



**TERMS & CONDITIONS OF PURCHASE (4/2010)**

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**PRIME CONTRACT FLOWDOWN CLAUSES FOR PURCHASE ORDERS  
ISSUED UNDER FEDERAL CONTRACTS**

THESE TERMS AND CONDITIONS SHALL BE APPLICABLE TO ALL PURCHASE ORDERS:

1. **DEFINITIONS.** As used in these Terms and Conditions of Purchase, the following terms shall have the following meanings: (a) "Supplies" means raw materials, components, intermediate assemblies, and end products; (b) "Services" means the direct engagement of time and effort with the primary purpose to perform identifiable tasks rather than to furnish end items of supply; (c) "Construction" means construction, alteration, or repair (including excavating and painting) of buildings, structures, or other real property; (d) "Buyer" means Science Applications International Corporation ("SAIC"), and any of its corporate affiliates or subsidiaries; (e) "Seller" means any person or legal entity that provides Supplies, Services, or Construction pursuant to a Purchase Order issued by Buyer; (f) "Purchase Order" means an offer by Buyer to Seller to buy Supplies, Services, or Construction that becomes a binding contract between Buyer and Seller upon written acceptance of Seller or upon Seller initiating performance; (g) "Government" means the United States Federal Government; (h) "Prime Contract" means the contract under which a Purchase Order is issued or any other contract which requires Buyer to procure services for a Customer; (i) "Customer" means a business entity or association, or any other entity or association, including, without limitation, the Government, with whom Buyer enters into a Prime Contract; and (j) "Work" means the provision of Services or Construction as set forth in the Purchase Order.
2. **PURCHASE ORDERS; PRICE; ACCEPTANCE; MODIFICATION OF TERMS**
  - (a) Purchase Orders issued by Buyer to Seller - together with any referenced or attached drawings, specifications, statements of work, or special conditions - will specify the Supplies or Work required, including, but not limited to, the delivery schedule, period of performance, total compensation, rate/price and payment schedules related thereto. Each Purchase Order issued by Buyer shall be governed by these Terms and Conditions of Purchase.
  - (b) The price payable to Seller shall be stated in the Purchase Order. The price shall not be increased to cover any future Seller price increases and shall be inclusive of all packing, packaging, cartage, premium transportation charges, reusable containers, service or carrying charges, permits, insurance, applicable taxes, fees and licenses, or any other charges of any nature unless specifically agreed to in writing by Buyer.
  - (c) Acceptance of a Purchase Order by Seller may be made by signing the acknowledgment copy thereof or by partial performance thereunder, and any such acceptance shall constitute an unqualified agreement to all of these Terms and Conditions of Purchase unless otherwise modified in writing by the parties.
- (d) No additional or different terms and conditions proposed by the Seller in accepting the Purchase Order shall be binding upon Buyer unless accepted in writing by Buyer and no other addition, alteration or modification to, and no waiver of any of the provisions herein contained shall be valid unless made in writing and executed by Buyer and Seller.
3. **GENERAL RELATIONSHIP.** The Seller is not an employee of SAIC for any purpose whatsoever. Seller agrees that in all matters relating to the Purchase Order it shall be acting as an independent contractor and shall assume and pay all liabilities and perform all obligations imposed with respect to the performance of the Purchase Order. Seller shall have no right, power or authority to create any obligation, expressed or implied, on behalf of Buyer and/or Buyer's customers and shall have no authority to represent Buyer as an agent.
4. **APPLICABLE LAW.** These Terms and Conditions of Purchase shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to its rules or principles regarding conflicts of laws, except that any provision under these Terms and Conditions of Purchase that is: (a) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR) or the Defense Federal Acquisition Regulations Supplement (DFAR), as the case may be; (b) incorporated in full text or by reference from any agency regulation that implements or supplements from the FAR or DFAR or; (c) that is substantially based on any such agency regulation or FAR or DFAR provision, shall be construed and interpreted according to federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals and quasi-judicial agencies of the Government.
5. **COMPLIANCE WITH LAWS; PERMITS, LICENSES.** Seller shall comply with all applicable federal, state and local laws, rules, regulations and orders ("Laws"), including, but not limited to, the following, as may be amended from time to time: (a) the Service Contract Act of 1965; (b) the Davis-Bacon Act of 1931; (c) the Fair Labor Standards Act of 1938; (d) the Walsh-Healy Public Contracts Act; (e) the Federal Occupational Safety and Health Act of 1970, including the preparation of Material Safety Data Sheets; (f) the Toxic Substances Control Act of 1976; and (g) any other federal law concerning labor relations, non-discrimination in employment, minimum wages, overtime compensation and hours of employment. Seller shall obtain all permits and licenses required for the performance of the Purchase Order at no additional charge to Buyer. If, as a result of any violation of Laws by Seller, its

employees, agents or subcontractors at any tier.; (i) Buyer's contract price or fee is reduced; (ii) Buyer's costs are determined to be unallowable; (iii) any fines, penalties, or interest are assessed on Buyer; or (iv) Buyer incurs any other costs or damages, Buyer may make a reduction of corresponding amounts (in whole or in part) in the price of the Purchase Order or any other contract with Seller, or demand payment (in whole or in part) of the corresponding amounts. Seller shall pay such amounts within ten (10) days of such demand.

6. **DEPLOYED PERSONNEL.** To the extent that performance of this Agreement requires that Seller's employees be deployed outside the United States ("Deployed Personnel"), Seller shall at all times be responsible for its Deployed Personnel's compliance with applicable local, state, and host nation laws, and Seller shall bear all risks, costs, damages or liabilities that may result from any non-compliance. Should Seller wish that its Deployed Personnel be authorized to carry a weapon, Seller: (1) shall forward a request to the Contracting Officer (or other authorized Government official) for approval; (2) shall comply with the requirements of all Government instructions, regulations, directives, orders, and policies pertaining to the possession and use of weapons by contractor personnel; (3) shall bear all risks, costs, damages or liabilities that may result from the possession or use of weapons by its Deployed Personnel, and (3) shall indemnify Buyer for any and all claims or liabilities that may arise from or relating to such weapons use or possession. Seller acknowledges and agrees that Buyer neither authorizes or requires Seller's Deployed Personnel to possess weapons.
7. **ORGANIZATIONAL CONFLICT OF INTEREST.** Seller represents and warrants that its performance of this Purchase Order does not constitute and will not create an organizational conflict of interest (OCI) as defined in FAR Part 9.5 or under any other applicable OCI clause or regulation. If during the course of performance, Seller becomes aware of any actual or potential organizational conflict of interest caused by its performance of this Purchase Order, Seller shall promptly notify Buyer in writing of the nature of such actual or potential organizational conflict of interest.
8. **INDEPENDENT CONTRACTOR.** Seller is an independent contractor in all its operations and activities hereunder. The employees used by Seller to perform the Purchase Order shall be Seller's employees exclusively without any relation whatsoever to Buyer.
9. **BUYER AS INTERMEDIARY.** Seller acknowledges that Buyer is acting as an intermediary on behalf of its Customer. Seller agrees to assume full and complete responsibility to such Customer with respect to the quality of the Supplies delivered or Work performed pursuant to the Purchase Order. Seller further agrees to indemnify, defend and hold harmless Buyer, and all of its affiliates, subsidiaries, shareholders, officers, directors, employees and agents, from and against any and all claims, causes of action or suits of any kind or nature by such Customer (together with any damages resulting there from) arising from its dissatisfaction with the Supplies delivered or Work performed by Seller or its subcontractors at any tier.
10. **THIRD PARTY BENEFICIARY.** Seller acknowledges and agrees that Buyer's Customer is a third party beneficiary of these Terms and Conditions of Purchase and has the power and authority to enforce these Terms and Conditions of Purchase against Seller.
11. **NO ASSIGNMENT.** Seller shall not assign the Purchase Order to any other party without the prior written consent of Buyer. Buyer may withhold such consent in its sole discretion. Any attempted or purported assignment of the Purchase Order without Buyer's prior written consent shall be null and void and not binding upon Buyer.
12. **PAYMENT TERMS; INVOICES; SETOFF; TAXES.** Unless otherwise specified in the Purchase Order, terms of payment shall be net thirty (30) days from the latest of the following: (a) Buyer's receipt of Seller's invoice; or (b) delivery of Supplies or performance of the Work to the satisfaction of Buyer and the Customer. An itemized invoice shall be submitted by Seller to the address shown on the face of the Purchase Order to the attention of: "Accounts Payable Department." The invoice shall contain the Purchase Order number, a description of the Supplies furnished, or Work performed, and the unit prices, quantities, and total contract price relating thereto. Payment of invoices may be delayed pending the correction of omissions or errors in the Work performed or Supplies delivered. Buyer shall have the right at all times to setoff any amount due or payable to Seller against any claim or charge Buyer or its Customer may have against Seller. Any amounts paid by Buyer that the Seller is obligated to pay pursuant to these Terms and Conditions of Purchase or the Purchase Order will be promptly reimbursed to Buyer by Seller together with (i) attorney's fees, if any,

and (ii) annual interest at 15%, if allowed by law, otherwise at the highest rate allowed by law. If not reimbursed, Buyer may deduct such amount (with attorney's fees and interest as above provided) from any amounts then or thereafter due Seller. Unless otherwise specified in the Purchase Order, prices and rates shall include all applicable federal, state and local taxes, duties, tariffs and similar or dissimilar fees imposed by any governmental entity, all of which shall be listed separately on Seller's invoice.

13. **WARRANTY.** In addition to any other warranties specified herein or provided by the manufacturer, Seller warrants that; 1) the services provided under this Agreement shall be performed with that degree of skill and judgment normally exercised by recognized professional firms performing services of the same or substantially similar nature; and 2) that any goods delivered under this Purchase Order will be new, unless otherwise specified, and for a period of one (1) year unless otherwise specified in the Purchase Order following acceptance be free from defects in design, material and workmanship. All goods and services will conform to applicable specifications, drawings, and standards of quality and performance. In the event of any breach of the foregoing warranties, Seller shall, at its own expense, at Buyer's election either: (1) re-perform the non-conforming services and/or correct the non-conforming goods to conform to this standard; or (2) refund to Buyer that portion of the amounts received by Seller attributable to the non-conforming services and/or goods. All warranties of Seller shall inure to the benefit of both Buyer and Buyer's customers. The foregoing warranties shall survive any delivery, inspection, acceptance or payment by Buyer.
14. **PRICE AND RATE WARRANTY.** Seller warrants that the prices and rates charged for the Supplies or Work specified in the Purchase Order do not exceed the price(s) or rate(s) Seller charges its most favored customer for the same or substantially similar Supplies or Work, whether sold to the Government or to any other purchaser, taking into account the quantity purchased and terms and conditions of sale. Seller agrees that in the event of an announced price or rate reduction prior to the completion of the performance of the Work or shipment of Supplies, said price or rate reduction shall be passed on to Buyer for Supplies remaining to be shipped or Work remaining to be performed under the Purchase Order.
15. **CERTIFICATION OF INDEPENDENT PRICE AND RATE DETERMINATION.** Seller certifies that the price(s) and rate(s) proposed have been arrived at independently, without consultation, communication or agreement with any others for the purpose of restricting competition and that Seller has not and will not knowingly disclose the price(s) and rate(s), directly or indirectly, to any other offeror.
16. **CHANGE ORDER; MODIFICATION.** Buyer may, at any time by written notice to Seller, make changes to the Purchase Order (a "Change Order"). If any such change causes an increase or decrease in the cost or time required to perform the Work or deliver the Supplies, the price, performance/ delivery schedules, or both, shall be equitably adjusted and the Purchase Order so modified. Seller shall submit any claim for adjustment to Buyer within ten (10) days following receipt of the written Change Order. Failure of the parties to agree to an adjustment shall be considered a dispute under **Section 40 (Disputes)** hereof and shall be addressed in accordance therewith; however, pending resolution of any such dispute, Seller shall immediately proceed with the performance of the Purchase Order as changed by the Change Order. Seller shall not be entitled to any compensation for extra Work or additional Supplies not stated in the Purchase Order or Change Order unless, prior to the performance of such extra Work or delivery of such additional Supplies, Seller shall have received from Buyer written authorization for the same. Buyer shall have no liability for any Work performed or Supplies delivered by Seller and not described in the Purchase Order or a Change Order. Seller shall make no changes affecting the Work or Supplies without Buyer's or the Customer's prior written approval. Any approvals by Buyer or the Customer shall not relieve Seller of responsibility for any errors or deficiencies that may exist, or for performing the Work or delivering the Supplies in strict accordance with the requirements of the Purchase Order.
17. **DELIVERY AND PERFORMANCE SCHEDULES.** Seller shall deliver the Supplies or perform the Work in strict adherence to the schedules set forth in the Purchase Order. Seller agrees that time is of the essence in the performance of the Purchase Order and there is potential for financial loss by Buyer in the event that Seller fails to deliver the Supplies or complete the Work within the time specified in the Purchase Order. Therefore, Seller agrees to pay Buyer for all expenses arising from Seller's failure to deliver the Supplies or complete the Work within the time allocated including, but not limited to, additional Buyer expenses for technical services, inspection, and

administration costs; additional costs to other suppliers, subcontractors or consultants caused by the delay and charges from the Customer, including any liquidated damages for which Buyer may be liable to Customer resulting from Seller's failure to deliver the Supplies or complete the Work as provided in the Purchase Order or breach of these Terms and Conditions of Purchase. Seller agrees to advise Buyer, as soon as possible, of any delays in complying with the performance schedule of any Purchase Order and the reasons thereof. If a delay is due to causes beyond the control of Seller and, where applicable, its suppliers or subcontractors, and without fault or negligence of any of them, and provided that Seller reports the delay to Buyer within a reasonable time of its' discovery, Buyer will either adjust the performance schedule or terminate the Purchase Order, or its effected portion, for convenience. Acceptance of late deliveries or performance not in strict conformance with the Purchase Order schedule shall not constitute a waiver of Buyer's rights under this **Section 16** or elsewhere under these Terms and Conditions of Purchase.

**18. INSPECTION OF SERVICES AND CONSTRUCTION.** Buyer and the Customer shall have the right to inspect Work in progress at all reasonable times and places during performance. Rejected Work shall promptly be reperfomed in an acceptable manner and within a reasonable period of time at Seller's sole cost and expense. If inspections are made on Seller's premises Seller shall, without additional charge, provide reasonable assistance for the safety and convenience of the inspectors performing these duties. Inspections shall be performed in such a manner as to not unduly delay Work in progress. Unless otherwise agreed to in writing, all Work is subject to Buyer's and the Customer's inspection and acceptance or rejection of the Work, notwithstanding any previous inspection by Buyer and the Customer. Inspections shall not relieve Seller of its responsibility to furnish the Work in strict conformance with the Purchase Order requirements. Seller shall maintain an inspection and quality control system acceptable to Buyer and the Customer. Seller shall furnish Buyer and the Customer with the records of inspection for the Work at any time during the performance of the Work upon request therefore by Buyer or the Customer.

**19. INSPECTION OF SUPPLIES.** Buyer and its Customer may inspect or test materials, work in progress and completed Supplies at all reasonable times and places prior to shipment. If inspections and tests are performed on Seller's premises, Seller shall, without additional charge to Buyer, its Customer or any of their or its representatives, provide reasonable facilities and assistance for the safety and convenience of the parties performing such inspections or tests. Unless otherwise agreed to in writing, all Supplies furnished under the Purchase Order are subject to Buyer's inspection and acceptance or rejection at Buyer's specified destination, notwithstanding any previous inspection or test by Buyer or its Customer. An inspection or test at source or at destination shall not relieve Seller of its responsibility to furnish the Supplies in strict conformance with the Purchase Order requirements. Seller shall maintain an inspection and quality control system acceptable to Buyer and its Customer. Seller shall furnish Buyer the records of inspection or test for Supplies delivered under the Purchase Order at any time upon Buyer's request. No inspection or monitoring by Buyer or its Customer, or failure to do so, shall affect or diminish Seller's sole responsibility and liability for the quality of the Supplies purchased by Buyer.

**20. DELIVERY AND PERFORMANCE ACCEPTANCE.** Acceptance of any part of a Purchase Order delivery or performance shall not bind Buyer to accept future shipments of Supplies or performance of Services nor deprive it of the right to return goods already accepted and shall not be deemed to be a waiver of Buyer's right to cancel or return all or any part of the goods because of failure to conform to the Purchase Order or by reason of defects, whether latent or patent, or other breach of warranty, or to make any claim for damages, including manufacturing cost or loss of profits, injury to reputation or other special, consequential and incidental damages.

**21. ADDITIONAL REQUIREMENTS FOR DELIVERY OF SUPPLIES.** The following additional conditions apply to Purchase Orders for Supplies:

(a) **Packaging and Packing:** Seller shall be responsible for properly packing and packaging the Supplies in suitable containers for protection during shipment in accordance with applicable law and good commercial practice. No additional charge will be allowed for packing and packaging unless specifically agreed to in writing. Seller shall label each package with the number of the Purchase Order. Seller shall prepare an itemized packing list bearing the number of the Purchase Order, description of items, part number and quantity shipped for each package. One copy of the packing list shall be enclosed in the shipping container and one copy shall accompany Seller's invoice.

(b) **Unauthorized Changes to Supplies.** Upon Buyer's or its Customer's approval of Seller's drawings, designs, specifications, etc., Seller shall make no changes affecting form, fit or function of the Supplies without Buyer's prior written approval. Any approvals by Buyer or its Customer shall not relieve Seller of responsibility for any errors or deficiencies that may exist, or for furnishing the Supplies in strict accordance with the Purchase Order requirements.

(c) **Variation in Quantity.** It is Seller's responsibility to deliver the quantity of Supplies called for in the Purchase Order. No variation in the quantity specified in the Purchase Order will be accepted as compliance with the Purchase Order. Buyer reserves the right to refuse or return, at Seller's expense, any excess shipments or deliveries made in advance of the delivery schedule.

(d) **Shipment, Title, and Risk of Loss.** Unless otherwise specified in the Purchase Order, Supplies shall be shipped FOB Destination, whereupon title and risk of loss will pass to Buyer when such Supplies have been delivered to and accepted at Buyer's specified destination. For Purchase Orders providing for shipment of Supplies FOB Origin, title and risk of loss shall pass to Buyer upon Seller's delivery to the common carrier specified or approved by Buyer except that Seller shall be responsible for any loss due to its failure to properly preserve, package, handle or pack the Supplies.

**22. STOP WORK ORDER.** Buyer may, at any time, by written notice to Seller, stop all or any part of the Work or stop delivery of Supplies for up to ninety (90) days (a "Stop Work Order"). Upon receiving a Stop Work Order, Seller shall immediately comply with its terms and take all reasonable steps to avoid incurring any additional cost allocable thereto. Within ninety (90) days after the effective date of the Stop Work Order, unless Seller and Buyer mutually agree to an extension, Buyer shall either cancel the Stop Work Order or terminate the portion of the Purchase Order covered by the Stop Work Order. Buyer shall make an equitable adjustment in the Purchase Order performance schedule or contract price if the Stop Work Order results in an increase in time or cost for performance. Seller must assert a claim for equitable adjustment within ten (10) days after the end of the work stoppage. Failure of the parties to agree to an adjustment shall be considered a dispute under **Section 40 (Disputes)** hereof and shall be addressed in accordance therewith.

**23. TERMINATION.** Buyer may terminate this Purchase Order in whole or in part, for its convenience in accordance with FAR 52.249-2- Termination, except that as used in this clause Contractor shall be defined as Seller and Government/Contracting Officer shall be defined as Buyer's Contractual Representative. Buyer also may terminate this Purchase Order and any task orders for default in accordance with FAR 52.249-8 - Default, except that as used in this clause Contractor shall be defined as Seller and Government/Contracting Officer shall be defined as Buyer's Contractual Representative.

**24. INSURANCE.** In accordance with subparts (a) and/or (b) below, upon Buyer's request Seller agrees to provide Certificates of Insurance evidencing that the required insurance coverage's are in force and providing not less than thirty days notice prior to any cancellation or restrictive modification of the policies. Further, the required insurance coverage's below shall be primary and non-contributing with respect to any other insurance that may be maintained by Buyer. The below required coverage's and their limits in no way lessen nor affect Seller's other obligations or liabilities set forth in the Purchase Order.

(a) To the extent that Seller is performing Services or Construction under the Purchase Order, Seller agrees to purchase and maintain at its own expense the following insurance coverage's with minimum limits as stated:

- (i) Statutory Workers' Compensation and Employers' Liability in an amount no less than \$1 Million per occurrence covering its employees, including a waiver of subrogation obtained from the carrier in favor of Buyer;
- (ii) Commercial General Liability in an amount no less than \$1 Million per each occurrence and \$2 Million in the Aggregate covering bodily injury, broad form property damage, personal injury, products and completed operations, contractual liability, and independent contractors' liability. Buyer, its officers and employees shall be included as Additional Insured's and a waiver of subrogation shall be obtained from the carrier in favor of Buyer;
- (iii) Automobile Liability in an amount no less than \$1 Million Combined Single Limit for Bodily Injury covering use of all owned, non-owned, and hired vehicles. Buyer, its officers and

- employees shall be included as Additional Insured's on the policy;
- (iv) Professional Liability in an amount no less than \$1 Million per occurrence covering damages caused by any acts, errors, and omissions arising out of the professional services performed by Seller, or any person for whom the Seller is legally liable. To the extent that coverage for Seller's services are not excluded in (ii) above by virtue of being deemed not of a professional nature, this requirement does not apply.
- (v) All-Risk Property Insurance as described above in Section 27 (a) (v) in an amount adequate to replace property, including Supplies covered by the Purchase Order, of Buyer and/or Buyer's customer which may be in the possession or control of Seller. Buyer shall be named as a Loss Payee with respect to loss or damage to said property and/or supplies furnished by Buyer.
- (b) To the extent that Seller is providing Supplies under the Purchase Order, Seller agrees to purchase and maintain at its own expense the following insurance coverages with minimum limits as stated:
- (i) Commercial General Liability as described above in Section 24 (a) (ii);
- (ii) Products Liability in an amount no less than \$1 Million per occurrence covering bodily injuries or property damage arising out of defective products or work completed. To the extent that coverage for Seller's products are not excluded in (i), this requirement does not apply;
- (iii) All-Risk Property Insurance in an amount adequate to replace property of Buyer and/or Buyer's customer, including Supplies covered by the Purchase Order, which may be in the possession or control of Seller. Buyer shall be named as a Loss Payee with respect to loss or damage to said property and/or supplies furnished by Buyer.
- (iv) If aircraft products are being provided under the Purchase Order, Seller agrees to carry Aircraft Products Liability Insurance, covering liability arising out of the manufacture, sale, servicing, repair, distribution, instruction and operation of aircraft related products or services with a per occurrence limit of \$1,000,000.
- 25. RESPONSIBILITY FOR PROPERTY.** In the case of any tools, dies, jigs, fixtures, patterns, equipment, facilities or other property (hereafter "property") of Buyer and/or Buyer's customer, which may be in the possession, or control of Seller in connection with the Purchase Order, Seller shall use such property only in performance of and as specifically authorized by the Purchase Order. Seller should take appropriate measures including clearly marking, maintaining an inventory and segregating Buyer's property to protect Buyer's rights and interests in any property provided by Buyer to Seller. Such property shall be returned to Buyer in the condition in which it was received by Seller, except for ordinary wear and tear and except to the extent that such property has been incorporated into goods delivered hereunder or has been consumed in the production of such goods. Risk of loss with respect to all such property shall be the responsibility of Seller. Seller shall indemnify, defend and hold harmless Buyer from any loss or damage to such property, which is caused by, or results from any act or omission on the part of Seller or its agents, employees or subcontractors. If Seller acquires or manufactures any property in connection with the Purchase Order and charges Buyer therefore, Buyer may, at its option upon completion or termination of the Purchase Order, elect to take title to such property and, upon receiving notice of such election; Seller shall deliver such property to Buyer.
- 26. SAFETY.** If and where applicable, Seller understands and accepts the potential risks that are presented to human beings, property and the environment with respect to the performance of the Purchase Order. In performing the Purchase Order, Seller shall comply with all applicable laws, ordinances, rules, regulations, and lawful authorities or any public authority having jurisdiction for the safety of persons or property and protect the same from damage, injury, or loss. Seller shall take all reasonable precautions to prevent damage, injury, or loss to all persons performing the Purchase Order, all materials and equipment utilized therein, and all other property at the site of where the Purchase Order is performed. Seller shall prepare and provide a safety plan pertaining to any potentially hazardous materials to be supplied in connection with the performance of the Purchase Order and governing its handling of all potentially hazardous materials upon request and to the satisfaction of Buyer and the Customer, and shall conduct its operations, and inform its personnel and any other attendant personnel, in accordance with said safety plan and all relevant safety laws. Any lost-time injuries or accidents involving significant property damage will be reported to Buyer immediately.
- 27. PERFORMANCE/PAYMENT BONDS.** The proper and timely submission of any performance or payment bonds required pursuant to the Purchase Order is a material condition for award of the Purchase Order. Seller is not authorized to proceed with performance of the Purchase Order unless all required bonds have been obtained and are acceptable to Buyer. The surety securing any performance or payment bonds must be listed in the most recently issued publication of Department of the Treasury Circular 570, licensed to provide bonds in the state in which any Work is to be done, the underwriting limitation specified for the Surety in the circular must be greater than the full amount of the contract awarded. Unless otherwise specified in Buyers request for bid or proposal, Seller shall include the full cost of the performance and payment bonds in the Purchase Order price and include an adjustment of the bond cost in any proposal subsequently submitted for a change in the Purchase Order price. If the surety for any bond furnished by Seller files bankruptcy papers or is declared bankrupt, or its' right to do business is terminated, or it otherwise becomes unsatisfactory to Buyer, Seller shall within seven calendar days furnish at no additional cost a replacement bond with a surety acceptable to Buyer.
- 28. WAIVER, RELEASE, AND REMOVAL OF LIENS.** Where applicable, and to the extent permitted by law, prior to commencement of the Work, Seller agrees to execute and tender to both Buyer and the Customer a waiver of liens form (each, a "Lien Waiver"), waiving on behalf of itself and all of its suppliers, materialmen and subcontractors, all mechanics' liens, materialmens' liens, construction liens and other types of liens against Buyer, the Customer and any of the property thereof. In such event, Seller acknowledges and agrees that the project described in the Purchase Order will be a "no-lien" project under applicable law, and that Buyer or the Customer will be filing the aforementioned waiver of liens in the appropriate recording offices, if required. To the extent that applicable law does not permit a lien waiver to be effective prior to commencement of the Work, Buyer and the Customer may require that each invoice for payment submitted by Seller be accompanied by a Lien Waiver properly completed by the appropriate parties to cover the amount and date of payment to Seller (or its materialmen, suppliers or subcontractors, as applicable) as reflected in the applicable invoice. Without limiting the generality of the foregoing, as a condition precedent to the final payment of the contract price (which may include retainage) pursuant to the Purchase Order, Seller shall provide to Buyer and Customer a full and unconditional waiver and release of liens properly executed by Seller and all parties engaged by Seller to furnish labor or materials in connection with the performance of the Work. Without limiting the foregoing, Seller shall keep all Work performed and the property at which such Work was performed free and clear of all liens arising out of the performance of Work. Within ten (10) days after written demand by Buyer to remove any lien or notice of suit or other proceeding from any property, and such lien arises from or is connected with the Work of any other acts or omissions of Seller, including without limitation, Seller's failure to promptly pay its subcontractors, materialmen, and suppliers, Seller shall cause any such lien or notice to be removed as a matter of record against the title of the property. If Seller fails to cause any such lien or notice to be expunged within such time period, Buyer shall be entitled to use whatever means in its discretion it may deem appropriate to cause such lien, suit, or notice connection with such removal or dismissal, together with all reasonable attorney's fees shall be immediately due and payable to Company by Subcontractor and may be set off against any payments due to Subcontractor.
- 29. PRIORITY RATING.** If so identified, the Purchase Order is a "rated order" certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).
- 30. SELLER CONTACTS WITH BUYER'S CUSTOMER.** Buyer shall be responsible for all liaison and communications with Buyer's Customer, including the Government. Seller shall not communicate with Buyer's Customer regarding the Purchase Order unless Buyer provides Seller with prior written authorization to do so.
- 31. ADVERTISING.** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish Buyer with the Supplies or Services purchased under the Purchase Order or disclose any of the details connected with the Purchase Order to any third party, except as may be required to perform the Purchase Order.
- 32. USE AND DISCLOSURE RESTRICTIONS OF BUYER-FURNISHED ITEMS/ INFORMATION.**
- (a) Seller agrees that it will keep confidential and not disclose, disseminate or publish the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data, computer programs and software or other technical or proprietary information furnished, loaned or bailed by Buyer hereunder (hereinafter collectively referred to as "Items/Information", and use such Items/Information only in the performance of the Purchase Order or, if authorized,

- other orders from Buyer and not otherwise, without Buyer's prior written consent. Notwithstanding any other provision herein, Buyer and Seller shall each retain ownership of, and all right, title and interest in and to, their respective pre-existing Intellectual Property.
- (b) All such Items furnished, loaned or bailed by Buyer hereunder, or fabricated, manufactured, purchased, or otherwise acquired by Seller for the performance of the Purchase Order and specifically charged to Buyer, are the property of Buyer.
- (c) Upon completion, expiration or termination of the Purchase Order, Seller shall return all such Items in good condition, reasonable wear only excepted, together with all spoiled and surplus Items to Buyer, or make such other disposition thereof as may be directed or approved by Buyer. Seller agrees to replace, at its expense, all such Items not so returned. Seller shall make no charge for any storage, maintenance or retention of such Items. Seller shall bear all risk of loss for all such Items in Seller's possession.
- (d) Seller also agrees to use any designs or data contained or embodied in such Items in accordance with any restrictive legends placed on such Items by the Buyer or any third party. If Buyer furnishes any material for fabrication hereunder, Seller agrees: (i) not to substitute any other material for such fabrication without Buyer's prior written consent, and (ii) that title to such material shall not be affected by incorporation in or attachment to any other property.
33. **EXPORT CONTROL.** Seller shall comply with all applicable U.S. export laws and regulations, including International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"). The subject technology of this Subcontract (including data, services, software and hardware provided hereunder, defined as "Controlled Technology") may be controlled under these laws and regulations and may not be exported or re-exported without prior authorization in accordance with ITAR and EAR. Access to Controlled Technology by Foreign Persons as defined by 22CFR120.16 may require an export authorization. Seller shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this Subcontract. Seller hereby certifies that all Seller employees who have access to the Controlled Technology are U.S. citizens, have permanent U.S. residency or have been granted political asylum or refugee status in accordance with 8 U.S.C. 1324b(a)(3).
34. **IMPORTER OF RECORD – GOODS IMPORTED INTO THE UNITED STATES FOR FINAL DELIVERY TO OR END-USE BY US DEPARTMENT OF DEFENSE.** The term "Importer of Record" is defined as the entity responsible for the importation of goods into the United States, and legally responsible for payment of duty, fees, fines or penalties issued by U.S. Customs or other government agencies. Shipments originating from a foreign approved source on the Purchase Order that require importing into the United States must be processed **with Seller acting and declaring itself as the Importer of Record.** Subsequent shipments are approved for Duty Free Entry pursuant to Section XXII, Chapter 98, Subchapter VIII, item 9808.00.3000 of the Harmonized Tariff Schedule of the United States. Upon arrival of the shipment at the appropriate Port of Entry, Buyer's Import Broker will contact the District Director of Customs for shipment release claimed under 19 CFR Part 142 – Notify: Commander – Defense Contract Management (DCM) New York ATTN: Customs Team, DCM DN-GNIC 207 New York Ave Building 120, Staten Island, N.Y. 10305-5013. All shipping documents submitted to US Customers and Border Protection covering product or supplies for which Duty-Free-Entry is to be claimed must contain the following: 1) Gross weight in pounds (if freight is based on freight tonnage, state cubic feet in addition to gross shipping weight); 2) Estimated value in US Dollars; 3) Seller's IRS number; 4) Buyer's Government Prime Contract Number; 5) Name of carrier; and, 6) A statement containing the following: UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE Duty Free Entry to be claimed within 7 days to ensure duty is not levied on [Seller's company name].
35. **PATENTS AND DATA.** If any experimental, developmental or research work is performed under the Purchase Order, Seller agrees to and hereby does grant to Buyer an irrevocable, non-exclusive, fully transferable, royalty-free license to make, have made, use and sell any invention, improvement or discovery (whether or not patent-able) that Seller conceives or first actually reduces to practice in the performance of the Purchase Order. Seller agrees to and hereby does grant to Buyer an irrevocable, non-exclusive, fully transferable, royalty-free license to reproduce, translate, publish, use and disclose, and to authorize others to do so, for any purpose, (i) any copyrighted or copyrightable material delivered or incorporated into any deliverable under the Purchase Order; and (ii) all or any part of any deliverable under the Purchase Order, including without limitation, any reports, drawings, blueprints, data, software and technical information.
36. **ANTI-KICKBACK ACT OF 1986.** By accepting any Purchase Order, Seller certifies that it has not offered, provided, or solicited and will not offer, provide, or solicit any kickback in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC §§ 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply unless this Order exceeds \$100,000. "Kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is provided, directly or indirectly, for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or a subcontract relating to a prime contract. Seller agrees to indemnify, defend, and hold Buyer harmless from and against any losses, liabilities, offsets and expenses (including reasonable attorney's fees) arising out of or relating to Seller's failure to comply with the provisions of the Anti-Kickback Act or FAR 52.203-7.
37. **NON-WAIVER OF RIGHTS.** The failure of Buyer to insist upon strict performance of any term, condition, or specification of any Purchase Order, any of these Terms and Conditions of Purchase or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of same or to rely on any such terms or conditions at any time thereafter. Any rights and remedies specified herein shall be cumulative, non-exclusive and in addition to any other rights and remedies available at law or equity. The invalidity in whole or in part of any of these Terms and Conditions of Purchase shall not affect the validity of other parts thereof.
38. **LIMITATION OF LIABILITY.** Buyer's liability to Seller hereunder shall not, under any circumstances, be greater than the total dollar amount of the Purchase Order for which such liability relates to or arises out of. UNDER NO CIRCUMSTANCES SHALL BUYER BE LIABLE TO SELLER FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED ON TORT, A BREACH OF CONTRACT, BREACH OF WARRANTY, STRICT LIABILITY OR ANY OTHER THEORY OF RECOVERY AND REGARDLESS OF WHETHER BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF THE SAME.
39. **INDEMNIFICATION.** (a) Seller shall indemnify, defend and hold Buyer and Buyer's customers harmless from and against any and all damages, losses, liabilities and expenses (including reasonable attorneys' fees) arising out of or relating to any claims, causes of action, lawsuits or other proceedings, regardless of legal theory, that result, in whole or in part, from Seller's (or any of Seller's subcontractors, suppliers, employees, agents or representatives): (i) intentional misconduct, negligence, or fraud, (ii) breach of any representation, warranty or covenant made under the Purchase Order, or (iii) products or services including, without limitation, any claims that such products or services infringe any United States patent, copyright, trademark, trade secret or any other proprietary right of any third party. (b) Buyer shall promptly notify Seller of any claim against Buyer that is covered by this indemnification provision and shall authorize representatives of Seller to settle or defend any such claim or suit and to represent Buyer in, or to take charge of, any litigation in connection therewith. (c) If the sale or use of any item delivered under this order is enjoined as a result of Seller's infringement of any patent, trademark, copyright, trade secret, or any other intellectual property right, Seller shall obtain, at no expense to Buyer, the right for Buyer and its customers to use and sell said item or shall substitute an equivalent item acceptable to Buyer.
40. **DISPUTES.** (a) Buyer and Seller agree to enter into negotiations to resolve any dispute arising under or relating to this Purchase Order. Both parties agree to negotiate in good faith to attempt to reach a mutually agreeable settlement within a reasonable amount of time. (b) Subject to the disputes clause set forth under "CLAUSES FOR PURCHASE ORDERS ISSUED UNDER FEDERAL CONTRACTS", if negotiations are unsuccessful, either party may initiate litigation in a court of competent jurisdiction within the Commonwealth of Virginia.
41. **STANDARDS OF BUSINESS ETHICS & CONDUCT.** SAIC believes in fair and open competition and is committed to conducting its business fairly, impartially and in an ethical and proper manner. SAIC is owned and controlled by its employee owners. These characteristics make it imperative that SAIC employees adhere to a particularly high ethical standard. Employee ownership both demands and fosters highly ethical conduct because SAIC can be successful only when employees look after long-term interests of the company and resist pressures to compromise SAIC standards. Buyer's expectation is that Seller also will conduct its business fairly, impartially and in an ethical and proper manner. If Seller has cause to believe that Buyer or any employee or agent of Buyer has acted improperly or unethically under this agreement/order, Seller shall

report such behavior to the SAIC Ethics Hotline (800) 435-4234. Copies of The Science Applications International Corporation (SAIC) code of Ethics and contacts for such reports are available on www.saic.com under Corporate Governance.

hold Buyer harmless for any and all liability, loss, cost or expense resulting therefrom.

(b) Any dispute not addressed in paragraph (a) above, will be subject to Section 40, Disputes.

42. **ORDER OF PRECEDENCE.** In the event of an inconsistency or conflict between provisions of a Purchase Order, the inconsistency or conflict shall be resolved by giving precedence in the following order:

1. The Purchase Order and any purchase descriptions contained therein.
2. These Terms and Conditions of Purchase
3. Specifications and/or drawings.
4. Other provisions when attached.

43. **ENTIRE AGREEMENT.** The Purchase Order, including all documents incorporated therein in full text or by reference, shall constitute the entire agreement and understanding between the parties hereto and shall supersede and replace any and all prior or contemporaneous representations, agreements or understandings of any kind, whether written or oral, relating to the subject matter hereof.

### CLAUSES FOR PURCHASE ORDERS ISSUED UNDER FEDERAL CONTRACTS

If the Purchase Order is placed under a Government prime contract or subcontract, the following additional clauses are incorporated into the Purchase Order:

#### 1. DISPUTES

(a) Notwithstanding any provisions herein to the contrary:

(1) If a decision relating to the Prime Contract is made by the Contracting Officer and such decision is also related to this Purchase Order, said decision, if binding upon Buyer under the Prime Contract shall in turn be binding upon Buyer and Seller with respect to such matter; provided, however, that if Seller disagrees with any such decision made by the Contracting Officer and Buyer elects not to appeal such decision, Seller shall have the right reserved to Buyer under the Prime Contract with the Government to prosecute a timely appeal in the name of Buyer, as permitted by the Prime Contract or by law, Seller to bear its own legal and other costs. If Buyer elects not to appeal any such decision, Buyer agrees to notify Buyer in a timely fashion after receipt of such decision and to assist Seller in its prosecution of any such appeal in every reasonable manner. If Buyer elects to appeal any such decision of the Contracting Officer, Buyer agrees to furnish Seller promptly with a copy of such appeal. Any decision upon appeal, if binding upon Buyer, shall in turn be binding upon Seller. Pending the making of any decision, either by the Contracting Officer or on appeal, Seller shall proceed diligently with performance of this Purchase Order.

(2) If, as a result of any decision or judgment which is binding upon Seller and Buyer, as provided above, Buyer is unable to obtain payment or 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 or matter for which Buyer has reimbursed or paid Seller, Seller shall, on demand, promptly repay such amount to Buyer. Additionally, pending the final conclusion of any appeal hereunder, Seller shall, on demand, promptly repay any such amount to Buyer. Buyer's maximum liability for any matter connected with or related to this Purchase Order which was properly the subject of a claim against the Government under the Prime Contract shall not exceed the amount of Buyer's recovery from the Government.

(3) If this Purchase Order is issued by Buyer under a Government subcontract rather than a Prime Contract, and if Buyer has the right under such Government subcontract to appeal a decision made by the Contracting Officer under the Prime Contract in the name of the Prime Contractor (or if Buyer is subject to any arbitrator's decision under the terms of its Purchase Order), and said decision is also related to this Purchase Order, this Disputes Clause shall also apply to Seller in a manner consistent with its intent and similar to its application had this Purchase Order been issued by Buyer under a Prime Contract with the Government.

(4) Seller agrees to provide certification that data supporting any claim made by Seller hereunder is made in good faith and that the supporting data is accurate and complete to the best of Seller's knowledge or belief, all in accordance with the requirements of the Contract Disputes Act of 1978 (41 USC 601-613) and implementing regulations. If any claim of Seller is determined to be based upon fraud or misrepresentation, Seller agrees to defend, indemnify and

#### 3. CONTRACT COST PRINCIPLES AND PROCEDURES

Seller agrees that to the extent applicable, costs allocated to this Purchase Order shall be in full compliance with Subpart 31.2 of FAR (Subpart 31.3 for Educational Institutions) and the applicable agency supplements thereto, if any, set forth in Part II hereof. In the event such compliance is not maintained, Seller agrees to compensate Buyer to the full extent of any prices or costs, including any penalties or interest that are determined by Buyer's customer to be unallowable or unreasonable or not allocable, under Buyer's contract with its customer.

#### 4. INDEMNIFICATION - COST OR PRICING DATA - COST ACCOUNTING STANDARDS - OTHER RESPONSIBILITY MATTERS

Seller agrees to indemnify and hold Buyer harmless to the full extent of any cost or price reduction, plus interest, effected by Buyer's customer, which may result from (i) certified cost or pricing data submitted by Seller or its lower-tier subcontractors which is not accurate, current or complete as certified by Seller; (ii) the failure by Seller or its lower-tier subcontractors to disclose and consistently follow applicable cost accounting practices and standards or otherwise comply with pertinent parts of the FAR, applicable agency supplements thereto, and standards and regulations promulgated by the Cost Accounting Standards Board. Seller further agrees to indemnify, defend, and hold Buyer harmless from and against any losses, liabilities, offsets and expenses (including reasonable attorney's fees) arising out of or relating to Seller's failure to comply with (i) the provisions of the Anti-Kickback Act or FAR 52.203-7; or (ii) 52.203-13, Contractor Code of Business Ethics and Conduct, if applicable to this Purchase Order.

#### PRIME CONTRACT FLOWDOWN CLAUSES FOR PURCHASE ORDERS ISSUED UNDER FEDERAL CONTRACTS

If the Purchase Order is placed under a Government Prime Contract or a federally-funded subcontract, the following clauses set forth in the Federal Acquisition Regulations (FAR) and the Department of Defense Federal Acquisition Regulations Supplement (DFAR), in effect on the date of the Prime Contract, where applicable, are incorporated herein by reference with the same force and effect as if given in full text. The exception is all CAS-related clauses which are effective the date of the Purchase Order.

In the following clauses, unless the context of the clause requires otherwise, the term "Contractor" shall mean Seller, the term "Contract" shall mean the Purchase Order, and the terms "Government," "Contracting Officer" and equivalent phrases shall mean Buyer and Buyer's Contractual Representative, respectively. It is intended that these clauses shall apply to Seller in such manner as is necessary to reflect the position of Seller as a subcontractor to Buyer, to insure Seller's obligations to Buyer and to the United States Government, and to enable Buyer to meet its obligations under its Prime Contract and the Purchase Order.

**IT IS THE SOLE RESPONSIBILITY OF SELLER TO COMPLY WITH THE FAR/DFAR CLAUSES APPLICABLE TO SELLER, THE SUBJECT MATTER OF THE PURCHASE ORDER, AND THE PRIME CONTRACT. THE FAR/DFAR CLAUSES SET FORTH HEREIN ARE INCLUDED AS AN EASE OF REFERENCE FOR SUBCONTRACTOR ONLY AND ARE NOT INTENDED TO SET FORTH A COMPLETE AND ACCURATE ITEMIZATION OF THE FAR/DFAR CLAUSES APPLICABLE TO SUBCONTRACTOR, THE SUBJECT MATTER OF THE PURCHASE ORDER, OR THE PRIME CONTRACT.**

The full text of these clauses can be obtained from the Internet at:

- <http://www.arnet.gov/far>
- <http://farsite.hill.af.mil>
- <http://www.acq.osd.mil/dp/dars/dfars.html>

#### I. PURCHASE ORDERS FOR COMMERCIAL ITEMS AND SERVICES OVER THE MICRO-PURCHASE THRESHOLD

"Commercial Item" and "Micro-Purchase Threshold" are defined by FAR 2.101. The term "Commercial Item" include certain services.

##### A. Federal Acquisition Regulation (48 CFR Chapter 1) Clauses:

- 52.219-8 Utilization of Small Business Concerns (15 U.S.C. 637(d)(2)(3))
- 52.222-26 Equal Opportunity (E.O. 11246)
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (38 U.S.C. 4212(a))
- 52.222-36 Affirmative Action for Workers with Disabilities (29 U.S.C. 793)

- 52.222-41 Service Contract Act of 1965, as Amended (41 U.S.C. 351, et seq.)
- 52.222-54 Employment Eligibility Verification\*
- 52.244-6 Subcontracts for Commercial Items and Commercial Components
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (46 U.S.C. Appx 1241 and 10 U.S.C. 2631)

\* Applicable only to orders for Services (not Supplies)

## II. PURCHASE ORDERS FOR NON-COMMERCIAL ITEMS AND SERVICES OVER THE MICRO-PURCHASE THRESHOLD

### A. Federal Acquisition Regulation (48 CFR Chapter 1) Clauses:

#### APPLICABLE TO ALL PURCHASE ORDERS

- 52.202-1 Definitions
- 52.203-3 Gratuities
- 52.204-2 Security Requirements
- 52.208-8 Required Sources for Helium and Helium Usage Data
- 52.211-15 Defense Priority and Allocation Requirements
- 52.222-54 Employment Eligibility Verification\*
- 52.223-7 Notice of Radioactive Materials
- 52.223-11 Ozone Depleting Substances
- 52.223-12 Refrigeration Equipment and Air Conditioners
- 52.224-2 Privacy Act
- 52.225-3 Buy American Act - Supplies
- 52.225-13 Restrictions on Certain Foreign Purchases
- 52.227-1 Authorization and Consent\*\*
- 52.227-6 Royalty Information
- 52.227-9 Refund of Royalties
- 52.227-14 Rights in Data – General\*\*
- 52-234-1 Industrial Resources Developed Under Defense Product Act Title III
- 52.237-2 Protection of Government Buildings, Equipment, and Vegetation
- 52.244-6 Subcontracts for Commercial Items and Commercial Components

\*Applicable only to orders for Services (not Supplies)

\*\* Within these clauses "Government" and "Contracting Officer" ARE NOT interpreted to mean "Buyer"

#### APPLICABLE TO CONSTRUCTION PURCHASE ORDERS OVER \$2,000 FOR CONSTRUCTION

- 52.222-6 Davis-Bacon Act
- 52.222-7 Withholding of Funds
- 52.222-8 Payrolls and Basic Records
- 52.222-9 Apprentices and Trainees
- 52.222-10 Compliance with Copeland Act Requirements
- 52.222-11 Subcontracts (Labor Standards)
- 52.222-12 Contract Termination-Debarment
- 52.222-13 Compliance with Davis-Bacon and Related Act Regulations
- 52.222-14 Disputes Concerning Labor Standards
- 52.222-15 Certification of Eligibility
- 52.222-27 Affirmative Action Compliance Requirements for Construction\*
- 52.222-54 Employment Eligibility Verification\*\*
- 52.225-9 Buy American Act-Construction Materials

\*Applicable if the order exceeds \$10,000

\*\*Applicable if the order exceeds \$3,000

#### APPLICABLE TO SERVICE PURCHASE ORDERS OVER \$2,500

- 52.222-41 Service Contract Act of 1965, as Amended

#### APPLICABLE TO PURCHASE ORDERS OVER \$10,000

- 52.222-20 Walsh-Healey Public Contracts Act\*
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-26 Equal Opportunity\*\*
- 52.222-35 Affirmative Action for Workers with Disabilities
- 52.225-8 Duty Free Entry

\*Not applicable for procurements for Services or Construction

\*\*Applicable if the aggregate value of Seller awards is in excess of \$10,000 during any 12-month period

#### APPLICABLE TO PURCHASE ORDERS OVER \$25,000

### B. Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) Clauses:

- 252.225-7014 Preference for Domestic Specialty Metals, Alternate I (10 U.S.C. 2241 note)
- 252.247-7023 Transportation of Supplies by Sea (10 U.S.C. 2631).
- 252.247-7024 Notification of Transportation of Supplies by Sea (10 U.S.C. 2631)
- 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

#### APPLICABLE TO PURCHASE ORDERS OVER \$100,000

- 52.203-6 Restrictions on Subcontractor Sales to the Government
- 52.203-7 Anti-Kickback Procedures
- 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
- 52.215-2 Audit and Records – Negotiation
- 52.215-14 Integrity of Unit Prices
- 52.219-8 Utilization of Small Business Concerns
- 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation
- 52.223-2 Clean Air & Water\*
- 52.223-14 Toxic Chemical Release Reporting
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
- 52.228-5 Insurance - Work on a Government Installation
- 52.229-3 Federal, State, and Local Taxes
- 52.236-13 Accident Prevention
- 52.247-63 Preference for US Flag Air Carriers
- 52.247-64 Preference for Privately Owned US Flag Commercial Vessels
- 52.248-1 Value Engineering
- 52.248-3 Value Engineering – Construction\*\*

\*Applicable if the order is \$100,000 or more or is expected to exceed \$100,000 in any 12-month period

\*\*Applicable if the order exceeds \$50,000

#### APPLICABLE TO PURCHASE ORDERS OVER \$550,000

- 52.219-9 Small Business Subcontracting Plan\* \*\*
- 52.219-16 Liquidated Damages - Subcontracting Plan\*\*
- 52.230-2 Cost Accounting Standards\*\*
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices\*\*
- 52.230-6 Administration of Cost Accounting Standards\*\*

\*Applicable to orders over \$1,000,000 for construction of any public facility

\*\*Not applicable to small business concerns

#### APPLICABLE TO PURCHASE ORDERS OVER \$650,000

- 52.214-26 Audit and Records – Sealed Bidding\*
- 52.214-27 Price Reduction for Defective Cost or Pricing Data - Modification - Sealed Bidding\*
- 52.214-28 Subcontractor Cost or Pricing Data Modifications – Sealed Bidding\*
- 52.215-10 Price Reduction for Defective Cost or Pricing Data\*
- 52.215-11 Price Reduction for Defective Cost or Pricing Data – Modifications\*
- 52.215-12 Subcontractor Cost or Pricing Data\*
- 52.215-13 Subcontractor Cost or Pricing Data – Modifications\*
- 52.215-15 Pension Adjustments and Asset Reversions
- 52.215-18 Reversions or Adjustments of Plans for Post-Retirement Benefits (PRB) Other than Pensions
- 52.215-19 Notification of Ownership Changes

\*Only applicable if the submission of certified cost and pricing data is required

**B. Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) Clauses:**

**APPLICABLE TO ALL PURCHASE ORDERS**

252-204-7000 Disclosure of Information  
252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material  
252.222-7000 Restrictions on Employment of Personnel  
252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials  
252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives  
252.225-7001 Buy American Act and Balance of Payments Program  
252.227-7013 Rights in Technical Data--Noncommercial Items\*  
252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation\*  
252.225-7016 Restriction on Acquisition of Ball and Roller Bearings  
252.225-7019 Restriction on Acquisition of Foreign Anchor and Mooring Chain  
252.225-7025 Restriction on Acquisition of Forgings  
252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate  
252.225-7036 Buy American Act - Trade Agreements - Balance of Payments Program  
252.225-7038 Restriction on Acquisition of Air Circuit Breakers  
252.227-7016 Rights in Bid or Proposal Information\*

252.227-7019 Validation of Asserted Restrictions - Computer Software\*  
252.227-7030 Technical Data - Withholding of Payment  
252.227-7033 Rights in Shop Drawings\*  
252.227-7037 Validation of Restrictive Markings on Technical Data\*  
252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts)  
252.246-7001 Warranty of Data  
252.247-7023 Transportation of Supplies by Sea  
252.247-7024 Notification of Transportation of Supplies by Sea

\* Within these clauses "Government" and "Contracting Officer" ARE NOT interpreted to mean "Buyer"

**APPLICABLE TO PURCHASE ORDERS OVER \$100,000**

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies  
252.209-7000 Acquisition from Sub-Contractors Subject to On-Site Inspection Under the INF Treaty  
252.225-7012 Preference for Certain Domestic Commodities  
252.225-7013 Duty-Free Entry  
252.225-7014 Preference for Domestic Specialty Metals  
252.225-7044 Balance of Payments Program--Construction Material

**APPLICABLE TO PURCHASE ORDERS OVER \$1,000,000**

252.211-7000 Acquisition Streamlining