



Terms & Conditions for Cost Reimbursement Under U.S. Government Contracts

INCORPORATION OF FAR and DFARS CLAUSES

The following terms and conditions apply to purchase orders, subcontracts, or other applicable agreements issued in support of a US Government contract:

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. The Seller agrees to flow down all applicable FAR and DFARS clauses to its lowest tier suppliers/subcontractors.

DEFINITIONS

1. *Commercial Item* means a commercial item as defined in FAR 2.101.
2. *Contract* means this Purchase Order (PO).
3. *Substitute Buyer for Government or United States*.
4. *Contracting Officer* shall mean the Buyer or Contract Specialist/Administrator.
5. *Contractor* or *Offeror* means the SELLER, acting as (first tier) subcontractor to Buyer.
6. *Prime Contract* means the contract between Buyer and the US Government or between Buyer and its higher-tier contractor who has a contract with the US Government.
7. *Subcontract* means any contract placed by the Buyer or lower-tier subcontractors under a US Government Prime Contract.

PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (FAR 52.204-25).

Section 889(a)(1)(A) and Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the Seller from **providing** to the Government or from **using** any equipment, system, or service that uses **covered telecommunications equipment or services**, as defined under FAR 52.204-25(a), as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of FAR 52.204-25 applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

In the event the Seller identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Seller is notified of such by a subcontractor at any tier or by any other source, the Seller shall report the information outlined in FAR 52.204-25(d)(2) to the Buyer within one business day from the date of such identification or notification.

DEBARMENT OR SUSPENSION (POs >\$35,000)

Seller, by signing any Purchase Order into which these terms and conditions are incorporated, certifies that, as of the date of award, seller, or its principals, is not currently debarred, suspended, or proposed for debarment by the Federal Government.

ANTI-LOBBYING (POs >\$150,000)

Supplier also certifies that it is in full compliance with FAR 52.203-11 and 52.203-12 and certifies to the best of its knowledge and belief that no Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal Agency, a Member of Congress, an officer or employee of a Member of Congress on its behalf in connection with the awarding of this Order. Supplier certifies that it will notify Buyer immediately if its status changes during performance of this Order.

AMENDMENTS REQUIRED BY THE PRIME CONTRACT

Seller agrees that upon the request of Buyer it will negotiate in good faith with Buyer relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as Buyer may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

EQUAL OPPORTUNITY

If the Purchase Order exceeds \$10,000, 41 CFR 60-741.5(a) is hereby incorporated. **This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.**

If the Purchase Order value is \$100,000 or more, 41 CFR 60-300.5(a) is hereby incorporated. **This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.**

PRESERVATION OF THE US GOVERNMENT'S RIGHTS

If Buyer furnishes designs, drawings, special tooling, equipment, engineering data, or other technical or proprietary information (Furnished Items) to which the US Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that Buyer, acting on its own behalf, may modify or limit any rights the Government may have to authorize the Contractor's use of such Furnished Items in support of other US Government prime contracts.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

In situations in which Buyer is a prime contractor to the U.S. Government, Buyer may be required to comply with the Federal Funding Accountability and Transparency Act (FFATA) as required in FAR 52.204-10 – Reporting Executive Compensation and First-Tier Subcontract Awards. In such situations, Seller shall provide the executive compensation information requested and required by the Buyer to comply with FAR 52.204-10.

Seller acknowledges that Section 2(d) of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. No. 109-282), as amended by section 6202 of the Government Funding Transparency Act of 2008 (Pub. L. 110-252), requires all reported information be made public by the Government.

FLOWDOWN

Seller shall include in each lower-tier subcontract the appropriate flow down clauses as required by FAR and DFARS.

FAR

All POs

52.202-1	Definitions
52.203-5	Covenant Against Contingent Fees
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
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
52.204-2	Security Requirements
52.204-9	Personal Identity Verification of Contractor Personnel
52.204-21	Basic Safeguarding of Covered Contractor Information Systems
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.
52.211-15	Defense Priority Allocation Requirement (If rating is indicated)
52.216-7	Allowable Cost and Payment
52.216-8	Fixed Fee
52.219-8	Utilization of Small Business Concerns
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-36	Equal Opportunity for Workers With Disabilities
52.222-50	Combating Trafficking in Persons
52.222-54	Employment Eligibility Verification (except for COTS)
52.222-55	Minimum Wages Under Executive Order 13658 (if Service Contract Act applies)
52.222-62	Paid Sick Leave Under Executive Order 13706
52.223-6	Drug Free Workplace
52.223-7	Notice of Radioactive Materials
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving
52.224-2	Privacy Act
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
52.227-3	Patent Indemnity
52.227-9	Refund of Royalties
52.227-10	Filing of Patent Applications-Classified Subject Matter
52.227-11	Patent Rights– Ownership by the Contractor
52.227-13	Patent Rights -- Ownership by the Government
52.227-14	Rights in Data - General
52.227-17	Rights in Data – Special Works
52.227-18	Rights in Data – Existing works
52.227-19	Commercial Computer Software License
52.228-5	Insurance – Work on a Government Installation
52.229-3	Federal, State, and Local Taxes
52.232-7	Payments Under Time-and-Materials and Labor-Hour Contracts
52.232-11	Extras
52.232-17	Interest
52.232-20	Limitation of Cost
52.232-22	Limitation of Funds
52.232-40	Providing Accelerated Payments to Small Business Subcontractors
52.242-1	Notice of Intent to Disallow Costs
52.242-13	Bankruptcy
52.242-15	Stop Work Order
52.243-2	Changes-Cost Reimbursement (In paragraph [c], “30” is changed to “15”.)
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property (Applicable if Government property is furnished in the performance of this Contract.
52.245-9	Use and Charges
52.246-1	Contractor Inspection Requirements
52.246-3	Inspection of Supplies – Cost Reimbursement
52.246-5	Inspection of Services – Cost Reimbursement
52.246-6	Inspection of Services – Time-and-Material and Labor-Hour
52.246-8	Inspection of Research and Development – Cost Reimbursement
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels
52.248-1	Value Engineering
52.249-6	Termination (Cost Reimbursement)

POs Greater than \$10,000

52.222-40	Notification of Employee Rights Under the National Labor Relations Act
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POs Greater than \$15,000

52.222-20	Contracts for Materials, Supplies, Articles, and Equipment
52.222-36	Equal Opportunity for Workers with Disabilities

POs Greater than \$30,000

52.204-10	Reporting Executive compensation and First-Tier Subcontract Awards
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POs Greater than \$35,000

52.209-6 Protecting the Government's Interest When Subcontracting With Contractor Debarred, Suspended Or Proposed For Debarment

POs Greater than \$150,000

52.203-3 Gratuities
52.203-6 Restrictions on Subcontractor Sales to the Government
52.203-7 Anti-Kickback Procedures
52.203-12 Limitation on Payments to Influence Certain Federal Transactions
52.203-16 Preventing Personal Conflicts of Interest
52.215-2 Audit and Records-Negotiation
52.215-14 Integrity of Unit Prices
52.222-4 Contract Work Hours and Safety Standards Act-Overtime Compensation
52.222-17 Nondisplacement of Qualified Workers
52.222-35 Equal Opportunity for Veterans
52.222-37 Employment Reports on Veterans
52.227-1 Authorization and Consent
52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
52.247-63 Preference for U.S. Flag Air Carriers
(if international air transportation is involved)

POs Greater than \$700,000

52.219-9 Small Business Subcontracting Plan (DEVIATION 2016-O0009)
52.219-16 Liquidated Damages – Subcontracting Plan (If Seller is not a Small Business Concern)

POs Greater than \$750,000 (unless exempt by law from any of the following)

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data
52.215-11 Price Reduction for Defective Certified Cost or Pricing Data-Modifications
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 Postretirement Benefits (PRB) Other Than Pensions
52.215-19 Notification of Ownership Changes
52.215-23 Limitation on Pass-Through Charges
52.230-2 Cost Accounting Standards
52.230-3 Disclosure and Consistency of Cost Accounting Practices
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
52.242-3 Penalties for Unallowable Costs

POs Greater than \$5,500,000

52.203-13 Contractor Code of Business Ethics and Conduct
52.203-14 Display of Hotline Poster(s)

POs Greater than \$10,000,000

52.222-24 Pre-Award On-Site Equal Opportunity Compliance Evaluation

DFARS

All POs

- 252.203-7002 Requirement to Inform Employees of Whistleblower Rights
- 252.204-7000 Disclosure of Information
- 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting
- 252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services.
- 252.211-7003 Item Unique Identification and Valuation.
- 252.211-7008 Use of Government-Assigned Serial Numbers
- 252.215-7008 Only One Offer
- 252.223-7001 Hazard Warning Labels
(If PO requires delivery of Hazardous materials)
- 252.223-7002 Safety Precautions for Ammunition and Explosives
- 252.223-7006 (Alt 1) Prohibition on Storage and Disposal of Toxic and Hazardous Materials
- 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives
- 252.223-7008 Prohibition of Hexavalent Chromium
- 252.225-7001 Buy American Act and Balance of Payments Program
- 252.225-7002 Qualifying Country Sources as Subcontractors
- 252.225-7004 Report of Intended Performance Outside the United States and Canada -- Submission after Award
- 252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals
 - (1) Modify paragraph (c)(6) of this clause as necessary to facilitate management of the minimal content exception;
 - (2) Exclude paragraph (d) and (e)(1) of this clause
- 252.225-7013 Duty-Free Entry
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings
- 252.225-7019 Restriction on Acquisition of Anchor and Mooring Chain
- 252.225-7025 Restriction on Acquisition of Forgings
- 252.225-7038 Restriction on Acquisition of Air Circuit Breakers
- 252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States
- 252.225-7048 Export-Controlled Items
- 252.227-7013 Rights in Technical Data—Noncommercial Items
- 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation
- 252.227-7015 Technical Data-Commercial Items
- 252.227-7016 Rights in Bid and Proposal Information
- 252.227-7018 Rights in Non-Commercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program
- 252.227-7019 Validation of Asserted Restrictions—Computer Software
- 252.227-7025 Limitations on the Use and Disclosure of Government-Furnished Information Marked with Restrictive Legends
- 252.227-7026 Deferred Delivery of Technical Data or Computer Software
- 252.227-7027 Deferred Ordering of Technical Data or 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
- 252.227-7038 Patent Rights—Ownership by the Contractor (Large Business)
- 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles
- 252.231-7000 Supplemental Cost Principles
- 252.235-7003 Frequency Authorization
- 252.237-7023 Continuation of Essential Contractor Services
- 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services
- 252.239-7018 Supply Chain Risk
- 252.244-7000 Subcontracts for Commercial Items
- 252.246-7001 Warranty of Data
- 252.246-7003 Notification of Potential Safety Issues
- 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System, Sections (a) through (e)
- 252.246-7008 Sources of Electronic Parts (unless the vendor is the original manufacturer)
- 252.247-7003 Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer
- 252.247-7023 Transportation of Supplies by Sea (paragraphs (a) through (e) and (h))
- 252.247-7024 Notification of Transportation of Supplies by Sea

POs Greater than \$150,000

- 252.203-7001 Prohibition of Persons Convicted of Fraud or Other Defense-Contract Related Felonies
- 252.225-7012 Preference for Certain Domestic Commodities
- 252.225-7015 Restriction on Acquisition of Hand or Measuring Tools
- 252.247-7023 Transportation of Supplies by Sea
- 252.249-7002 Notification of Anticipated Contract Termination or Reduction

POs Greater than \$500,000

- 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns

POs Greater than \$700,000

- 252.219-7003 Small Business Subcontracting Plan
- 252.225-7004 Report of Intended Performance Outside the United States and Canada—Submission after Award

POs Greater than \$1,000,000

- 252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements
- 252.225-7033 Waiver of United Kingdom Levies

POs Greater than \$5,500,000

- 252.203-7004 Display of Fraud Hotline Poster(s)

POs Greater than \$50,000,000

- 252.234-7002 Earned Value Management System

POs Greater than \$55,000,000

- 252.209-7009 Organizational Conflict of Interest – Major Defense Acquisition Program

