



General Terms and Conditions of Purchase

Supplement 1 – Federal Acquisition Regulation (FAR) Clauses

1. When the products or services furnished are for use in connection with a U.S. Government prime contract or subcontract, in addition to the DRS General Purchase Order Terms and Conditions, the following clauses shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each Federal Acquisition Regulation (hereinafter "FAR") clause shall be the same version as that which appears in Buyer's prime contract (as amended) or higher tier subcontract (as amended) under which this Order is a subcontract. For the acquisition of commercial items under Orders placed in support of, and charged to, a U.S. Government prime contract or subcontract, the only FAR clauses that are required by FAR 52.244-6 are those annotated with * after the FAR clause number. For the definition of a commercial item see FAR 2.101.
 2. In the event of a conflict between these FAR clauses and the General Terms and Conditions of Purchase, the FAR clauses shall control.
 3. Seller shall insert these clauses in selected lower tier subcontracts, either verbatim or in substance, and by incorporation-by-reference or otherwise as appropriate.
 4. In all clauses listed herein, the terms "Government," "Contracting Officer," and "Contractor" shall be deemed revised to suitably identify the contracting parties herein and effect the proper intent of the clause except where further clarified or modified below. The clauses identified by ** after the title shall have their original meaning as written in the FAR; when identified by *** after the title the terms "Government" and "Contracting Officer" shall also mean Buyer and Buyer's Purchasing Representative. "Subcontractor," however, shall mean "Seller's subcontractor" under the Order. Note: the terms "Government" and "Contracting Officer" do not change in the following circumstances: (i) when a right, authorization, or obligation can be granted or performed only by the Government, or a Contracting Officer or his/her duly authorized representative; (ii) in the phrases Government property, Government-furnished property, and/or Government-owned property; (iii) when title to property is to be transferred directly to the Government; (iv) in any clauses relating to the audit of Seller's financial records; and (v) in any clauses relating to patent rights, or rights in technical data or computer software.
 5. If any FAR clauses do not apply to a specific Order due to the subject matter thereof, such clauses are considered self-deleting. {Note: This self-deleting process does not apply to the CAS Clauses in Section L.}
- A. Applicable to all Purchase Orders:
- | | |
|------------|-------------------------------------------------------------------------------------------|
| 52.203-15* | Whistleblower Protection Under the American Recovery and Reinvestment Act of 2009 |
| 52.203-19* | Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements |
| 52.204-2 | Security Requirements** (applies to Orders that involve access to classified information) |



- 52.204-9 Personal Identity Verification of Contractor Personnel (applies to Orders where Seller will have physical access to a federally-controlled facility or access to a Federal information system)
- 52.204-21* Basic Safeguarding of Covered Contractor Information Systems (applies to Orders if Seller may have Federal contract information residing in or transitioning through its information system; inapplicable to Orders for commercially available off-the-shelf items)
- 52.204-23* Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
- 52.204-25* Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
- 52.208-8 Required Sources for Helium and Helium Usage Data (only applies to Orders that involve a major helium requirement)
- 52.211-5 Material Requirements (only applies to non-commercial items)
- 52.211-15 Defense Priority and Allocation Requirements (applies to rated Orders)
- 52.212-5 Contract Terms Required to Implement Executive Orders – Commercial Items
- 52.222-21* Prohibition of Segregated Facilities
- 52.222-22 Previous Contracts and Compliance Reports
- 52.222-26* Equal Opportunity
- 52.222-41 Service Contract Act Labor Standards
- 52.222-50* Combating Trafficking in Persons (include Alternate I if it is included in the prime contract)
- 52.222-51 Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment - Requirements
- 52.222-53 Exemption from Application of the Service Contract Act to Contracts for Certain Services – Requirements
- 52.222-54 Employment Eligibility Verification (applies if Order exceeds the micro-purchase threshold and includes work performed in the US)
- 52.222-55* Minimum Wages Under Executive Order 13658 (applies if Order is subject to the Service Contract Act Standards statute or Wage Rate Requirements statute, and the work is performed in whole or in part in the US)
- 52.222-62* Paid Sick Leave under Executive Order 13706
- 52.223-3 Hazardous Material Identification and Material Safety Data (only applies to Orders that require the delivery of hazardous materials)



- 52.223-7 Notice of Radioactive Materials*** (at paragraph (a), insert 30 calendar days)
- 52.223-11 Ozone-Depleting Substances
- 52.223-12 Refrigeration Equipment and Air Conditioners
- 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving (applies if Order exceeds the micro-purchase threshold)
- 52.224-3* Privacy Training
- 52.225-1 Buy American Act – Supplies
- 52.225-8 Duty-Free Entry
- 52.225-13 Restrictions on Certain Foreign Purchases**
- 52.225-20 Prohibition on Conducting Restricted Business Operations in Sudan
- 52.225-26* Contractors Performing Private Security Functions Outside the United States (as applicable in accordance with paragraph (f))
- 52.227-3 Patent Indemnity***
- 52.227-9 Refund of Royalties (applies if royalties reported during the negotiation of the Order exceed \$250)
- 52.227-10 Filing of Patent Applications – Classified Subject Matter**
- 52.227-11 Patent Rights – Ownership by the Contractor** (applies to Orders for experimental, developmental, or research work performed by a small business concern or domestic non-profit organization; reports required by this clause shall be filed with the agency identified by the Buyer’s Procurement Representative on the face of this Order)
- 52.227-14 Rights in Data – General (does not apply if DFARS 252.227-7013 applies; certain other exceptions apply – e.g., work is to be performed outside the U.S.)
- 52.228-3 Worker’s Compensation Insurance (Defense Base Act)
- 52.228-4 Workers Compensation and War-Hazard Insurance Overseas
- 52.228-5 Insurance – Work on a Government Installation
- 52.232-40* Providing Accelerated Payments to Small Business Subcontractors (does not apply if Buyer does not receive accelerated payments under the Prime Contract)
- 52.234-1 Industrial Resources Developed Under Title III, Defense Production Act
- 52.242-15 Stop Work Order (the words “ninety (90) days” are changed to “one hundred (100) days” and the words “thirty (30) days” are changed to “twenty (20) days” whenever they appear; if the Stop Work Order is issued based on a bid protest, the 100-day period may



be extended by Buyer until the protest is resolved; and any equitable adjustment is subject to Buyer's recovery from the Government)

- 52.244-6* Subcontracts for Commercial Items (including all FAR clauses listed therein)
 - 52.245-1 Government Property ("Contracting Officer" means "Buyer" except in the definition of Property Administrator and in paragraph (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes "Buyer"; "Government" is unchanged in the phrases "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "Buyer" and except in paragraphs (d)(2) and (g) where it means "Government and Buyer"; the following is added as paragraph (n): "Seller shall immediately notify Buyer in writing if the Government or other customer (i) revokes its assumption of loss under any direct contracts with Seller or (ii) makes a determination that Seller's property management practices are inadequate, and/or present an undue risk, or that Seller has failed to take corrective action when required")
 - 52.245-2 Government Property Installation Operation Services ("Government" means "Government" and/or "Buyer" except in the phrase "Government property")
 - 52.245-9 Use and Changes ("Government" means "Government" and/or "Buyer" except in the phrase "Government property", only applies when 52.245-1 is applicable)
 - 52.247-63 Preference for U.S. Flag Air Carriers
 - 52.247-64* Preference for Privately Owned U.S.-Flag Commercial Vessels
 - 52.249-2 Termination for Convenience of the Government (Fixed Price) ("Government" means "Government or Buyer" the first time it appears in paragraphs (b)(4) and (b)(6), in all of (b)(8), and the second time it appears in (d); in paragraph (n), "Government" means "Government and Buyer"; in paragraph (c), "120" is changed to "60"; in paragraph (d), "15 days" is changed to "30 days" and "45 days" is changed to "60 days"; in paragraph (e), "1 year" is changed to "6 months" and "1-year" is changed to "6-month"; paragraph (j) is deleted; in paragraph (l), "90 days" is changed to "60 days"; settlements and payments under this clause may be subject to Contracting Officer approval; unless otherwise agreed in writing by Buyer, in no event shall the amount of any reimbursement to Seller exceed the then-current value of the Order)
- B. Orders Over \$10,000 Shall Also Include the Following:
- 52.222-40* Notification of Employee Rights Under the National Labor Relations Act (applies only if the work under the Order will be performed in the US)



- C. Orders Over \$15,000 Shall Also Include the Following:
 - 52.222-20 Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000
 - 52.222-36* Equal Opportunity for Workers with Disabilities
- D. Orders Of \$30,000 Or More Shall Also Include the Following:
 - 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (subparagraph (d)(2) does not apply; if Seller meets the thresholds specified in subparagraphs (d)(3) and (g)(2) of the clause, Seller shall report the required executive compensation by posting the information to the Government's System for Award Management (SAM) database)
- E. Orders Of \$150,000 Or More Shall Also Include the Following:
 - 52.203-7 Anti-Kickback Procedures (if Order exceeds \$150,000; subparagraph (c)(1) does not apply)
 - 52.203-12 Limitation on Payments to Influence Certain Federal Transactions** (if Order exceeds \$150,000)
 - 52.203-16 Preventing Personal Conflicts of Interest (if Order exceeds \$150,000)
 - 52.222-35* Equal Opportunity for Veterans (if Order is \$150,000 or more)
 - 52.222-37* Employment Reports on Veterans (if Order is \$150,000 or more)
 - 52.248-1 Value Engineering (if Order is \$150,000 or more)
- F. Orders Over the Simplified Acquisition Threshold ("SAT") Shall Also Include the Following:
 - 52.203-3 Gratuities** (the term "agency head" shall mean "Buyer")
 - 52.203-6 Restrictions on Subcontractor Sales to the Government (for commercial items, Alternate I applies)
 - 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (does not apply to commercial items)
 - 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
 - 52.215-2 Audit and Records – Negotiation** (applies if Order exceeds threshold for submission of cost or pricing data)
 - 52.215-14 Integrity of Unit Prices (paragraph (b) does not apply; does not apply to construction or architect-engineer services under FAR Part 36, utility services under FAR Part 41, services where supplies are not required, commercial items, and petroleum products)
 - 52.215-23 Limitations on Pass-Through Charges



- 52.219-8* Utilization of Small Business Concerns (if the Order, except to small business concerns, exceeds \$700,000, the Seller must include this Clause in lower tier subcontracts that offer subcontract opportunities)
- 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (paragraphs (a) through (d) apply only if Order requires employment of laborers or mechanics)
- 52.222-17 Nondisplacement of Qualified Workers
- 52.227-1 Authorization and Consent** (applies only if this clause is in the prime contract; use Alternate I for Research and Development Orders for which primary purpose is Research and Development work)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement***
- 52.229-3 Federal, State, and Local Taxes
- 52.229-4 Federal, State, and Local Taxes (State and Local Adjustments)
- 52.229-6 Taxes – Foreign Fixed-Price Contracts (applies only if the prime contract is to be performed wholly or partly in a foreign country)
- 52.229-7 Taxes – Fixed-Price Contracts with Foreign Governments (applies only under a prime contract with a foreign government)
- 52.229-8 Taxes – Foreign Cost-Reimbursement Contracts (applies only if the prime contract is to be performed wholly or partly in a foreign country)
- 52.229-9 Taxes – Cost-Reimbursement Contracts with Foreign Governments (applies only under a prime contract with a foreign government)
- 52.236-13 Accident Prevention
- 52.244-5 Competition in Subcontracting
- 52.246-2 Inspection of Supplies – Fixed Price (in paragraphs (b), (c) and (d), “Government” means “Government and Buyer”)
- 52.246-4 Inspection of Services – Fixed Price (same as above)
- 52.246-7 Inspection of Research and Development – Fixed Price (same as above)
- 52.246-16 Responsibilities for Supplies
- G. Orders Over \$700,000 Shall Also Include the Following:
 - 52.219-9 Small Business Subcontracting Plan
 - 52.219-16 Liquidated Damages – Subcontracting Plan



H. Orders at or above the Applicable Threshold for Obtaining Certified Cost or Pricing Data Shall Also Include the Following:

- 52.214-26 Audit and Records – Sealed Bidding**
- 52.214-27 Price Reduction for Defective Cost or Pricing Data – Modifications – Sealed Bidding (in paragraph (d), the term “Contracting Officer” does not change)
- 52.214-28 Subcontractor Cost or Pricing Data – Modifications – Sealed Bidding (applicable if this Order, when entered into, exceeded the threshold for submission of certified cost or pricing data)
- 52.215-12 Subcontractor Certified Cost or Pricing Data
- 52.215-13 Subcontractor Certified Cost or Pricing Data – Modifications
- 52.215-15 Pension Adjustments and Asset Reversions
- 52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits Other Than Pensions
- 52.215-19 Notification of Ownership Changes

I. Unless Otherwise Exempt, the following Clauses also apply:

- 52.203-13* Contractor Code of Business Ethics and Conduct (applies to Orders exceeding \$5,500,000 with a period of performance greater than 120 days; disclosures under this clause shall be made directly to the Government entities identified in the clause)
- 52.203-14 Display of Hotline Posters (applies to Orders exceeding \$5,500,000 except when the contract is (1) for commercial items, or (2) is performed entirely outside the United States)
- 52.209-6 Protecting Government Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (applies to Orders exceeding \$35,000)
- 52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (applies if the prime contract was awarded through negotiations and certified cost or pricing data is required; in paragraph (c), the term “Contracting Officer” does not change)
- 52.215-11 Price Reduction for Defective Certified Cost or Pricing Data – Modifications (applies if certified cost or pricing data is required for the pricing of modifications)
- 52.222-24 Pre-Award On-site Equal Opportunity Compliance Evaluation (applies to Orders for first-tier subcontractors with anticipated value of \$10 million or more)
- 52.225-19 Contractor Personnel in a Designated Operational Area
- 52.227-13 Patent Rights – Ownership By the Government** (applies to Orders for experimental, developmental, or research work where Seller is not located in the United States or does not have a place of business located in the United States or is subject to the control of a



foreign government; references to the Government do not change; paragraph (g) is deleted; Seller has all rights and obligations of the Buyer in the clause)

52.234-4 Earned Value Management System (only applies to Orders if Seller is listed in paragraph (g) under the Prime Contract)

J. Applicable to Cost-Reimbursement, Time and Material, or Labor Hour Purchase Orders:

52.232-7 Payments Under Time-and-Materials and Labor-Hour Contracts (the third sentence of paragraph (a)(8) is deleted; in paragraph (f), "120 days" is changed to "60 days" and in paragraph (g)(2), "6 years" is changed to "five years"; paragraph (c) and (i) are deleted)

52.232-20 Limitation of Cost (applies if the Order is fully funded)

52.232-22 Limitation of Funds (applies if the Order is incrementally funded)

52.246-3 Inspection of Supplies – Cost Reimbursement (in paragraphs (b), (c), and (d), "Government" means "Government and Buyer"; in paragraph (e), "Government" means "Government or Buyer"; in paragraph (e), change "60 days" to "120 days," and in paragraph (f), change "6 months" to "12 months")

52.246-5 Inspection of Services – Cost Reimbursement (in paragraphs (b) and (c), "Government" means "Government and Buyer"; in paragraph (d), "Government" means "Government or Buyer")

52.246-6 Inspection – Time-and-Material and Labor-Hours (in paragraphs (b) and (c) "Government" means "Government and Buyer"; in paragraph (d), "Government" means "Government or Buyer")

52.249-6 Termination (Cost Reimbursement) (in paragraph (d), substitute "90 days" for "120 days" and "90-day" for "120-day"; in paragraph (f), substitute "180 days" for "1 year"; in paragraph (j), "right of appeal" shall mean the right to proceed under the "Disputes" clause of this Order; settlements and payments under this clause may be subject to the approval of the Contracting Officer; Alternate IV applies if this is a time and material or labor hour Order; unless otherwise agreed in writing by Buyer, in no event shall the amount of any reimbursement to Seller exceed the then-current value of the Order)

K. Certifications

The Seller, by accepting this Order, hereby certifies compliance with the following clauses and represents that any representations with its offer are current, accurate, and complete as of the date of the offer for the Order:

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (applies if Order exceeds \$150,000)

52.209-5 Certification Regarding Responsibility Matters (applies if Order exceeds the SAT)

52.219-1 Small Business Program Representations



52.225-2 Buy American Certificate

52.225-6 Trade Agreements Certificate

L. Additional Clauses:

Cost Accounting Standards (Applicable unless otherwise exempt):

52.230-2 Cost Accounting Standards (applies only when referenced in Order that full CAS coverage applies; "United States" means "United States or Buyer"; delete paragraph (b) of the clause)

52.230-3 Disclosure and Consistency of Cost Accounting Standards (applies only when referenced in Order that modified CAS coverage applies; "United States" means "United States or Buyer"; delete paragraph (b) of this clause)

52.230-4 Disclosure and Consistency of Cost Accounting Practices -- Foreign Concerns

52.230-5 Cost Accounting Standards -- Educational Institution

52.230-6 Administration of Cost Accounting Standards (applies to Orders if FAR 52.230-2, FAR 52.230-3, FAR 52.230-4 or FAR 52.230-5 applies)

Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting FAR 52.230-2 (Cost Accounting Standards) and FAR 52.230-6 (Administration of Cost Accounting Standards), provided Seller shall not be required to disclose to Buyer such communications containing information that is legally privileged and/or proprietary to Seller. In addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subject to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-4, 52.230-5 or 52.230-6, as applicable. Paragraph (b) is deleted in each of the foregoing clauses.

M. Truth in Negotiations (Truthful Cost or Pricing Data)

Unless exempt, Seller shall submit a FAR Part 15 compliant cost proposal inclusive of any appropriate updates throughout the negotiation process. At the conclusion of negotiations, and regardless of any prior certification, Seller shall certify as to the accuracy, currency and completeness of its information in accordance with the FAR required Certificate of Current Cost or Pricing data.

1. Indemnification:

If any cost or price (including profit or fee) negotiated in connection with the prime contract between the Government and Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with



any proposal submitted by Buyer relating to said contract or in connection with this Order was not accurate, complete, or current, the Seller shall indemnify Buyer in the amount of said reduction.

The phrase "cost or pricing data" as used herein shall be deemed to include any such data related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of or in connection with the aforesaid proposal or this Order in support of its cost estimate.

If any reduction of the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay Buyer at the time such overpayment is repaid:

- a. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and
- b. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate or non-current.

2. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Order which involves increases and/or decreases in costs plus applicable profit expected to exceed the threshold for submission of cost or pricing data, Seller shall submit cost or pricing data and shall certify that such data, as defined in Federal Acquisition Regulation 2.101, submitted either actually or by specific identification in writing are accurate, complete and current as of the date of completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the clauses of this Order, Seller shall obtain such data.