Where necessary, to identify the applicable parties under the following clauses, “Contractor” shall mean “Seller,” “Contracting Officer” shall mean “Lockheed Martin Procurement Representative,” “Contract” means this subcontract and “Government” means “Lockheed Martin.” However, the words “Government” and “Contracting Officer” do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the Prime Contract Contracting Officer or duly authorized representative, including but not limited to (i) audit rights to Seller’s proprietary business records or (ii) any indemnification or limitation of liability obligation, which obligation shall remain with the Government; (2) when title to property is to be transferred directly to the Government, and (3) when the Government is granted ownership or other rights to Seller’s intellectual property or technical data.

**Full Text Clauses**

**OPTION EXERCISE**

(a) Lockheed Martin shall have the right to exercise the option CLINs identified in the Variations in Quantity Attachment by the issuance of a unilateral modification exercising the CLIN on or before the option exercise dates established in the Variations in Quantity Attachment.

(b) In the event Lockheed Martin exercises an option, Lockheed Martin will update the affected sections of the subcontract. For example, Lockheed Martin will insert the unit price into the CLIN being exercised, insert the delivery date for that CLIN, and insert the accounting and appropriation data being obligated to procure that quantity for the item being procured. The price at which Lockheed Martin will exercise these options will be based upon the unit prices specified in the Variations in Quantity Attachment.

(c) To ensure continuous uninterrupted production, CLINs must be exercised sequentially irrespective of what quantity is being procured by an option exercise modification. Exercising a particular option quantity does not establish a precedent that Lockheed Martin will exercise options to procure that same quantity in any successive fiscal year.

(d) In the event the Government does not place an order in a particular year, the offeror may be entitled to an equitable adjustment. This equitable adjustment may only be applied towards the next fiscal year's order. All subsequent pricing shall remain valid and unchanged.

**MILITARY PACKAGING AND MARKING** (Applicable if Seller will be making direct shipments to the Government.)

Items shall be packaged in accordance with MIL-STD-1367A, PACKAGING, HANDLING, STORAGE, AND TRANSPORTABILITY PROGRAM REQUIREMENTS FOR SYSTEMS AND EQUIPMENTS as tailored in the Compliance and Reference Documents Shipping and storage markings shall also be in accordance with MIL-STD-1367A as tailored in the Compliance and Reference Documents.

**PACKAGING AND MARKING OF HAZARDOUS MATERIALS** (Applicable if Seller will be delivering any hazardous material directly to the Government.)

Hazardous materials shall be prepared for shipment in accordance with the following applicable regulations for the individual shipment hazard, ultimate destination, and mode of transportation:

(a) Code of Federal Regulations (CFR) Title 29, Part 1910.1200;

(b) CFR Title 49;

(c) Air Force Joint Manual (AFJMAN) 24-204, Preparing Hazardous Materials for Military Air Shipment;

(d) International Civil Aviation Organization (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air; and

(e) International Maritime Dangerous Goods (IMDG) Code.

**PACKAGING DATA** (Applicable if required by the purchase order/subcontract to provide packaging data.)

The Contractor shall provide packaging data in accordance with DD Form 2326, Preservation and Packing Data, and/or DD Form 2169, Special Packaging Instructions. MIL-STD-1367A PACKAGING, HANDLING, STORAGE, AND TRANSPORTABILITY PROGRAM REQUIREMENTS FOR SYSTEMS AND EQUIPMENTS. DI-PACK-80120B, Preservation and Packing Data, and DI-PACK-80121B, Special Packaging Instructions, apply.

**CONTRACTOR IDENTIFICATION** (Applicable for all purchase orders/subcontracts.)

(a) Contractor personnel and their subcontractors must identify themselves as contractors or subcontractors during meetings, telephone conversations, in electronic messages, or correspondence related to this contract.

(b) Contractor-occupied facilities on Government installations such as offices, separate rooms, or cubicles must be clearly identified with contractor supplied signs, name plates or other identification, showing that these are work areas for contractor or subcontractor personnel.

**STANDARD CMMI APPRAISAL METHOD FOR PROCESS IMPROVEMENT** (Applicable if this purchase order/subcontract requires Seller to have significant software responsibility.)

The contractor shall assure that the CMMI® project management, engineering, and support process area practices at levels 2 and 3 are integrated and practiced by the contractor and subcontractors at all tiers with significant software responsibility. The scope of these CMMI® practices shall include the software engineering, integrated product and process development, and supplier sourcing (SW/IPPD/SS) disciplines for software-related development. The contractor shall conduct periodic GPS team-wide Standard CMMI® Appraisal Method For Process Improvement (SCAMPI)(SM) Class B appraisals against the CMMI® software engineering, integrated product and process development, and supplier sourcing (SW/IPPD/SS) staged model and shall describe the planned conduct of such appraisals in their IMP. These appraisals shall be led by a Software Engineering Institute (SEI) authorized Lead Appraiser, external to the contractor's business unit, division, site, and program office. The Government reserves the right to participate in the contractor SCAMPI(SM) Class B appraisals. The Government also reserves the right to perform an independent SCAMPI(SM) Class B or C appraisal at any time with 30 calendar days notice and intends to conduct an appraisal within the first 12 months after contract award and approximately every 18 months thereafter. In addition, for all risks and weaknesses identified during any appraisals, an action plan will be submitted to the Government. Risks and weaknesses will be reassessed in accordance with the action plan to ensure that issues have been corrected. The contractor shall include in each subcontract a clause requiring compliance by the subcontractors at all tiers with significant software responsibility to the provisions of this paragraph.

**USE OF HAZARDOUS MATERIALS IN THE PERFORMANCE OF ON-BASE CONTRACTS** (Applicable if Work will be performed on Government installations under this purchase order/subcontract.)

(a) "Hazardous Material" as used in this SCR includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(b) The list of hazardous materials identified FAR 52.223-3, "Hazardous Material Identification and Material Safety Data", and DFARS 252.223-7001, "Hazard Warning Labels" shall be updated during performance of the contract whenever the contractor determines that any other material to be delivered or used on base in excess of (insert locally specified time period) and/or a (insert locally specified quantity of material) under this contract is hazardous based on changes in the composition of the item(s) or a revision to Federal Standard No. 313. Provide written notification of changes in the Material Safety Data Sheets (MSDSs), including a copy of the updated MSDS, of each item to the identified point of contact on the installation prior to use of the item on installation.

(c) The contractor shall submit a Contractor Hazardous Material Report (insert form number), available from (insert installation) (insert appropriate office, e.g., Hazardous Material Support Center or Hazardous Material Cell) at (insert phone number) for each item identified under Section I clauses referenced above or updates resulting from paragraph (b) of this SCR 15 days prior to bringing the items on base. Update the report at least monthly (beginning no later than 30 days after the material is brought on base) until the hazardous material is removed from the base.

(d) All hazardous material used on base (including material to be used for a period of less than 24 hours) shall contain a hazardous material warning label. The label shall include a list of the hazardous chemical(s), material identification which matches the part number and/or trade name on the MSDS, appropriate hazard warnings (including description of target organs), and name and address of the chemical manufacturer, importer, or other responsible party.

(e) The contractor is responsible for conducting and documenting employee hazard communication training prior to the commencement of work on base.

(f) Neither the requirements of this SCR nor any act or failure to act by the Government shall relieve the contractor of any responsibility or liability for the safety of Government, contractor, or subcontractor personnel or property.

(g) Nothing contained in this SCR shall relieve the contractor from complying with applicable Federal, State, and local laws, codes, ordinance, and regulations (including the obtaining of licenses and permits in conjunction with hazardous material).

(h) Notwithstanding any other rights in technical data specified elsewhere in this contract, the Government may use, duplicate, and disclose any data to which this SCR is applicable to apprise personnel of the hazards to which they may be exposed and obtain medical treatment for those affected by the material. In addition, the Government may allow others to use, duplicate and disclose data for these purposes.

**EXPORT-CONTROLLED DATA RESTRICTIONS** (Applicable for all purchase orders/subcontracts.)

(a) For the purpose of this clause,

(1) Foreign person is any person who is not a citizen or national of the U.S. or lawfully admitted to the U.S. for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, international organizations, and foreign governments;

(2) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation or person;

(3) Foreign sources are those sources (vendors, subcontractors, and suppliers) owned and controlled by a foreign person.

(b) The Contractor shall place a clause in subcontracts containing appropriate export control restrictions, set forth in this clause.

(c) Nothing in this clause waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export controlled data and information.

(d) Equipment and technical data generated or delivered under this contract are controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128. An export license is required before assigning any foreign source to perform work under this contract or before granting access to foreign persons to any equipment and technical data generated or delivered during performance (see 22 CFR Section 125). The Contractor shall obtain written approval of the Procuring Contracting Officer prior to assigning or granting access to any work, equipment, or technical data generated or delivered under this Contract to foreign persons or their representatives. The notification shall include the name and country of origin of the foreign person or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign person is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

**ACCIDENT REPORTING AND INVESTIGATION INVOLVING SPACECRAFT, GROUND SYSTEMS, AND MISSION SUPPORT EQUIPMENT** (Applicable for all purchase orders/subcontracts.)

(a) The contractor shall report promptly to the Administrative Contracting Officer all pertinent facts relating to each accident involving spacecraft, ground systems, and mission support equipment being manufactured, modified, or repaired in connection with this contract.

(b) If the Government conducts an investigation of the accident, the contractor will cooperate and assist the Government's personnel until the investigation is complete.

(c) The contractor will include a clause in subcontracts under this contract to require subcontractor cooperation and assistance in accident investigations.

**PREFERENCE FOR DOMESTIC SPECIALTY METALS (DEVIATION 2008-O0002) - ALTERNATE I (DEVIATION 2008-O0002)** (The version of the clause in DoD Class Deviation 2008-O0002 applies in lieu of the standard DFARS version of the clause. Applicable for all purchase orders/subcontracts unless the item being purchased contains no specialty metals.)

(a) Definitions. As used in this clause –

(1) “Assembly” means an item forming a portion of a system or subsystem that can be provisioned and replaced as an entity and which incorporates multiple, replaceable parts.

(2) “Commercial derivative military article” means an item procured by the Department of Defense that is or will be produced using the same production facilities, a common supply chain, and the same or similar production processes that are used for the production of articles predominantly used by the general public or by nongovernmental entities for purposes other than governmental purposes.

(3) “Commercially Available off-the-shelf item”

(i) Means any item of supply that is –

(A) A commercial item;

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App 1702), such as agricultural products and petroleum products.

(4) “Component” means any item supplied to the Government as part of an end item or of another component.

(5) “Electronic component” means an item that operates by controlling the flow of electrons or other electrically charged particles in circuits, using interconnections of electrical devices such as resistors, inductors, capacitors, diodes, switches, transistors, or integrated circuits.

(6) “End item” means the final production product when assembled or completed, and ready for issue, delivery, or deployment.

(7) “Produce” means the application of forces or processes to a specialty metal to create desired physical properties through quenching or tempering of steel plate, or gas atomization or sputtering of titanium.

(8) “Qualifying country” means any country listed in subsection 225.872-1(a) or (b) of the Defense Federal Acquisition Regulation Supplement (DFARS).

(9) “Required form” means in the form of mill product, such as bar, billet, wire, slab, plate or sheet, and in the grade appropriate for the production of –

(i) A finished end item delivered to the Department of Defense, or

(ii) A finished component assembled into an end item delivered to the Department of Defense.

(10) “Specialty metal” means –

(i) Steel –

(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, molybdenum, nickel, niobium (colunbium), titanium, tungsten, or vanadium,

(ii) Metal alloys consisting of –

(A) Nickel or iron-nickel alloys that contain a total of alloying metals other than nickel and iron in excess of 10 percent; or

(B) Cobalt alloys that contain a total of alloying metals other than cobalt and iron in excess of 10 percent;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium alloys.

(11) “Subsystem” means a functional grouping of items that combine to perform a major function within an end item. Such as electrical power, attitude control, and propulsion.

(b) Except as provided in paragraph (c) of this clause, any specialty metals incorporated in items delivered under this contract shall be melted or produced in the United States, its outlying areas, or a qualifying country, except for –

(1) Electronic components:

(2) (i) Commercially available off-the-shelf (COTS) items; other than –

(A) COTS fasteners, unless such fasteners are incorporated into COTS end items, subsystems, assemblies, or components.

(B) Forgings or castings of specialty metals, unless such forgings and castings are incorporated into COTS end items, subsystems, or assemblies.

(C) Commercially available high performance magnets, unless such high performance magnets are incorporated into COTS end items or subsystems;

(ii) A COTS item is considered to be “offered without modification” as long as it is not modified prior to contractual acceptance by the next higher tier in the supply chain.

(A) Specialty metals contained in a COTS item that was accepted without modification by the next higher tier are excepted and remain excepted even if a piece of the COTS item subsequently is removed (e.g., the end is removed from a COTS screw or an extra hole is drilled in a COTS bracket).

(B) For specialty metals that were not contained in a COTS item upon acceptance, but are added to the COTS item after acceptance, the added specialty metals are subject to the restrictions (e.g., a special reinforced handle made of specialty metal that is added to a COTS item).

(C) If two or more COTS items are combined in such a way that the resultant item is not a COTS item, only the specialty metals involved in joining the COTS items together are subject to the restrictions (e.g., a COTS aircraft is outfitted with a COTS engine, but not the COTS engine normally provided with that aircraft.)

(D) For COTS items that are normally sold in the commercial marketplace with various options, items that include such options are also COTS items. However, if a COTS item is offered to the Government with an option that is not normally offered in the commercial marketplace, that option is subject to the specialty metals restrictions. (e.g., An aircraft is normally sold to the public with an option for several different radios. DoD requested military-unique radio. The aircraft is still a COTS item, but the military-unique radio is not a COTS item, and must comply with the specialty metals restrictions, unless another exception applies.

(3) Fasteners that are commercial items that are purchased under a contract or subcontract with a manufacturer of such fasteners, if the manufacturer has certified that it will purchase, during the relevant calendar year, an amount of domestically melted specialty metal, in the required form, for use in the production of fasteners for sale to the Department of Defense and other customers, that is not less than 50% of the total amount of the specialty metal that it will purchase to carry out the production of such fasteners for all customers.

(4) Items manufactured in a qualifying country;

(5) Items for which the Government has determined in accordance with 225.700x-3 of Class Deviation 2008-O0002 that specialty metal melted or produced in the United States cannot be acquired as and when needed in –

(i) A satisfactory quality;

(ii) A sufficient quantity; and

(iii) The required form.

(6) Specialty metals, other than specialty metals in high performance magnets, that do not meet any of the exceptions in paragraphs (b)(1) through (5) of this clause, if the total weight of specialty metals in the item, as estimated in good faith by the Contractor.

(c) (1) Streamlined compliance for commercial derivative military articles. As an alternative to the compliance required in paragraph (b) of this clause, the Contractor may purchase an amount of domestically melted specialty metals in the required form, for use during the period of contract performance in the production of the commercial derivative military article and the related commercial article, in the amount determined in accordance with paragraph (C)(2) of this clause, if –

(i) This is an acquisition of commercial derivative military articles; and

(ii) The contractor has certified in its offer in accordance with paragraph (c)(2) of this clause

(2) Certification for streamlined compliance for commercial derivative military articles (to be submitted with offer when applicable). The offeror certifies/ does not certify that prior to award it will have entered into a contractual agreement or agreements to purchase an amount of domestically melted or produced specialty metal in the required for use during the period of contract performance in the production of the commercial derivative performance in the production of the commercial article, that is not less than the Contractor’s good faith estimate of the greater of –

(i) An amount equivalent to 120% of the amount of specialty metal that is required to carry out the production of the commercial derivative military article (including the work performed under each subcontract); or

(ii) An amount equivalent to 50% of the amount of specialty metal that is purchased by the contractor and its subcontractors for use during such period in the production of the commercial derivative military article and the related commercial article.

(3) For the purposes of the certification in paragraph (c)(2) of this clause, the amount of specialty metal that is required to carry out the production of the commercial derivative military article includes specialty metal contained in any item, including commercial derivative military article.

(d) Unless the Contractor has certified in accordance with paragraph (c), the Contractor shall insert the substance of this clause, excluding paragraph (c) but including this paragraph (d), in all subcontracts for articles containing specialty metals.

**RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS** (The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors.)

252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements

As prescribed in 222.7404, use the following clause:

RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (MAY 2010)

(a) Definitions. As used in this clause-

"Covered subcontractor" means any entity that has a subcontract valued in excess of $1 million, except a subcontract for the acquisition of commercial items, including commercially available off-the-shelf items.

"Subcontract" means any contract, as defined in Federal Acquisition Regulation subpart 2.1, to furnish supplies or services for performance of this contract or a higher-tier subcontract thereunder.

(b) The Contractor-

(1) Agrees not to-

(i) Enter into any agreement with any of its employees or independent contractors that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration-

(A) Any claim under title VII of the Civil Rights Act of 1964; or

(B) Any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or

(ii) Take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration-

(A) Any claim under title VII of the Civil Rights Act of 1964; or

(B) Any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; and

(2) Certifies, by signature of the contract, for contracts awarded after June 17, 2010, that it requires each covered subcontractor to agree not to enter into, and not to take any action to enforce, any provision of any agreements, as described in paragraph (b)(1) of this clause, with respect to any employee or independent contractor performing work related to such subcontract.

(c) The prohibitions of this clause do not apply with respect to a contractor's or subcontractor's agreements with employees or independent contractors that may not be enforced in a court of the United States.

(d) The Secretary of Defense may waive the applicability of the restrictions of paragraph (b) of this clause in accordance with Defense Federal Acquisition Regulation Supplement 222.7403.

**Section H -- Full Text Clauses**

**SMC—H001 IMPLEMENTATION OF FAR 52.243-1 CHANGES - FIXED PRICE (Jul 2017)**

(a) Purpose. This implementation directive establishes a procedure by which the parties agree to changes to this contract under FAR clause 52.243-1, Changes - Fixed Price, at or below [$250,000] shall be accomplished without an equitable adjustment to the contract price. The parties agree that each change not exceeding this threshold, which also does not affect the contract delivery or performance schedules or any other contract clause, term or condition, shall be a change having no effect on the overall contract price.

(b) Procedure. When it is proposed to make a change under FAR clause 52.243-1, Changes – Fixed Price, and both parties agree that such a change shall require no equitable adjustment as contemplated by paragraph (a) of this implementation directive, the [Seller] shall submit a written proposal or offer to accomplish the proposed change without an equitable adjustment. If [Lockheed Martin] determines no adjustment is necessary, the [Seller’s] proposal may be accepted by issuing a unilateral modification. The modification shall (1) be issued under the Changes clause; (2) cite this implantation directive; (3) reference the [Seller’s] proposal or offer; and (4) direct the changes to be made. The issuance of the modification shall constitute acceptance of the [Seller’s] proposal or offer, shall be binding on both parties, and shall be a full, complete and final settlement for the directed changes.

**Section I -- Full Text Clauses**

**52.219-9, Small Business Subcontracting Plan (Deviation) (Aug 2016)** (The version of the clause in the Deviation applies in lieu of the standard FAR version of the clause.)

(a) This clause does not apply to small business concerns.

(b) Definitions. As used in this clause--

“Alaska Native Corporation (ANC)” means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 et seq.) and which is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1626(e)(1) This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626(e)(2).

“Commercial item” means a product or service that satisfies the definition of commercial item in section 2.101 of the Federal Acquisition Regulation.

“Commercial plan” means a subcontracting plan (including goals) that covers the offeror’s fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line).

“Electronic Subcontracting Reporting System (eSRS)” means the Governmentwide, electronic, web-based system for small business subcontracting program reporting. The eSRS is located at http://www.esrs.gov/.

“Indian tribe” means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 et seq.), that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C.1452(c) .This definition also includes Indian-owned economic enterprises that meet the requirements of 25 U.S.C. 1452(e).

“Individual contract plan” means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror’s planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

“Master plan” means a subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved.

“Subcontract” means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

(c) The offeror, upon request by the Contracting Officer, shall submit and negotiate a subcontracting plan, where applicable, that separately addresses subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business concerns, small disadvantaged business, and women-owned small business concerns. If the offeror is submitting an individual contract plan, the plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns, with a separate part for the basic contract and separate parts for each option (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the offeror ineligible for award of a contract.

(d) The offeror’s subcontracting plan shall include the following:

(1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors. The offeror shall include all sub-contracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs. In accordance with 43 U.S.C. 1626:

(i) Subcontracts awarded to an ANC or Indian tribe shall be counted towards the subcontracting goals for small business and small disadvantaged business (SDB) concerns, regardless of the size or Small Business Administration certification status of the ANC or Indian tribe.

(ii) Where one or more subcontractors are in the subcontract tier between the prime contractor and the ANC or Indian tribe, the ANC or Indian tribe shall designate the appropriate contractor(s) to count the subcontract towards its small business and small disadvantaged business subcontracting goals.

(A) In most cases, the appropriate Contractor is the Contractor that awarded the subcontract to the ANC or Indian tribe.

(B) If the ANC or Indian tribe designates more than one Contractor to count the subcontract toward its goals, the ANC or Indian tribe shall designate only a portion of the total subcontract award to each Contractor. The sum of the amounts designated to various Contractors cannot exceed the total value of the subcontract.

(C) The ANC or Indian tribe shall give a copy of the written designation to the Contracting Officer, the prime Contractor, and the subcontractors in between the prime Contractor and the ANC or Indian tribe within 30 days of the date of the subcontract award.

(D) If the Contracting Officer does not receive a copy of the ANC’s or the Indian tribe’s written designation within 30 days of the subcontract award, the Contractor that awarded the subcontract to the ANC or Indian tribe will be considered the designated Contractor.

(2) A statement of-

(i) Total dollars planned to be subcontracted for an individual contract plan; or the offeror’s total projected sales, expressed in dollars, and the total value of projected subcontracts to support the sales for a commercial plan;

(ii) Total dollars planned to be subcontracted to small business concerns (including ANC and Indian tribes);

(iii) Total dollars planned to be subcontracted to veteran-owned small business concerns;

(iv) Total dollars planned to be subcontracted to service-disabled veteran-owned small business;

(v) Total dollars planned to be subcontracted to HUBZone small business concerns;

(vi) Total dollars planned to be subcontracted to small disadvantaged business concerns (including ANCs and Indian tribes); and

(vii) Total dollars planned to be subcontracted to women-owned small business concerns.

(3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to-

(i) Small business concerns;

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) HUBZone small business concerns;

(v) Small disadvantaged business concerns; and

(vi) Women-owned small business concerns.

(4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.

(5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the System for Award Management (SAM), veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, HUBZone, small disadvantaged, and women-owned small business trade associations). A firm may rely on the information contained in SAM as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining a small, veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, and women-owned small business source list. Use of SAM as its source list does not relieve a firm of its responsibilities (e.g., outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with-

(i) Small business concerns (including ANC and Indian tribes);

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) HUBZone small business concerns;

(v) Small disadvantaged business concerns (including ANC and Indian tribes); and

(vi) Women-owned small business concerns.

(7) The name of the individual employed by the offeror who will administer the offeror’s subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the offeror will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts.

(9) Assurances that the offeror will include the clause of this contract entitled “Utilization of Small Business Concerns” in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of $700,000 ($1.5 million for construction of any public facility) with further subcontracting possibilities to adopt a subcontracting plan that complies with the requirements of this clause.

(10) Assurances that the offeror will-

(i) Cooperate in any studies or surveys as may be required;

(ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;

(iii) Submit the Individual Subcontract Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with paragraph (l) of this clause using the Electronic Subcontracting Reporting System (eSRS) at http://www.esrs.gov/. The reports shall provide information on subcontract awards to small business concerns (including ANCs and Indian tribes that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns (including ANCs and Indian tribes that have not been certified by the Small Business Administration as small disadvantaged businesses), women-owned small business concerns, and for NASA only, Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with this clause;

(iv) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(v) Provide its prime contract number, its DUNS number, and the e-mail address of the offeror’s official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and

(vi) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number, and the e-mail address of the subcontractor’s official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.

(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror’s efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists (e.g., SAM), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

(ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(iii) Records on each subcontract solicitation resulting in an award of more than $150,000, indicating-

(A) Whether small business concerns were solicited and, if not, why not;

(B) Whether veteran-owned small business concerns were solicited and, if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether HUBZone small business concerns were solicited and, if not, why not;

(E) Whether small disadvantaged business concerns were solicited and, if not, why not;

(F) Whether women-owned small business concerns were solicited and, if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact-

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and

(D) Veterans service organizations.

(v) Records of internal guidance and encouragement provided to buyers through-

(A) Workshops, seminars, training, etc.; and

(B) Monitoring performance to evaluate compliance with the program’s requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

(e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:

(1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor’s lists of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.

(2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all “make-or-buy” decisions.

(3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.

(4) Confirm that a subcontractor representing itself as a HUBZone small business concern is identified as a certified HUBZone small business concern by accessing the SAM database or by contacting SBA.

(5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small, small disadvantaged, or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor’s subcontracting plan.

(6) For all competitive subcontracts over the simplified acquisition threshold in which a small business concern received a small business preference, upon determination of the successful subcontract offeror, the Contractor must inform each unsuccessful small business subcontract offeror in writing of the name and location of the apparent successful offeror prior to award of the contract.

(f) A master plan on a plant or division-wide basis that contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by this clause; provided-

(1) The master plan has been approved;

(2) The offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer; and

(3) Goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.

(g) A commercial plan is the preferred type of subcontracting plan for contractors furnishing commercial items. The commercial plan shall relate to the offeror’s planned subcontracting generally, for both commercial and Government business, rather than solely to the Government contract. Once the Contractor’s commercial plan has been approved, the Government will not require another subcontracting plan from the same Contractor while the plan remains in effect, as long as the product or service being provided by the Contractor continues to meet the definition of a commercial item. A Contractor with a commercial plan shall comply with the reporting requirements stated in paragraph (d)(10) of this clause by submitting one SSR in eSRS for all contracts covered by its commercial plan. This report shall be acknowledged or rejected in eSRS by the Contracting Officer who approved the plan. This report shall be submitted within 30 days after the end of the Government’s fiscal year.

(h) Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.

(i) A contract may have no more than one plan. When a modification meets the criteria in 19.702 for a plan, or an option is exercised, the goals associated with the modification or option shall be added to those in the existing subcontract plan.

(j) Subcontracting plans are not required from subcontractors when the prime contract contains the clause at 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Items, or when the subcontractor provides a commercial item subject to the clause at 52.244-6, Subcontracts for Commercial Items, under a prime contract.

(k) The failure of the Contractor or subcontractor to comply in good faith with-

(1) The clause of this contract entitled “Utilization Of Small Business Concerns;” or

(2) An approved plan required by this clause, shall be a material breach of the contract.

(l) The Contractor shall submit ISRs and SSRs using the web-based eSRS at http://www.esrs.gov/. Purchases from a corporation, company, or subdivision that is an affiliate of the prime Contractor or subcontractor are not included in these reports. Subcontract award data reported by prime Contractors and subcontractors shall be limited to awards made to their immediate next-tier subcontractors. Credit cannot be taken for awards made to lower tier subcontractors, unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or Indian Tribe. Only subcontracts involving performance in the United States or its outlying areas should be included in these reports.

(1) ISR. This report is not required for commercial plans. The report is required for each contract containing an individual subcontract plan.

(i) The report shall be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the Contracting Officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period.

(ii) When a subcontracting plan contains separate goals for the basic contract and each option, as prescribed by FAR 19.704(c), the dollar goal inserted on this report shall be the sum of the base period through the current option; for example, for a report submitted after the second option is exercised, the dollar goal would be the sum of the goals for the basic contract, the first option, and the second option.

(iii) The authority to acknowledge receipt or reject the ISR resides-

(A) In the case of the prime Contractor, with the Contracting Officer; and

(B) In the case of a subcontract with a subcontracting plan, with the entity that awarded the subcontract.

(2) SSR.

(i) Reports submitted under individual contract plans-

(A) This report encompasses all subcontracting under prime contracts and subcontracts with the awarding agency, regardless of the dollar value of the subcontracts.

(B) The report may be submitted on a corporate, company or subdivision (e.g. plant or division operating as a separate profit center) basis.

(C) If a prime Contractor and/or subcontractor is performing work for more than one executive agency, a separate report shall be submitted to each executive agency covering only that agency’s contracts, provided at least one of that agency’s contracts is over $700,000 (over $1.5 million for construction of a public facility) and contains a subcontracting plan. For DoD, a consolidated report shall be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DoD prime Contractors.

(D) The consolidated SSR shall be submitted annually for the twelve month period ending September 30. The report is due 30 days after the close of each reporting period.

(E) Subcontract awards that are related to work for more than one executive agency shall be appropriately allocated.

(F) The authority to acknowledge or reject SSRs in eSRS, including SSRs submitted by subcontractors with subcontracting plans, resides with the Government agency awarding the prime contracts unless stated otherwise in the contract.

(ii) Reports submitted under a commercial plan-

(A) The report shall include all subcontract awards under the commercial plan in effect during the Government’s fiscal year.

(B) The report shall be submitted annually, within thirty days after the end of the Government’s fiscal year.

(C) If a Contractor has a commercial plan and is performing work for more than one executive agency, the Contractor shall specify the percentage of dollars attributable to each agency from which contracts for commercial items were received.

(D) The authority to acknowledge or reject SSRs for commercial plans resides with the Contracting

Officer who approved the commercial plan.

**52.245-1, Government Property (Deviation) (Nov 2017)** (The version of the clause in the Deviation applies in lieu of the standard FAR version of the clause. Note: Government Property is provided “as-is” to the Seller pursuant to FAR 52.245-1(d)(2)(iii).)

(a) Definitions. As used in this clause-

"Cannibalize" means to remove parts from Government property for use or for installation on other Government property.

"Contractor-acquired property" means property acquired, fabricated, or otherwise provided by the

Contractor for performing a contract, and to which the Government has title.

"Contractor inventory" means-

(1) Any property acquired by and in the possession of a Contractor or subcontractor under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire contract;

(2) Any property that the Government is obligated or has the option to take over under any type of contract, e.g., as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and

(3) Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.

"Contractor's managerial personnel" means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of-

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operation at any one plant or separate location; or

(3) A separate and complete major industrial operation.

"Demilitarization" means rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used.

"Discrepancies incident to shipment" means any differences (e.g., count or condition) between the items documented to have been shipped and items actually received.

"Equipment" means a tangible item that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use. Equipment does not include material, real property, special test equipment or special tooling.

"Government-furnished property" means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract.

"Government property" means all property owned or leased by the Government. Government property includes both Government-furnished and Contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. Government property does not include intellectual property and software.

"Loss of Government Property" means unintended, unforeseen or accidental loss, damage or destruction to Government property that reduces the Government's expected economic benefits of the property. Loss of Government property does not include purposeful destructive testing, obsolescence, normal wear and tear or manufacturing defects. Loss of Government property includes, but is not limited to-

(1) Items that cannot be found after a reasonable search:

(2) Theft:

(3) Damage resulting in unexpected harm to property requiring repair to restore the item to usable condition; or

(4) Destruction resulting from incidents that render the item useless for its intended purpose or beyond economical repair.

"Material" means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end item. Material does not include equipment, special tooling, special test equipment or real property.

"Nonseverable" means property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed.

"Precious metals" means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

"Production scrap" means unusable material resulting from production, engineering, operations and maintenance, repair, and research and development contract activities. Production scrap may have value when re-melted or reprocessed, e.g., textile and metal clippings, borings, and faulty castings and forgings.

"Property" means all tangible property, both real and personal.

"Property Administrator" means an authorized representative of the Contracting Officer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a Contractor.

"Property records" means the records created and maintained by the contractor in support of its stewardship responsibilities for the management of Government property.

"Provide" means to furnish, as in Government-furnished property, or to acquire, as in contractor-acquired property.

"Real property" See Federal Management Regulation 102-71.20 (41 CFR 102-71.20).

"Sensitive property" means property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

"Unit acquisition cost" means-

(1) For Government-furnished property, the dollar value assigned by the Government and identified in the contract; and

(2) For contractor-acquired property, the cost derived from the Contractor's records that reflect consistently applied generally accepted accounting principles.

(b) Property management.

(1) The Contractor shall have a system of internal controls to manage (control, use, preserve, protect, repair and maintain) Government property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, the Contractor shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective and efficient control of Government property. The Contractor shall disclose any significant changes to its property management system to the Property Administrator prior to implementation of the changes. The Contractor may employ customary commercial practices, voluntary consensus standards, or industry-leading practices and standards that provide effective and efficient Government property management that are necessary and appropriate for the performance of this contract (except where inconsistent with law or regulation).

(2) The Contractor's responsibility extends from the initial acquisition and receipt of property, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, sale (as surplus property), or other disposition, or via a completed investigation, evaluation, and final determination for lost property. This requirement applies to all Government property under the Contractor's accountability, stewardship, possession or control, including its vendors or subcontractors (see paragraph (f)(1)(v) of this clause).

(3) The Contractor shall include the requirements of this clause in all subcontracts under which Government property is acquired or furnished for subcontract performance.

(4) The Contractor shall establish and maintain procedures necessary to assess its property management system effectiveness and shall perform periodic internal reviews, surveillances, self-assessments, or audits. Significant findings or results of such reviews and audits pertaining to Government property shall be made available to the Property Administrator.

(c) Use of Government property.

(1) The Contractor shall use Government property, either furnished or acquired under this contract, only for performing this contract, unless otherwise provided for in this contract or approved by the Contracting Officer.

(2) Modifications or alterations of Government property are prohibited, unless they are-

(i) Reasonable and necessary due to the scope of work under this contract or its terms and conditions;

(ii) Required for normal maintenance; or

(iii) Otherwise authorized by the Contracting Officer.

(3) The Contractor shall not cannibalize Government property unless otherwise provided for in this contract or approved by the Contracting Officer.

(d) Government-furnished property.

(1) The Government shall deliver to the Contractor the Government-furnished property described in this contract. The Government shall furnish related data and information needed for the intended use of the property. The warranties of suitability of use and timely delivery of Government-furnished property do not apply to property acquired or fabricated by the Contractor as contractor-acquired property under any other contract the Government subsequently transfers to this contract."

(2) The delivery and/or performance dates specified in this contract are based upon the expectation that the Government-furnished property will be suitable for contract performance and will be delivered to the Contractor by the dates stated in the contract.

(i) If the property is not delivered to the Contractor by the dates stated in the contract, the Contracting Officer shall, upon the Contractor's timely written request, consider an equitable adjustment to the contract.

(ii) In the event property is received by the Contractor, or for Government-furnished property after receipt and installation, in a condition not suitable for its intended use, the Contracting Officer shall, upon the Contractor's timely written request, advise the Contractor on a course of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or otherwise disposing of the property at the Government's expense. Upon completion of the required action(s), the Contracting Officer shall consider an equitable adjustment to the contract (see also paragraph (f)(1)(ii)(A) of this clause).

(iii) The Government may, at its option, furnish property in an "as-is" condition. The Contractor will be given the opportunity to inspect such property prior to the property being provided. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the Contractor's expense.

(3) (i) The Contracting Officer may by written notice, at any time-

(A) Increase or decrease the amount of Government-furnished property under this contract;

(B) Substitute other Government-furnished property for the property previously furnished, to be furnished, or to be acquired by the Contractor for the Government under this contract; or

(C) Withdraw authority to use property.

(ii) Upon completion of any action(s) under paragraph (d)(3)(i) of this clause, and the Contractor's timely written request, the Contracting Officer shall consider an equitable adjustment to the contract.

(e) Title to Government property.

(1) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), is subject to the provisions of this clause. The Government shall retain title to all Government-furnished property. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(2) Title vests in the Government for all property acquired or fabricated by the Contractor in accordance with the financing provisions or other specific requirements for passage of title in the contract. Under fixed price type contracts, in the absence of financing provisions or other specific requirements for passage of title in the contract, the Contractor retains title to all property acquired by the Contractor for use on the contract, except for property identified as a deliverable end item. If a deliverable item is to be retained by the Contractor for use after inspection and acceptance by the Government, it shall be made accountable to the contract through a contract modification listing the item as Government-furnished property.

(3) Title under Cost-Reimbursement or Time-and-Material Contracts or Cost-Reimbursable line items under Fixed-Price contracts.

(i) Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this contract shall pass to and vest in the Government upon the vendor's delivery of such property.

(ii) Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon-

(A) Issuance of the property for use in contract performance;

(B) Commencement of processing of the property for use in contract performance; or

(C) Reimbursement of the cost of the property by the Government, whichever occurs first.

(f) Contractor plans and systems.

(1) Contractors shall establish and implement property management plans, systems, and procedures at the contract, program, site or entity level to enable the following outcomes:

(i) Acquisition of Property. The Contractor shall document that all property was acquired consistent with its engineering, production planning, and property control operations.

(ii) Receipt of Government Property. The Contractor shall receive Government property and document the receipt, record the information necessary to meet the record requirements of paragraph (f)(1)(iii)(A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any discrepancies incident to shipment.

(A) Government-furnished property. The Contractor shall furnish a written statement to the Property Administrator containing all relevant facts, such as cause or condition and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.

(B) Contractor-acquired property. The Contractor shall take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt, in shipment of Contractor-acquired property from a vendor or supplier, so as to ensure the proper allocability and allowability of associated costs.

(iii) Records of Government property. The Contractor shall create and maintain records of all Government property accountable to the contract, including Government-furnished and Contractor-acquired property.

(A) Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

(1) The name, part number and description, National Stock Number (if needed for additional item identification tracking and/or disposition) and other data elements as necessary and required in accordance with the terms and conditions of the contract.

(2) Quantity received (or fabricated), issued, and balance-on-hand.

(3) Unit acquisition cost.

(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

(5) Unit of measure.

(6) Accountable contract number or equivalent code designation.

(7) Location.

(8) Disposition.

(9) Posting reference and date of transaction.

(10) Date placed in service (if required in accordance with the terms and conditions of the contract).

(B) Use of a Receipt and Issue System for Government Material. When approved by the Property Administrator, the Contractor may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.

(iv) Physical inventory. The Contractor shall periodically perform, record, and disclose physical inventory results. A final physical inventory shall be performed upon contract completion or termination. The Property Administrator may waive this final inventory requirement, depending on the circumstances (e.g., overall reliability of the Contractor's system or the property is to be transferred to a follow-on contract).

(v) Subcontractor control.

(A) The Contractor shall award subcontracts that clearly identify items to be provided and the extent of any restrictions or limitations on their use. The Contractor shall ensure appropriate flow down of contract terms and conditions (e.g., extent of liability for loss of Government property).

(B) The Contractor shall assure its subcontracts are properly administered and reviews are periodically performed to determine the adequacy of the subcontractor's property management system.

(vi) Reports. The Contractor shall have a process to create and provide reports of discrepancies, loss of Government property, physical inventory results, audits and self-assessments, corrective actions, and other property related reports as directed by the Contracting Officer.

(vii) Relief of stewardship responsibility and liability. The Contractor shall have a process to enable the prompt recognition, investigation, disclosure and reporting of loss of Government property, including losses that occur at subcontractor or alternate site locations.

(A) This process shall include the corrective actions necessary to prevent recurrence.

(B) Unless otherwise directed by the Property Administrator, the Contractor shall investigate and report to the Government all incidents of property loss as soon as the facts become known. Such reports shall, at a minimum, contain the following information:

(1) Date of incident (if known).

(2) The data elements required under paragraph (f)(1)(iii)(A) of this clause.

(3) Quantity.

(4) Accountable contract number.

(5) A statement indicating current or future need.

(6) Unit acquisition cost, or if applicable, estimated sales proceeds, estimated repair or replacement costs.

(7) All known interests in commingled material of which includes Government material.

(8) Cause and corrective action taken or to be taken to prevent recurrence.

(9) A statement that the Government will receive compensation covering the loss of Government property, in the event the Contractor was or will be reimbursed or compensated.

(10) Copies of all supporting documentation.

(11) Last known location.

(12) A statement that the property did or did not contain sensitive, export controlled, hazardous, or toxic material, and that the appropriate agencies and authorities were notified.

(C) Unless the contract provides otherwise, the Contractor shall be relieved of stewardship responsibility and liability for property when-

(1) Such property is consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract, including reasonable inventory adjustments of material as determined by the Property Administrator;

(2) Property Administrator grants relief of responsibility and liability for loss of Government property;

(3) Property is delivered or shipped from the Contractor's plant, under Government instructions, except when shipment is to a subcontractor or other location of the Contractor; or

(4) Property is disposed of in accordance with paragraphs (j) and (k) of this clause.

(viii) Utilizing Government property.

(A) The Contractor shall utilize, consume, move, and store Government Property only as authorized under this contract. The Contractor shall promptly disclose and report Government property in its possession that is excess to contract performance.

(B) Unless otherwise authorized in this contract or by the Property Administrator the Contractor shall not commingle Government material with material not owned by the Government.

(ix) Maintenance. The Contractor shall properly maintain Government property. The Contractor's maintenance program shall enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Contractor shall disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.

(x) Property closeout. The Contractor shall promptly perform and report to the Property Administrator contract property closeout, to include reporting, investigating and securing closure of all loss of Government property cases; physically inventorying all property upon termination or completion of this contract; and disposing of items at the time they are determined to be excess to contractual needs.

(2) The Contractor shall establish and maintain Government accounting source data, as may be required by this contract, particularly in the areas of recognition of acquisitions, loss of Government property, and disposition of material and equipment.

(g) Systems analysis.

(1) The Government shall have access to the contractor's premises and all Government property, at reasonable times, for the purposes of reviewing, inspecting and evaluating the Contractor's property management plan(s), systems, procedures, records, and supporting documentation that pertains to Government property. This access includes all site locations and, with the Contractor's consent, all subcontractor premises.

(2) Records of Government property shall be readily available to authorized Government personnel and shall be appropriately safeguarded.

(3) Should it be determined by the Government that the Contractor's (or subcontractor's) property management practices are inadequate or not acceptable for the effective management and control of Government property under this contract, or present an undue risk to the Government, the Contractor shall prepare a corrective action plan when requested by the Property Administer and take all necessary corrective actions as specified by the schedule within the corrective action plan.

(4) The Contractor shall ensure Government access to subcontractor premises, and all Government property located at subcontractor premises, for the purposes of reviewing, inspecting and evaluating the subcontractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(h) Contractor Liability for Government Property.

(1) Unless otherwise provided for in the contract, the Contractor shall not be liable for loss of Government property furnished or acquired under this contract, except when any one of the following applies-

(i) The risk is covered by insurance or the Contractor is otherwise reimbursed (to the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in accordance with 31.205-19.

(ii) Loss of Government property that is the result of willful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(iii) The Contracting Officer has, in writing, revoked the Government's assumption of risk for loss of Government property due to a determination under paragraph (g) of this clause that the Contractor's property management practices are inadequate, and/or present an undue risk to the Government, and the Contractor failed to take timely corrective action. If the Contractor can establish by clear and convincing evidence that the loss of Government property occurred while the Contractor had adequate property management practices or the loss did not result from the Contractor's failure to maintain adequate property management practices, the Contractor shall not be held liable.

(2) The Contractor shall take all reasonable actions necessary to protect the property from further loss. The Contractor shall separate the damaged and undamaged property, place all the affected property in the best possible order, and take such other action as the Property Administrator directs.

(3) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss of Government property.

(4) The Contractor shall reimburse the Government for loss of Government property, to the extent that the Contractor is financially liable for such loss, as directed by the Contracting Officer.

(5) Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation, including the prosecution of suit and the execution of instruments of assignment in favor of the Government in obtaining recovery.

(i) Equitable adjustment. Equitable adjustments under this clause shall be made in accordance with the procedures of the Changes clause. However, the Government shall not be liable for breach of contract for the following:

(1) Any delay in delivery of Government-furnished property.

(2) Delivery of Government-furnished property in a condition not suitable for its intended use.

(3) An increase, decrease, or substitution of Government-furnished property.

(4) Failure to repair or replace Government property for which the Government is responsible. Standard Form 1428.

(j) Contractor inventory disposal. Except as otherwise provided for in this contract, the Contractor shall not dispose of Contractor inventory until authorized to do so by the Plant Clearance Officer or authorizing official.

(1) Predisposal requirements.

(i) If the Contractor determines that the property has the potential to fulfill requirements under other contracts, the Contractor, in consultation with the Property Administrator, shall request that the Contracting Officer transfer the property to the contract in question, or provide authorization for use, as appropriate. In lieu of transferring the property, the Contracting Officer may authorize the Contractor to credit the costs of Contractor-acquired property (material only) to the losing contract, and debit the gaining contract with the corresponding cost, when such material is needed for use on another contract. Property no longer needed shall be considered contractor inventory.

(ii) For any remaining Contractor-acquired property, the Contractor may purchase the property at the unit acquisition cost if desired or make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable, a reasonable restocking fee that is consistent with the supplier's customary practices.)

(2) Inventory disposal schedules.

(i) Absent separate contract terms and conditions for property disposition, and provided the property was not reutilized, transferred, or otherwise disposed of, the Contractor, as directed by the Plant Clearance Officer or authorizing official, shall use Standard Form 1428, Inventory Disposal Schedule or electronic equivalent, to identify and report-

(A) Government-furnished property that is no longer required for performance of this contract;

(B) Contractor-acquired property, to which the Government has obtained title under paragraph (e) of this clause, which is no longer required for performance of that contract; and

(C) Termination inventory.

(ii) The Contractor may annotate inventory disposal schedules to identify property the Contractor wishes to purchase from the Government, in the event that the property is offered for sale.

(iii) Separate inventory disposal schedules are required for aircraft in any condition, flight safety critical aircraft parts, and other items as directed by the Plant Clearance Officer

(iv) The Contractor shall provide the information required by FAR 52.245-1(f)(1)(iii) along with the following:

(A) Any additional; information that may facilitate understanding of the property's intended use.

(B) For work-in-progress, the estimated percentage of completion.

(C) For precious metals in raw or bulk form, the type of metal and estimated weight.

(D) For hazardous material or property contaminated with hazardous material, the type of hazardous material.

(E) For metals in mill product form, the form, shape, treatment, hardness, temper, specification (commercial or Government) and dimensions (thickness, width and length).

(v) Property with the same description, condition code, and reporting location may be grouped in a single line item.

(vi) Scrap should be reported by "lot" along with metal content, estimated weight and estimated value.

(3) Submission requirements.

(i) The Contractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than-

(A) 30 days following the Contractor's determination that a property item is no longer required for performance of this contract;

(B) 60 days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(C) 120 days, or such longer period as may be approved by the Termination Contracting Officer, following contract termination in whole or in part.

(ii) Unless the Plant Clearance Officer determines otherwise, the Contractor need not identify or report production scrap on inventory disposal schedules, and may process and dispose of production scrap in accordance with its own internal scrap procedures. The processing and disposal of other types of Government-owned scrap will be conducted in accordance with the terms and conditions of the contract or Plant Clearance Officer direction, as appropriate.

(4) Corrections. The Plant Clearance Officer may-

(i) Reject a schedule for cause (e.g., contains errors, determined to be inaccurate); and

(ii) Require the Contractor to correct an inventory disposal schedule.

(5) Postsubmission adjustments. The Contractor shall notify the Plant Clearance Officer at least 10 working days in advance of its intent to remove an item from an approved inventory disposal schedule. Upon approval of the Plant Clearance Officer, or upon expiration of the notice period, the Contractor may make the necessary adjustments to the inventory schedule.

(6) Storage.

(i) The Contractor shall store the property identified on an inventory disposal schedule pending receipt of disposal instructions. The Government's failure to furnish disposal instructions within 120 days following acceptance of an inventory disposal schedule may entitle the Contractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Contractor shall obtain the Plant Clearance Officer's approval to remove property from the premises where the property is currently located prior to receipt of final disposition instructions. If approval is granted, any costs incurred by the Contractor to transport or store the property shall not increase the price or fee of any Government contract. The storage area shall be appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve the Contractor of any liability for such property under this contract.

(7) Disposition instructions.

(i) The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of Contractor inventory as directed by the Plant Clearance Officer. Unless otherwise directed by the Contracting Officer or by the Plant Clearance Officer, the Contractor shall remove and destroy any markings identifying the property as U.S. Government-owned property prior to its disposal.

(ii) The Contracting Officer may require the Contractor to demilitarize the property prior to shipment or disposal. In such cases, the Contractor may be entitled to an equitable adjustment under paragraph (i) of this clause.

(8) Disposal proceeds. As directed by the Contracting Officer, the Contractor shall credit the net proceeds from the disposal of Contractor inventory to the contract, or to the Treasury of the United States as miscellaneous receipts.

(9) Subcontractor inventory disposal schedules. The Contractor shall require its Subcontractors to submit inventory disposal schedules to the Contractor in accordance with the requirements of paragraph (j)(3) of this clause.

(k) Abandonment of Government property.

(1) The Government shall not abandon sensitive property or termination inventory without the Contractor's written consent.

(2) The Government, upon notice to the Contractor, may abandon any nonsensitive property in place, at which time all obligations of the Government regarding such property shall cease.

(3) Absent contract terms and conditions to the contrary, the Government may abandon parts removed and replaced from property as a result of normal maintenance actions, or removed from property as a result of the repair, maintenance, overhaul, or modification process.

(4) The Government has no obligation to restore or rehabilitate the Contractor's premises under any circumstances; however, if Government-furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (i) of this clause may properly include restoration or rehabilitation costs.

(l) Communication. All communications under this clause shall be in writing.

(m) Contracts outside the United States. If this contract is to be performed outside of the United States and its outlying areas, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

**Additional Clauses**

**6.2 ENABLING CLAUSES**

**6.2.1 Enabling Clause for General System Engineering And Integration (GSE&I)** (Applicable for all purchase orders/subcontracts.)

(a) Definition. As used in this clause, "Cost data" is defined as information associated with the programmatic elements or life cycle (concept, development, production, operations, and retirement) of the system/program. As defined, cost data differs from "financial" data, which is defined as information associated with the internal workings of a company or contractor that is not specific to a project or program.

(b) The Air Force has entered into a contract with The Aerospace Corporation for the services of a technical group, which will support the DoD program office by performing General Systems Engineering and Integration (GSE&I).

(c) GSE&I deals with overall system definition, integration both within the system and with associated systems, analysis of system segment and subsystem design, design compromises and tradeoffs, definition of interfaces, review of hardware and software, including manufacturing and quality control, observation, review and evaluation of tests and test data, support of launch, flight test, and orbital operations, appraisal of the contractor's technical performance through meetings with contractors and subcontractors, exchange and analysis of information on progress and problems, review of plans for future work, developing solutions to problems, technical alternatives for reduced program risk, providing comments and recommendations in writing to the DoD System Program Manager and Project Officer as an independent technical assessment for consideration for modifying the program or redirecting the contractor's efforts, all to the extent necessary to assure timely and economical accomplishment of program objectives consistent with mission requirements.

(d) In the performance of this contract, the contractor agrees to cooperate with The Aerospace Corporation through Lockheed Martin by responding to invitations from authorized personnel to attend meetings, providing access to technical information and research, development planning data such as, but not limited to, design and development analyses, test data and results, equipment and process specifications, test and test equipment specifications and procedures, parts and quality control procedures, records and data, manufacturing and assembly procedures, and schedule and milestone data, all in their original form or reproduced form and including cost data, by delivering data as specified in the Contract Data Requirements List, by discussing technical matters relating to this program, by providing access to contractor facilities utilized in the performance of this contract, and by allowing observation of technical activities by appropriate Aerospace Technical Personnel. The Aerospace personnel engaged in GSE&I effort are authorized access to any technical information pertaining to Lockheed Martin’s contract and are bound by Aerospace's Non-Disclosure Agreement (NDA) with the Government to protect the information they receive.

(e) The contractor further agrees to include in each subcontract a clause requiring compliance by subcontractor and succeeding levels of subcontractors with the response and access provisions of paragraph (c) above, subject to coordination with the contractor. This agreement does not relieve the contractor of its responsibility to manage the subcontracts effectively and efficiently nor is it intended to establish privity of contract between the Government or The Aerospace Corporation and such subcontractors.

(f) The Aerospace Corporation personnel are not authorized to direct the contractor in any manner. The contractor agrees to accept technical direction as follows:

(1) Technical direction under this contract will be given to the contractor solely by appropriate Lockheed Martin officials.

(2) Whenever it becomes necessary to modify the contract and redirect the effort, a Change Order signed by appropriate Lockheed Martin officials or a Supplemental Agreement signed by both the appropriate Lockheed Martin officials and the contractor will be issued.

(g) Notwithstanding language contained elsewhere in this contract, contractor and its subcontractors shall not be obligated to disclose proprietary financial information to any non-Government entities providing services to the Government during the proposal or contract execution and management phases of this activity.

**6.2.2 Enabling Clause for Government Technical Group** (Applicable for all purchase orders/subcontracts.)

(a) Definition. As used in this clause, "Cost data" is defined as information associated with the programmatic elements or life cycle (concept, development, production, operations, and retirement) of the system/program. As defined, cost data differs from "financial" data, which is defined as information associated with the internal workings of a company or contractor that is not specific to a project or program.

(b) This contract covers the GPS III Follow-On Production effort under the overall program management of the Air Force SMC at Los Angeles Air Force Base. The Air Force has entered into a contract with The Aerospace Corporation, Tecolote, Booz Allen Hamilton, Mitre, and The Analytic Sciences Corporation, Inc. (TASC) for the services of a technical group which will support the DoD program office by performing General Systems Engineering and Integration (GSE&I) and Technical Reviews. This clause also covers the subcontractors of these companies.

(c) GSE&I deals with overall system definition, integration both within the system and with associated systems, review of analysis definition and requirement allocation, analysis of system, segment, and subsystem design, design compromises and tradeoffs, definition of interfaces, review of hardware and software, including manufacturing and quality control, observation, review and evaluation of tests and test data, support of launch, flight test, and orbital operations, appraisal of the contractors' technical performance through meetings with contractors and subcontractors, exchange and analysis of information on progress and problems, review of plans for future work, developing solutions to problems, technical alternatives for reduced program risk, providing comments and recommendations in writing to the DoD System Program Manager and Project Officer as an independent technical assessment for consideration for modifying the program or redirecting the contractor's efforts, all to the extent necessary to assure timely and economical accomplishment of program objectives consistent with mission requirements. Technical Review includes the process of appraising the technical performance of the contractor through meetings, exchanging information on progress and problems, reviewing reports, evaluating presentations, reviewing hardware and software, witnessing and evaluating tests, analyzing plans for future work, evaluating efforts relative to contract technical objectives, and providing comments and recommendations in writing to the Air Force Program Manager as an independent technical assessment for consideration for modifying the program or redirecting the contractor's efforts to assure timely and economical accomplishment of program objectives. Technical Support (TS) deals with broad areas of specialized needs of customers for planning, system architecting, research and development, horizontal engineering, or analytical activities for which the Aerospace and MITRE’S FFRDC is uniquely qualified by virtue of their specially qualified personnel, facilities, or corporate memory. The categories of TS tasks are: Selected Research, Development, Test and Evaluation, Plans and System Architecture, Multi-Program Systems Enhancement, International Technology Assessment, and Acquisition Support.

(d) In the performance of this contract, the contractor agrees to cooperate by responding to invitations via Lockheed Martin from authorized personnel to attend meetings, by providing access to technical information and research, development planning data such as, but not limited to, design and development analyses, test data and results, equipment and process specifications, test and test equipment specifications and procedures, parts and quality control procedures, records and data, manufacturing and assembly procedures, and schedule and milestone data, all in their original form or reproduced form and excluding financial data, by delivering data as specified in the Contract Data Requirements List, by discussing technical matters relating to this program, by providing access to contractor facilities utilized in the performance of this contract, and by allowing observation of technical activities by appropriate technical personnel. The personnel engaged in general systems engineering, technical reviews, and integration effort are authorized access to any technical information pertaining to this contract and are bound by their respective Non-Disclosure Agreements (NDAs) with the Government to protect the information they receive.

(e) The contractor further agrees to include in each subcontract a clause requiring compliance by subcontractor and succeeding levels of subcontractors with the response and access provisions of paragraph (c) above, subject to coordination with the contractor. This agreement does not relieve the contractor of its responsibility to manage the subcontracts effectively and efficiently nor is it intended to establish privity of contract between the Government or its technical advisors and such subcontractors.

(f) In the performance of this contract, the contractor agrees to provide Tecolote, Booze Allen Hamilton, and Canyon Consulting access to the contract deliverable cost data of the program. Notwithstanding language contained elsewhere in this contract, contractor and its subcontractors shall not be obligated to disclose proprietary financial information to any non-Government entities providing services to the Government during the proposal or contract execution and management phases of this activity.

(g) The technical personnel are not authorized to direct the contractor in any manner. The contractor agrees to accept technical direction as follows:

(1) Technical direction under this contract will be given to the contractor solely by the Procuring Contracting Officer.

(2) Whenever it becomes necessary to modify the contract and redirect the effort, a Change Order signed by the Procuring Contracting Officer or a Supplemental Agreement signed by both the Procuring Contracting Officer and the contractor will be issued.

**6.3 Integrated Baseline Review** (Applicable if DFARS 252.234-7002 is applies to this purchase order/ subcontract, as required.)

The contractor shall:

a. Plan for and conduct an Integrated Baseline Review for each cost or incentive CLIN values at $20M or more IAW DFARS clause 252.234-7002 and GPS-IBR-001. IBRs for simultaneously awarded CLINs may be conducted concurrently. Refer to SMCI 63-107 for additional information.

b. Arrange for government participation in Subcontractor’s IBRs (if applicable per DFARS clause 252.234-7002).

c. Resolve critical/substantive issues following the IBR. Conduct weekly issue resolution meetings.

**6.5 Use of Contractor Acquired Property on a Rent-Free/non-Interference Basis** (Applicable if Seller will be using contractor-acquired property that the Seller developed or produced under another contract or is developing or producing under another contract, or will develop or produce under another contract

a. If the contractor uses any contractor-acquired property in the performance of this contract on a rent-free and non-interference basis it develop or produced under another contract, is developing or producing under another contract, or will develop or produce under another contract, none of that contractor-acquired property shall be listed in Attachment 7 (Government Furnished Property (GFP) and Government Furnished Information (GFI)).

b. Moreover, the warranties of suitability of use and timely delivery described in FAR 52.245-1 (Government Property) will not apply to any of that contractor-acquired property. Should the Contractor or any of its subcontractors experience any delays or increased costs of performance attributable to its use or inability to use any of that contractor-acquired property for any reason whatsoever, the Contractor and its subcontractors shall not be intitled to an equitable adjustment to the total target price or total target profit (see FAR 52.216-16(1)), the award fee pool, the estimated cost or amount of any fixed fee, the delivery or completion schedule, or a modification of any other term or condition of this contract. Any use by the Contractor or any of its subcontractors of such contractor-acquired property in the performance of this contract shall be at the Contractor’s risk.

# FAR Clauses

**52.203-7, Anti-Kickback Procedures (May 2014)**

**52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017)** (Applicable for all purchase orders/subcontracts, including purchase orders/subcontracts for commercial items.)

**52.216-16, Incentive Price Revision – Firm Target (Oct 1997)** (Applicable if this purchase order/subcontract is a fixed price incentive contract. "Contracting Officer," "contract administrative office" and "Government" mean "Lockheed Martin." Paragraph (i) is deleted. The blanks in the clause are completed with the amounts specified in the purchase order/subcontract.)

**52.232-16, Progress Payments (Apr 2012)** (Applicable where progress payments will be paid to the Seller. "Contracting Officer" means "Lockheed Martin" except in paragraph (g) where it means "Lockheed Martin or Contracting Officer." "Government" means "Lockheed Martin" except: (1) in paragraphs (d), (e) and (j)(5) where the term is unchanged and (2) in paragraphs (g) and (i) where it means "Lockheed Martin and the Government.")

**52.232-17, Interest (May 2014)** (Applicable if this purchase order/subcontract contains any clauses which refers to an Interest clause. “Government” means “Lockheed Martin.”)

**52.232-39, Unenforceability of Unauthorized Obligations (Jun 2013)** (Applicable for all purchase orders/ subcontracts, including purchase orders/subcontracts for commercial items, where software or services will be retransferred to the Government.)

**52.239-1, Privacy or Security Safeguards (Aug 1996)** (Applicable if this purchase order/subcontract is for information technology, and/or for the design development, or operation of a system of records using commercial information technology services or support services.)

**52.242-2, Production Progress Reports (Apr 1991)** (Applicable for all purchase orders/subcontracts where production progress reports are desired.)

**52.244-6, Subcontracts for Commercial Items (Jul 2018)**

**52.246-2, Inspection of Supplies—Fixed Price (Aug 1996) and Alternate I (Jul 1985)** (Alternate I will apply if Seller has a fixed price incentive purchase order/subcontract.

# DFARS Clauses

**252.204-7000, Disclosure of Information (Oct 2016)** (Applicable for all purchase orders/subcontracts. In paragraph (b) "Contracting Officer" means "Lockheed Martin" and "10 days" means "20 days.")

**252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting (Oct 2016)** (The definition of “Media” is changed to read as follows: “Media means physical devices or writing surfaces including, but is not limited to, magnetic tapes, optical disks, magnetic disks, large-scale integration memory chips, and printouts onto which covered defense information is recorded, stored, or printed within a covered contractor information system.”)

**252.208-7000, Intent to Furnish Precious Metals as Government-Furnished Material (Dec 1991)** (Applicable for all purchase orders/subcontracts that involve precious metals.)

**252.211-7005, Substitutions for Military or Federal Specifications and Standards (Nov 2005)** (Applicable for all purchase orders/subcontracts where subcontractor Single Process Initiative block changes have been approved for use and exceed the micro-purchase threshold, when procuring previously developed items.)

**252.211-7007, Reporting of Government-Furnished Property (Aug 2012)** (Applicable if Seller will be in possession of Government property for the performance of this purchase order/subcontract.)

**252.211-7008, Use of Government-Assigned Serial Numbers (Sep 2010)** (Applicable for purchase orders/ subcontracts where the seller will be in the possession of Government property for the performance of the purchase order/subcontract. If Lockheed Martin will assume responsibility for marking the property, the clause may be excluded from the purchase order/subcontract.)

**252.216-7004, Award Fee Reduction or Denial for Jeopardizing the Health or Safety of Government Personnel (Sep 2011)** (Applicable for all purchase orders/subcontracts containing award fee provisions. Seller shall reimburse Lockheed Martin for any reduction in fees under the prime contract to the extent Seller's acts or omissions are responsible for covered incidents pursuant to this clause.)

**252.219-7003, Small Business Subcontracting Plan (DoD Contracts)** **(DEVIATION) (Aug 2016)** (The version of the clause in DoD Class Deviation [2016-O0009](https://www.acq.osd.mil/dpap/policy/policyvault/USA002226-16-DPAP.pdf) applies in lieu of the standard DFARS version of the clause.)

**252.219-7004, Small Business Subcontracting Plan (Test Program) (Apr 2018)** (Applicable if Seller participates in the DoD test program described in DFARS 219.702.)

**252.225-7001, Buy American and Balance of Payments Program--Basic (Dec 2017)**

**252.225-7012, Preference for Certain Domestic Commodities (Dec 2017)**

**252.225-7021, Trade Agreements (Dec 2017)**

**252.234-7002, Earned Value Management System (DEVIATION) (Sep 2015)** (The version of the clause in DoD Class Deviation [2015-O0017](https://cyberguide.global.lmco.com/source-dod-cd-2015-o0017.pdf) applies in lieu of the standard DFARS version of the clause. Applicable if this purchase order/subcontract is a cost type purchase order/subcontract or incentive type purchase order/subcontract. "Government" means "Lockheed Martin and Government." Paragraphs (i) and (j) are deleted.)

**252.234-7004, Cost and Software Data Reporting System (Nov 2014)** (Applicable for purchase orders/ subcontracts in excess of $50,000,000. In paragraph (b), "Government" means “Lockheed Martin.”)

**252.235-7003, Frequency Authorization (Mar 2014) and Alternate I (Mar 2014)** (Alternate I will also apply.)

**252.235-7011, Final Scientific or Technical Report (Jan 2015)** (Applicable for all purchase orders/subcontracts for research and development.)

**252.237-7010, Prohibition on Interrogation of Detainees by Contractor Personnel (Jun 2013)** (Applicable for all purchase orders/subcontracts that may require Seller personnel to interact with detainees in the course of their duties.)

**252.239-7000, Protection Against Compromising Emanations (Jun 2004)** (Applicable if classified work is required. "Contracting Officer" means "Lockheed Martin." "Government" means "Lockheed Martin and the Government" in paragraphs (c) and (d).)

**252.239-7001, Information Assurance Contractor Training and Certification (Jan 2008)** (Applicable if Seller will be accessing DoD Information Systems.)

**252.239-7016, Telecommunications Security Equipment Devices, Techniques, and Services (Dec 1991)** (Applicable if this purchase order/subcontract requires securing telecommunications.)

**252.243-7002, Requests for Equitable Adjustment (Dec 2012)** (Applicable for all purchase orders/subcontracts over $150,000. “Government” means “Lockheed Martin.”)

**252.245-7001, Tagging, Labeling, and Marking of Government-Furnished Property (Apr 2012)** (Applicable for purchase orders/subcontracts where the items furnished by Seller will be subject to serialized tracking.)

**252.245-7004, Reporting, Reutilization, and Disposal (Dec 2017)** (Applicable for all purchase orders/ subcontracts containing the clause at FAR 52.245-1, Government Property. "Contracting Officer" means “Lockheed Martin.”)

**252.246-7000, Material Inspection and Receiving Report (Mar 2008)** (Applicable if direct shipments will be made to the Government.)

**252.246-7001, Warranty of Data (Dec 1991)** (Applicable if Seller will be delivering data. "Government" means "Lockheed Martin or the Government." "Contracting Officer" means "Lockheed Martin." The last sentence in paragraph (b) is changed to read as follows: “The warranty period shall extend for three years after completion of delivery of the data to Lockheed Martin, or if the data is delivered to the Government, either by Lockheed Martin or Seller, the warranty period shall extend for three years after delivery to the Government.")

**252.246-7001, Warranty of Data (Mar 2014) and Alternate I (Mar 2014)** (Alternate I will also apply if this is a fixed-price incentive purchase order/subcontract.)

**252.246-7008, Sources of Electronic Parts (May 2018)**

**AFFARS Clauses**

**5352.223-9000, Elimination of Use of Class I Ozone Depleting Substances (ODS) (Nov 2012)** (Applicable for all purchase orders/subcontracts. The blank in paragraph (d) is completed with "None."  In paragraph (d) "Contracting Officer" means "Lockheed Martin.")

**5352.223-9001 Health and Safety on Government Installations (Nov 2012)** (Applicable if Seller will perform work under this purchase order/subcontract on a government installation. "Contracting Officer" means "Lockheed Martin.")

**5352.242-9000, Contractor Access to Air Force Installations (Nov 2012)** (Applicable if Seller will be performing work on a government installation. "Contracting Officer" means "Lockheed Martin." The blank in paragraphs (b) and (d) is completed with "N/A."  In paragraph (e) "the prime contractor" means "Seller.")

**5352.242-9001, Common Access Cards (CACS) for Contractor Personnel – AF Systems (Nov 2012)** (Applicable if Seller will be performing work on a government installation. All communication with the government required by this clause shall be conducted through Lockheed Martin.)