HARRIS CORPORATION

STANDARD GENERAL PROVISIONS - TIME AND MATERIALS / LABOR HOURS (FOR GOVERNMENT PROGRAMS) AND FAR/DFARS FLOWDOWN PROVISIONS

For Time and Materials Purchase Orders for Non-Commercial Items under a U.S. Government Contract

ITEM 1 - ARTICLES APPLICABLE TO ALL ORDERS

DEFINITIONS AND RULES OF CONSTRUCTION

As used throughout this Purchase Order, the following terms are defined as specified below unless otherwise specifically stated:

“Buyer” means Harris Corporation, a corporation organized and existing under the laws of the state of Delaware, and all of its subsidiaries and affiliates.

“Buyer’s Representative” means the agent of Buyer with the actual authority to make legally binding commitments on behalf of Buyer as designated on the Purchase Order or Subcontract.

“Cost or pricing data” means cost or pricing data as defined in FAR 2.101.

“Day” or “Days” means calendar day(s). All periods of days referred to in this Order shall be measured in calendar days. Where a date referenced in this Order falls on a weekend or federal holiday, the date shall be deemed to fall on the next business day unless otherwise specified.

“DFARS” means the Defense Federal Acquisition Regulation Supplement.

“FAR” means the Federal Acquisition Regulation.

“Government” means the Government of the United States, unless otherwise specified.

“Government Contract” means Buyer’s contracts with the Department of Defense or one of Buyer’s contracts with a higher-tier contractor with contracts with the Department of Defense.

“Item” means goods, parts, components, supplies, or items including, without limitation, those part numbers, model numbers, and/or descriptions set forth on the face of this Order, and shall also include computer software or hardware (including any software, firmware or other hardwired logic embedded within the hardware) delivered or to be delivered under this Order.

“Parties” means Buyer and Seller, and, if the context requires, their employees, officers, agents (including without limitation, carriers and riggers), subcontractors, wholly-owned subsidiaries, and others acting at their respective direction and control or under contract to either.

“Purchase Order” or “Order” means any Purchase Order or Subcontract issued hereunder, including written change notices, supplements, amendments, and other written modifications thereto, together with any referenced certifications, certificates (including Seller’s Annual Certification), exhibits, attachments or other documents, and includes these terms and conditions, and the Statement of Work, if any.

“Seller” means the legal entity performing work pursuant to this Order and, if the context requires, its employees, officers, agents (including without limitation, carriers and riggers), subcontractors, wholly-owned subsidiaries, and others acting at its direction and control or under contract to it.

“Seller’s Annual Certification” means the certifications and representations set forth in Harris’ Annual Certification document, attested to and executed by a duly authorized representative of Seller’s company.

“Services” means any labor, performance of a duty, or effort supplied by Seller incidental to the sale of Items by Seller under this Order including, without limitation, installation, repair, and maintenance services. The term “Services” shall also include, without limitation, any effort specifically required by this Order, including all associated efforts such as design, engineering, repair, maintenance, technical, construction, consulting, professional, or other services.

1. CONTENTS AND ORDER OF PRECEDENCE: This Order integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the Parties and shall govern the performance and/or delivery of Items and/or Services provided pursuant to the Order. Seller expressly represents that in accepting this Order it does not rely and has not relied upon any written or oral representation, warranty, or statement not set forth in the Order and that it will not have any right or remedy arising out of any representation, warranty, or other statement not expressly set out in this Order. The clauses of this Order shall be construed and interpreted as consistent whenever possible. Any conflicts in this Order shall be resolved by giving precedence in the following order:

   (a) the Purchase Order;
   (b) these Terms and Conditions (which are incorporated by reference in any Purchase Order issued hereunder); and
   (c) the Statement of Work, Specifications, or Requirements.

These Terms and Conditions shall be construed and interpreted as consistent whenever possible. In the event of a conflict in the Articles contained in Item 1 and applicable clauses contained in Item 2, the applicable clauses in Item 2 shall control to the extent necessary for Buyer to comply with Buyer’s Government Contract. No other clause or provision supersedes the FAR and DFARS clauses applicable to Buyer’s Government Contract.

2. ACCEPTANCE OF THIS ORDER: Any of the following acts by Seller shall constitute acceptance of this Order:

   (a) execution of the acceptance copy of this Order and receipt by Buyer;
   (b) initiation of any aspect of performance, or notification to Buyer that Seller is commencing performance, under this Order;
   (c) shipping of any Items in performance of this Order; or
   (d) acceptance of any form of payment, partial or complete, under this Order.

Any additional or different terms proposed by Seller, including any contained in Seller’s acknowledgment, are rejected unless expressly agreed to in writing by Buyer’s Representative.

Seller’s staff shall perform such work as may be ordered by Buyer. The entire direction, scope, control, and interpretation of any work to be performed by Seller’s staff shall be made exclusively and solely at the discretion of Buyer. Seller shall at all times employ persons to perform the tasks who are fully experienced and properly qualified to perform the same.

In accordance with the Department of Defense Priorities and Allocations Systems (“DPAS”), codified at 15 C.F.R. § 700, Seller must sign and return the Order acceptance copy within ten (10) days of Seller’s receipt if this Order is DX rated, within fifteen (15) days after receipt if DO rated. For unrated Orders, Seller shall sign and return the Order acceptance copy within ten (10) days after receipt.

3. ALLOWABLE COST AND PAYMENT:

   (a) Except as provided in this Article, payment will be made in accordance with FAR 52.232-7, Payments under Time-and-Materials and Labor-Hour Contracts. Substitute “Buyer” for “Government” or “United States” and substitute “Buyer’s Representative” for “Contracting Officer,” “Administrative Contracting Officer,” and “ACO” throughout the clause. In paragraph (d), “30 days” is changed to “60 days” and “85 percent” is changed to “75 percent.” In Subparagraph (g)(2), “6 years” is changed to “5 years.” Paragraph (i) is deleted.
   (b) Except as provided in this Article, payment for materials under a time-and-materials contract will be made in accordance with FAR 52.216-7, Allowable Cost and Payment. “Buyer” replaces “Government” or
“United States” throughout the clause, except in paragraphs (a)(3) and (b)(1)(ii)(F) where “and Buyer” is inserted after “Government.” Substitute “Buyer’s Representative” for “Contracting Officer,” “Administrative Contracting Officer,” and “ACO” throughout the clause except in paragraph (g) where “or Buyer’s Representative” is inserted after “Contracting Officer.” For purposes of final indirect cost rate determinations in paragraph (d), the terms “cognizant Federal Agency official” and “appropriate Government representative” maintain their original meaning. Subparagraph (b)(4) and paragraph (f) are deleted. In subparagraph (h)(2)(ii)(B), the term “6 years” is deleted and replaced with the term “5 years, 9 months.” The blank in paragraph (a)(3) is filled-in with the word “30th,” unless otherwise specified in the Order.

(c) Payments. Payment shall be made in accordance with the Purchase Order. Each payment made shall be subject to reduction to the extent of amounts which are found by Buyer, Buyer’s Customer, or Seller not to have been properly payable. Seller shall promptly notify Buyer of any overpayments and remit the overpayment amount to Buyer along with a description of the overpayment, including the circumstances of the overpayment, affected Order and delivery order number if applicable, and affected Order line item or subline item if applicable. Buyer, and any affiliate of Buyer, may withhold, deduct, and/or setoff all money due, or which may become due, from Buyer or any affiliate of Buyer, arising out of Seller’s performance under this Order or any other transaction Buyer and its affiliates may have with Seller.

(d) No subcontract placed under this Order shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement subcontracts shall not exceed the fee limitations in paragraph 15.404-4(c)(4) of the FAR.

(e) If Seller, its subcontractor, or prospective subcontractor at any tier fails to submit accurate, complete and current cost or pricing data, and, as a result of that failure, the government reduces Buyer’s prime contract, Buyer may recover from Seller an amount equal to the reduction as well as any other costs incurred including attorney’s fees.

4. ARTICLE HEADINGS: The headings and subheadings of Articles contained herein are used for convenience and ease of reference and do not limit the scope or intent of the Article.

5. ASSIGNMENT AND SUBCONTRACTING: Neither this Order itself, nor any interest or obligation hereunder, shall be assigned or transferred by Seller without the prior written consent of Buyer. Seller shall not subcontract the furnishing of any of all or substantially all of complete Items or Services required by this Order, without the prior written approval of Buyer; however, this Article shall not be construed to require the approval of contract of employment entered into between Seller and person assignee hereunder. Seller shall flow down all applicable requirements, including the clauses set forth in Item 2, to Seller’s subcontractors and assignees, if any. Seller further agrees to select subcontractors (including vendors or suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Purchase Order. Seller shall remain primarily responsible for the performance of obligations which it subcontracts hereunder and shall reasonably supervise such work. However, Seller may assign rights to be paid amounts due, or to become due, to a financing institution if Buyer is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of Buyer against Seller. Buyer shall have the right to make settlements and adjustments in price with Seller without notice to the assignee. Seller shall give Buyer’s Representative written notice of any action or suit filed and prompt notice of any claim made against Seller by any subcontractor or vendor that, in the opinion of Seller, may result in litigation related in any way to this Order, with respect to which Seller may be entitled to reimbursement from Buyer. Buyer may assign this Order, at no cost to Buyer, to any affiliated company, any successor in interest, or Buyer’s Customer.

6. AUDIT, INSPECTION OF RECORDS: Buyer and Buyer’s Customer, including the Government and regulatory authorities, if Buyer agrees with the customer’s request to audit Seller’s records or Buyer is otherwise obligated to grant the customer access to records, shall have the right to audit and reproduce Seller’s records including, but not limited to, Seller’s records: (a) in the event of cancellation, termination, or default; (b) in connection with any equitable adjustment request; (c) records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract; (d) where the terms of this Order, law and regulation, or applicable standard, including the AS9100, otherwise entitle Buyer and/or its customer to audit Seller’s records and/or facilities, including the records and/or facilities of Seller’s assignees or subcontractors, if any; (e) in connection with internal investigations of alleged violations of law including the U.S. Foreign Corrupt Practices Act; or (f) any type of litigation. Seller shall keep reasonably detailed records of direct labor costs, material costs, and all other costs of the performance of this Order for a period of no less than four (4) years from the date of final payment or termination of any warranty or Item support under this Order, whichever is later. Seller shall provide Buyer, Buyer’s Customer, and regulatory authorities access to all facilities involved in the Order and to all applicable records.

7. BANKRUPTCY: If Seller enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Seller shall furnish by certified mail written notification of the bankruptcy to Buyer. This notification shall include the date on which the bankruptcy petition was filed and the identity of the court where the bankruptcy petition was filed.

8. BUYER’S RIGHT TO USE INFORMATION DISCLOSED BY SELLER: Unless otherwise expressly set forth in this Order or a separate written agreement, Buyer shall have the right to use, for any purpose, information concerning Seller’s items, manufacturing methods or processes which Seller has disclosed to Buyer prior to or during the performance of this Order. In the event of a conflict between the terms of this Article and the terms and conditions of any separately executed and applicable Non-Disclosure Agreement between Buyer and Seller, the terms and conditions of the Non-Disclosure Agreement shall control.

9. APPLICABLE LAW AND DISPUTES:

(a) This Agreement, irrespective of the place of performance, shall be governed by, subject to, and construed in accordance with the laws of the State of Florida, excluding its choice of law rules, except that the 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, shall be used to construe and interpret any U.S. Government contract clauses and certifications.

(b) Any disputes under this Order that are not disposed of by mutual agreement of the Parties may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, Seller shall diligently proceed with performance of this Order as directed by Buyer.

(c) Seller consents to personal jurisdiction in the state of Florida and any litigation under this Order must be brought exclusively in a court of competent jurisdiction in the state of Florida, without regard to conflicts of law principles. The Parties hereby mutually agree to waive their respective rights to trial by jury. The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity. Subject to any specific clauses in this Order, Seller shall be liable for any damages incurred by Buyer as a result of Seller’s failure to perform its obligations in the manner required by this Order.


10. CHANGES AND EQUIVALENT ADJUSTMENTS:

(a) Buyer may at any time and without notice to third parties, including sureties (if any), by written instructions from Buyer’s Representative to Seller, unilaterally make changes to these terms and conditions and/or in the Services to be performed or the Items to be furnished hereunder in any one or more of the following:

(1) drawings, designs or specifications;
(2) method of shipment or packing;
(3) time and/or place of delivery, inspection or acceptance;
(4) the quantity of Items ordered or Services to be performed;
(5) the statement of work;
(f) method or manner of performance of the work; and

(g) property, facilities, equipment, or materials, to be provided under this Order.

(b) During performance of this Order, Seller shall not make any changes in the Services to be performed or in the design of Items or manufacturing of Items to be furnished by Seller under this Order, including any changes to the process, manufacturing location, or use of suppliers, without advance notification to and written approval of Buyer. Items or Services that have changed without prior notification and consent shall be nonconforming Items or Services under this Order. Changes shall not be binding upon Buyer, except when confirmed in writing by a Buyer’s Representative. The issuance of information, advice, approvals or instructions by Buyer’s technical personnel or other representative shall be deemed expressions of personal opinion only, and shall not affect Buyer’s and Seller’s rights and obligations hereunder, unless the same is in writing signed by Buyer’s Representative and which expressly states that it constitutes an amendment to this Order. If Seller considers that Buyer’s conduct constitutes a change, Seller shall notify Buyer’s Representative immediately in writing as to the nature of such conduct and its effect upon Seller’s performance.

(c) If any written change under this Article causes an increase or decrease in the estimated allocation of hours by labor category, change to material costs anticipated or the time required for performance of the Order, an equitable adjustment to the Order price and/or delivery schedule may be made and the Order modified in writing accordingly, provided however, that any equitable adjustment in price to which Seller may be entitled as a result of an increase in the quantity of Items or Services ordered shall not exceed the funded value or unit price established for such Items or Services herein.

(d) Any claim by Seller for adjustment must be asserted to Buyer within fifteen (15) days from date of Buyer issued change order. Seller’s claim for adjustment must be submitted in writing in the form of a complete change proposal, fully supported by factual information to Buyer’s Representative within thirty (30) days from the date Buyer issued the change order. Buyer may, in its sole discretion, increase the funded value and may consider any such claim regardless of when asserted, except that no claim for equitable adjustment shall be allowed after final payment. Consistent with Article 10, for any claims seeking an equitable adjustment or other relief in excess of $100,000 submitted by Seller under this Order, Seller shall submit to Buyer a signed certificate that states as follows, substituting Seller’s legal name where indicated:

“If I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the Order adjustment for which [Seller] believes Buyer is liable; and that I am duly authorized to certify the claim on behalf of [Seller].”

If requested by Buyer, Seller shall identify that portion of its claim for which it believes the Government is liable and shall execute the certification above, substituting “the Government” for “Buyer” as to such amount. Buyer may submit Seller “pass through” claims against the Government at its sole discretion. In no event shall the Seller acquire any direct claim or direct cause of action against the Government.

(e) If Buyer and Seller are unable to agree upon an equitable adjustment in the event of any change directed by Buyer, the matter will be resolved in accordance with the disputes provisions of Article 9. Nothing contained herein, including failure of the Parties to agree upon any equitable adjustment to be made under this Article, shall excuse Seller from proceeding without delay with the Order as changed by Buyer’s written direction.

(f) In the event that Seller submits a claim to Buyer that satisfies the requirements of this Article, notwithstanding any other provisions in this Order, any decision by Buyer’s Customer under Buyer’s Government Contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this Order.

(g) Nothing in this clause nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller’s claim or any part thereof, nor be deemed to limit or in any way to restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.

11. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS: Seller agrees to comply with all applicable national, state, provincial and local laws, orders, rules, regulations, and ordinances. Seller shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state and/or federal government authority.

(a) Buyer may proceed as provided for in subparagraph (c) below if, as a result of any violation of applicable laws, rules, regulations, ordinances, or this Order by Seller, its officers, employees, agents, suppliers, 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, withholdings, or interest are assessed on Buyer; or

(iv) Buyer incurs any other costs or damages.

(b) Buyer may also proceed as provided for in subparagraph (c) below where submission of certified cost or pricing data is required or requested at any time prior to or during performance of this Order, if Seller or its lower-tier subcontractors:

(i) submit and/or certify cost or pricing data that are defective with notice of applicable cutoff dates; and

(ii) upon Buyer’s request to provide certified cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on Buyer’s Certificate of Current Cost or Pricing Data;

(iii) claim an exception to a requirement to submit cost or pricing data and such exception is invalid;

(iv) furnish data of any description that is inaccurate; or,

(v) such data causes the U.S. Government to allege any of the foregoing, and, as a result:

(i) Buyer’s contract price or fee is reduced;

(ii) Buyer’s costs are determined to be unallowable;

(iii) any fines, penalties, withholdings, or interest are assessed on Buyer; or

(iv) Buyer incurs any other costs or damage.

(c) Upon the occurrence of any of the circumstances in subparagraphs (a) and (b) above, Buyer may make a reduction of corresponding amounts (in whole or in part) in the price of this Order or any other contract with Seller, and/or may demand payment (in whole or in part) of the corresponding amounts. Seller shall promptly pay amounts so demanded. In the case of withholding(s), Buyer may withhold the same amount from Seller under this Order.

(d) Additionally, upon occurrence of any of the circumstances in subparagraph (b) above, Seller shall be liable and shall pay Buyer at the time any overpayment is repaid: (1) simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to Seller to the date Buyer is repaid by Seller at the applicable underpayment rate effective for reach quarter prescribed by the Secretary of the Treasury under 26 U.S.C. § 6621(a)(2); and (2) a penalty equal to the amount of the overpayment, if Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current. Notwithstanding the remedies available to Buyer under this Article, Seller shall indemnify and hold harmless Buyer from and against any and all loss or damage, including Buyer’s costs, attorneys’ fees, and
any penalties resulting from any and all determinations by Buyer’s Customer set forth in this Article.

12. COMPLIANCE WITH THE U.S. FOREIGN CORRUPT PRACTICES ACT: Seller warrants and represents that it is familiar with and will strictly comply with the requirements of the U.S. Foreign Corrupt Practices Act of 1977, as amended. Seller will not offer, pay or promise to pay, give, or authorize payment of any money or anything of value to any government or public official (including political parties, officials or candidates for political office) for the purpose of influencing any act or decision of such official in his official capacity, including failure to perform his official function. Seller agrees that no expenditures for other than lawful purposes will be made with respect to the performance of this Order.

13. GRATUITIES/KICKBACKS: No gratuities (in the form of entertainment, gifts, travel, or anything of value) or kickbacks shall be offered or given by Seller or by any agent, representative, affiliate, or subcontractor of Seller to any officer or employee of Buyer’s Customer or Buyer. This restriction specifically prohibits the direct or indirect inclusion of any kickback amounts in any invoices or billings submitted under this Order or any other agreement with Buyer. Buyer may, by written notice to Seller, immediately terminate the right of Seller to proceed under this Order if it is found that gratuities (in the form of entertainment, gifts, travel, or anything of value) or kickbacks shall be offered or given by Seller or by any agent, representative, affiliate, or subcontractor of Seller, to any officer or employee of Buyer’s Customer or Buyer.

14. CONFIDENTIAL RELATIONSHIP:

(a) Seller shall treat as proprietary and confidential all specifications, drawings, blueprints, nomenclature, samples, models and other information supplied by Buyer, except for any such information provided by the Government or to which the Government has other than unlimited rights, in which case Seller shall use and disclose the information in accordance with applicable provisions and/or restrictive markings concerning Seller’s use and disclosure of such information. Unless the written consent of Buyer is first obtained, Seller shall not in any manner advertise, publish, or release for publication, including without limitation by news releases, articles, brochures, advertisements, or speeches, any information, statements or any material matter pertaining to payment to or utilization of Seller. Any authorized communications, other than those expressly provided for herein, between Seller and Buyer’s Customer shall be conducted in the presence of Buyer’s Representative unless otherwise agreed by the Parties.

(b) Seller is expressly prohibited from communicating with Buyer’s Customer with respect to Buyer’s Government Contract and/or the Order without Buyer’s prior express consent. However, nothing in this Article 14 shall be construed to restrict the discussion of day-to-day operational issues or any material matter pertaining to payment to or utilization of Seller. Any unauthorized communications, other than those expressly provided for herein, between Seller and Buyer’s Customer shall be conducted in the presence of Buyer’s Representative unless otherwise agreed by the Parties.

15. TERMINATION:

Buyer may terminate this Order for its convenience in accordance with FAR 52.249-6 except as otherwise noted, replace “Government” with “Buyer” and “Contracting Officer” with “Buyer’s Representative”.

(a) The settlement proposal shall be submitted to Buyer’s Representative within 30 days with full supporting documentation for all costs claimed.

(b) Audits and examinations of records, as required by Buyer, shall be performed by Buyer or an independent certified public accounting firm, mutually acceptable to Buyer and Seller. The cost of independent audits and examinations of records shall be paid by Buyer. Notwithstanding anything to the contrary, Buyer shall not be liable for special or consequential damages.

Applicable Procedures

(a) In the event Buyer partially terminates this Order, Seller shall continue the performance of this Order to the extent not canceled under the provisions of this Article.

(b) After receipt of notice of termination for and upon Buyer’s direction, Seller shall stop work under this Order on the date and to the extent specified in the notice of termination, and shall transfer title and deliver to Buyer satisfactorily completed work and such work in process as directed by Buyer. Payment for completed Items delivered to and accepted by Buyer shall be at the price set out in the Order. Buyer may withhold from Seller moneys otherwise due Seller for completed Items and/or materials in such amounts as Buyer determines necessary to protect Buyer against loss due to outstanding liens or claims against said Items or materials.

16. DELAYS AND NOTICE OF LABOR DISPUTES:

(a) Seller shall not be liable for any delays in delivery caused by circumstances beyond its reasonable control including acts of God or of the public enemy, fire, floods, epidemics, quarantine restrictions, strikes or freight embargoes, provided that:

(b) Seller immediately gives written notice to Buyer of any difficulty or anticipated difficulty in meeting the delivery schedule set forth in the Order;

(c) Buyer in the event of a delay does not materially affect Buyer’s scheduling on any system or process.

(b) When any delays in delivery occur, Seller encounters difficulty in meeting performance requirements or Seller anticipates difficulty in complying with the delivery schedule or date, Seller shall immediately give notice thereof to Buyer. If requested by Buyer, Seller shall use additional effort, including premium effort, to avoid or minimize delay to the maximum extent possible. All of the costs of the additional effort shall be borne by Seller. The rights and remedies pursuant to this Article are in addition to rights and remedies provided to Buyer under this Order.

(c) Notwithstanding the above, if such delays extend for more than thirty (30) days from the delivery or performance date or threatens Buyer’s delivery commitments under its Government Contract, Buyer may terminate such part of this Order remaining to be performed without liability to Buyer except for the fair value of work already completed and accepted.

17. DELIVERY: Shipments made pursuant to this Order must be shipped as specified in the Purchase Order. If Seller does not use Buyer’s specified carrier(s) and Buyer incurs additional freight cost as a result, such additional freight cost shall be Seller’s responsibility. Moreover, unless otherwise specified, Seller hereby agrees to the following:

(a) Buyer reserves the right to refuse shipments made in advance of the schedule set forth in this Order. If Seller tenders Items for delivery to Buyer in advance of the delivery schedule specified in Buyer’s delivery schedules, Buyer may, in its absolute discretion, either (i) refuse delivery, return early deliveries at Seller’s expense, and require re-delivery at Seller’s expense on the delivery date, or (ii) retain such Items and make payment in accordance with the original payment schedule in the Purchase Order regardless of the actual date of delivery. Seller bears the risk of loss of all Items delivered in advance of the delivery date specified in Buyer’s delivery schedules.

(b) Overshipment allowances require prior Buyer authorization, and will be applied to the entire Order. Unauthorized overshipments shall be returned to Seller at Seller’s sole expense. Seller has the right to deem overshipments uneconomical to return, relieving Buyer of responsibility to return or pay for the overshipment.

(c) Time is of the essence in Seller’s performance of the Order, and Seller shall deliver Items and Services by the delivery date specified in Buyer’s delivery schedules. If Seller tenders Items for delivery to Buyer after the delivery date specified in Buyer’s delivery schedules:
(a) Buyer may, in its sole discretion, refuse late deliveries.

(b) If Buyer agrees to accept deliveries after the contracted delivery date, the Parties agree that delays which are not excusable or mutually agreed upon shall be subject to liquidated damages of one percent (1%) of the total order value per day, up to a maximum amount of twenty-five percent (25%) of the Purchase Order value, for each day delivery or performance is delayed beyond the date set forth in the Schedule of this Purchase Order. Such liquidated damages shall be paid by Seller within sixty (60) days of Buyer’s acceptance of such deliveries. Buyer’s right hereunder to recover liquidated damages for Seller’s delayed performance is not an exclusive remedy for delay and shall be in addition to all other rights and remedies that Buyer has under this Order and at law and equity. The liquidated damages amount shall be subtracted from the line item value. If the delivery delay was as a result of any action taken on the part of Buyer, Seller shall notify Buyer in writing at the time the delay occurs and request that Buyer waive liquidated damages. Seller may not refuse shipment of said line item to avoid late delivery liquidated damages.

(c) If Buyer agrees to accept deliveries after the delivery date has passed, Buyer shall have the right to direct Seller to make shipments by the most expeditious means and the total cost of such expedited shipment and handling shall be borne by Seller.

(d) Acceptance of late deliveries shall not be deemed a waiver of Buyer’s right to hold Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of Seller’s obligation to make future deliveries in accordance with the delivery schedule set forth in this Order.

(e) Seller at the request of Buyer, shall provide a written explanation for the root cause of the delay, Seller’s corrective action plan to address the late deliveries and assurances that Seller will make all future deliveries in accordance with the Order requirements and schedule.

18. WARRANTY:

(a) Seller warrants that all the Items and Services furnished hereunder shall:

(a) conform fully with all requirements of this Order, including any and all specifications, drawings, and performance requirements;
(b) conform to approved sample or samples, if any;
(c) unless detailed designs have been furnished by Buyer, be fit for the use intended by Buyer whether expressed or reasonably implied;
(d) be free from defects in material, workmanship, design and fabrication;
(e) be free from security interests, liens or encumbrances and of good title; and
(f) be performed with that degree of skill and judgment normally exercised by recognized professionals delivering or performing the same or similar Services. In the event that an employee of Seller should prove to be unsatisfactory during that employee’s first eighty (80) billable hours of work on Buyer’s Order, Buyer may request the removal of Seller’s employee from performance of the Order with no billable charges incurred.

(b) Seller guarantees all Services and Items, parts, components, and assemblies furnished hereunder against any defects in design, material, or workmanship for eighteen (18) months from the date of acceptance at Buyer’s location. In the case of latent defects, Buyer’s rights to corrective action by Seller shall commence upon Buyer’s discovery of the latent defect and notification of Seller thereof.

(c) Neither approval by Buyer of Seller’s design or material used nor Buyer’s inspection of same shall relieve Seller from any obligations under the warranties set forth in this Article.

(d) The word “Item(s)” as used herein includes parts, components, assemblies, materials, equipment, services and data required under this Order.

(e) Any Item(s) or Services corrected or replaced pursuant to this Article shall be subject to all provisions of this Article to the same extent as Item(s) and Services initially delivered.

(f) The aforesaid warranties shall survive acceptance and payment and shall run to Buyer, its customers and the users of these Item(s) and Services shall not be deemed to be the exclusive rights of Buyer but shall be in addition to other rights of Buyer under law, equity, and the terms of this Order.

(g) Seller shall furnish Buyer a certificate of Seller’s compliance with these Article 18 warranty conditions upon Buyer’s request.

19. QUALITY CONTROL/INSPECTION/REJECTION/ACCEPTANCE:

(a) Seller shall establish and maintain a quality management system acceptable to Buyer for the Items or Services purchased under this Order. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation or deviation from Seller’s approved inspection/quality control system and to advise Buyer of the quantity and specific identity of any Items or Services provided to Buyer during the period of any such violation or deviation. Seller will maintain the accepted quality management system throughout the duration of the Order. If Seller learns of any violations of its obligations under this Article, Seller shall within forty-eight (48) hours so notify Buyer and within sixty (60) days must rectify the non-compliance issues. If the violation is not corrected and certification has not taken place within this time frame, then Buyer at its sole discretion may terminate this Order. Seller will notify Buyer of any significant changes that affect quality within twenty-four (24) hours of that change. These changes include – but are not limited to – change in key management or personnel, change in source of supply of key materials, and change in address or site configuration.

(b) Buyer and/or its customer, to the extent practicable at all times and places including the period of manufacture or performance, may inspect and test material, work in process, services, and supplies. This Order may include requirements for design, test, inspection, verification (including production process verification), use of statistical techniques for product acceptance, and related instructions for acceptance by Buyer, and as applicable critical items including key characteristics and requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing This Order grants Buyer and its customer the right to so inspect and test, but not the obligation. Seller retains the obligation to ensure proper inspection and testing.

(c) Seller shall not provide non-conforming Items or Services. Buyer shall have the right to reject any Items or Services or lots of Items which it determines are defective in material or workmanship or otherwise not in conformity with the requirements of this Order and to require their correction or replacement, or to provide other disposition direction for the non-conforming Items or Services. Rejected Items or Services shall be removed or if permitted or required by Buyer, corrected in place by and at the expense of Seller promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If Seller fails to promptly replace, correct, or remove such Items or Services or lots of Items which are required to be removed, Buyer may:

(a) replace or correct such Items or Services and charge to Seller the cost occasioned Buyer thereby; or
(b) pay for such Items or Services at a reduced price which is equitable under the circumstances; or
(c) cancel this Order, or any portion thereof, for default as provided in Article 20;
(d) exercise any other applicable rights or remedies.
(d) If Buyer rejects any Items or Services as non-conforming, and Seller fails to inform Buyer in writing of the manner in which Seller desires that Buyer dispose of non-conforming Items or Services within forty-eight (48) hours of notice of Buyer’s rejection of non-conforming Items or Services (or such shorter period as is reasonable under the circumstances), Buyer will be entitled to dispose of the non-conforming Items or Services without liability to Seller, provided, however, that in any event Buyer may elect to arrange for the shipment of any non-conforming Items or Services back to Seller at Seller’s expense. Seller will bear all risk of loss with respect to all non-conforming Items or Services and will promptly pay or reimburse all costs incurred by Buyer to return, store or dispose of any non-conforming Items or Services.

(e) Buyer’s payment for any non-conforming Items or Services will not constitute acceptance by Buyer, limit or impair Buyer’s right to exercise any rights or remedies, or relieve Seller of responsibility for the non-conforming Items or Services. In the event Buyer decides for any reason to accept non-conforming Items or Services, any costs incurred by Buyer testing, evaluating and manufacturing, relating to the design changes to any of the Items or Services, shall be responsibility of Seller, and Seller may not pass along any costs in relation to the design change(s).

(f) If any inspection or test is made by Buyer and/or its customer on the premises of Seller or a lower tier subcontractor, Seller without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of Buyer and/or customer inspectors in the performance of their duties. In the case of rejection, Buyer shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by Buyer and/or its customer shall be performed in such a manner as not to unduly delay the work. Buyer reserves the right to charge to Seller any additional cost of inspection and test when Items or Services are not ready at the time such inspection and test was specified by Seller or when reinspection or retest is necessitated by prior rejection. Unless otherwise provided herein, final inspection and acceptance or rejection of Items or Services shall be made as promptly as practicable after delivery to Buyer’s facility. Buyer’s failure to inspect or accept or reject Items or Services in a timely manner shall neither relieve Seller from full compliance with all requirements of this Order, nor impose responsibility on Buyer therefore.

(g) Seller shall provide and maintain an inspection system acceptable to Buyer covering the Items or Services hereunder. Records of all test and inspection work by Seller shall be kept complete and available to Buyer and/or its customer for one (1) year following completion of this Order, or for six (6) years following completion of an order pursuant to a U.S. Government Contract or subcontract.

(h) Inspection and test by Buyer or its customer of any Items or Services or lots thereof does not relieve Seller from any responsibility regarding defects or other failures to meet Order requirements which may be discovered prior to acceptance or during the warranty period set forth in Article 18. In the event Seller discovers an Item or Service is non-conforming subsequent to performance or delivery, Seller shall promptly notify Buyer. Disposition shall be in accordance with paragraphs (c) and (d) of this Article.

(i) If, prior to or at the time of final acceptance or within the warranty period, it was known or should be known by Buyer that said Items or Services would not or did not conform to the requirements of this Order, final acceptance shall not be construed as a waiver of any rights Buyer may have with respect to the Items or Services purchased under this Order, notwithstanding the failure of Buyer to timely inform Seller of such nonconformance.

(j) Final acceptance by Buyer of the Items or Services provided hereunder shall take place only after complete delivery of all Items or Services in accordance with the delivery schedule specified herein or later agreed upon by the Parties in writing and after final inspection of those Items or Services by Buyer and Buyer’s Customer. Final acceptance shall be contingent upon agreement by Buyer and Buyer’s Customer that the Items or Services conform to the requirements of this Order. Final acceptance by Buyer shall be conclusive, except for latent defects, negligent or intentional misrepresentations by Seller that a nonconformity or defect would be or had been cured or did not exist, acceptance induced by false or negligent assurances of Seller, or as otherwise provided in this Order or applicable law. Seller shall not consider acceptance to be Buyer’s Final acceptance until Buyer issues a Final Acceptance Document. Final acceptance by Buyer of the Items or Services delivered hereunder shall not limit or affect the warranty or indemnity granted by Seller hereunder.

20. ITEM CONTENT: Seller agrees to provide to Buyer all Item content information required to satisfy both Buyer’s content reporting obligations and Buyer’s Customers’ reporting obligations.

21. RISK OF DAMAGE/INDEMNIFICATION/INSURANCE:

All personal property belonging to Buyer in Buyer’s custody or possession, shall be at Seller’s risk from loss or damage from all hazards. Seller agrees, to the fullest extent permitted by applicable law, to indemnify and hold harmless Buyer, its officers and employees, from and against any and all claims, liabilities, causes of action, losses, costs, damages and expenses by reason of property damage or personal injury, including death, of whatsoever nature or kind, including special, incidental or consequential damages, for any reason, arising out of or as a result of Seller activity or omissions under this Order, whether arising out of the actions or inactions of Seller or of its employees, subcontractors, and lower tier subcontractors. Seller and its subcontractors and lower tier subcontractors shall maintain, at their own expense:

(a) Commercial General Liability (“GCL”) insurance, with limits of at least $2,000,000 combined single limit for bodily injury and property damage per occurrence and $2,000,000 annual aggregate

(b) Automobile liability insurance shall be for an amount of at least $2,000,000 combined single limit for bodily injury and property damage per accident

(c) Worker’s Compensation as prescribed by the law of the state or nation in which work is performed

(d) Employer’s Liability with limits of at least $2,000,000 for each occurrence: All CGL and automobile liability insurance shall designate Harris, its affiliates, and its directors, officers, and employees as additional insureds. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available. Insurance companies providing coverage must be rated by A-M Best with at least an A-VII rating.

Seller and Seller’s subcontractors shall furnish, prior to the start of work or at such other time as Harris requires, certificates or adequate proof of the foregoing insurance. The policies shall be endorsed to provide thirty (30) days written notice of cancellation to Harris. Any other coverage available to Harris shall apply on an excess basis.

Seller agrees that Seller, Seller’s insurer(s) and anyone claiming by, through, under or on Seller’s behalf shall have no claim, right of action or right of subrogation against Harris and Harris’ Customer based on any loss or liability insured against under the foregoing insurance.

22. MODIFICATION OF ORDER: This Order contains all the agreements of the Parties with respect thereto and no course of dealing or usage of the trade shall be applicable unless expressly incorporated in this Order. The terms and conditions contained in this Order may not be added to, modified, superseded or otherwise altered except by a written instrument signed by Buyer’s Representative and delivered by Buyer to Seller. Modifications of this Order shall be handled pursuant to Article 10, Changes and Equitable Adjustments. Each shipment received from Seller shall be deemed to be exclusively upon the terms and conditions contained in this Order notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice, correspondence or other documents of Seller, and notwithstanding Buyer’s act of accepting or paying for any shipment or similar act of Buyer.

23. NO WAIVER OF CONDITIONS: Buyer’s failure to insist upon or enforce strict compliance by Seller with any aspect of this Order shall not be deemed a waiver or relinquishment to any extent of any of Buyer’s rights; rather, the same shall remain in full force and effect. Waiver of a right under this Order shall not constitute a waiver of any other right, waiver or default under this Order.

24. PACKING: Unless otherwise specified in this Order, Seller shall be responsible for safe and adequate packing conforming to the requirements of carriers’ tariffs or, in the absence of such requirements, conforming to the best commercial practices. All expendable packaging materials must be legally and economically disposable or recyclable. Seller shall separately number all cases, packages, etc., showing the corresponding numbers on the invoices. An
25. PATENT/INTELLECTUAL PROPERTY INDEMNITY BY SELLER:

(a) Seller warrants that the Items and Services performed and delivered under this Order will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. For Items and Services delivered hereunder, Seller shall be liable for, defend, indemnify and hold harmless Buyer, and each subsequent purchaser or user thereof, from all loss or damage of any kind (including all costs and expenses including attorneys’ fees) arising out of any and all allegations of actions, proceedings, claims, or awards for any infringement, misappropriation, or wrongful use suit or action, including, without limitation, any proceeding under 28 U.S.C. § 1498, alleging that manufacture, use or sale infringes any patent, trademark, copyright, trade secret, mask work right or other proprietary or intellectual property right (collectively “Infringement Claim(s)”) in connection with any Items, software or data furnished hereunder, whether such are provided alone or in combination with other Items, software or processes. Seller hereby agrees to defend any and all such actions, at Seller’s expense, if requested to do so by Buyer. If, however, the Infringement Claim arises as a necessary consequence of Seller’s compliance with Buyer’s drawings and specification, which describe that aspect of the Items and Services upon which the Infringement Claim is based, Seller shall have no obligation to indemnify Buyer.

(b) Seller and Buyer agree to notify each other in writing as soon as they become aware of a challenge of infringement or wrongful use in connection with any such Items, software or data furnished hereunder, whether such are provided alone or in combination with other Items, software or processes. Buyer shall have the right to reasonably reject counsel selected by Seller and the right to reject any settlement that would negatively impact Buyer as determined solely by Buyer. Buyer shall have the right to participate with Seller in determining the strategy to defend any such suit or action, and shall have the right, with the permission of the court, to intervene in any such Infringement Claim.

(c) Notwithstanding any of the above provisions, Seller shall have the further right, at its own election, to supersede Seller in the defense of any such Infringement Claim and thereafter to assume and conduct the same according to Buyer’s sole discretion. Upon Buyer’s election, Seller shall be released from its obligation to pay for attorneys’ fees and court costs. Further, Seller, if requested in writing by Buyer, shall cooperate with Buyer in Buyer’s defense of any alleged Infringement Claim.

(d) If the use or sale of Items or Services, in respect to which Seller indemnifies Buyer, is enjoined as a result of such Infringement Claims, Seller, at no expense to Buyer, shall obtain for Buyer and its customers, the right to use and sell said Items or Services or shall substitute equivalent Items or Services acceptable to Buyer and extend this patent indemnity with respect to such equivalent Items or Services. In the event that Seller is unable to secure such right of use for Buyer or its customer or to secure equivalent Items or Services as a substitute, Seller will indemnify Buyer and its customer for any and all losses or damages sustained by reason of such injunction.

(e) This indemnity and hold harmless shall not be considered an allowable cost under any provisions of this Order except with regard to allowable insurance costs. Seller’s obligation to defend, indemnify, and hold harmless Buyer and its customers under this Article shall not apply to the extent FAR 52.227-1, Authorization and Consent., applies to Buyer’s Government Contract for infringement of a U.S. patent and Buyer and its customers are not subject to any actions for claims, damages, losses, costs, and expenses, including reasonable attorneys’ fees by a third party.

26. RIGHTS IN DATA AND INVENTIONS:

(a) Definitions:

(a) Intellectual Property. Intellectual Property means inventions, discoveries and improvements, know-how, works of authorship, technical data, drawings, specifications, process information, reports and documented information, and computer software.

(b) Background Intellectual Property. Background Intellectual Property means Intellectual Property that is (i) in existence prior to the effective date of this Order or (ii) is designed, developed or licensed after the effective date of this Order independently of both the work undertaken or in connection with this Order, and the proprietary information and Intellectual Property of the other party to this Order.

(c) Foreground Intellectual Property. Foreground intellectual property means intellectual property conceived, created, acquired, developed, derived from or based on development performed under this Order or information supplied by Buyer, or first actually reduced to practice by Seller in connection with this Order.

(b) All Intellectual Property supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction, unless:

(a) otherwise required by the U.S. Government Regulations included in Item 2 hereto, or

(b) Buyer has executed a separate agreement restricting the use and disclosure of such Intellectual Property.

(c) Foreground Intellectual Property. Unless otherwise expressly agreed in writing to the contrary and subject to paragraph (g) below, all Foreground Intellectual Property developed exclusively with Buyer monies (i.e., development was accomplished entirely with monies paid by Buyer to Seller that are not subject to recovery by Buyer under a government contract) and not subject to paragraph (d) below is hereby assigned to Buyer and shall be proprietary to Buyer, shall be used by Seller only for purposes of providing Items or Services to Buyer pursuant to this Order, and shall not be disclosed to any third party without Buyer’s express written consent. All such Foreground Intellectual Property shall be promptly provided to Buyer on request or upon completion of this Order. Any work performed pursuant to this Order which includes any copyright interest shall be considered a “work made for hire.” The tangible medium storing copies of all reports, memoranda, or other materials in written form, including machine-readable form, prepared by Seller and furnished to Buyer pursuant to this Order shall become the sole property of Buyer.

(d) Inventions. Subject to paragraph (g) below, any invention constituting Foreground Intellectual Property is hereby assigned to Buyer and Buyer shall own all right, title, and interest in such property. Seller shall execute all documents necessary to perfect Buyer’s interest in and title thereto, including, without limitation, assigning any and all right, title and interest Seller has in any such invention to Buyer. Seller shall ensure that any third party with whom Seller has subcontracted to deliver Items or Services, and Seller’s employees, also executes and assigns any and all rights, titles, and interest in any such invention to Buyer. Seller shall, within two (2) months after conception or first actual reduction to practice of any invention constituting Foreground Intellectual Property and prior to completion of the Order, disclose in writing to Buyer all inventions, whether or not patentable, in sufficient technical detail to clearly convey the invention to one skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Buyer reasonably directs in order to file, acquire, prosecute, maintain, enforce and assign Buyer’s invention rights. Seller hereby irrevocably appoints Buyer and any of Buyer’s officers and agents as Seller’s attorney in fact to act on Seller’s behalf and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to exercising any such written instruments.

(e) Seller-Owned Intellectual Property. Seller shall retain ownership of all Background Intellectual Property and of any Foreground Intellectual Property not assigned to Buyer pursuant to these paragraphs (c) and (d) (collectively, “Seller-Owned Intellectual Property”). Unless otherwise expressly agreed in writing to the contrary and in addition to U.S. Government’s Intellectual Property rights, Seller grants to Buyer an nonexclusive, irrevocable, sublicensable, paid-up, royalty-free worldwide right to make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works of any and all Seller-Owned Intellectual Property in the performance of its Government Contract or higher-tier contract obligations (including obligations of follow-on contract or contracts for subsequent phases of the same program).
Buyer-owned Intellectual Property. Buyer shall retain ownership of all Buyer Intellectual Property provided hereunder and of any Foreground Intellectual Property assigned to Buyer pursuant to this paragraph (c) above (collectively, “Buyer-owned Intellectual Property”). Buyer grants to Seller a non-exclusive, royalty-free right during the term of this Order to use, reproduce, modify, practice and prepare derivative works of any Buyer-owned Intellectual Property solely as necessary for Seller to perform its obligations under this Order. Seller shall not, without Buyer’s prior written consent, use Buyer-owned Intellectual Property or any derivative works of any of the Buyer-owned Intellectual Property in any manner not authorized under this Order, including, but not limited to, developing, manufacturing, offering for sale or selling any item or service which utilizes or is enabled by Buyer-owned Intellectual Property.

Nothing in this Article shall modify or alter any rights that the U.S. Government may have in any items or services, including technical data or computer software deliverables to the U.S. Government. Applicable Government procurement regulations incorporated into this Order dealing with subcontractors rights in Intellectual Property are not intended to, and shall not, unless otherwise required by applicable law, obviate or modify any greater rights which Seller may have previously granted to Buyer pursuant to prior agreements between the Parties.

27. SHIPPING INSTRUCTIONS: Seller shall comply with Buyer’s routing and shipping instructions. If Buyer’s routing and shipping instructions are not attached to the Purchase Order or have not been previously received by Seller, Seller shall immediately request the Instructions from Buyer. Seller shall remain liable for any and all additional charges which accrue as a result of Seller’s failure to comply with Buyer’s Routing and Shipping Instructions.

28. SUSPENSION OF WORK/STOP WORK ORDER:

Buyer shall have the right to direct Seller in writing to suspend all or any part of the work for a period of time not to exceed ninety (90) days, and for any further period as the Parties may agree, unless extended by Buyer’s Customer. Upon receipt of the written notice, Seller shall immediately comply with the terms of the notice and shall take all reasonable measures to mitigate the costs allocable to the suspended portion of the work.

(a) If work is suspended, an adjustment may be made in accordance with the provisions of Article 10 for any increase in the time and the cost (exclusive of profit) of performing this Order necessarily caused by such suspension prior to incurrence of costs in excess of the funded value, and this Order may be modified in writing accordingly.

(b) A claim shall not be allowed under this Article unless the claim, in an amount stated, is asserted in writing within thirty (30) days after Buyer’s issuance of the notice of termination of the suspension. Suspension may only be terminated by written notice from Buyer, regardless of the expiration of the original or extended suspension period. When the suspension has been terminated, Seller shall immediately commence performance, notwithstanding the fact that there is no agreement as to a revised schedule or the cost of completing this Order.

29. TAXES: Unless otherwise notified by Buyer in writing, the price of this Order includes and Seller shall be responsible for the payment of any Federal, State, and Local taxes, duties, tariffs, transportation taxes, or other similar taxes or fees which are required to be imposed upon the Items or Services ordered hereunder by Buyer or Buyer’s Customer, unless Seller obtains any applicable exemptions. Seller represents that its price does not include any taxes, impositions, charges or exactions for which it is eligible to obtain and / or has obtained a valid exemption certificate or other evidence of exemption. Any taxes included in this Order shall be itemized separately in Seller’s invoice.

30. TITLE AND RISK OF LOSS: Unless otherwise specified in the Order, Seller shall bear the risk of loss and damage to all Items to be supplied hereunder until final acceptance by Buyer. Buyer shall have equitable title to all Items for which interim, partial or progress payments have been furnished to Seller.

31. TOOLS, MATERIALS AND INFORMATION:

Refer also to Article 26, Rights in Data and Inventions. If any designs, sketches, drawings, blueprints, patterns, dies, molds, models, tools, gauges, equipment or special appliances shall be made or procured by Seller especially for producing the items covered by this Order, then immediately upon manufacture or procurement they shall become the property of Buyer. Seller shall maintain a current inventory list of the foregoing. Except for tools, materials and information owned by the Government or to which the Government has unlimited rights, any such item or any materials or any engineering data or other technical or proprietary information related thereto furnished by or paid for by Buyer shall: (a) become and shall be identified as property of Buyer, (b) be held by Seller on consignment at Seller’s risk, (c) be used exclusively in the production and/or provision for Buyer of Items and/or Services required by this Order, and (d) be subject to disposition by Buyer at any and all times and upon demand they shall be returned to Buyer. Seller shall maintain procedures for the adequate accountability, storage, maintenance and inspection of such items and shall make such records available to Buyer upon request.

32. FURNISHED PROPERTY:

(a) Buyer may provide to Seller property owned by either Buyer or its customer (“Furnished Property”) as set forth in the Order. Furnished Property shall be used only for the performance of this Order.

(b) Title to Furnished Property shall be retained by Buyer or its customer. Seller shall clearly mark (if not already marked) all Furnished Property to show ownership. While Furnished Property is in Seller’s possession, Seller shall prevent the comingling of Furnished Property with other materials in Seller’s possession, except in accordance with Buyer’s written instructions.

(c) Except for reasonable wear and tear, Seller assumes all risk of loss, destruction, or damage of Furnished Property while in Seller’s possession, custody, or control. Upon request, Seller shall promptly provide Buyer with adequate proof of insurance against such risk of loss. Seller shall promptly notify Buyer of any loss or damage. Without additional charge, Seller shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

(d) At Buyer’s request or at completion of this Order, Seller shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposition in accordance with instructions from Buyer.

(e) With respect to government-furnished property, or property to which the Government may take title under this Order: (1) for this time-and-materials or labor hour Order, the clauses at FAR 52.245-1 shall apply and is incorporated by reference. (2) Seller shall provide to Buyer immediate notice of any disapproval, withdrawal of approval, or nonacceptance by the Government of its property control system.

33. SPECIAL TOOLING, SPECIAL TEST EQUIPMENT, AND FACILITIES:

(a) Unless specifically provided to the contrary in this Order, Seller warrants that the estimated cost stated in this Order does not include as a direct charge to this Order the cost of any special tooling, test equipment, or facilities as the same are defined in FAR 2.101. Any such special tooling, test equipment or facilities to be charged to Buyer will be covered by a separate Purchase Order.

(b) Seller represents that it now has or can readily procure without the assistance of Buyer or the Government all facilities necessary for the performance of this Order, except as set forth herein.

34. EXPORT CONTROL COMPLIANCE:

Seller, at its sole expense, agrees to comply with all laws and regulations of the United States and other countries related to exports and imports including obtaining all required authorizations from the U.S. or other applicable governments. Seller shall immediately notify Buyer’s Representative if Seller’s export privileges are denied, suspended, or revoked in whole or in part by any U.S. or other Government entity or agency. Buyer may deem Seller’s failure to comply with the requirements of this Article a material failure to perform under this Order that shall subject Seller to termination in accordance with Article 15, Termination.

(a) ITAR Controlled Hardware, Technical Data or Services.

Seller is hereby notified that certain hardware (e.g., finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technical data (e.g., technical specifications, drawings, photos, instructions, or other technical information in any form), and/or services provided by Buyer for purposes of this Order are or
may be subject to the International Traffic in Arms Regulations ("ITAR") (22 C.F.R. §§ 120-130). In addition, Seller is hereby notified that hardware, technical data, and/or services sold by Buyer that are designed, developed, modified, adapted or configured from hardware, technical data, and/or services provided by Buyer are or may also be subject to the ITAR. The ITAR is accessible at the U.S. Department of State, Directorate of Defense Trade Controls ("DDTC") website at http://www.pmddtc.state.gov.

(b) If Seller is a manufacturer of Defense Articles or related Technical Data and/or exports Defense Articles or Defense Services, Seller represents that it is properly registered with the U.S. Department of State and will maintain said registration in order to be eligible to engage in the manufacture and/or export of Defense Articles and Defense Services as required by the ITAR (22 C.F.R. § 122.1(a)).

(c) The ITAR restricts access to Buyer’s and Seller’s controlled hardware, technical data, or services to U.S. citizens and permanent residents (i.e., U.S. person) only. Seller is advised and acknowledges that controlled hardware (i.e., "Defense Articles"), technical data, and/or Defense Services shall not be exported out of the U.S. or transferred to a non-U.S. person, whether inside the U.S. or abroad (also referred to as "deemed export"), “without prior authorization of the U.S. Government.” Seller will be informed by Buyer of the export control status (i.e., jurisdiction and categorization of all hardware, technical data, and/or services provided to Seller by Buyer). Hardware and technical data will be clearly marked as export controlled or not. Seller agrees that it will abide by all restrictions and requirements in the ITAR, including that Seller not transfer or provide access to any ITAR-controlled hardware, technical data, or services provided by Buyer to non-U.S. persons employed by or associated with Seller, whether located in the U.S. or not, without U.S. Government authorization and permission from Buyer.

(d) If this Order is in an amount of $500,000 or more, or if this Order is amended so that the total amount of the Order is in an amount of $500,000 or more, Seller shall, within fifteen (15) days of the date of this Order, or such amendment, inform Buyer in a written statement if Seller has paid, offered or agreed to pay, in respect of the sale for which the Items will be used, political contributions or fees or commissions, within the meaning of 22 C.F.R. Part 130. Seller’s statement shall conform to the requirements of 22 C.F.R. Part 130. Failure of Seller to provide Buyer with such a statement within the specified time-frame, or any extension thereof, shall constitute a certification by Seller that it has not paid, offered, or agreed to pay such political contributions, fees or commissions.

(b) Goods, Technology, Software Subject to U.S. Export Administration Regulations.

(a) Seller is hereby notified that certain hardware (e.g., finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technology (e.g., technical specifications, drawings, photos, instructions, or other technical information in any form), and/or software provided by Buyer for purposes of this Order are or may be subject to the Export Administration Regulations ("EAR"). In addition, Seller is hereby notified that the hardware, technical data, and/or software sold by Seller that is derived from hardware, technology, and/or software provided by Buyer are or may also be subject to the EAR. The EAR is accessible at the U.S. Department of Commerce, Bureau of Industry and Security website at http://www.bis.doc.gov.

(b) The EAR restrict the shipment, transmission, or transfer of certain of Buyer’s and Seller’s controlled hardware, technology, technical data and/or software from the U.S. to foreign countries, as well as to foreign persons located inside the U.S. (also referred to as a “deemed export”). Seller is advised and acknowledges that certain controlled hardware, technology, technical data and/or software may not be exported out of the U.S. or to a non-U.S. person inside the U.S. without prior authorization of the U.S. Government. Seller will be informed by Buyer of the export control status (i.e., jurisdiction and categorization) of all hardware, technology, and/or software provided to Seller by Buyer. Hardware and technology will be clearly marked as export controlled or not. Seller agrees that it will not transfer or provide access to any EAR-controlled hardware, technology, technical data, or software provided by Buyer out of the United States or to non-U.S. persons employed by or associated with Seller, whether located in the U.S. or not, without U.S. Government authorization and permission from Buyer.

(c) Seller agrees that it will inform Buyer of the export control status (i.e. jurisdiction and categorization) of all hardware, technical data, technology, software, and/or services sold to Buyer under this Order to include clearly marking all hardware and/or technical data.

(d) Anti-Boycott Laws and Regulations.

(a) Seller is hereby notified that, as outlined in greater detail in 15 C.F.R. § 760.2, the following are prohibited under the EAR: refusing or agreeing to refuse to do business with or in a boycotted country or with a national of boycotted country or a boycotted person; refusing to employ or otherwise discriminating against a U.S. person in deference to a boycott request on the basis of race, religion, sex, or national origin; furnishing information about the race, religion, sex, or national origin of the U.S. person or any owner, officer, director, or employee of a domestic concern or controlled in fact non-U.S. affiliate in response to a boycott request; furnishing information about any person’s past, ongoing, or proposed future relationships (or the absence of relationships) with other parties if the information is sought for boycott-related reasons; providing information about any person’s association with or support for any charitable or fraternal organization supporting a boycotted country; and paying, honoring, confirming, or otherwise implementing a letter of credit that contains any prohibited boycott requirement or request.

(b) Seller is advised and acknowledges that it may be responsible for complying with any applicable anti-boycott laws, regulations, and guidance.

(c) Seller also certifies to Buyer that it does not, and shall not participate or comply with (either domestic and international), or boycott-related request or engage in any restrictive trade practices which are in contravention of a Government law or regulation including 15 C.F.R. Part 760.

(e) Where Seller is a signatory under a Buyer export authorization, Seller shall provide prompt notification to Buyer’s Representative in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of applicable export regulations including, but not limited to, those that could affect Seller’s performance under this Contract.

(f) Seller shall indemnify Buyer and be solely responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys’ fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

(g) U.S. Economic and Trade Sanctions. Seller understands that the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the United States. Seller agrees that it will comply with these OFAC administered regulations and policies, and will not transfer any Items or Services to or from, or otherwise engage with entities or persons listed on the Specified Designated Nationals ("SDN") List. The SDN List is accessible at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx. Seller further agrees that it will not engage in unauthorized transactions, including the transfer any Items or Services to or from, with persons or entities identified on any other U.S. government screening list, including those identified on the U.S. government’s
any hardware, technology, or technical data from Buyer that is not marked as export controlled (i.e., under the ITAR or EAR), Seller must treat such hardware, technology, or technical data in conformance with the most restrictive standard potentially applicable unless it requests and receives specific written instructions from Buyer that releases Seller from this requirement. 

(i) Imports Appearing on the U.S. Munitions Import List. If performance under this Purchase Order requires Seller to permanently import into the U.S. articles appearing on the U.S. Treasury Department, Bureau of Alcohol, Tobacco & Firearms (“BATF”) U.S. Munitions Import List at 27 C.F.R. Part 47, Subpart C, Seller is advised and hereby acknowledges that such items may not be permanently imported into the U.S. without an approved import permit issued by BATF pursuant to 27 C.F.R. Part 47, Subpart E, unless an exemption applies. Additionally, if Seller is engaged in the business, in the U.S., of importing articles appearing on the U.S. Munitions Import List, Seller must register with BATF pursuant to 27 C.F.R. Part 47, Subpart D. Downloadable copies of the BATF regulations and forms are accessible at the BATF website at http://www.atf.treas.gov/regs/index.htm.

(j) Items Requiring Approved BATF Permits. If performance under this Purchase Order requires Seller to export out of the U.S. machine guns, destructive devices, explosives, and certain other firearms, as defined in 27 C.F.R. Part 179, Subpart B, Seller is advised and hereby acknowledges that such items may not be exported out of the U.S. without an approved export permit issued by BATF pursuant to 27 C.F.R. Part 178, Subpart K and 27 C.F.R. Part 179, Subpart H. Seller is also advised that an approved export license issued by the DDTC may also be required pursuant to the relevant requirements of the ITAR.

(k) Record Keeping. Seller agrees to bear sole responsibility for all regulatory record keeping associated with the use of licenses and license exceptions/exceptions. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller’s lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Seller agrees to share its applicable export control documentation with Buyer upon request. Seller agrees to notify Buyer if any deliverable under this Contract is restricted by export control laws or regulations. Seller shall immediately notify Buyer’s Representative if Seller is, or becomes, listed in any Denied Parties List or if Seller’s export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.

(l) Upon Buyer’s request, Seller shall provide a report of all sources outside the United States utilized by Seller or its lower-tier subcontractors in the fulfillment of this Order, including the names and locations of the sources, and a description of the items or services obtained from such sources.

35. FOREIGN PERSONS: The Seller acknowledges that certain hardware (e.g., finished goods, parts, components, accessories, attachments, samples, prototypes, test equipment, firmware, software, or systems), technical data (e.g., technical specifications, drawings, photos, instructions, or other technical information in any form), and/or services provided by Buyer for purposes of this Order may be controlled by the ITAR or the EAR, and may require U.S. Government export authorization before assigning any Foreign Person (as defined in 22 CFR 120.16, which includes foreign governments, business entities, groups and international organizations) to perform work under this Order or before granting access to Foreign Persons to any technical data obtained, used, generated, or delivered in performance of this Order. Any request for export authorization must include the information required by applicable export laws and regulations (reference ITAR, EAR or Chapter 10 of the National Industrial Security Program Operating Manual).

36. CLASSIFIED REQUIREMENTS: In the event this Order requires access to classified information, Seller, at its sole expense, agrees to comply with all laws and regulations of the United States related to such classified requirements, including obtaining data in conformance with the most restrictive standard potentially applicable unless it requests and receives specific written instructions from Buyer that releases Seller from this requirement. 

37. CUSTOMS:

(a) Credits and Refunds. Transferable credits or benefits associated with or arising from Items purchased under this Order, including offset or trade credits, export credits or rights or the refund of duties, taxes or fees (collectively, “trade credits”), belong to Buyer. Seller will, at its expense, provide all information necessary (including written documentation and electronic transaction records in Buyer-approved formats) to permit Buyer to receive these trade credits. Seller will furthermore, at its expense, provide Buyer with all information, documentation, and electronic transaction records relating to the items necessary for Buyer to fulfill any customs-related obligations, origin marking or labeling requirements and certification or local content reporting requirements, to enable Buyer to claim preferential duty treatment for items eligible under applicable trade preference regimes, and to make all arrangements that are necessary for the items to be covered by any duty deferral or free trade zone program(s) of the country of import. Seller will, at its expense, provide Buyer or Buyer’s nominated service provider with export documentation to enable the items to be exported, and obtain all export licenses or authorizations necessary for the export of the items unless otherwise indicated in this Order, in which event Seller will provide all information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Buyer retains the right to assign any trade credits to third parties. Seller shall include this clause, for the benefit of Buyer, in all lower-tier purchase orders and subcontracts awarded in the performance of this Order. Seller shall maintain a record of its purchases under this Order or subcontract and Buyer reserves the right to review such record not more often than every six (6) months to determine availability of trade credits. This Article 37 shall survive two (2) years beyond the completion of this Order.

(b) Customs-Trade Partnership Against Terrorism. To the extent any item covered by this Order is to be imported into the United States, if requested by Buyer, Seller shall comply with all applicable recommendations or requirements of the Bureau of Customs and Border Protection’s Customs-Trade Partnership Against Terrorism (“C-TPAT”) initiative. Upon request, Seller shall certify in writing its compliance with all applicable recommendations or requirements of the C-TPAT initiative.

38. NEW MATERIAL:

(a) “Material,” as used in this clause, includes, but is not limited to raw material, parts, items, components and end items. “New,” as used in this clause, means previously unused or composed of previously unused materials allowing for typical in-factory or site use including, but not limited to integration, installation, assembly, test, burn-in, training, troubleshooting, and rework as required.

(b) Unless Buyer specifies in writing otherwise, Seller shall deliver New Material under this contract that is fully warranted and does not contain any counterfeit material. Seller shall certify in writing its compliance with all applicable standards, requirements, policies, and procedures related to counterfeit material.

39. COUNTERFEIT PARTS:

(a) As used herein, “Counterfeit Parts” means Items or separately identifiable components of Items that:

   (a) Are an unauthorized copy or substitute of an original component, manufactured (collectively, “OEM”) Item;

   (b) Do not contain proper external or internal features or materials or components required by the OEM and are not constructed in accordance with OEM design;

   (c) Have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or represented as OEM authentic or new; or
(d) Have not passed successfully all OEM-
required testing, verification, screening, and quality control
processes.

(b) Seller shall not furnish Counterfeit Parts to Buyer and shall implement an appropriate system to ensure that Items furnished to Buyer under this Order are not Counterfeit Parts. Seller’s system shall include, but is not limited to, the direct procurement of Items or components of Items from OMs or authorized suppliers and/or testing or inspection in accordance with accepted government- and industry-recognized techniques to ensure the authenticity of Items.

(c) If Seller becomes aware or suspects that it has furnished Counterfeit Parts to Buyer under this Order, Seller shall promptly notify Buyer of such no later than thirty (30) days from that discovery. Seller shall replace, at Seller’s own expense, such Counterfeit Parts with OEM or Buyer-approved items that conform to the requirements of this Order. Seller shall be liable for all costs related to the replacement of Counterfeit Parts and any testing or validation necessitated by the installation of authentic Items or components of Items after Counterfeit Parts have been replaced.

40. CONFLICT MINERALS:

(a) “Conflict Minerals” means, most commonly, tin, tantalum, tungsten, and gold (3TG) and any other mineral or its derivatives determined by the U.S. Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country.

(b) Seller represents and warrants that it has adopted and will maintain a supply chain policy and procedure to conduct, and require its suppliers to conduct, a reasonable inquiry to determine whether the Items supplied to Buyer contain Conflict Minerals and whether the source of any such Conflict Minerals not derived from recycled or scrap materials may be the Democratic Republic of the Congo or an adjoining country. If so, Seller shall perform due diligence to identify the facilities used to process such Conflict Minerals and make efforts to identify the location of each mine or location of origin of such Conflict Minerals with the greatest possible specificity.

(c) Seller shall provide written certifications concerning Conflict Minerals contained in Items supplied to Buyer by Seller as Buyer may request from time to time. Seller acknowledges that Buyer will rely on the accuracy and completeness of each such certification.

41. PROHIBITED SOFTWARE:

(a) This clause only applies to Services/Items that include the delivery of software.

(b) OSS License” means the General Public License ("GPL"), Lesser/Library GPL (LGPL), the Affero GPL (AGL), the Apache license, the Berkeley Software Distribution ("BSD") license, the MIT license, the Artistic License(e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as “Free Software License”, “Open Source License”, “Public License”, or “GPL Compatible License.”

(c) As used herein, “Prohibited Software” means software that incorporates or embeds software in, or integrates software in connection with, as part of, bundled with, or alongside any

(i) open source, publicly available, or “free” software, library or documentation; or

(ii) software that is licensed under a Prohibited License; or

(iii) software provided under a license that:

(A) the delivered software, or any portion thereof, in object code and/or source code formats; or

(B) any Items incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

(d) SELLER shall disclose to BUYER in writing any (OSS) that will be used or delivered in connection with this Contract and shall obtain BUYER’s prior written consent before using or delivering such OSS in connection with this Contract. BUYER may withhold such consent in its sole discretion. SELLER warrants all OSS used or delivered in connection with this Contract complies with any applicable OSS License.

(e) Seller agrees to defend, indemnify, and hold harmless Buyer, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys’ fees, to the extent Seller causes Buyer to use or deliver Prohibited Software in connection with this Order.

42. COMPLIANCE WITH HAZARDOUS SUBSTANCES AND WASTE RECYCLING LAWS:


(b) Seller hereby represents and warrants, based on its qualitative determination, that the Items contain no asbestos containing materials or mercury, polychlorinated biphenyls ("PCBs"), nor were they manufactured with prohibited Ozone Depleting Substances ("ODDs"), and Seller will not introduce into the Items or any replacements any materials that contain asbestos or PCBs, nor manufacture the Items with prohibited ODDs.

(c) Buyer may sell products containing Seller’s Items in California and other states, and Seller shall disclose in writing to Buyer all materials and components in the Items, and the amounts therein, that require labeling under California’s Proposition 65 or the laws of other states.

(d) As soon as Seller is aware of any non-compliance but in no event any later than before the shipment of any Item, Seller shall identify in writing to Buyer (e.g., in a Safety Data Sheet (“SDS”)), or other writing):

(i) any and all components and materials contained in the Items that may require recycling or other treatment during the product lifecycle under the laws and regulations implementing the Environmental Laws; and

(ii) the location of any component or material that is hazardous within the meaning of the WEEE Directive or other Environmental Laws, and any Item that is required by the Environmental Laws to be marked shall be so marked by Seller.

(e) Seller shall, upon request, provide Buyer with written confirmation of its compliance with the Environmental Laws, in the form, manner and within the timeframe reasonably directed by Buyer, including but not limited to, evidence that Supplier has registered, notified and communicated supplied materials for Buyer’s intended use as required by REACH.

(f) Buyer shall have the right to audit, at its own expense, Seller’s compliance with the Environmental Laws. Seller shall provide Buyer with all such information and documentation that it may reasonably require (including access to its staff and facilities) to enable Buyer to satisfy itself of Seller’s compliance with all Environmental Laws and that the warranty contained in subsection (a) above remains true and accurate.
(g) Seller shall bear all costs and expenses, including those related to recycling or taking back the Items, arising out of or related to either Buyer or Seller complying with the Environmental Laws and placing the Items on, or their importation into, any jurisdiction worldwide.

(h) Seller shall indemnify and hold Buyer harmless from any cost, expense, liability or damage suffered by Buyer by reason of any breach or alleged breach of any of the Environmental Laws arising out of or related to the Items.

43. **TOXIC, HAZARDOUS OR CARCINOGENIC SUBSTANCES AND SUBSTANCES OF VERY HIGH CONCERN (SVHC):**

(a) Seller represents and warrants that the following are not prohibited or restricted by any laws or regulations of any country or other jurisdiction in the world:

1. the Items, and substances contained therein including parts, subparts, components, and chemical constituents;
2. substances used in the manufacture of the Items, including its parts, subparts, components and chemical constituents;
3. use of the Items in the manner intended, and
4. substances required for the maintenance of the Items provided under this Order.

(b) Laws and regulations referenced in subparagraph (a) above include, without limitation, those of:

1. the United States through a Department or Agency such as the EPA acting under the Toxic Substances Control Act ("TSCA") (15 U.S.C., § 2601 et seq.), as amended by the Frank R. Lautenberg Chemical Safety for the 21st Century Act, or the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA") (21 U.S.C. § 346a et seq.) and their implementing regulations;
2. individual states in the U.S.;
3. the European Community through European Community Council Directive of 27 July 1976 "on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and uses of certain dangerous substances and preparations" (76/769/EEC) and other Directives and Regulations;
4. the European Community through EC 1907/2006 REACH;
5. nations in the European Community that have implemented legislation concerning 76/769/EEC and other Directives; and
6. nations that are not in the European Community but which implement legislation similar to 76/769/EEC and other Directives (collectively, the "Toxic Substance Laws").

(c) Seller represents and warrants that:

1. each chemical substance, including chemical substances contained in the Items delivered under this Order, is on the Inventory List (see 40 C.F.R. § 710) published by the EPA pursuant to the TSCA (15 U.S.C. § 2601 et seq.) (b) the European Inventory of Existing Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS); or
2. any equivalent lists in any other jurisdictions to which Buyer informs Seller or Seller knows the Items likely will be shipped to or through. Seller represents and warrants that each chemical substance constituting or contained in Items is registered if required, under Regulation (EC) No 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH is authorized for Buyer’s use at the time of such delivery;
3. delivery of any Items, including their chemical constituents, under this Order shall be made in accordance with transportation, labeling and other requirements for Toxic Substance Laws enacted by any government or regulatory body anywhere in the world; and
4. the Items, including their chemical constituents, shall meet the Toxic Substance Laws requirements of all jurisdictions, including under any applicable exclusions, exceptions or waivers, such that Buyer may freely transport, export, import, use, maintain, market and sell the Item or article throughout the world.

(d) If seller is located outside of the U.S. and is shipping Items into the U.S., regardless of which party is the importer of record, Seller agrees to comply with the import restrictions contained in section 13 of the Toxic Substance Control Act (TSCA) 15 U.S.C. 2601 et seq., provide the appropriate TSCA Certification required under 19 CFR 12.121, and be responsible for any fines or liabilities resulting from breaches of this provision.

(e) Seller shall establish a process to assure that current governmental and safety requirements under the Toxic Substances Laws on restricted, toxic and hazardous substances/materials are in compliance, relative to the purchased Items as stated on purchase orders.

(f) If Seller provides Items under this Order which:

1. contain a toxic or hazardous substance identified under Occupational Safety and Health Standards, 29 C.F.R. § 1919.20 or 29 C.F.R. § 1910.1000 et seq. (Subpart Z); or
2. contain a carcinogenic substance; or
3. the use of which is regulated or restricted under 76/769/EC or other European Community Directive; or
4. contain SVHCs or materials requiring registration, notification or communication under REACH; or
5. contain substances or materials that are regulated under EC RoHS, WEEE and Battery directives or any other jurisdiction’s RoHS, WEEE and Battery regulations; or
6. contain substances or materials that are regulated as a hazardous waste by RCRA,

Seller shall provide Buyer, at no cost to the buyer, all relevant information including without limitation, SDS in the language and the legally required format of the location to which the items will be shipped and mandated labelling information, (meeting the requirements of the Hazard Communication Standard at 29 C.F.R. § 1910.1200 ("HCS") and the latest revision of Federal Standard No 313, REACH and EC CLP Regulation 1272/2008), that shall include information on the presence of all chemical substances in the Item, including concentrations of carcinogenic chemicals equal to or greater than 0.1% on a weight by weight basis within an Item and any other information required by any applicable law.

Seller is required to monitor the SVHCs and RoHS and other jurisdictions’ lists of substances on a regular basis and shall provide this information to Buyer before the initial shipment of the item and again with the initial shipment of the item. When a change in formulations occurs, Seller shall provide Buyer with a copy of the revised SDS and any new restriction on handling, use, or disposal and receive approval from Buyer before shipment. Seller shall label each container of such Items in a clearly legible and conspicuous form in compliance with the HCS and all applicable shipping requirements, and shall provide Buyer with a copy of any existing or new restrictions on handling or use. SDS for all other materials shall be retained by Seller and made available to Buyer upon request.
Notwithstanding anything in this Order to the contrary, for Items supplied to Buyer's Defense unit as a defense contractor, nothing herein shall require or permit Seller to change in any manner the lead composition of any Item without the prior written approval of Buyer.

44. OZONE DEPLETING SUBSTANCES: Seller agrees that the Items delivered hereunder shall be accurately labeled for ODSs in accordance with the requirements of Section 611 of the 1990 Clean Air Act Amendments and the regulations promulgated thereunder, including but not limited to requirements contained in 40 C.F.R. §§ 82.114 and 82.116. At Buyer's request, Seller shall certify in a form satisfactory to Buyer whether the Items were manufactured with a controlled substance, as defined in 40 C.F.R. § 82.104.

45. HAZARDOUS CONDITIONS/INDEMNIFICATION:
   (a) Seller shall comply with applicable Environmental Laws and Toxic Substances Laws, including any specifications included by Buyer as part of this Order. Seller shall comply with the appropriate revision and section of MIL-STD-882 or Buyer equivalent, which Buyer will make available upon Seller's request. In the event that Seller or Buyer learns of any issue relating to a potential safety hazard or unsafe condition in any of the Items or Services produced hereunder, or is advised of such by competent authorities of any government having jurisdiction over such Items, materials or Services, it will immediately advise the other party by the most expeditious means of communication. When any change occurs that affects requirements or recommendations for safe handling, use, or disposal Seller shall provide Buyer with a copy of any new restriction on handling, use, or disposal and receive approval from Buyer before shipment.
   (b) Expenses associated with the correction of a safety hazard or unsafe condition as identified in (a) above, caused by or associated with Items or Services produced by Seller, including reasonable attorneys' fees, court costs, expenses, and the like, if they become necessary, shall be solely Seller's responsibility, subject only to any other arrangement negotiated by the Parties in light of the particular facts and circumstances then existing.
   (c) Seller agrees to protect, defend, hold harmless, indemnify, and reimburse Buyer, its officers, directors, agents, employees, distributors, dealers, affiliates, insurers, and customers during the term of this Order and any time thereafter for any and all costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses, overhead, settlements, judgments, and court costs) arising out of or related to any Environmental Laws and Toxic Substances Laws liability, demand, lawsuit, or claim alleging or asserting in whole or in part:
      (i) any Failure of Items or Services to comply with applicable specifications, warranties, and certifications under this Order (including those set forth in Seller's Annual Certification);
      (ii) the negligence or fault of Seller in design, testing, development, manufacture, or otherwise with respect to Items or parts thereof;
      (iii) claims, demands, or lawsuits that, with respect to the Items or any parts thereof allege product liability, strict product liability, or any variation thereof;
      (iv) any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean-up costs; or
      (v) any claim based on the negligence, omissions or willful misconduct of Seller or any of Seller's agents, subcontractors, employees or anyone acting on behalf of Seller.
   (d) Buyer agrees to protect, defend, hold harmless, and indemnify Seller in a similar fashion from and against any liability, claim, demands, or cost or expense that is the result of design or other special requirements specified by Buyer and actually incorporated in the Items or Services over the written objection of Seller. Buyer also agrees to protect, defend, hold harmless, and indemnify Seller in a similar fashion from and against any liability, claim, demands, or cost or expense arising out of death of or injury to any person or damage to tangible property which is the result of the negligence or other fault of Buyer.
   (e) Should Buyer's use, or use by its distributors, subcontractors or customers, of any Items or Services purchased from Seller be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, either:
      (i) substitute fully equivalent non-infringing Items or Services;
      (ii) modify the Items or Services so that they no longer infringe, but remain fully equivalent in functionality;
      (iii) obtain for Buyer, its distributors, subcontractors or customers the right to continue using the Items or Services;
      (iv) if none of the foregoing is possible, refund all amounts paid for the infringing Items or Services.
   (f) Seller shall without limitation as to time, defend, indemnify and hold Buyer harmless from all liens which may be asserted against property covered hereunder, including without limitation mechanic's liens or claims arising under Worker's Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer's negligence.

46. INDEMNITY AGAINST CLAIMS:
   (a) Seller shall keep its work and all items supplied by it hereunder and Buyer premises free and clear of all liens and encumbrances, including mechanic's liens, in any way arising from performance of this Order by Seller or by any of its vendors or subcontractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment. All personal property belonging to Buyer in Seller's custody or possession shall be at Seller's risk from loss or damage from all hazards.
   (b) To the extent not covered by the Patent/Intellectual Property Indemnity provision in Article 25, Seller shall, without limitation, indemnify, save, and hold harmless Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against every liability, claim of liability, allegation, judgment, cost, expense, attorneys' fees, cause of action, loss or damages whatsoever, including, without limitation, any and all claims (including claims under Workers' Compensation or Occupational Disease laws) and resulting costs, expenses and liability which arise from personal injury, death, or property loss or damage arising out of or as a result of Seller activity, or omissions under this Order, including, without limitation, latent defects in such Services or other Items, whether arising out of the actions or inactions of Seller or its employees, subcontractors, and lower tier subcontractors.
   (c) Seller agrees to notify Buyer as soon as practicable of any such claim described in subparagraph (b) above. Seller, if required to indemnify Buyer under this Article, shall promptly assume and diligently conduct the entire defense of such claim at its own expense. Buyer shall have the right to reasonably reject counsel selected by Seller and the right to reject any settlement that would negatively impact Buyer as determined solely by Buyer. Buyer shall have the right to participate with Seller in determining the strategy to defend any such suit or action, and shall have the right, with the permission of the court, to intervene in any such claim.
   (d) Notwithstanding any of the above provisions, Buyer shall have the further right, at its own election, to supersede Seller in the defense of any such claim and thereafter to assume and conduct the same according to Buyer's sole discretion. Upon Buyer's election, Seller shall be released from its obligation to pay for attorneys' fees and court costs. Further, Seller, if requested in writing by Buyer, shall cooperate with Buyer in Buyer's defense of any alleged claim.
   (e) In the event Buyer should bring action to enforce the indemnification provisions of this Article and prevail in such action, Seller agrees that Buyer shall be entitled to be awarded its reasonable attorneys' fees and costs.

47. ETHICAL STANDARDS OF CONDUCT:
   (a) Buyer is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Buyer's expectation is that Seller also will conduct its business fairly, impartially, and in an ethical and
proper manner. Buyer’s further expectation is that Seller will have (or will develop) and adhere to a code of ethical standards and comply with Buyer’s Supplier’s Code of Conduct, available at: https://www.harriss.com/sites/default/files/supplier-code-of-conduct-may_2017.pdf. If Seller has cause to believe that Buyer or any employee or agent of Buyer has behaved improperly or unethically under this contract, Seller shall report such behavior to appropriate Buyer Points of Contact (“POCs”). Buyer’s Code of Conduct contains listings of its POCs and is available on http://www.harriss.com. Seller’s employees are required to conduct company business with integrity and maintain a high standard of conduct in all business-related activities.

(b) Seller shall not participate in any personal business, or investment activity that may be defined as a conflict of interest, whether real or perceived. As a material obligation hereunder, Seller must immediately notify Buyer if, at any time during the term of this Order, Seller becomes aware that it has an actual or potential conflict of interest, as defined by FAR 9.5 or DFAR 252.209-7009, including without limitation a relationship of any nature which may affect or which may reasonably appear to affect Seller’s objectivity or ability to perform the Work (“Conflict of Interest”).

(c) Seller Compliance: In performing its obligations under this Order, Seller will not use child labor as defined by local law, will not use forced or compulsory labor, will not physically abuse labor and will respect employees’ rights to choose whether to be represented by third parties and to bargain collectively in accordance with local law. In addition, in all wage and benefit, working hours and overtime and health, safety and environmental matters, Seller will comply with all applicable laws and regulations. Seller further agrees that, if requested by Buyer, it shall demonstrate, to the satisfaction of Buyer, compliance with all requirements in this paragraph. Seller shall have the right to inspect any site of Seller involved in work for Buyer, and failure to comply with the obligations in this paragraph shall be cause for immediate termination without penalty or further liability to Buyer.

48. KEY PERSONNEL: Seller may not remove or substitute personnel identified as Key Personnel in the Order from the Work, and Seller may not reduce the contribution of identified Key Personnel from the amount contemplated herein without the prior written consent of Buyer. Should any Key Personnel leave the employ of Seller, or otherwise become unavailable, Seller shall, in consultation with Buyer, promptly replace such person with another person of comparable experience and qualifications.

49. NON-SOLICITATION: During the term of this Order, and for a period of twelve (12) months following termination of this Order, Seller shall not, directly or indirectly, solicit for employment, employ or otherwise engage the services of employees or individual consultants of Buyer. This clause shall not restrict any employee from responding to or accepting offers of general employment from either party.

50. GENERAL RELATIONSHIP: Seller’s relationship to Buyer in the performance of this Order is that of an Independent Contractor. Neither Seller nor any of the persons utilized by Seller to furnish materials or perform work or Services under this Order are employees of Buyer. Seller shall, at its own expense, comply with all applicable laws and regulations and assume all liabilities and obligations imposed by such laws and regulations with respect to this Order. Seller agrees that neither it nor its personnel are employees of Buyer, or provided any benefits provided or rights guaranteed by Buyer, or by operation of law, to Buyer’s respective employees, including but not limited to group insurance, liability insurance, disability insurance, paid vacation, sick leave or other leave, retirement plans, health plans, stock options and the like. Seller shall be responsible for and hold harmless Buyer and its customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys’ fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Order. Buyer shall be solely responsible for all claims and coordination with Buyer’s Customer(s), including the Government, as it affects the applicable Government Contract, this Order, and any related contract. Unless otherwise directed in writing by Buyer’s Representative, all documentation requiring submittal to, or action by, the Government or the Contracting Officer shall be routed to, or through, Buyer’s Representative, or as otherwise permitted by this Order.

(a) 41 C.F.R. § 60-741.5(a). This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 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.

(b) 41 C.F.R. § 60-300.5(a). This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 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.

(c) This contractor and subcontractor shall abide by the requirements of 41 C.F.R. Parts 60-1, 60-20, and 60-50 as set forth under EO 11246 and as amended under EO 13672, specifically section 202 and section 203, where these regulations prohibit discrimination on the bases of race, color, religion, sex, sexual orientation, gender identity, or national origin and require affirmative measures to prevent discrimination on those bases from occurring.

52. SEVERABILITY: If any part, term, or provision of this Order shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Order, the validity of the remaining portions of provisions shall not be affected thereby. In the event that any part, term or provision of this Order is held void, illegal, unenforceable, or in conflict with any law of the federal, state, or local government having jurisdiction over this Order, Seller agrees to negotiate a replacement provision, construed to accomplish its originally intended effect, that does not violate such law or regulation.

53. SURVIVABILITY: If this Order expires, is completed, or is terminated for default or convenience, Seller shall not be relieved of those obligations contained in this Order which by their nature survive, including but not limited to:


(b) Those flowdown provisions that, by their nature, should survive.

54. CERTIFICATIONS: By accepting this Order, Seller certifies to the best of its knowledge and belief that:

(a) Seller and/or any of its principles are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any federal agency;

(b) there is no litigation or proceeding pending, and that none are anticipated (e.g. claims of fraud, waste or abuse, debarment proceedings, or criminal allegations, against it or any of its officers or employees that may restrict, invalidate or void the Items or Services contemplated by this Order or render the continuation of such Order inadvisable);

(c) Seller has reviewed the Order and that no person that it provides to perform any services included therein has any legal restrictions as a result of government service that would be pertinent to the Order that would prevent such person from reasonably performing the work contemplated (e.g., post-employment restrictions related to representing a company to the government, accepting compensation for these services or improperly using or disclosing non-public information in these duties);

(d) if this effort includes support for a competitive proposal, that no person Seller provides for performance of this Order will have worked on the same or a directly related effort for any company in competition with Buyer for this work; and
(c) Seller has taken reasonable steps to identify and prevent the conflicts referenced above related to Seller or the personnel Seller provides for performance of this Order.

(f) A duly authorized representative of Seller has attested to and executed Seller’s Annual Certification.

Seller further agrees to furnish to Buyer or directly to Buyer’s Customer, upon Buyer’s request, any certificate required to be furnished under any provisions of this Order, including the clauses set forth and incorporated in Item 2 of this Order.
**ITEM 2 – FAR, DFARS CLAUSES APPLICABLE**

**IF THIS ORDER IS PLACED UNDER BUYER CONTRACT CONTAINING SUCH CLAUSES**

In addition to the provisions of Item 1, the following provisions shall apply to the Order as required by the terms of Buyer’s Government Contract, by operation of law or regulation, or by the terms of the specific clauses. Buyer is flowing down to Seller certain provisions and clauses from the FAR and DFARS, (all herein “USG Clauses”). These USG Clauses are hereby incorporated by reference, as applicable, and in the manner set forth below (including any parenthetical information regarding applicability, bracketed information regarding modifications to the USG Clauses. For certain USG Clauses, Buyer has provided parenthetical language describing the circumstances in which the USG Clauses apply to the Order. This parenthetical language may not encompass all situations where the USG Clauses apply and Seller is responsible for confirming whether the USG Clauses are applicable to the Order.

The effective version of the USG Clauses shall be the version in effect of the date this Order is issued unless a different version appears in Buyer’s Government Contract, in which case the version in Buyer’s Government Contract applies. The Parties hereby agree to amend this Item 2 to include any additional or revised USG Clauses incorporated in Buyer’s Government Contract that are applicable to the performance of this Order. The Parties shall handle any such amendments of this Item 2 under Article 10 “Changes and Equitable Adjustments” of this Order. Seller shall flow down to its lower-tier subcontractors all applicable USG Clauses and any other requirements of this Order and applicable law so as to enable and ensure that Buyer and Seller comply with all applicable requirements of Buyer’s Government Contract.

It is intended by the Parties that these USG Clauses shall apply to Seller in such manner as is necessary to reflect the position of Seller as a subcontractor to Buyer, and to ensure Seller’s obligations to Buyer and to the Government, and to enable Buyer to meet its contract obligations to the Federal Government. Consequently, in interpreting and applying USG Clauses flowed down to Seller, and as context requires, the terms “Contractor” and “Offeror” shall mean Seller, the term “Contract” shall mean this Order, and the term “Government”, “Contracting Officer” and equivalent phrases shall mean Buyer and/or Buyer’s Representative. However, as an exception to the foregoing, the terms “Government” and “Contracting Officer” do not change in the following circumstances:

(a) in the phrases “Government Property,” “Government-Furnished Property,” and “Government-Owned Property;”

(b) in the Patent Rights clauses incorporated therein, if any;

(c) when a right, act, authorization or obligation can be granted or performed only by the Government or a Contracting Officer or his/her duly authorized representative;

(d) when title to property is to be transferred directly to the Government;

(e) when access to proprietary financial information or other proprietary data is required, except as otherwise provided in this Order; and

(f) where specifically modified in this Order.

USG Clauses flowed down by Buyer to Seller pursuant to this provision may require submission of certificates. All such required representations and certifications made by Seller in connection with flow down of USG Clauses, including all such certifications submitted by Seller with its offer, are hereby incorporated in this Order by reference. Seller shall, with respect to applicable USG Clauses flowed down pursuant to this provision, furnish to Buyer (or directly to the Government upon request of Buyer) any certificate required to be furnished by any USG Clause and any certificate required by any federal U.S. law, ordinance, or regulation with respect to Seller’s compliance with the terms and provisions of U.S.S. laws, ordinances, or regulations. As used in this paragraph, the word “certificate” shall include any plan or course of action or record keeping function, as, for example, a small business subcontracting plan for which flow down is required.

Seller shall indemnify and hold Buyer harmless from and against any price reduction in Buyer’s Government Contract, as well as Buyer’s reasonable attorneys’ fees and other direct costs to defend Government Contract claims when said reduction is attributable to the failure of Seller or Seller’s subcontractors to seek payment only of allowable costs and to properly discharge applicable duties under the Truth in Negotiation Act and Cost Accounting Standards clauses incorporated by reference in accordance with this provision.

1. **FAR CLAUSES:**

In addition to the provisions of Item 1, the following provisions shall apply to the Order as required by the terms of Buyer’s Government Contract, by operation of law or regulation, or by the terms of the specific clauses. The following FAR Clauses are hereby incorporated by reference, as applicable, and made a part of this Order.

(a) **APPLICABLE TO ALL ORDERS:**

52.203-19 Prohibition onrequiring Certain Internal ConfidentialityAgreements or Statements

52.204-7 System for Award Management

52.204-19 Incorporation by Reference of Representations and Certifications

52.209-5 Certification Regarding Responsibility Matters

52.209-7 Information Regarding Responsibility Matters

52.209-9 Updates of Publicly Available Information Regarding Responsibility Matters (Alt I applies if included in Buyer’s Government Contract)

52.209-10 Prohibition on Contracting with Inverted Domestic Corporations

52.211-5 Material Requirements

52.215-9 Changes or Additions to Make-or-Buy Program (Alt I and/or II apply if included in Buyer’s Government Contract)

52.222-21 Prohibition of Segregated Facilities

52.222-26 Equal Opportunity and Alt I

52.222-50 Combating Trafficking in Persons and Alt I [Alt I is applicable if included in Buyer’s GovernmentContract]

52.223-6 Drug-Free Workplace

52.223-19 Compliance with Environmental Management Systems

52.224-1 Privacy Act Notification

52.225-13 Restrictions on Certain Foreign Purchases

52.227-3 Patent Indemnity

52.242-1 Notice of Intent to Disallow Costs [delete paragraph (a)(2)]

52.242-4 Certification of Final Indirect Costs

52.242-15 Stop-Work Order [“90 days” is modified to read “180 days” in paragraph (a)]

52.244-6 Subcontracts for Commercial Items

52.245-1 Government Property (Alternates I and II apply if included Buyer’s Government Contract)
52.246-6 Inspection – Time-and-Material and Labor-Hour

52.246-9 Inspection of Research and Development (Short Form)

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (in Paragraph (c)(2)(i) “20” is changed to “10” and in Paragraph (c)(2)(ii) “30” is changed to “20”; Alternates I and II apply if in Buyer’s Government Contract)

52.247-68 Report of Shipment (REPSHIP)

(b) ORDERS EXPECTED TO EXCEED $3,500 ALSO INCLUDE:

52.222-19 Child Labor – Cooperation With Authorities and Remedies

52.222-54 Employment Eligibility Verification (applies if this Order exceeds $3,500 except for commercial services that are part of the purchase of a COTS item, performed by the COTS provider, and are normally provided for that COTS item)

52.223-18 Encouraging Contractors to Ban Text Messaging While Driving

(c) ORDERS EXPECTED TO EXCEED $10,000 ALSO INCLUDE:

52.222-40 Notification of Employee Rights Under the National Labor Relations Act (applies if Order will be performed wholly or partially in the United States) [DEC 2010]

(d) ORDERS EXPECTED TO EXCEED $15,000 ALSO INCLUDE:

52.222-20 Contracts for Materials, Supplies, Articles and Equipment Exceeding $15,000

52.222-36 Equal Opportunity for Workers with Disabilities

(e) ORDERS EXPECTED TO EXCEED $30,000 ALSO INCLUDE:

52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards

(f) ORDERS EXPECTED TO EXCEED $35,000 ALSO INCLUDE:

52.209-6 Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment [Seller shall furnish to Buyer the information required by Paragraph (c)]

(g) ORDERS EXPECTED TO EXCEED THE SIMPLIFIED ACQUISITION THRESHOLD OR $150,000 ALSO INCLUDE:

52.202-1 Definitions

52.203-3 Gratuities

52.203-5 Covenant Against Contingent Fees

52.203-6 Restrictions on Subcontractor Sales to the Government

52.203-7 Anti-Kickback Procedures [in paragraph (c)(4) delete “The Contracting Officer may” and replace with “To the extent the Contracting Officer has made an offset in Buyer’s Government Contract or directed Buyer to withhold an amount, Buyer may . . . .”]

52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity

52.203-12 Limitation on Payments to Influence Certain Federal Transactions

52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights

52.204-5 Women-Owned Business (Other Than Small Business)

52.215-2 Audit and Records – Negotiation (Alt I, Alt II, and/or III apply if included in Buyer’s Government Contract)

52.215-14 Integrity of Unit Prices [exclude Paragraph (b), but include Paragraph (b) in Alternate I]

52.219-8 Utilization of Small Business Concerns

52.222-17 Nondisplacement of Qualified Workers

52.222-35 Equal Opportunity for Veterans (applies to Orders that exceed $150,000 unless exempted by rules, regulations, or orders of the Secretary of Labor) and Alt I

52.222-37 Employment Reports Veterans (unless exempted by rules, regulations or orders of the Secretary of Labor)

52.227-1 Authorization and Consent

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement

52.242-13 Bankruptcy

52.244-2 Subcontracts

52.248-1 Value Engineering (Alternates I and/or II apply if in Buyer’s Government Contract)

(h) ORDERS EXPECTED TO EXCEED $700,000 ALSO INCLUDE:

52.219-9 Small Business Subcontracting Plan (DEVIATION 2016-00009) (Also applies to Orders in excess of $1.5 million for construction of a public facility and does not apply to small business concerns; Alt II and Alt III apply if included in Buyer’s Government Contract)

52.219-16 Liquidated Damages – Subcontracting Plan (Also applies to Orders in excess of $1.5 million for construction of a public facility and does not apply to small business concerns)

(i) ORDERS EXPECTED TO EXCEED $750,000 ALSO INCLUDE:

52.214-26 Audit and Records – Sealed Bidding

52.215-12 Subcontractor Certified Cost or Pricing Data

52.215-13 Subcontractor Certified Cost or Pricing Data – Modifications

52.215-22 Limitations on Pass-Through Charges – Identification of Subcontract Effort

52.215-23 Limitations On Pass-Through Charges (Alt I applies if in Buyer’s Government Contract)

52.242-3 Penalties for Unallowable Costs
(j) ORDERS EXPECTED TO EXCEED $5,500,000 ALSO INCLUDE:

52.203-13 Contractor Code of Business Ethics and Conduct (applies where performance period is more than 120 days) ["Government" and "Contracting Officer" do not change]

52.203-14 Display of Hotline Poster(s) (applies unless this Order is for the acquisition of a commercial item or is performed entirely outside the United States)

(k) ORDERS EXPECTED TO EXCEED $10,000,000 ALSO INCLUDE:

52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation

(l) ORDERS ALSO INCLUDE THE FOLLOWING UNLESS OTHERWISE EXEMPT:

52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (applies if the Order is funded in whole or in part with Recovery Act funds)

52.203-16 Preventing Personal Conflicts of Interest (applies to Orders that include a requirement for services by contractor employee(s) that involve acquisition functions closely associated with inherently governmental functions for, or on behalf of, a federal agency or department)

52.204-2 Security Requirements (applies if work involves access to classified information)

52.204-9 Personal Identity Verification of Contractor Personnel (applies if work requires routine access to a Federally-controlled facility and/or to a Federally-controlled information system)

52.204-21 Basic Safeguarding of Covered Contractor Information Systems (applies if the Order may result in federal contract information residing in or transitioning through its information system)

52.207-5 Option to Purchase Equipment (applies if Order involves a lease with option to purchase)

52.208-8 Required Sources for Helium and Helium Usage Data (applies if Order involves a major helium requirement)

52.211-15 Defense Priority and Allocation Requirements (applies to Orders that contain a DPAS rating)

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (Applies if the submission of certified cost or pricing data is required) [Seller shall provide Buyer or, upon Buyer’s request, the Government, with cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in FAR 15.406-2; the term “Contracting Officer” in (c)(1) remains the Government Contracting Officer]

52.215-15 Pension Adjustments and Asset Reversions (applies to Orders for which certified cost or pricing data will be required)

52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (applies to Orders for which certified cost or pricing data will be required)

52.215-19 Notification of Ownership Changes (applies to Orders for which certified cost or pricing data will be required)

52.215-20 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data (applies to Orders for which certified cost or pricing data will be required Alt I, Alt II, Alt III, and/or Alt IV apply if included in Buyer’s Government Contract)

52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications (applies if submission of certified cost or pricing data or data other than certified cost or pricing data may be required for modifications; Alt I – IV apply if included in Buyer’s Government Contract)

52.222-1 Notice to the Government of Labor Disputes (applies if Buyer’s Government Contract involves programs or requirements that have been designated under 48 C.F.R. § 22.101-1(e))

52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation (applies where the Order requires or involves the employment of laborers or mechanics; in addition, Buyer may withhold or recover from Seller any sums the Contracting Officer withholds or recovers from Buyer because of a violation of this provision by Seller or Seller’s subcontractor)

52.222-29 Notification of Visa Denial (applies if Seller is required to perform in or on behalf of a foreign country)

52.222-41 Service Contract Labor Standards (applies if the Order exceeds $2,500 and is subject to the Service Contract Labor Standards statute)

52.222-43 Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (Multiple Year and Option Contracts) (applies if the Order is subject to FAR 52.222-41, Service Contract Labor Standards, and is a multiple-year contract or contract with options to renew which exceeds SAT)

52.222-55 Minimum Wages under Executive Order 13658 (applies if the Order is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements statute and is to be performed in whole or in part in the United States)

52.222-62 Paid Sick Leave Under Executive Order 13706 (applies if the Order is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements statute and is to
be performed in whole or in part in the United States) 52.225-26 Contractors Performing Private Security Functions Outside the United States (applies if the clause is included in Buyer’s Government Contract unless specifically exempted by Buyer in writing)

52.225-3 Buy American Act – Supplies (applies if the clause is included in Buyer’s Government Contract unless specifically exempted by Buyer in writing)

52.225-8 Duty-Free Entry (applies if, under this Order, supplies identified in the Schedule to be accorded duty-free entry will be imported into the customs territory of the United States or other foreign supplies in excess of $15,000 may be imported into the customs territory of the United States) [Change “20 calendar days” to “30 calendar days” in Paragraph (c)(1), and “10 calendar days” to “20 calendar days” in Paragraph (c)(2)]

52.226-17 Rights in Data – General (applies to the Order if data will be produced, furnished, or acquired)

52.226-19 Commercial Computer Software License (applies to the acquisition of commercial computer software)

52.228-3 Workers’ Compensation Insurance (Defense Base Act) (applies if the Order is subject to the Defense Base Act)

52.228-5 Insurance – Work on a Government Installation (applies if the Order requires work on a government installation; kinds and amounts of insurance, if applicable, are set forth in Order)

52.232-20 Limitation of Costs (applies if this is a fully funded Order)

52.232-22 Limitation of Funds (applies if the Order is incrementally funded) [In paragraph (c) replace 60 days with 90 days, and replace seventy-five percent (75%) with sixty percent (60%); in paragraph (d), replace 60 days with 90 days; following paragraph (d), insert the following: “If the estimate is higher than the funded value, the estimate at completion shall contain the costs to date, estimate to complete and total together with supporting reasons and documentation.”]

52.232-40 Providing Accelerated Payments to Small Business Subcontractors (applies to Orders with small business concerns)

52.233-3 Protest After Award and Alt I [In the event Buyer’s Customer has direct Buyer to stop performance of Buyer’s Government Contract under which the Order is issued pursuant to FAR 33.1, Buyer may, by written order to Seller, direct Seller to stop performance of the work called for by this Order; substitute twenty (20) days for the referenced thirty (30) days in paragraph (b)(2)]

52.234-1 Industrial Resources Developed Under Defense Production Act Title III (applies to Orders for major systems and items of supply)

52.234-4 Earned Value Management System (applies when the Contracting Officer has listed Seller in Paragraph (g))
52.237-2 Protection of Government Buildings, Equipment, and Vegetation (applies if work will be performed on a Government installation)

52.239-1 Privacy or Security Safeguards (applies for contracts for information technology which require security of information technology, and/or are for the design, development, or operation of a system of records using commercial information technology services or support services)

52.243-6 Change Order Accounting (applies if the Order involves supply and research and development work of significant technical complexity and numerous changes are anticipated)

52.245-9 Use and Charges (applies if included in Buyer’s Government Contract)

52.247-63 Preference for U.S.-Flag Air Carriers (applies to Orders involving international air transportation)

52.247-67 Submission of Transportation Documents for Audit (applies when Seller is a first-tier supplier and transportation will be reimbursed as a direct charge to the Order) [Delete Paragraph (a)(2)]

52.251-1 Government Supply Sources (applies when the Seller is authorized to acquire supplies or services from a government supply source)

2. COST ACCOUNTING STANDARDS:
The following provisions pertaining to Cost Accounting Standards are applicable as stated in the Purchase Order.

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

3. DFARS CLAUSES:
In addition to the provisions of Item 1, the following provisions shall apply as required by the terms of Buyer’s Government Contract, by operation of law or regulation, or by the terms of the specific clauses. The following DFARS clauses, in addition to or in lieu of the FAR clauses set forth above, are hereby incorporated by reference, as applicable, and made a part of this Order.

(a) Applicable to all ORDERS:

252.203-7002 Requirements to Inform Employees of Whistleblower Rights
252.204-7003 Control of Government Personnel Work Product
252.204-7008 Compliance with Safeguarding Covered Defense Information Controls
252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support
252.209-7004 Subcontracting With Firms That Are Owned or Controlled by the Government of a Terrorist Country
252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements
252.225-7048 Export-Controlled Items

252.244-7000 Subcontracts for Commercial Items
252.244-7001 Contractor Purchasing System Administration-Basic

(b) ORDERS EXPECTED TO EXCEED $150,000 ALSO INCLUDE:

252.225-7012 Preference for Certain Domestic Commodities
252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (applies in first-tier Orders) ("Government" is not changed in this clause)

(c) ORDERS EXPECTED TO EXCEED $500,000 ALSO INCLUDE:

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

(d) ORDERS EXPECTED TO EXCEED $1,500,000 ALSO INCLUDE:

252.211-7000 Acquisition Streamlining ["Government" is not changed in this clause]

(e) ORDERS EXPECTED TO EXCEED $5,500,000 ALSO INCLUDE:

252.203-7003 Agency Office of the Inspector General
252.203-7004 Display of Fraud Hotline Poster(s) (applies in lieu of FAR 52.203-14)

(f) ORDERS ALSO INCLUDE THE FOLLOWING UNLESS OTHERWISE EXEMPT:

252.204-7000 Disclosure of Information (applies when Seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public) [In paragraph (b) "45" is changed to "60"]
252.204-7009 Limitations on the Use Or Disclosure of Third-Party Contractor Reported Cyber Incident Information (applies if the Order requires services that include support for the Government’s activities related to safeguarding covered defense information or cyber incident reporting)
252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (applies if the Order involves operationally critical support or covered defense information)
252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (applies unless the Order does not involve the purchase of precious metals)
252.209-7009 Organizational Conflict of Interest – Major Defense Acquisition Program (applies to Orders for systems engineering and technical assistance for major defense acquisitions programs or pre-major defense acquisition programs)
252.211-7003 Item Identification and Valuation (applies if the Order requires articles produced to contain unique item identification; apply Alt I if included in Buyer’s Government Contract)
252.211-7007 Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (applies if this Order requires
Government property in Seller’s possession to contain unique item identification) ["Government" does not change]

252.219-7003 Small Business Subcontracting Plan (DoD Contracts) (applies if FAR 52.219-9 applies to the Order; Alt I applies if included in Buyer’s Government Contract)

252.222-7000 Restrictions on Employment of Personnel (applies if noncontiguous state is identified in Buyer’s Government Contract)

252.222-7002 Compliance with Local Labor Laws (Overseas) (applies if the Order is for services to be performed outside of the United States and its outlying areas)

252.223-7001 Hazard Warning Labels (applies if the Order involves the submission of hazardous material data sheets)

252.223-7002 Safety Precautions for Ammunition and Explosives (applies if articles furnished under this Order contain ammunition or explosives, including liquid and solid propellants)

252.223-7003 Change in Place of Performance – Ammunition and Explosives (applies if the Order is subject to mandatory safety requirements regarding arms, ammunition, and explosives)

252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials and Alt I (applies to Orders which require, may require, or permit Seller to access a DoD installation)

252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (applies to Orders for the development, production, manufacture, or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to Contractor as Government Furnished Property)

252.223-7008 Prohibition of Hexavalent Chromium (applies to an Order for supplies, maintenance or repair services, or construction materials)

252.225-7017 Photovoltaic Devices (applies if the Order exceeds the SAT and may provide for the installation of a photovoltaic device)

252.225-7001 Buy American Act and Balance of Payments Program and Alt I (applies to the Order in lieu of FAR 52.225-1 if included in Buyer’s Government Contract and if work contains other than domestic components; Alt I applies when the Order includes acquisition of end products listed in 225.401-70 in support of operations in Afghanistan) ["Government" is not changed in this clause]

252.225-7002 Qualifying Country Sources as Subcontractors (applies to the Order if DFARS 252.225-7001, 252.225-7021, or 252.225-7036 apply)

252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (applies to items covered by the United States Munitions List)
Outside the United States (applies to Orders that require Seller’s personnel to accompany U.S. Armed Forces deployed outside the United States in contingency operations; humanitarian or peacekeeping operations; or other military operations or exercises designated by the Combatant Commander)

252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (applies where Seller will be performing or traveling outside the U.S. under this Order; for paragraph (d), see applicable information cited in PGI 225.7403-1)

252.227-7013 Rights in Technical Data – Noncommercial Items (applies when technical data from Seller is delivered to the Buyer; Alt I and/or II apply if included in Buyer’s Government Contract) [Delete from (b)(1)(vi) “to the Contractor” and from (b) (1) (ix) “contract or” and “thereunder”; add “Buyer or” before “Government” in (c) and (i); change the second and third occurrences of “Contracting Officer” to “Government” in (e)(4); add “and the Government” after “parties” in (b) (1); change in (h) (2) “sixty (60)” to “fifty (50)” days; no substitutions for “Government” are made]

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applies when software and software documentation from Seller are delivered to the Buyer; Alt I and/or II apply if included in Buyer’s Government Contract) [Delete from paragraphs (a) (iii) “to the Contractor” and from (b) (1) (vi) “contract or” and “thereunder”; add “Buyer or” before “Government” in (i); change the second and third occurrences of “Contracting Officer” to “Government” in (e) (4); add “and the Government” after “parties” in (b) (1); change in (h) (2) “sixty (60)” to “fifty (50)” days; no substitutions for “Government” are made]

252.227-7015 Technical Data—Commercial Items (applies if Buyer will obtain technical data related to commercial items developed in any part at private expense from Seller for delivery to the Buyer’s Customer)

252.227-7016 Rights in Bid or Proposal Information (applies when FAR 252.227-7013 is used) [No substitutions for “Government” or “Contracting Officer” are made]

252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions (applies when FAR 252.227-7013 is used)

252.227-7018 Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program (applies when this Order involves noncommercial data or computer software for delivery under the SBIR program) (Alternate I is applicable if in Buyer’s Government Contract)

252.227-7019 Validation of Asserted Restrictions – Computer Software (applies when FAR 252.227-7014 and 252.227-7018 are used) [Substitute “Buyer’s Representative” for “Contracting Officer” in paragraph (b), otherwise no substitutions are made for “Contracting Officer” or “Government”; in paragraphs (f)(5) and (f)(6), substitute “the Government contract” for “this contract”]

252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (applies when FAR 252.227-7013 or 252.227-7014 are used) [No substitution is made for “Government”]

252.227-7026 Deferred Delivery of Technical Data or Computer Software (applies to the Order if included in Buyer’s Government Contract)

252.227-7027 Deferred Ordering of Technical Data or Computer Software (applies to the Order if included in Buyer’s Government Contract)

252.227-7030 Technical Data – Withholding of Payment (applies when FAR 252.227-7013 is used) [Substitute “Buyer” for “Contracting Officer” in paragraph (a); add in paragraph (b), “or Buyer” after “Government”]

252.227-7037 Validation of Restrictive Markings on Technical Data (applies when Clauses 252.227-7013, 252.227-7014 or 252.227-7015 are used) [In paragraph (b), “Contractor’s” remains in the clause with a lower case “c”, insert in paragraphs (c) and (d)(1) “hereunder” after “subcontract”; change in paragraphs (f) and (g) (2) (i) “this contract” to “the Government contract”; change in paragraph (i) “a contract” to “Buyer’s Government Contract”; no substitutions for “Government” or “Contracting Officer” are made]

252.227-7038 Patent Rights – Ownership by the Contractor (Large Business) (applies if this Order is for experimental, developmental, or research work, unless the work is to be performed by a small business concern or nonprofit organization or a different patent rights clause is required by FAR 27.303; Alt I and II apply if included in Buyer’s Government Contract) [“Government” and “Contracting Officer” do not change]

252.227-7039 Patents – Reporting of Subject Inventions (applies if the Order contains FAR 52.227-11)

252.228-7001 Ground and Flight Risk (applies to an Order involving the manufacture, modification, maintenance, repair, flight, or overhaul of aircraft)

252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (applies to an Order involving the manufacture, modification, overhaul, or repair of aircraft, missiles, and space launch vehicles)

252.231-7000 Supplemental Cost Principles (applies to the Order if the allowability of costs is determined in accordance with FAR Part 31)

252.234-7002 Earned Value Management System (applies when the Contracting Officer has listed Seller in Paragraph (k))

252.234-7004 Cost and Software Data Reporting System (applies to the Order if included in Buyer’s Government Contract)
252.235-7003 Frequency Authorization (applies if the Order requires developing, producing, constructing, testing, or operating a device requiring a frequency authorization; Alt I applies if included in Buyer’s Government Contract)

252.237-7023 Continuation of Essential Contractor Services (applies to Order for essential services)

252.239-7010 Cloud Computing Services (applies if the Order involves or may involve cloud services)

252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services (applies to an Order that requires securing telecommunications)

252.239-7018 Supply Chain Risk (applies if the Order involves the development or delivery of any information technology)

252.245-7001 Tagging, Labeling, and Marking of Government-Furnished Property (applies if the Order includes FAR 52.245-1)

252.245-7002 Reporting Loss of Government Property (applies if the Order includes FAR 52.245-1)

252.245-7003 Contractor Property Management System Administration (applies if the Order includes FAR 52.245-1)

252.246-7001 Warranty of Data (applies to Orders containing DFARS 252.227-7013; additional liability provisions at Paragraph (d)(3) are appropriate only if the Alternate I or II version of this clause is in Buyer’s Government Contract) [In Paragraph (b), delete the parenthetical; in Paragraph (d), including (d)(1), and (d)(2) “Buyer” is substituted for “Contracting Officer”; Paragraphs (d)(3)(i) through (iii) are modified and deleted to read “The limit of Seller’s liability shall be ten percent of the total price”; in Paragraph (d)(3)(iv)(B), change the second “Government” to “Government or Buyer”]

252.246-7003 Notification of Potential Safety Issues (applies if this Order is for parts identified as critical safety items; systems and subsystems, assemblies, and subassemblies integral to a system; or repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system) [“Government” does not change]

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (applies if the Order Subcontract is subject to the Cost Accounting Standards and includes electronic parts or products that include electronic parts)

252.246-7008 Sources of Electronic Parts (applies if the Order is for electronic parts or assemblies containing electronic parts, unless Seller is the original manufacturer)

252.247-7023 Transportation of Supplies by Sea (applies to an Order requiring the ocean transportation of supplies) [Change “prime contractor” in paragraph (a)(5) to “Seller” and “the prime contract” to “this order”; modify paragraph (e) to read “Seller and its subcontractors may request that Buyer obtain Government authorization for shipment . . .”; change in paragraph (d) “Contracting Officer” to “Buyer” in the second sentence; change “45” to “60” days in paragraph (d) and “30” to “25” in paragraph (e); delete in paragraph (e) “and the Maritime Administration Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street, N.W., Washington, DC 20590”; paragraphs (f) and (g) only apply if this Order exceeds the simplified acquisition threshold; delete in paragraph (g) “for the purposes of the Prompt Payment clause of this contract”; Alt I, Alt II]

252.247-7024 Notification of Transportation of Supplies by Sea (applies to Orders when the prime’s original response to the solicitation stated that no transportation by sea was contemplated; modify paragraph (a) to read “If, after the award of this order, Seller learns that supplies . . .”) 252.249-7002 Notification of Anticipated Contract Termination or Reduction (applies if the Order is under a major defense program) [Delete paragraph (d)(1) and the first five words of paragraph (d)(2)]