all Buyer furnished property is subject to the provision of this clause. Title to Buyer furnished property or Government property shall not be affected by its incorporation into or attachment to any property not owned by Buyer or the Government, nor shall Government or Buyer furnished property become a fixture or lose its identity as personal property by being attached to any real property.

b. If, in connection with the performance of this subcontract, any property is furnished to Subcontractor by Buyer or by the Government, Subcontractor shall assume the risk of, and be responsible for, any loss, theft, destruction of or damage to the property while in Subcontractor's possession or control except to the extent that this subcontract provides for the relief of Subcontractor from such liability. In the absence of such approval, Subcontractor shall return all such property in as good a condition as when received except for reasonable wear and tear for the utilization of such property in accordance with the provisions of the prime contract. As indicated, Subcontractor shall establish and maintain a system in accordance with the property provisions listed below. Subcontractor shall also notify Buyer if its property system is deemed inadequate or the Risk of Loss provision has been withdrawn by the Government.

c. The Buyer and/or a Buyer representative from the Property organization may request information periodically to satisfy inventory and/or financial requirements of the Customer. Buyer and/or the Northrop Grumman Corporation (NGC) Property organization will request Subcontractor to appoint an individual as point of contact to enable communication regarding property, as required. NGC Property oversight will be dependent upon: Adequacy of Subcontractor’s documented property procedures, Subcontractor/Buyer history, Subcontractor’s Property Management System reviews and Subcontractor’s ability to provide NGC timely and accurate inventory and property reports.

d. Unless specifically provided in this Subcontract, Subcontractor warrants that the estimated cost set forth in this Subcontract does not include as a direct charge, the cost of any special tooling, special test equipment, or equipment as are defined in FAR Part 2 and/or **52.245-1**. Any such special tooling, special test equipment or equipment to be acquired/fabricated in the performance of or charged to this Subcontract, will be brought to the Buyer’s immediate attention and as required, will be covered by a separate subcontract.

e. The Subcontractor shall have a process to create and provide the following types of reports related to property: (1) discrepancies incident to shipment and receipt; (2) loss, damage or destruction (LDD); (3) periodic physical inventory reports and related discrepancies to be submitted in accordance with FAR **52.245-1 (f)(iv**) as required; (4) Government written notification of System Adequacy (Summary of Findings) or Inadequate System Rating and Corrective Actions, if applicable; (5) as property becomes excess a list of property and/or material will be provided to NGC (NGC will provide template when required); and (6) any specific reports as required by the Buyer’s property management organization, including but not limited to ISF V10 Inventory Summary and Property Control Certification, and ISF V20 Supplier Property Control System Statement If an LDD is required for Government or Buyer furnished property, the Buyer shall be notified in writing within a reasonable period of time with a preliminary report and/or as soon as the facts become known a formal LDD report will be submitted to the Buyer in accordance with FAR **52.245-1 (1)(vi)(B).**

f. The Buyer and/or a Buyer’s representative from the Property organization shall have the right, at all reasonable times, to visit the Subcontractor’s plant or such parts thereof as may be engaged in work relating to this subcontract, for the purpose of verification and/or determining continued adequacy of the Subcontractor’s Property Management System. Subcontractor shall receive prior notice of any visit made pursuant to this clause.

# CLAUSE NO. 18 - INTELLECTUAL PROPERTY INDEMNITY

Subcontractor warrants that the sale, use, or incorporation into manufactured products of all machines, devices, material, software, and firmware which are not of Buyer’s design, composition, or manufacture shall be free and clear of infringement of any valid United States patent (patent indemnity shall not apply to the extent the Authorization and Consent clause at FAR 52.227-1 is included in this Subcontract and protects the Buyer from claims of patent infringement), copyright, trade mark, mask works, or other proprietary rights. Subcontractor shall hold Buyer, its customers and lessees harmless from any and all expenses, liability, and loss of any kind, including but not limited to attorney’s fees, all costs, expenses, and fees arising from claims, suits, or actions alleging such infringement, which claims, suits, or actions Subcontractor agrees to defend.

**CLAUSE NO. 19 -** **CHANGES**

a. No modification of this Subcontract shall be binding on Buyer unless made by a formal written change order, executed by Buyer or Buyer’s authorized representative. Buyer may at any time, by written order, and without notice to sureties or assignees, if any, make changes within the general scope of this Subcontract in any one or more of the following: (1) drawings, designs or specifications when the products to be furnished are to be manufactured for Buyer in accordance with such drawings, designs, or specifications; (2) method of shipment or packing; (3) place of delivery; and (4) reasonable changes in quantities and schedules.

b. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Subcontract, whether or not changed by such change order, an equitable adjustment shall be made in the Subcontract price or schedule, or both, and the Subcontract shall be modified in writing accordingly.

c. Subcontractor must assert its right to an adjustment under this Clause 19 within fifteen (15) calendar days from the date of notification of the change to Subcontractor. However, if Buyer decides that the facts justify it, Buyer may receive and act upon a proposal submitted before final payment under this Subcontract.

d. If Subcontractor's proposal includes the cost of property made obsolete or excess by the change, Buyer shall have the right to prescribe the manner of disposition of the property.

e. Nothing in this Clause 19 shall excuse Subcontractor from immediately proceeding with the Subcontract as changed, including failure of the parties to agree upon any adjustment to be made under this Clause 19.

# CLAUSE NO. 20 - MODIFICATON REQUIRED BY BUYER’S CUSTOMER

Subcontractor agrees to incorporate into this Subcontract any revised clause or additional clause as Buyer may reasonably deem necessary to enable Buyer to comply with the provisions of the prime contract or higher-tier subcontract with its customer and any modifications thereto. If any such revised clause or additional clause causes any increase or decrease in the cost of or time required for performance of the Subcontract work, an equitable adjustment shall be made in accordance with the procedures of the Clause 19.

# CLAUSE NO. 21 - SUPERSEDING OR SUPPLEMENTARY SPECIFICATIONS

All references in any Buyer document or Government specifications (excluding those incorporated in Subcontractor’s model specification) incorporated into this Subcontract by reference, shall be deemed to include any and all specifications superseding or supplementary to the specifications so referred to, to the extent that such superseding or supplementary specifications are in effect on the effective date of this Subcontract or on the effective date of any incorporating change notice, if Subcontractor was furnished or otherwise had been notified of the existence of such superseding or supplementary specifications by that effective date.

**CLAUSE NO. 22 -** **ORGANIZATIONAL CONFLICT OF INTEREST**

It is understood and agreed that the Subcontractor, under the terms of this Subcontract, or through the performance of the Statement of Work made a part of this Subcontract, is neither obligated nor expected to deliver or provide material or perform work, which will place the Subcontractor in an Organizational Conflict of Interest, which could serve as a basis for excluding the Subcontractor from supplying products or services to the U.S.Government customer. Further, during the course of this Subcontract, Northrop Grumman’s cognizant Subcontracts Administrator will not knowingly unilaterally direct the Subcontractor to perform work, in contravention of the above understanding. It will be the Subcontractor's responsibility to identify any situation in which the potential for an Organizational Conflict of Interest exists. However, prior to the execution of any subcontract, task order, delivery order or amendment thereto, if the cognizant Subcontracts Administrator discerns the potential for an Organizational Conflict of Interest in so far as the work to be performed thereunder is understood to involve the preparation of a complete specification of materials leading directly, predictably and without delay to a statement of work which will be used in the competitive procurement of a system, Subcontractor will be notified and the parties will mutually take action to resolve any potential Organizational Conflict of Interest.

# CLAUSE NO. 23 - COMPLIANCE WITH LAWS

Subcontractor warrants that it shall comply with all applicable federal, state, or local laws, rules, and regulations in the performance of this Agreement. Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and warrants compliance with Section 508 of the Rehabilitation Act. Where applicable, the Subcontractor agrees to provide products and services which are Section 508 compliant and agrees to provide a Voluntary Product Accessibility Template® (VPAT®) to Customer Representatives, if requested.

**CLAUSE NO. 24 – PROHIBITED ACTIVITIES – ANTI-CORRUPTION**

1. Anti-Corruption Compliance – Seller represents, warrants and covenants that:

(1) It has not and will not, directly or indirectly, pay, promise, offer, or authorize the payment of any money or anything of value to:

* + 1. an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or any person acting in an official capacity thereof;
    2. a candidate for political office, any political party or any official of a political party; or
    3. any other person or entity

while knowing or having reason to know that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting Buyer in obtaining or retaining business, or an improper business advantage. Without limiting the generality of the foregoing, Seller shall not directly or indirectly, pay, promise, offer, or authorize the payment of any facilitating payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of Buyer.

(2) No gift, travel expenses, business courtesies, hospitalities or entertainment of any nature has been or will be accepted or made in connection with this agreement where the intent of was, or is, to unlawfully influence the recipient of the gift, travel expense, business courtesy, hospitality or entertainment.  Seller also represents that any gifts, travel expenses, business courtesies, hospitalities or entertainment offered or provided shall meet the following conditions:

1. be permitted under the U.S. Foreign Corrupt Practices Act and the laws and regulations of the country in which this agreement will be performed;
2. be consistent with applicable social and ethical standards and accepted business practices;
3. be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment; and
4. be of such nature that its disclosure will not cause embarrassment for the Buyer.

(3) Breach of any of the foregoing provisions of parts A and B of this clause by Seller shall be considered an irreparable material breach of this agreement and shall entitle the Buyer to terminate this agreement immediately without compensation to Seller.

1. Activity Prohibitions For Sellers delivering goods or performing services outside of the United States, unless specifically authorized in writing by Buyer, Seller shall not engage in any of the following activities on behalf of the Buyer under this agreement: acting as an agent of the Buyer; marketing or sales promotion; lobbying; freight forwarding; consulting services; performing offset (industrial participation) consulting or brokering services; acting as a distributor or reseller; or activity as a joint venture party.
2. Contact Prohibitions  For Sellers delivering goods or performing outside of the United States, unless specifically authorized in writing by Buyer, Seller shall not contact, either directly or indirectly, public officials of any country other than the United States, United Kingdom, Canada, Australia, Germany, France, or Italy in furtherance of its performance on behalf of Buyer under this agreement.
3. Notification of Status Changes Provision  - Sellers that provided anti-corruption compliance due diligence information (e.g., related to its ownership and personnel, subsidiaries and third parties, the due diligence questionnaire, and related certifications) to a Buyer representative or through the *Global Trust* website shall provide Buyer with prompt notification and details of any changes to its owners, officers, directors or other information contained in such due diligence materials, and agrees to promptly cooperate with Buyer and provide additional information reasonably requested related to such changed information. In the event of a material change to the owners, offices, directors or other information contained in the due diligence material supplied to Buyer, Buyer reserves the right to suspend performance under this agreement by providing written notice to Seller in order for Buyer to conduct anti-corruption due diligence upon such changed circumstances.

# CLAUSE NO. 25 – COMBATTING TRAFFICKING IN PERSONS

1. Buyer prohibits its employees, agents, subcontractors, and contract labor from engaging in activities that support or promote trafficking in persons, including, but not limited to, any of the following:
2. Trafficking in persons, including, but not limited to the following:
   1. sex trafficking, or
   2. the recruitment, harboring, transportation, provision, or obtaining of a person

for labor or services through the use of force, fraud, or coercion for the purpose

of subjection to involuntary servitude, debt bondage, or slavery.

1. The procurement of a commercial sex act.
2. The use of forced labor in the performance of company business.
3. The use of misleading or fraudulent recruitment activities.
4. Charging employees recruitment fees.
5. Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working.
6. Providing or arranging housing that fails to meet the host country housing and safety standards.
7. If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual’s native language and prior to the individual departing from his or her country of origin.
8. Seller represents and warrants that it shall abide by and comply with the requirements of this clause.  Further, Seller shall require its employees, agents, contract labor and subcontractors performing in connection with this Order to abide by and comply with the requirements of this clause.
9. Buyer or its authorized representatives may, at any time, audit all pertinent books, records, work sites, offices, and documentation of Seller in order to verify compliance with this clause. Seller will, in all of its lower-tier subcontracts and contracts relating to any Buyer Order, include provisions which secure for Buyer all of the rights and protections provided for within this clause, including this audit paragraph.
10. Seller acknowledges that if Seller or any of its employees, agents, or contract labor engages in any of the prohibited activities in this clause, this Order is subject to termination.
11. Whenever Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Seller shall immediately give written notice to Buyer and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.  Written notice shall be provided to the Buyer’s Authorized Representative, as described in the Order.
12. Seller shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by Buyer, Buyer’s representative, or cognizant government agency.  Seller’s cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.
13. Seller shall, at its own expense, defend, indemnify and hold harmless Buyer and its affiliates, and all of their officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, regardless of how arising and even if unforeseeable, including, without limitation, payment of direct, special, incidental and consequential damages  and attorney’s fees, arising out of, or relating to, Seller’s or Seller’s employees, agents, subcontractors or contract labor’s failure to comply with the requirements of this clause.
14. Seller agrees to insert the substance of this clause, including this sentence, in any lower–tier subcontract or labor contract.

# CLAUSE NO. 26 - PROCUREMENT INTEGRITY

Subcontractor shall fully comply with any and all applicable federal, state, and local laws, rules, regulations, and ordinances, including, without limitation, section 27 of the Office of Federal Procurement Policy Act, 41 U.S.C. 423 and its implementing regulations. In addition, Subcontractor agrees promptly to provide Buyer any and all information and certifications requested by Buyer in this regard. Subcontractor agrees to defend, hold harmless, and indemnify Buyer, its officers, employees, and agents from and against any and all liability, charges, damages, costs, expenses, investigations, suits, and attorneys’ fees arising out of or in any way relating to Subcontractor’s failure to comply fully with this provision.

# CLAUSE NO. 27 - EXPORT / Import Compliance

**This provision may not be modified or amended by any addendum, exhibit, attachment, or any other agreement without prior written approval from Northrop Grumman Law Department (Export/Import).**

1. Export Compliance.

General. Performance of this Order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2799 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations or “ITAR”) or 50 United States Code 2401-2420 (Export Administration Act of 1979, as amended), 50 United States Code 1701-1706, (International Emergency Economic Powers Act, as amended), and 15 Code of Federal Regulations 768 – 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the “Export Laws and Regulations”). Subcontractor represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) a Foreign Person as that term is defined in the Export Laws and Regulations and has disclosed to Buyer’s Representative in writing the country in which it is incorporated/authorized/ organized to do business, and all nationalities of any dual or third-country national employees who will require access to the data, articles or services provided hereunder. Subcontractor shall comply with any and all Export Laws and Regulations, and any license(s) issued there under.

* 1. Registration. If Subcontractor is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Subcontractor represents that it is registered with the U.S. Department of State’s Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export and import compliance program in accordance with the ITAR.
  2. Foreign Persons. Subcontractor shall not re-transfer any export-controlled information (e.g. technical data or software) to any other non-U.S. person or entity (including the Subcontractor’s dual and/or third-country national employees) without first complying with all the requirements of the applicable Export Laws and Regulations. Prior to any proposed re-transfer, Subcontractor shall first obtain the written consent of the Buyer. No consent granted by Buyer in response to Subcontractor’s request shall relieve Subcontractor of its obligations to comply with the provisions of paragraph A. of this Clause or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph A. hereinabove, nor constitute consent for Subcontractor to violate any provision of the Export Laws and Regulations.

1. Political Contributions, Fees and Commissions.

If this Purchase Order is valued in an amount of $500,000 or more, then in performance of this Purchase Order, Subcontractor shall not directly or indirectly pay, offer or agree to pay any political contributions or any fees or commissions.

For purposes of this section and pursuant to 22 CFR 130.6, political contribution means any loan, gift, donation or other payment of $1,000 or more made, or offered or agreed to be made, directly or indirectly, whether in cash or in kind, which is:

1. To or for the benefit of, or at the direction of, any non-U.S. candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof; and
2. For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a non-U.S. country or international organization. Taxes, customs duties, license fees, and other charges required to be paid by applicable law or regulation are not regarded as political contributions.

For purposes of this section and pursuant to 22 CFR 130.5, fee or commission means any loan, gift, donation or other payment of $1,000 or more made, or offered or agreed to be made directly or indirectly, whether in cash or in kind, and whether or not pursuant to a written contract, which is:

1. To or at the direction of any person, irrespective of nationality, whether or not employed by or affiliated with the Subcontractor; and
2. For the solicitation or promotion or otherwise to secure the conclusion of a sale of defense articles or defense services to or for the use of the armed forces of a non-U.S. country or international organization.
3. Import Compliance. Both parties shall comply with all U.S. Customs laws and regulations (*e.g.,* 19 CFR) and all other applicable U.S. government regulations pertaining to importations of goods and materials into the United States.

For International Purchase Orders (Purchase orders issued to entities addressed in foreign countries): Specifically, without excluding other regulations, Subcontractor shall comply with and adhere to the commercial invoice requirements detailed in 19 CFR 141 subpart F of the regulations, and provide additional information as requested by the Buyer. Subcontractor shall immediately upon discovery, notify Buyer of any change to the shipment data related to product valuation, quantities shipped, country of origin, port of export and any additional information directed by the Buyer. Subcontractor will timely provide pre-alert shipping information and documentation prior to shipment arrival to the U.S. Buyer will direct Subcontractor where to send pre-alert shipping information and documentation. Pre-alert shipping documentation includes, but is not limited to, a commercial invoice, airway bill, bill of lading, and other required documentation as directed by U.S. regulations and Buyer.

For Domestic Purchase Orders (Purchase orders issued to entities addressed in the United States): Subcontractor shall assume all U.S. import responsibilities, to include designation as U.S. Importer of Record, Customs clearance, duty, taxes, and fees for goods entering into the United States.  Unless otherwise agreed in writing, Buyer will not assume any import liabilities for goods procured through a domestic purchase order.

1. Indemnification.

Subcontractor shall indemnify and save harmless Buyer from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys fees, arising out of claims, suit, allegations or charges of Subcontractor’s failure to comply with the provisions of this Clause and breach of the warranty set forth in paragraph A or C. Any failure of Subcontractor to comply with the requirements or any breach of the warranty contained in this Clause shall be a material breach of this Order.

1. Subcontracts.

The substance of this Clause shall be incorporated into any lower-tier subcontract or purchase order entered into by the Subcontractor for the performance of any part of the work under this Order.

1. Notification.

Subcontractor agrees to provide prompt notification to Buyer in the event of changes in circumstances such as ineligibility to contract with U.S. Government, debarment, assignment of consent agreement, and initiation or existence of a U.S. Government investigation, that could affect Subcontractor’s performance under this contract. Subcontractor further agrees to provide prompt notification to Buyer should any offer, agreement or payment of political contributions, fees or commissions (as defined herein and pursuant to this Order) be made in contravention of the prohibition in Section b.

# CLAUSE NO. 28 - DISPUTES

1. Any claim, controversy, or dispute (hereinafter collectively referred to as "Dispute"), that may arise under or in connection with this Subcontract with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to the appropriate level of management of the respective Parties.. Any dispute that cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) calendar days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, may be settled by appropriate legal proceedings including, without limitation, arbitration or litigation. Any litigation shall be brought and jurisdiction and venue shall be proper only in a state or federal district court in the Commonwealth of Virginia. Subcontractor shall proceed diligently with performance pending resolution of any such Dispute by settlement or final judgment. By accepting this Subcontract, Subcontractor consents to this Condition in its entirety.
2. Notwithstanding any provision of this Subcontract to the contrary, if a decision on any question under, out of, or relating to the prime contract is made by the Government, and such question also arises under, out of, or relates to this Subcontract, said decision if binding upon Buyer, shall in turn be binding upon Buyer and Subcontractor with respect to such question under this Subcontract; provided, however, that if Subcontractor disagrees with any such decision made by the Government, and if Buyer elects not to invoke remedies under Public Law No. 95-563 (as amended),the Contract Disputes Act of 1978, to the extent Buyer has the right to invoke such remedies, Subcontractor shall have the right to invoke the said remedies in the name of Buyer; provided further, that notice of Subcontractor’s intention to do so is furnished to Buyer in writing within thirty days from the date on which Subcontractor receives notice of such decision and Buyer’s election not to pursue its available remedies. If Buyer elects not to contest any such decision where it is Buyer’s right to do so, Buyer agrees to notify Subcontractor within ten days after receipt of such decision and to provide reasonable assistance to Subcontractor in its prosecution of any resulting litigation. If Buyer elects to contest any such decision of the Government, Buyer agrees to promptly furnish Subcontractor with a copy of the appeal or other initial pleadings. Any decision or judgment rendered pursuant to the Contract Disputes Act of 1978 (as amended), if binding upon Buyer, shall, in turn, be binding upon Subcontractor. All costs of pursuing remedies invoked by Subcontractor shall be paid by Subcontractor, without prejudice to any right Subcontractor may have to recovery or allowance thereof. In no event shall Subcontractor acquire any direct claim, or direct course of action against the United States Government except as approved by the Buyer pursuant to this clause or as otherwise authorized by law.
3. If Subcontractor is otherwise adversely affected by any decision made by any representative of the Government on any question of fact or law arising under the prime contract, which is also related to this Subcontract, from which an appeal under the Disputes clause in the prime contract is not available, said decision if binding upon Buyer shall, in turn, be binding upon Buyer and Subcontractor with respect to such question as it relates to this Subcontract; provided, however, if Subcontractor is adversely affected by any such decision and, in good faith, disagrees with such decision, and if Buyer elects not to bring suit against the Government with respect to such decision, Buyer shall promptly notify Subcontractor, and Subcontractor shall have the right to bring suit against the United States in the name of Buyer. A final judgment or ruling in any such action, if binding upon Buyer shall, in turn, be binding upon Subcontractor and Buyer under this Subcontract, with respect to the question decided as it relates to this Subcontract. Buyer agrees to provide reasonable assistance in the prosecution of any such action. All costs of any such suit, or of any appeal prosecuted by Subcontractor, shall be paid by Subcontractor, without prejudice to any right Subcontractor may otherwise have to recovery or allowance thereof.
4. Any claim (as defined in the clause of FAR 52.233-1) or amendment thereof shall be made in writing, signed by a senior official in charge at the plant or location involved, and submitted to the Northrop Grumman Subcontracts Administrator. Subcontractor shall certify any such claim or amendment thereof that exceeds $100,000 as follows:

“I certify that this claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief, and that the amounts requested accurately reflect the subcontract adjustment for which the Subcontractor believes Buyer is liable.”

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Subcontractor’s Name | |  |  | By (Signature) | |  |
| Date |  | |  | Title |  | |

e. If, as a result of any decision or judgment that is binding upon Subcontractor and Buyer, Buyer is unable to obtain reimbursement from the Government under the prime contract for, or is required to refund or credit to the Government, any amount with respect to any item of cost or fee for which Buyer has reimbursed Subcontractor, Subcontractor shall, on demand, promptly repay such amount to Buyer.

f. The rights and obligations herein shall survive completion of and final payment under this Subcontract.

**CLAUSE NO. 29 -** **WAIVER OF BREACH**

No waiver of a breach of any provision of this Subcontract shall constitute a waiver of any other breach or of such provision. Failure of either party to enforce at any time, or from time to time, any provision of this Subcontract shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

# CLAUSE NO. 30 - TERMINATION FOR DEFAULT

Buyer may forthwith terminate this subcontract in whole or in part for default in the event of the occurrence of any of the following:

(1) Insolvency of the Subcontractor. Subcontractor shall be deemed to be insolvent if: (i) it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not and whether insolvent within the meaning of the Federal Bankruptcy Act or not; (ii) the filing of a voluntary petition to have Subcontractor declared bankrupt; (iii) the appointment of a receiver or trustee for Subcontractor, or (iv) the execution by Subcontractor of an assignment for the benefit of creditors.

(2) Failure of Subcontractor per the terms of this subcontract to: (i) deliver the supplies or perform the services within the time specified in this subcontract or any authorized extension, (ii) make progress so as to endanger the performance of this subcontract, or (iii) perform to any other substantive provisions of this subcontract. The Subcontractor shall diligently proceed with performance of any subcontract work not terminated.

# CLAUSE NO. 31 - TERMINATION FOR CONVENIENCE

Buyer may at any time terminate this Subcontract in whole or in part for its convenience upon written notice to Subcontractor, in which event Subcontractor shall be entitled to reasonable termination charges consisting of; (1) if Fixed Priced, the percentage of the Subcontract value reflecting the percentage of the work performed prior to termination, plus any reasonably incurred settlement expenses, or (2) if Cost Type, the portion of the actual incurred cost reflecting actual work performed prior to termination, plus any performance, incentive or award fee(s) earned prior to termination and any reasonably incurred settlement expenses.

# CLAUSE NO. 32 - INDEMNIFICATION

Subcontractor shall indemnify, defend, protect, and hold harmless Buyer, its officers, employees, and agents from and against all cost, losses, expense, damages, claims, suits, or any liability whatsoever (including attorney’s fees), arising out of or in connection with the work to be performed hereunder, or any act or omission of Subcontractor, its agents, employees, or subcontractors; except to any extent otherwise expressly provided elsewhere within this Subcontract.

# CLAUSE NO. 33 - SUBCONTRACTING

Subcontractor shall obtain Buyer’s prior written consent before issuing any lower-tiered subcontract under this Subcontract (i) if such lower-tiered subcontract will exceed $3,000, or (ii) if such prior written consent is otherwise required by any other express provision of this Subcontract.

# CLAUSE NO. 34 - SUBCONTRACTOR’S LIABILITY TO THIRD PARTIES

Subcontractor shall be solely responsible for any and all third party liability, other than arising from or due to the negligence of Buyer, its agents, or employees acting within the scope of their employment, incurred by Subcontractor in connection with the performance of this Subcontract; and shall in no way be reimbursed any direct cost pertaining thereto under this Subcontract unless expressly provided for elsewhere within this Subcontract.

# CLAUSE NO. 35 - requiremeNts for Certified cost or pricing data and data other than certified cost or pricing data

Cost proposals are to be submitted in accordance with the applicable requirements of FAR 52.215-12, 52.215-13, 52.215-20, and 52.215-21.

# CLAUSE NO. 36 - PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA/NONCOMPLIANCE WITH COST ACCOUNTING STANDARDS (CAS)

a. The Buyer’s prime contract or subcontract with its customer under which this Subcontract is issued may contain a clause that entitles the customer, the U.S. Government (“the Government”) or a Government prime contractor or a subcontractor, to reduce Buyer’s contract price, or any costs reimbursable thereunder, where the Government determines that such price or cost was increased by any significant sum, because Subcontractor or any of its subcontractors or prospective subcontractors failed to furnish, in connection with the award or modification of this Subcontract, cost or pricing data that was current, complete, and accurate. Subcontractor hereby agrees to indemnify and hold Buyer harmless from any costs Buyer may incur resulting from such a failure or alleged failure (including court costs and attorney’s fees) and any claims, suits, actions, judgments, or liabilities assessed against Buyer as a result of such a failure to provide current, complete, and accurate cost or pricing data; provided, however, that Subcontractor’s liability to Buyer hereunder shall not include any profit, costs, or charges added to Subcontractor’s price or costs by Buyer and included in Buyer’s price or costs to its customer.

b. As Subcontractor’s exclusive remedy for relief from such a determination by the Government, to the extent Buyer has the right to invoke remedies under the Disputes Act, Subcontractor shall have the right to assert, in Buyer’s name and at Subcontractor’s expense, any right available to Buyer to appeal from such determination; and the resolution of such an appeal, through judgment, settlement, or otherwise, shall be final and conclusive as to Subcontractor’s indemnification and hold harmless obligations to Buyer under this Subcontract.

c. The provisions of paragraphs a. and b. above shall also be applicable to adjustments in the price of this Subcontract required by the clause entitled Cost Accounting Standards or Disclosure and Consistency of Cost Accounting Practices (if either such clause is determined to be applicable).

d. The rights and obligations of Buyer and Subcontractor under this clause shall survive completion of and purported final payment under, or termination of, this Subcontract.

# CLAUSE NO. 37 - INCREMENTAL FUNDING (Fixed Price)

If this Subcontract is to be incrementally funded (as opposed to fully-funded), such shall be governed by one of the following clauses as appropriate: (i) DFARS 252.232-7007, Limitation of Government’s Obligation; (ii) NFS 18-52.232-77, Limitation of Funds (Fixed-Price Contract); or (iii) an alternate clause incorporated into the Subcontract by mutual agreement.

# CLAUSE NO. 38 - LIMITATION OF BUYER’S OBLIGATION (COST-REIMBURSEMENT)

# (Clause is applicable only if this Subcontract is identified as to be incrementally funded [as opposed to fully funded]. Clause is Northrop Grumman Systems Corporation’s substitution for Limitation of Funds clause of FAR 52.232-22.)

a. It is estimated that the cost to the Buyer for the performance of this Subcontract will not exceed the estimated cost set forth in the Subcontract, and the Subcontractor agrees to use his best efforts to perform the work specified in the Statement of Work and all obligations under this Subcontract within such estimated cost.

b. The amount presently available for payment and allotted to this Subcontract, the items covered thereby, and the period of performance which it is estimated the allotted amount will cover are specified in the Schedule. It is contemplated that from time to time additional funds will be allotted to this Subcontract up to the full estimated cost set forth in the Schedule, exclusive of any fee. The Subcontractor agrees to perform work on this Subcontract up to the point at which the total amount paid and payable by the Buyer pursuant to the terms of this Subcontract equals, but does not exceed, the total actually allotted to the Subcontract.

c. If at any time the Subcontractor has reason to believe that the costs that it expects to incur in the performance of this Subcontract in the next succeeding thirty (30) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the total amount then allotted to the Subcontract, the Subcontractor shall notify the Buyer’s Subcontracts Administrator in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Thirty (30) days prior to the end of the period specified in the Statement of Work, the Subcontractor will advise the Buyer’s subcontract manager in writing as to either (i) that the funds available will permit the Subcontractor to continue performance beyond the period specified in the Statement of Work, and specify the period for which performance may be continued, or (ii) the estimated amount of additional funds that will be required for the timely performance of the work under the Subcontract, or for such further period as may be specified in the Statement of Work or otherwise established by the Buyer.

d. Except as required by other provisions of this Subcontract specifically citing and stating that they are an exception to this clause, the Buyer shall not be obligated to reimburse the Subcontractor for costs incurred in excess of the total amount from time to time allotted to the Subcontract by Buyer, and the Subcontractor shall not be obligated to continue performance under the Subcontract or otherwise to incur costs in excess of the amount allotted to the Subcontract unless, and until, the Buyer’s Subcontracts Administrator has notified the Subcontractor in writing that such allotment amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to the Subcontract. To the extent the amount allotted exceeds the estimated cost set forth in the Subcontract, such estimated cost shall be correspondingly increased. No notice, communication, or representation in any other form, or from any person other than the Buyer’s Subcontracts Administrator, shall affect the amount allotted to this Subcontract. In the absence of the specified notice, the Buyer shall not be obligated to reimburse the Subcontractor for any costs in excess of the total amount then allotted to the Subcontract, whether those excess costs were incurred during the course of the Subcontract or as a result of termination. Any costs incurred by the Subcontractor in excess of the amount allotted shall not be an allowable cost of the Subcontract if the allotment is subsequently increased, unless the specified notice by the Subcontracts Administrator specifically states that such costs are allowable. If the Buyer’s Subcontracts Administrator issues a termination or other notice, the Subcontracts Administrator may allot additional funds and direct that the increase is solely for the purpose of covering termination or other specified expenses.

e. Change orders issued pursuant to the Changes clause of this Subcontract shall not be considered an authorization to the Subcontractor to exceed the amount allotted in the Subcontract in the absence of a statement in the change order, or other contractual modification, increasing the amount allotted.

f. Nothing in this clause shall affect the right of the Buyer to terminate this Subcontract. In the event this Subcontract is terminated, the Buyer and the Subcontractor shall negotiate an equitable distribution of all property produced or purchased under the Subcontract based upon the share of costs incurred by each.

g. In the event that sufficient funds are not allotted to this Subcontract to allow completion of the work contemplated by this Subcontract, the Subcontractor shall be entitled to that percentage of the fee set forth in Subcontract equivalent to the percentage of completion of the work contemplated by this Subcontract.

# CLAUSE NO. 39 - TAXES

Subcontractor’s prices shall be exclusive of any federal, state, or local sales, or excise taxes levied upon or measured by the sale, the sales price, or the use of goods required in the performance of this Subcontract. Subcontractor shall list separately on its invoice any such tax lawfully applicable to any such goods, and payable by Buyer, with respect to which Buyer does not furnish to Subcontractor lawful evidence of exemption. Subcontractor’s prices shall not include any taxes on property owned by the U. S. Government, unless authorized in writing by Buyer. Subcontractor agrees to comply with any reasonable request by Buyer regarding payments under protest, and regarding any refunds, claims, litigation, or proceedings with respect to any such taxes, and to make appropriate adjustments to afford Buyer the benefit of any refund or reduction in such taxes.

# CLAUSE NO. 40 - SET-OFF

Buyer shall be entitled at all times to set off any amount owing at any time from Subcontractor to Buyer, or any of its affiliated companies, against any amount payable at any time by Buyer or any of its affiliated companies to Subcontractor.

# CLAUSE NO. 41 - dATA - WITHHOLDING OF PAYMENT

If data or other deliverable information (hereinafter called “Data”), or any part thereof, is not delivered within the time specified by this Subcontract, or is deficient upon delivery (including having restrictive markings not specifically authorized by this Subcontract), Buyer may, until such Data is delivered or deficiencies are corrected, withhold payment to Subcontractor of ten percent (10%) of the total Subcontract price, unless a lesser withholding is specified in the Schedule. Payments shall not be withheld nor any other action taken pursuant to this clause where Subcontractor’s failure to make timely delivery, or to deliver Data without deficiencies, arises out of causes beyond the control and without the fault or negligence of Subcontractor within the meaning of the Default clause of this Subcontract. The withholding of any amount or subsequent payment thereof to Subcontractor shall not be construed as a waiver of any rights accruing to the U.S. Government or Buyer under this Subcontract. In no event shall Subcontractor acquire any direct claim, or direct course of action against the United States Government, except as approved by the Buyer pursuant to Clause 28 (Disputes) or as otherwise authorized by law.

# CLAUSE NO. 42 - ASSIGNMENT

Assignment of this Subcontract, or any interest therein or any payment due or to become due thereunder, without the prior written consent of Buyer shall be void. Should Buyer approve any assignment thereof, in no event shall any copy of any part or all of this Subcontract (including any plan, specification, or other document relating to work under this Subcontract) which is marked “Top Secret,” “Secret,” or “Confidential” be furnished to any assignee of any claim arising under this Subcontract, or to any other person not entitled to receive the same, without the prior written consent of Buyer.

**CLAUSE NO. 43 - GOVERNING LAW**

This Agreement shall be construed in all respects in accordance with, and any dispute arising hereunder shall be governed by, the substantive and procedural laws of the Commonwealth of Virginia except,however, that choice of law provisions shall not apply.  Any legal action shall be brought in a court of competent jurisdiction in Virginia. The Parties waive any right to a jury trial.

**CLAUSE NO. 44 - ENTIRE AGREEMENT**

This Subcontract is intended by the Parties as a final expression of their agreement and is the complete and exclusive statement of all terms and conditions of agreement. No course of prior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any term used in this Subcontract.

**SECTION 2**

SUBCONTRACTOR REPRESENTATIONS AND CERTIFICATIONS

*The following representations and certifications apply to the Offeror (preaward), and to the Subcontractor (postaward) as constituting part of any resulting subcontract. These representations and certifications will be considered in connection with a preaward determination of the Offeror’s responsibility. If any required representation or certification (as determined from any scoping provision after its title) cannot be made in whole or in any part, the Offeror should prior to or with its offer provide written notification and detail to the Buyer for a determination of the Offeror’s eligibility for award. Notwithstanding the foregoing, the Buyer may by separate notification require the Offeror to submit separate and specifically signed representations and certifications. Representations and certifications include compliance warranties.*

# Section 2 - REPRESENTATIONS AND CERTIFICATIONS INDEX:

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| 1. Supplier Certification and Disclosure Regarding   Payments to Influence Certain Federal Transactions | 5. Supplier Anti-Kickback Warranty and Indemnification |
| 2. Supplier Certification Regarding Debarment,   Suspension, Proposed Debarment, and Other   Responsibility Matters | 6. Small Business Program Representations |
| 3. Supplier Previous Contracts and Compliance Reports   Representation | 7. Representation Relating to Compensation of Former DoD Officials |
| 4. Supplier Affirmative Action Compliance Representation | 8. Seller Accounting System Certification |

**CLAUSE NO. 1 - SUBCONTRACTOR CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS:**

(Clause is applicable only if this Subcontract exceeds or will exceed $150,000. The definitions and prohibitions contained in the Limitation on Payments to Influence Certain Federal Transactions clause at FAR 52.203-12 are hereby incorporated by reference in this certification.) Relating to the associated provision of Section 3, FAR 52.203-11, of this form:

The Offeror, by submitting its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989, - (i) no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement; (ii) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the Offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to the Buyer; and (iii) he or she will include the language of this certification in all lower-tier subcontracts (term includes subcontracts) at any tier and require that all recipients of awards in excess of $150,000 shall certify and disclose accordingly. *Note: Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.*

**CLAUSE NO. 2 - SUBCONTRACTOR CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS:**

(Clause is applicable only if this Subcontract (i) is first-tier from the prime contract, and (ii) exceeds or will exceed $150,000). Relating to the associated provision of Section 3, FAR 52.209-5, of this form and the Buyer’s responsibility under the provisions of the clause at FAR 52.209-6:

The Offeror certifies, to the best of its knowledge and belief, that - the Offeror and/or any of its principals - (i) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; (ii) have not within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers: or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws or receiving stolen property; and (iii) are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in (ii) of this provision. The Offeror further certifies that it has not within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency. *Note: This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, title 18, United States Code.*

**CLAUSE NO. 3 – SUBCONTRACTOR PREVIOUS CONTRACTS AND COMPLIANCE REPORTS REPRESENTATION:** (Clause is applicable only if Equal Opportunity clause at FAR 52.222-26 is determined to apply to this Subcontract.) Relating to the associated provision of Section 3, Prohibition of Segregated Facilities at FAR 52.222-21, of this form:

Offeror represents that (i) it has participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; (ii) it has filed all required compliance reports, and (iii) representations indicating submission of required compliance reports, signed by proposed subcontractors at lower-tiers will be obtained before subcontract awards.

**CLAUSE NO. 4 - SUBCONTRACTOR AFFIRMATIVE ACTION COMPLIANCE REPRESENTATION:** (Clause is applicable only if Equal Opportunity clause at FAR 52.222-26 is determined to apply to this Subcontract). Relating to the associated provision of Section 3, FAR 52.222-25, of this form:

Offeror represents that it has developed and has on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2).

**CLAUSE NO. 5 - SUBCONTRACTOR ANTI-KICKBACK WARRANTY AND INDEMNIFICATION:**

(Clause is applicable only if this Subcontract exceeds or will exceed $150,000.) Relating to the Anti-Kickback Procedures clause of Section 3, FAR 52.203-7, of this form:

Subcontractor warrants that it is in full compliance with the provisions of the Anti-Kickback Act of 1986, 41 U.S.C. 51-58, and shall indemnify, protect, defend, and hold Buyer harmless from any liabilities or monetary loss Buyer may suffer resulting from failure of such compliance by Subcontractor.

**CLAUSE NO. 6 - SMALL BUSINESS PROGRAM REPRESENTATIONS**

Supplier is currently an approved Northrop Grumman Supplier in good standing and has completed required annual certifications and representations via the Northrop Grumman Supplier Information Portal (OASIS) @ <https://oasis-sacc.myngc.com>.  Supplier certifies that the representations and certifications previously submitted and on file on are current, accurate and complete, including the business size standard applicable to the NAICS code referenced in the solicitation. The subject representations and certifications are incorporated herein by reference (see FAR 4.1201) and Supplier shall provide timely notification of any changes prior to acceptance of any award.

**CLAUSE NO. 7 – REPRESENTATION RELATING TO COMPENSATIION OF FORMER DOD OFFICIALS:**

By submission of this offer, the offeror represents, to the best of its knowledge and belief, that all Covered DoD officials employed by or otherwise receiving compensation from the offeror, and who are expected to undertake activities on behalf of the offeror for any resulting contract, are presently in compliance with all post-employment restrictions covered by 18 U.S.C. 207, 41 U.S.C. 2101-2107, and 5 CFR parts 2637 and 2641, including Federal Acquisition Regulation 3.104-2.

**CLAUSE NO. 8 – SELLER ACCOUNTING SYSTEM CERTIFICATION:**

Seller certifies it’s accounting system has been determined to be adequate to accurately report and invoice costs incurred in performance of a Purchase Order/Subcontract awarded to Seller by Buyer and accepts FAR Clause 52.215.2. The Seller likewise agrees to indemnify Buyer for any unallowable charges or penalties that are billed to Government as a result of charges billed to the Buyer by the Seller under this order. The Seller certifies that all invoice submitted specifically exclude any and all unallowable costs as defined in FAR 52.216-7 (applicable to all Cost Reimbursable Purchase Orders and Subcontracts including Time and Materials and Labor Hour contracts that include ODC’s or Travel).

SECTION 3

FAR AND FAR SUPPLEMENT CONTRACT CLAUSES

(Section 3 excludes Patent Rights and Data Rights contract clauses [except at FAR 52.227-1, -2, and -10, subject to scoping provision], which clauses, if any, are separately provided for within this Subcontract.)

General Preamble. The Federal Acquisition Regulation (FAR), Department of Defense FAR Supplement (DFARS), and National Aeronautics and Space Administration FAR Supplement (NFS) clauses identified herein below are hereby incorporated into this Subcontract by reference with full force and effect. The additional DFARS and NFS clauses augment and supplement the FAR clauses, taking precedence thereover to any extent inconsistent therewith. The applicability and interpretation of each such clause are subject to any specific parenthetical statement following its title and setting forth conditions, requirements, and instructions for use of the clause (hereinafter called its scoping provision).

In the event that the Buyer shall have entered into a definitive prime contract or higher-tier subcontract with its customer prior to the effective date of this supporting Subcontract, and unless otherwise stated elsewhere in this Subcontract, the date of each undated clause identified herein below (i) shall be the same date as any equivalent clause of such definitive prime contract or subcontract; or (ii) if there is no equivalent clause, shall be the regulatory date in effect therefore as of the effective date of the solicitation preceding this supporting Subcontract. In the event that the Buyer shall not have entered into a definitive prime contract or higher-tier subcontract with its customer prior to the effective date of this supporting Subcontract, and unless otherwise expressly stated elsewhere in this Subcontract, the date of each undated clause identified herein below shall be the regulatory date in effect therefore as of the effective date of the solicitation preceding this supporting Subcontract.

All such clauses shall, with respect to the rights, duties, and obligations of the Buyer and Subcontractor there-under, be interpreted and construed in such manner as to recognize and give effect to: (i) the contractual relationship between the Buyer and the Subcontractor under this Subcontract, (ii) the rights of any higher-tier subcontractor with respect thereto under the higher-tier subcontract, and (iii) the rights of the Government or other customer with respect thereto under the prime contract from which such clauses are derived.

Where rights, duties, and obligations are expressed herein as applying to the Government, they shall generally apply by reason of the flow-down to the Buyer; and where expressed herein as applying to the Contractor, they shall generally apply by reason of the flow-down to the Subcontractor. As an exception to such generalization, some scoping provisions may particularize such definitions, which particularizations are to be accorded precedence.

All Subcontractor contact with the prime contractor and/or any higher-tier subcontractor relating to performance of this Subcontract shall be through or coordinated with the Buyer, except as may be otherwise expressly provided for within this Subcontract.

Where (i) claims or reports from the Subcontractor need to be sent by the Buyer to its customer for review, approval, or preservation of rights; and (ii) time constraints have been flowed down in this Subcontract; and (iii) associated Buyer processing time has not been expressly provided for herein; each such time constraint shall be deemed to be cut back by a number of days reasonable to allow for Buyer processing under the particular circumstances.

1. FAR CONTRACT CLAUSES

A. FAR Contract Clauses Applicable to this Subcontract Irrespective of Amount Thereof (subject to any scoping provision per individual clause)

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| 52.202‑1 | Definitions |
| 52.203‑3 | Gratuities (Clause is not applicable to any extent this Subcontract is for personal services.) |
| 52.203-15 | Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009. |
| 52.204‑2 | Security Requirements (In paragraph (c), “Changes clause” shall be deemed to be that of this Subcontract.) |
| 52.204-21 | Basic Safeguarding of Covered Contractor Information Systems |
| 52.211-5 | Material Requirements |
| 52.211-15 | Defense Priority and Allocation Requirements (Clause is applicable unless this Subcontract provides no DPAS rating on the title page thereof.) |
| 52.215‑15 | Pension Adjustments and Asset Reversions (Clause is applicable only (i) if this Subcontract requires certified cost or pricing data, or (ii) if any pre-award or post-award cost determinations under this Subcontract are subject to FAR Subpart 31.2.) |
| 52.215‑16 | Facilities Capital Cost of Money (Clause is applicable only if FCCM was included as cost in pricing this Subcontract.) |
| 52.215‑17 | Waiver of Facilities Capital Cost of Money (Clause is applicable [in place of Facilities Capital Cost of Money clause of FAR 52.215‑30] only if FCCM was not included as cost in pricing this Subcontract.) |
| 52.215‑18 | Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (Clause is applicable only (i) if this Subcontract requires certified cost or pricing data, or (ii) if any preaward or postaward cost determinations under this Subcontract are subject to FAR Subpart 31.2.) |
| 52.215-19 | Notification of Ownership Changes (Clause is applicable only if (i) this Subcontract required [preaward] or requires [postaward] certified cost or pricing data, or (ii) any preaward or postaward cost determinations under this Subcontract are subject to FAR Subpart 31.2.) |
| 52.215-20 | Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data |
| 52.215-21 | Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data ‑ Modifications |
| 52.215-22 | Limitations on Pass-Through Charges-Identification of Subcontract Effort |
| 52.215-23 | Limitations on Pass-Through Charges |
| 52.222-1 | Notice to the Government of Labor Disputes |
| 52.222‑3 | Convict Labor |
| 52.222‑22 | Previous Contracts and Compliance Reports (Representation provided for in Section 2 of this form.) |
| 52.222‑25 | Affirmative Action Compliance (Clause is applicable if Equal Opportunity clause has been determined to be applicable to this Subcontract. Representation provided for in Section 2 of this form.) |
| 52.222‑26 | Equal Opportunity (Clause is applicable only (i) if this Subcontract is not exempted by Secretary of Labor under Executive Order 11246 as amended, and (ii) then only with respect to provisions of subparagraphs (b) (1) through (b)(11) [binding Seller thereto]. DoD deviation applies if this subcontractor stems from higher-tier with DoD.) |
| 52.222‑41 | Service Contract Labor Standards - Applicable to all subcontracts subject to the Service Contract Labor Standards statute. |
| 52.222-43 | Fair Labor Standards Act and Service Contract Labor Standards-Price Adjustment (Multiple Year and Option Contracts) |
| 52.222-44 | Fair Labor Standards Act and Service Contract Labor Standards –Price Adjustment |
| 52.222-50 | Combating Trafficking in Persons Applicable to all awards.  However, the requirements in paragraph (h) of this clause only apply only to any portions of the subcontract that— (A) Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and, (B) Has an estimated value that exceeds $500,000. Where paragraph (h) applies, the Subcontractor shall submit a certification to the Buyer prior to award and annually thereafter for the duration of the Subcontract, affirming that— (i) It has implemented a compliance plan to prevent any prohibited activities identified at paragraph (b) of this clause and to monitor, detect, and terminate any agent, subcontract or subcontractor employee engaging in prohibited activities; and, (ii) After having conducted due diligence, either— (A) To the best of the Contractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents is engaged in any such activities; or (B) If abuses relating to any of the prohibited activities identified in paragraph (b) of this clause have been found, the subcontractor has taken the appropriate remedial and referral actions. |
| 52.222-54 | Employment Eligibility Verification |
| 52.222-55 | Minimum Wages Under Executive Order 13658. Applicable to all subcontracts, regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States. |
| 52.223‑3 | Hazardous Material Identification and Material Safety Data |
| 52.223‑5 | Pollution Prevention and Right-to-Know Information (Clause is applicable only to services to be performed on a Government facility.) |
| 52.223-7 | Notice of Radioactive Materials (Unless otherwise stated in subcontract, insert “ninety (90)” in the blank in paragraph (a)). |
| 52.223-18 | Encouraging Contractor Policies to Ban Text Messaging While Driving. The Subcontractor shall insert the substance of this clause in all subcontracts that exceed the micro-purchase threshold |
| 52.225-1 | Buy American Act—Supplies |
| 52.225‑8 | Duty‑Free Entry (Clause is applicable only if such clause is contained in Buyer’s prime contract or subcontract with its customer—under which any reduced duty‑free entry thresholds shall apply. Under paragraph (c) (1), change “20 days” to “30 days.” Under paragraph (c) (2), change “10 days” to “20 days.”) |
| 52.225‑13 | Restrictions on Certain Foreign Purchases (Clause is applicable if item is other than commercial item or component per clause at FAR 52.244-6.) |
| 52.227‑1 | Authorization and Consent (Clause is applicable only if and to extent such clause is contained in Buyer’s prime contract or subcontract with its customer.) |
| 52.227-2 | Notice and Assistance Regarding Patent and Copyright Infringement |
| 52.227‑10 | Filing of Patent Applications—Classified Subject Matter |
| 52.232-7 | Payments under Time-and-Materials and Labor-Hour Contracts |
| 52.232‑9 | Limitation on Withholding of Payments |
| 52.232-40 | Providing Accelerated Payments to Small Business Subcontractors |
| 52.234‑1 | Industrial Resources Developed Under Defense Production Act Title III (Clause is applicable only if this Subcontract is identified elsewhere herein as stemming from a major system prime contract.) |
| 52.236-13 | Accident Prevention (Applicable to any work performed at or in a Government installation by Subcontractor) |
| 52.237‑2 | Protection of Government Buildings, Equipment, and Vegetation (Applicable to any work performed on a Government installation. “Government” thereunder means Buyer, prime contractor [if not Buyer], and any higher‑tier subcontractor.) |
| 52.237‑3 | Continuity of Services (Clause is applicable only to any services being provided under this Subcontract.) |
| 52.242-1 | Notice of Intent to Disallow Costs (Clause is inapplicable to any work priced on a firm-fixed-price basis.) |
| 52.242-15 | Stop-Work Order--Alternate I (In subparagraph (b) (2), change “30 days” to “15 days.”) |
| 52.244-6 | Subcontracts for Commercial Items |
| 52.245-1 | Government Property with *Alternate I*. As prescribed in [45.107](http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/fardfars/far/45.htm#P68_11108) (a)(2), substitute the following for paragraph (h)(1) of the basic clause:  (h)(1) The Contractor assumes the risk of, and shall be responsible for, any loss of Government property upon its delivery to the Contractor as Government-furnished property. However, the Contractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this contract.  (Clause is applicable only if U. S. Government property under this Subcontract is to be furnished to Seller through Buyer.) |
| 52.245-9 | Use and Charges (Clause is applicable only if clause 52.245-1 is applicable.) |
| 52.246-9 | Inspection of Research and Development (Short Form) (Clause is applicable only to any research and development being furnished by Seller under this Subcontract, when invoked by mutual agreement of parties in place of Inspection of Research and Development—Fixed-Price clause of FAR 52.246-7.) |
| 52.246‑23 | Limitation of Liability (Clause is applicable only (i) if and to the extent such clause is contained in Buyer’s prime contract or subcontract with its customer, and (ii) to other than high‑value items per FAR 46.802 expressly so identified within this Subcontract.) |
| 52.246‑24 | Limitation of Liability — High‑Value Items (Clause is applicable only (i) if and to the extent such clause is contained in Buyer’s prime contract or subcontract with its customer; and (ii) then shall apply [in place of the Limitation of Liability clause at FAR 52.246‑23] only to items [if any] identified in this Subcontract as being subject to such clause [i.e., as being high‑value items per FAR 46.802, approved in writing for such coverage by U.S. Government Contracting Officer].) |
| 52.247‑64 | Preference for Privately Owned U.S. Flag Commercial Vessels (Clause is applicable only if purchased item is other than commercial item or component per clause at FAR 52.212-4, 52.212-5, and 52.244-6.) |
| 52.251‑1 | Government Supply Sources (For purposes of this clause, “Government” means U.S. Government [not Buyer]. Any Buyer authorization for Seller use of U.S. Government supply sources necessitates and is contingent upon Buyer obtaining prior U.S. Government approval. Referenced provisions of Government Property clause of FAR 52.245‑2 apply [even if such clause has not been expressly made a part of this Subcontract].) |
| 52.253‑1 | Computer Generated Forms |

B. FAR Contract Clauses Applicable if this Subcontract Exceeds or is Expected to Exceed $10,000 (subject to any scoping provision per individual clause)

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| 52.222‑20 | Contracts for Materials, Supplies, Articles and Equipment Exceeding $15,000 |
| 52.222‑21 | Prohibition of Segregated Facilities |
| 52.222‑36 | Equal Opportunity for Workers with Disabilities |

C. FAR Contract Clauses Applicable if this Subcontract Exceeds or is Expected to Exceed $30,000 (subject to any scoping provision per individual clause)

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| 52.204-10 | Reporting Executive Compensation and First-Tier Subcontract Awards. (As applicable for first-tier subcontracts only). Seller shall report to Buyer the names and total compensation of each of its five most highly compensated executives for Seller’s preceding completed fiscal year. This information is due prior to award, and annually thereafter during contract performance, and will be made public in accordance with FAR 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards. |
| 52.209‑6 | Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Clause is applicable only if this Subcontract is first‑tier. Seller shall comply with paragraph (b) of such clause.) |

D. FAR Contract Clauses Applicable if this Subcontract Exceeds or is Expected to Exceed $150,000 (subject to any scoping provision per individual clause)

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| 52.203‑5 | Covenant Against Contingent Fees (Clause is inapplicable for commercial item, per Definitions clause at 52.202-1. “This contract” there under includes the prime contract, any higher‑tier subcontract, and this Subcontract.) |
| 52.203‑6 | Restrictions on Subcontractor Sales to the Government |
| 52.203‑7 | Anti‑Kickback Procedures (Subparagraph (c) (1) of clause is inapplicable.) |
| 52.203‑11 | Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Certification provided for in Section 2 of this form.) |
| 52.203‑12 | Limitation on Payments to Influence Certain Federal Transactions |
| 52.203-16 | Preventing Personal Conflicts of Interest |
| 52.209‑5 | Certification Regarding Responsibility Matters (Clause is applicable only if this Subcontract is first-tier from the prime contract. Certification provided for in Section 2 of this form.) |
| 52.215-2 | Audit and Records – Negotiation ("Contracting Officer there under means U.S. Government Contracting Officer.) |
| 52.215‑14 | Integrity of Unit Prices (Paragraph (b) of clause is inapplicable. Clause contains applicability exceptions.) |
| 52.219‑8 | Utilization of Small Business Concerns |
| 52.222‑4 | Contract Work Hours and Safety Standards ‑ Overtime Compensation (Clause shall be flowed down to any lower-tier subcontract exceeding $100,000.) |
| 52.222-17 | Nondisplacement of Qualified Workers (Clause applicable to awards exceeding $100,000) |
| 52.222‑35 | Equal Opportunity for Veterans |
| 52.222‑37 | Employment Reports on Veterans |
| 52.222-56 | Certification Regarding Trafficking in Persons Compliance Plan (as prescribed in FAR 22.1705(b) |
| 52.242-13 | Bankruptcy (Any such notification shall be to Buyer. After “for all Government contracts,” insert “with Seller.” |
| 52.243‑6 | Change Order Accounting. Any requirement for such change order accounting shall be expressly established within the specific Buyer change order.) |
| 52.244‑5 | Competition in Subcontracting |
| 52.246‑25 | Limitation of Liability ‑ Services (Clause is applicable (i) only if and to the extent such clause is contained in Buyer’s prime contract or subcontract with its customer, and (ii) other than for (a) automatic data processing, (b) telecommunications, (c) construction, (d) architect‑engineering services, and/or (e) maintenance and rehabilitation of real property, and (iii) for items not priced at or based on catalog or market prices.) |
| 52.247-63 | Preference for U.S.-Flag Air Carriers (Clause is inapplicable for any commercial item.) |
| 52.248‑1 | Value Engineering (Clause is applicable only if (i) this or similar clause is contained in Buyer’s prime contract or subcontract with its customer; and (ii) this Subcontract is not for (a) research and development other than full‑scale development, (b) engineering services from not‑for‑profit or nonprofit organization, (c) personal services, (d) product or component improvement, or (e) commercial product that does not involve packaging specifications or other special requirements or specifications. In paragraph (j), “Contracting Officer” means the U.S. Government Contracting Officer, and, in the legend of paragraph (m), “Government” means both the U.S. Government and the Buyer DoD deviation applies if this subcontract stems from higher-tier contract with DoD.) |

E. FAR Contract Clauses Applicable if this Subcontract Exceeds or is Expected to Exceed $700,000 (subject to any scoping provision per individual clause)

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| 52.203-13 | Contractor Code of Business Ethics and Conduct. Clause applicable, to all subcontracts that have a value in excess of $5,500,000 and a performance period of more than 120 days. |
| 52.203-14 | Display of Hotline Poster(s).  Applicable to all subcontracts that exceed $5,500,000, except when the subcontract—  (1) Is for the acquisition of a commercial item; or  (2) Is performed entirely outside the United States. |
| 52.215-12 | Subcontractor Certified Cost or Pricing Data (Seller shall submit and certify cost or pricing data if required per criteria of clause [in addition to complying with all other requirements of clause].) |
| 52.215-13 | Subcontractor Certified Cost or Pricing Data — Modifications (Seller shall submit and certify cost or pricing data if required per criteria of clause [in addition to complying with all other requirements of clause].) |
| 52.219‑9 | Small Business Subcontracting Plan (Clause is applicable only if this Subcontract (i) is with other than small business firm; (ii) exceeds $700,000 ($1,500,000 if for construction of any public facility); (iii) is for other than personal services, (iv) [together with all its subcontracts] is to be performed in some part within any State, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico; and (v) includes Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns clause at FAR 52.219‑8.) |
| 52.230‑2 | Cost Accounting Standards (Clause is applicable [except paragraph (b) thereof] only if (i) such clause is included in Buyer’s prime contract or subcontract with its customer, (ii) Seller is other than small business concern, and (iii) Seller is not otherwise exempt under corresponding provisions of FAR Part 30, and (iv) such clause is expressly stated to be applicable in the body of this Subcontract [with the date thereof indicated]. If clause is so applicable, Seller shall include substance of clause [except paragraph (b) thereof] in lower‑tier subcontracts, per provisions of paragraph (d) of clause.) |
| 52.230‑3 | Disclosure and Consistency of Cost Accounting Practices (Clause is applicable [except paragraph (b) thereof] only if (i) such clause is included in Buyer’s prime contract or subcontract with its customer , (ii) Seller is other than small business concern, (iii) this Subcontract is for less than $50,000,000, (iv) Seller is eligible for and elects modified CAS coverage per FAR Part 30, and (v) such clause is expressly stated to be applicable in the body of this subcontract [with the date thereof indicated.] If clause is so applicable, Seller shall include substance of clause [except paragraph (b) thereof] in lower‑tier subcontracts, per provisions of paragraph (d) of clause.) |
| 52.230‑6 | Administration of Cost Accounting Standards (Clause is applicable only if Cost Accounting Standards clause of FAR 52.230‑2 or Disclosure and Consistency of Cost Accounting Practices clause of FAR 52.230‑3 applies to this Subcontract.) |

F. FAR Contract Clauses Applicable Based Specifically on Fixed-Price Subcontract Type (subject to any scoping provision per individual clause)

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| --- | --- |
| 52.228-5 | Insurance — Work on a Government Installation (Fixed-Price Contracts) (Clause is applicable only if work is to be performed on U.S. Government installation, except (i) where only a small amount of such work is required [e.g., a few visits per month] and therefore the parties have expressly excluded clause applicability elsewhere within this Subcontract, or (ii) outside the U. S., its possessions or Puerto Rico. Kinds and minimum amounts of insurance, if any, are stated elsewhere within this Subcontract.) |
| 52.242-17 | Government Delay of Work |
| 52.243-1 | Changes — Fixed Price — Alternatives I, II, III, IV, and V (In paragraph (a) of basic clause and of Alternates I, II, IV, and V, add following [as subparagraph (4) in basic clause and Alternates I and V, and as subparagraph (7) in Alternates II and IV]: “Delivery schedule or period of performance.” In paragraph (c), change “30 days” to “10 days.”) |
| 52.246-2 | Inspection of Supplies — Fixed-Price (Alternate I applies if this Subcontract is fixed-price incentive type.) |
| 52.246-4 | Inspection of Services — Fixed-Price |
| 52.246-6 | Inspection — Time and Material and Labor-Hour (Clause is applicable only to any T&M or L-H work under this Subcontract). |
| 52.246-7 | Inspection of Research and Development — Fixed-Price (Clause is applicable only to any R&D work under this Subcontract). |

G. FAR Contract Clauses Applicable Based Specifically on Cost-Reimbursable or Flexibly-Priced Subcontract Types (subject to any scoping provision per individual clause)

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| 52.216-7 | Allowable Cost and Payment (Under paragraph (a), if this Subcontract is with: (i) educational institute, substitute “Subpart 31.3” for “Subpart 31.2”; (ii) state or local government, substitute “Subpart 31.6” for “Subpart 31.2”; (iii) nonprofit organization not falling under preceding (i) or (ii), or exempted under OMB Circular No. A-22, substitute “Subpart 31.7” for “Subpart 31.2.”) |
| 52.216-8 | Fixed Fee (Clause is applicable only if this Subcontract is cost-plus-fixed-fee type). |
| 52.216-10 | Incentive Fee (Clause is applicable only if this Subcontract is cost-plus-incentive-fee type). |
| 52.216-11 | Cost Contract — No Fee (Clause is applicable only if this Subcontract provides for no fee and is not cost-sharing type.) |
| 52.216-12 | Cost Sharing Contract — No Fee (Clause is applicable only if this Subcontract is cost-sharing type.) |
| 52.222-2 | Payment for Overtime Premiums (Clause is applicable only if this Subcontract exceeds $100,000 and otherwise meets criteria therefore of FAR 22.103-5(b). In paragraph (a), insert “$0” unless another amount is expressly provided for elsewhere within this Subcontract.) |
| 52.229-10 | State of New Mexico Gross Receipts and Compensating Tax (Clause is applicable only if (i) Seller will purchase tangible personal property to be used in performing services in New Mexico, (ii) title to such property will pass to the U.S. Government upon delivery of such property to Seller or Buyer by the vendor, and (iii) this Subcontract is not otherwise exempt per criteria of FAR 29.401-6.) |
| 52.232-20 | Limitation of Cost (Clause is applicable only if this Subcontract is fully funded [vis-a-vis incrementally funded], as indicated by inapplicability of Limitation of Buyer’s Obligation (Cost Reimbursement) clause of Section 1 of this form.) |
| 52.232-39 | Unenforceability of Unauthorized Obligations |
| 52.243-2 | Changes — Cost-Reimbursement — Alternates I, II, III, IV, and V (In paragraph (a) of basic clause and of Alternates I, II, and V, add the following [as subparagraph (4) in basic clause and Alternates I and V, and as sub-paragraph (7) in Alternate II]: “Delivery schedule or period of performance.” In paragraph (c), substitute “10 days” for “30 days.”) |
| 52.244-2 | Subcontracts (Note: (i) approved purchasing system means such approved by U.S. Government, and (ii) Alternate I shall apply.) |
| 52.246-3 | Inspection of Supplies — Cost-Reimbursement (Clause is applicable only to any supplies being furnished by Seller under this Subcontract.) |
| 52.246-5 | Inspection of Services — Cost-Reimbursement (Clause is applicable only to any services being furnished by Seller under this Subcontract.) |
| 52.246-8 | Inspection of Research and Development — Cost-Reimbursement (Clause is applicable only to any research and development being furnished by Seller under this Subcontract, when primary objective is delivery of end items other than designs, drawings, or reports. Alternate I is applicable if Subcontract is on a non-fee basis.) |
| 52.249-6 | Termination (Cost-Reimbursement) (In paragraph (f), substitute “6 months” for “1 year.” Disputes are governed by Disputes clause of Section 1 of this form.) |
| 52.249-14 | Excusable Delays (Clause is applicable to supplies and services, and to research and development only if performed by Seller on a fee basis.) |

2. DFARS CONTRACT CLAUSES (The Department of Defense FAR Supplement [DFARS] contract clauses identified herein below: (i) are applicable only if this Subcontract results from any prime contract or subcontract with Buyer’s customer falling under DFARS (as will be made clear elsewhere in this subcontract), (ii) are in addition to the FAR contract clauses, (iii) augment or supersede any portion of the FAR contract clauses of the same subject matter to any extent inconsistent therewith, and (iv) are subject to any specific scoping provision per individual clause [see General Preamble hereinabove].)

A. DFARS Contract Clauses - Applicable to this Subcontract Irrespective of Amount Thereof (subject to any scoping provision per individual clause)

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| 252.204‑7000 | Disclosure of Information |
| 252.204‑7002 | Payment for Subline Items Not Separately Priced |
| 252.204-7008 | Compliance with Safeguarding Covered Defense Information Controls (when applicable) |
| 252.204-7009 | Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (when applicable) |
| 252.204-7012 | Safeguarding Covered Defense Information and Cyber Incident Reporting. (when applicable) |
| 252.209-7004 | Subcontracting with Firms That Are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism |
| 252.215‑7000 | Pricing Adjustments |
| 252.223‑7001 | Hazard Warning Labels |
| 252.223‑7002 | Safety Precautions for Ammunition and Explosives (Clause is applicable only if this Subcontract involves ammunition or explosives. Government safety representatives may evaluate Seller compliance.) |
| 252.223‑7003 | Change in Place of Performance ‑ Ammunition and Explosives |
| 252.223-7008 | Prohibition of Hexavalent Chromium (applicable to all subcontracts for supplies, maintenance, repair services or construction materials) |
| 252.225-7006 | Acquisition of the American Flag |
| 252-225-7009 | Restriction on Acquisition of Certain Articles Containing Specialty Metals, excluding Paragraph (d) and (e)(1) |
| 252-225-7010 | Commercial Derivative Military Article—Specialty Metals Compliance Certificate |
| 252.225‑7012 | Preference for Certain Domestic Commodities |
| 252.225-7013 | Duty Free Entry |
| 252.225 7015 | Restriction on Acquisition of Hand or Measuring Tools |
| 252.225‑7016 | Restriction on Acquisition of Ball and Roller Bearings |
| 252.225‑7025 | Restriction on Acquisition of Forgings |
| 252.225-7040 | Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States.(applicable when Subcontractor’s personnel are authorized to accompany U.S. Armed Forces deployed outside the U.S. in—1) Contingency operations; 2) Humanitarian or peacekeeping operations; 3) Other military operations; or 4) Military exercises designated by the Combatant Commander.) |
| 252.225-7981 | Additional Access to Contractor and Subcontractor Records (Other than USCENTCOM) (DEVIATION 2015-O0016) Applicable to all solicitations and resultant contracts valued at more than $50,000, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, that are to be performed outside the United States and its outlying areas, in support of a contingency operation in which members of the armed forces are actively engaged in hostilities, except for contracts that will be performed in the United States Central Command (USCENTCOM) theater of operations. |
| 252.225-7993 | Prohibition on Providing Funds to the Enemy (DEVIATION 2015-O0016) Applicable to all solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition commercial items to be awarded on or before December 31, 2019, with an estimated value in excess of $50,000, that are being, or will be, performed outside the United States and its outlying areas, in support of a contingency operation in which members of the Armed Forces are actively engaged in hostilities. |
| 252.227-7013 | Rights in Technical Data--Noncommercial Items (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.227-7014 | Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.227-7016 | Rights in Bid or Proposal Information (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.227-7017 | Identification and Assertion of Use, Release, or Disclosure Restrictions (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.227-7019 | Validation of Asserted Restrictions--Computer Software (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.227-7025 | Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.227-7027 | Deferred Ordering of Technical Data or Computer Software (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.227-7028 | Technical Data or Computer Software Previously Delivered to the Government (Clause is applicable unless Form ISF P1C is attached to this Subcontract and Form ISF P1C indicates otherwise.) |
| 252.228‑7005 | Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles |
| 252.231‑7000 | Supplemental Cost Principles |
| 252.235‑7002 | Animal Welfare (Clause is applicable only if this Subcontract involves research on live vertebrate animals.) |
| 252.235‑7003 | Frequency Authorization ‑ Alternate I (Authorization shall be through or coordinated with Buyer.) |
| 252.239‑7000 | Protection Against Compromising Emanations (Clause is applicable only if this Subcontract calls for computer equipment or systems to process classified information.) |
| 252.239-7009 | Representation of Use of Cloud Computing |
| 252.239-7010 | Cloud Computing Services |
| 252.239-7016 | Telecommunications Security Equipment, Devices, Techniques, and Services (clause is applicable to all subcontracts which require securing telecommunications) |
| 252.239-7018 | Supply Chain Risk |
| 252.242-7006 | Accounting System Administration |
| 252.243‑7001 | Pricing of Contract Modifications |
| 252.244-7000 | Subcontracts for Commercial Items |
| 252.246-7003 | Notification of Potential Safety Issues |
| 252.246-7007 | Contractor Counterfeit Electronic Part Detection and Avoidance System |
| 252.246-7008 | Sources of Electronic Parts |
| 252.247‑7023 | Transportation of Supplies by Sea |
| 252.247‑7024 | Notification of Transportation of Supplies by Sea |
| 252.251‑7000 | Ordering from Government Supply Sources (Clause is applicable only if this Subcontract contains Government Supply Sources clause of FAR 52.251‑1. Any Buyer authorization for Seller use of U.S. Government supply sources necessitates and is contingent upon Buyer obtaining prior U.S. Government approval.) |
| 252.251‑7001 | Use of Interagency Fleet Management System (IFMS) Vehicles and Related Services (Clause is applicable only if this Subcontract contains Interagency Fleet Management System (IFMS) Vehicles and Related Services clause of FAR 52.251‑2. Any Buyer authorization for Seller use of IFMS vehicles and related services necessitates and is contingent upon Buyer obtaining prior U.S. Government approval.) |

B. DFARS Contract Clauses - Applicable if this Subcontract Exceeds or is Expected to Exceed $150,000 (subject to any scoping provision per individual clause)

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| 252.203‑7001 | Prohibition on Persons Convicted of Fraud or Other Defense Contract-Related Felonies (Clause is applicable only if this Subcontract is first tier from the prime contract.) |
| 252.222-7007 | Representation Regarding Combating Trafficking in Persons |
| 252.232-7007 | Limitation of Government’s Obligation (Clause is applicable only if this Subcontract is incrementally funded [as opposed to fully funded]. If clause is so applicable, order will additionally set forth: (i) line items covered [if order has more than one], (ii) allotment schedule per clause paragraph (i) if negotiated by parties prior to execution of this order, (iii) total amount presently available to Buyer and allotted, and (iv) estimated period total allotted funds will cover. In absence of a specific allotment schedule, Buyer will allot funds by reasonably established dates and in amounts sufficient for planned performance by Seller. In clause paragraph c, forty-five days is substituted for ninety days. Change notices shall not constitute authorization to exceed total amount allotted, unless so expressly stated.) |
| 252.249-7002 | Notification of Anticipated Contract Termination or Reduction (Clause is applicable only if this Subcontract stems from a prime contract for a major defense program per clause paragraph (a). Seller shall comply with pertinent notice and flowdown requirements.) |

C. DFARS Contract Clauses - Applicable if this Subcontract Exceeds or is Expected to Exceed $500,000 (subject to any scoping provision per individual clause)

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| 252.211‑7000 | Acquisition Streamlining (Clause is applicable only if this Subcontract (i) exceeds $1,500,000 and (ii) stems from a prime contract under a systems acquisition program.) |
| 252.219‑7003 | Small Business Subcontracting Plan (DoD Contracts) (Clause is applicable only if Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan clause of FAR 52.219‑9 is applicable Note requirement that majority of earnings must directly accrue to such socially and economically disadvantaged individuals. |
| 252.222-7006 | Restrictions on the Use of Mandatory Arbitration Agreements  (Applicable to all subcontracts, Task orders and Delivery Orders at every tier in excess of $1 million except for commercial items and commercially available off-the-shelf items.) The Subcontractor,agrees not to –   1. Enter into any agreement with any of its employees or independent contractors that requires, asa condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or 2. Take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.   The Subcontractor, agrees to flow down this provision in all subcontracts, task orders and Delivery Orders at every tier that are in excess of $1 million, except those for commercial items, including commercially available off-the-shelf items. Failure to comply with this provision will be considered a material breach and, at the sole discretion of Northrop Grumman and may result in termination for default or cause. |

3. NASA FAR SUPPLEMENT CONTRACT CLAUSES (The NASA FAR Supplement [NFS] contract clauses identified herein below: (i) are applicable only if this Subcontract results from any prime contract or subcontract with Northrop Grumman Systems Corporation customer falling under the NFS (as will be made clear elsewhere in this Subcontract), (ii) are in addition to the FAR contract clauses, (iii) augment or supersede any portion of the FAR contract clauses of same subject matter to any extent inconsistent therewith, and (iv) are subject to any specific scoping provision per individual clause [see General Preamble herein above].)

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| 1852.219‑74 | Use of Rural Area Small Businesses (Clause is applicable only if such clause is contained in Buyer’s prime contract or subcontract with its customer. Then, if this Subcontract offers subcontracting possibilities, Seller is encouraged to use its best efforts to award lower‑tier subcontracts to small business concerns located in rural areas.) |
| 1852.219-75 | Small Business Subcontracting Reporting |
| 1852.223‑70 | Safety and Health (Clause is applicable only if this Subcontract (i) exceeds $1,000,000, or (ii) involves use of hazardous materials or operations.) |
| 1852.223‑71 | Frequency Authorization (Clause is applicable only if this Subcontract calls for developing, producing, testing, or operating device for which radio frequency authorization is required. Processing shall be through Buyer.) |
| 1852.232-77 | Limitation of Funds (Fixed-Price Contract) (Clause is applicable only if this Subcontract is incrementally funded [as opposed to fully funded]. If clause is so applicable, order will additionally set forth: (i) line items covered [if order has more than one], (ii) allotment schedule if negotiated by parties prior to execution of this order, (iii) total amount presently available to Buyer and allotted, and (iv) estimated period total allotted funds will cover. In absence of a specific allotment schedule, Buyer will allot funds by reasonably established dates and in amounts sufficient for planned performance by Seller. Change notices shall not constitute authorization to exceed total amount allotted, unless so expressly stated.) |
| 1852.235‑70 | Center for Aerospace Information-Final Scientific and Technical Reports (Clause is applicable only (i) if and to extent clause is contained in Buyer’s prime contract or subcontract with its customer, and (ii) if this Subcontract involves research and development work.) |
| 1852.244‑70 | Geographic Participation in the Aerospace Program (Clause is applicable only (i) if and to extent clause is contained in Buyer’s prime contract or subcontract with its customer, and (ii) if this Subcontract exceeds $150,000.) |
| 1852.245‑70 | Contractor Requests for Government-Provided Equipment (Clause is applicable only if and to extent clause is contained in Buyer’s prime contract or subcontract with its customer.) |
| 1852.245‑73 | Financial Reporting of NASA Property in the Custody of Contractors (Clause is applicable only if this Subcontract is first‑tier from the prime contract. Seller shall submit reports to Buyer in sufficient time to consolidate and meet reporting date of paragraph (c) of clause.) |
| 1852.246‑73 | Human Space Flight Item (If this Subcontract is identified within as relating to a human space flight item, Seller shall comply with the following statement and shall require its inclusion in each lower‑tier subcontract [without exception]:  For use in human space flight; materials, manufacturing, and workmanship of highest quality standards are essential to astronaut safety.  If you are able to supply the desired item with a higher quality than that of the items specified or proposed, you are requested to bring this fact to the immediate attention of the purchaser.) |