

## Supplement 2 - General Terms and Conditions for Supply and Services Subcontracts

### U.S. Government Contract Provisions from the Department of Defense Federal Acquisition Regulation

When the materials or products furnished are for use in connection with a U. S. Government Department of Defense contract or subcontract, in addition to the General Provisions and the FAR provisions, the following provisions shall apply, as required by the terms of the prime contractor by operation of law or regulation. In the event of a conflict between these DFARS provisions and the General Provisions or the FAR provisions, the DFARS provisions shall control.

The following clauses set forth in the DFARS in effect as of the date of the prime contract are incorporated herein by reference. In all clauses listed herein, the terms "Government", "Contracting Officer" and "Contractor" shall be revised to suitably identify the contracting parties under this purchase order and effect the proper intent of the provision except where further clarified or modified below. "Subcontractor", however, shall mean "Seller's Subcontractor" under this purchase order. The Seller, by signing its offer, hereby certifies compliance with the following clauses and is, therefore, eligible for award.

Title of Clause	DFARS
1. Disclosure of Information	252.204-7000
2. Alternate A, System for Award Management	252.204-7004
3. Alternate A, Annual Representations and Certifications	252.204-7007
4. Intent to Furnish Precious Metals as Government-Furnished Material	252.208-7000
5. Disclosure of ownership of control by a foreign government	252.209-7002
6. Limitations on Contractors Acting as Lead System Integrators	252.209-7006
7. Prohibited Financial Interests for Lead System Integrators	252.209-7007
8. Item Identification and Valuation	252.211-7003
9. Radio Frequency Identification	252.211-7006
10. Reporting of Government Furnished Equipment in DoD Item Unique Identification (IUID) Registry	252.211-7007
11. Contract Terms and Conditions required to implement statutes or Executive Orders applicable to Defense acquisitions of commercial items (Class Deviation 2009-00005 expires on April 30, 2014).	252.212-7001
12. Pricing Adjustments	252.215-7000
13. Cost Estimating System Requirements (over \$700,000)	252.215-7002
14. Restrictions on Employment of Personnel	252.222-7000
15. Hazard Warning Labels (fill in State where this purchase order will be performed)	252.223-7001
16. Change in Place of Performance - Ammunition and Explosives	252.223-7003
17. Drug-Free Work Force	252.223-7004
18. Prohibition on Storage and Disposal of Toxic and Hazardous Materials	252.223-7006
19. Safeguarding Sensitive Conventional Arms, Ammunition and Explosives	252.223-7007
20. Prohibition of Hexavalent Chromium	252.223-7008
21. Buy American Act – Balance of Payments Program Certificate	252.225-7000
22. Buy American Act and Balance of Payments Program	252.225-7001
23. Qualifying Country Sources as Subcontractors	252.225-7002
24. Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	252.225-7007
25. Duty Free Entry	252.225-7013
26. Restriction on Acquisition of Ball and Roller Bearings	252.225-7016
27. Restriction on Acquisition of Foreign Anchor and Mooring Chain	252.225-7019
28. Trade Agreements – Certificate	252.225-7020
29. Trade Agreements	252.225-7021
30. Trade Agreements Certificate – Inclusion of Iraqi End Products	252.225-7022
31. Restriction on the Acquisition of Forgings	252.225-7025
32. Restriction on Contingent Fees for Foreign Military Sales (blank is filled in "zero")	252.225-7027
33. Exclusionary Policies and Procedures of Foreign Governments	252.225-7028
34. Restriction on Acquisition of Carbon Alloy and Armor Steel Plate	252.225-7030
35. Secondary Arab Boycott of Israel	252.225-7031
36. Buy American Act – Free Trade Agreements –Balance of Payments Program Certificate	252.225.7035
37. Buy American Act – Free Trade Agreements – Balance of Payments Program	252.225-7036
38. Contractor personnel Authorized to Accompany U.S. Armed Forces Deployed Outside	252.225-7040

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39. Antiterrorism/force Protection Policy for Defense Cont Outside the United States	252.225-7043
40. Export Controlled Items	252.225-7048
41. Rights in Technical Data - Noncommercial Items	252.227-7013
42. Rights in Noncommercial Computer Software and Noncommercial Computer Software	252.227-7014
43. Technical Data - Commercial Items	252.227-7015
44. Rights in Bid or Proposal Information	252.227-7016
45. Identification and Assertion of Use, Release, or Disclosure Restrictions	252.227-7017
46. Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program	252.227-7018
47. Validation of Asserted Restrictions - Computer Software	252.227-7019
48. Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends	252.227-7025
49. Delivery of Technical Data or Computer Software	252.227-7026
50. Deferred Ordering of Technical Data or Computer Software	252.227-7027
51. Technical Data or Computer Software Previously Delivered to the Government	252.227-7028
52. Technical Data--Withholding of Payment	252.227-7030
53. Rights in Shop Drawings	252.227-7033
54. Validation of Restrictive Markings on Technical Data	252.227-7037
55. Patents – Reporting of Subject Inventions	252.227-7039
56. Ground and Flight Risk	252.228-7001
57. Accident Reporting and Investigation Involving Aircraft, Missiles,	252.228-7005
58. Reporting of Foreign Taxes – U.S. Assistance Programs	252.229-7011
59. Supplemental Cost Principles (first tier subcontractors only)	252.231-7000
60. Notice of Earned Value Management System	252.234-7001
61. Earned Value Management System	252.234-7002
62. Frequency Authorization	252.235-7003
63. Frequency Authorization (ALT I)	252.235-7003
64. Protection of Human Subjects	252.235-7004
65. Requirement for Competition Opportunity for American Steel Producers, Fabricators and Manufacturers (For Construction Subcontracts)	252.236-7013
66. Training for Contract personnel Interacting with Detainees	252.237-7019
67. Protection Against Compromising Emanations	252.239-7000
68. Information Assurance Contractor Training and Certification	252.239-7001
69. Telecommunications Security Equipment, Devices, Techniques, and Services	252.239-7016
70. Pricing of Contract Modifications	252.243-7001
71. Subcontracts for Commercial Items	252.244-7000
72. Material Inspection and Receiving Report	252.246-7000
73. Notification of Potential Safety Issues	252.246-7003
74. Pass-Through of Motor Carrier Fuel Surcharge Adjustment to the Cost Bearer	252.247-7003
75. Notification of Transportation of Supplies by Sea	252.247-7024
<b>ORDERS OVER \$100,000 ALSO INCLUDE THE FOLLOWING:</b>	
76. Prohibition on persons convicted of Fraud or other Defense – Contract- related felonies	252.203-7001
77. Disclosure of ownership or control by the government of a Terrorist County	252.209-7001
78. Restriction on Acquisition of Specialty Metals	252.225-7008
79. Restriction on Acquisition of Certain Articles Containing Specialty Metals	252.225-7009
80. Commercial Derivative Military Article – Specialty Metals Compliance Certificate	252.225-7010
81. Preference for Certain Domestic Commodities	252.225-7012
82. Restriction on Acquisition of Hand or Measuring Tools	252.225-7015
83. Requests for Equitable Adjustment	252.243-7002
84. Representation of Extent of Transportation by Sea	252.247-7022
85. Transportation of Supplies by Sea	252.247-7023
86. Notification of Anticipated Contract Termination or Reduction	252.249-7002
<b>ORDERS OVER \$ 500,000 ALSO INCLUDE THE FOLLOWING:</b>	
87. Small Business Subcontracting Plan (DoD Contracts) – Over \$650K	252.219-7003
88. Report of Intended Performance Outside the United States & Canada – Submission with offer (Over \$650K)	252.225-7003

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89. Report of Intended Performance Outside the United States & Canada – Submission after Award	252.225-7004
90. Quarterly Reporting of Actual Contract Performance Outside the United States	252.225-7006
91. Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	252.226-7001

### **ORDERS OVER \$1,000,000 ALSO INCLUDE THE FOLLOWING:**

92. Acquisition Streamlining	252.211-7000
93. Report of Intended Performance Outside the United States and Canada – Submission with Offer (over \$11.5 million)	252.225-7003
94. Waiver of United Kingdom Levies – Evaluation of Offers	252.225-7032
95. Waiver of United Kingdom Levies	252.225-7033
96. Restrictions on the Use of Mandatory Arbitration Agreements	252.222-7006

### **ORDERS FOR AMMUNITION AND/OR EXPLOSIVES**

97. Safety Precautions for Ammunition and Explosives	252.223-7002
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#### SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES (MAY 1994)

(a) *Definition.* "Ammunition and explosives," as used in this clause—

(1) Means liquid and solid propellants and explosives, pyrotechnics, incendiaries and smokes in the following forms:

(i) Bulk,

(ii) Ammunition;

(iii) Rockets;

(iv) Missiles;

(v) Warheads;

(vi) Devices; and

(vii) Components of (i) through (vi), except for wholly inert items.

(2) This definition does not include the following, unless the Contractor is using or incorporating these materials for initiation, propulsion, or detonation as an integral or component part of an explosive, an ammunition or explosive end item, or of a weapon system—

(i) Inert components containing no explosives, propellants, or pyrotechnics;

(ii) Flammable liquids;

(iii) Acids;

(iv) Oxidizers;

(v) Powdered metals; or

(vi) Other materials having fire or explosive characteristics.

(b) *Safety requirements.*

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(1) The Contractor shall comply with the requirements of the DoD Contractors' Safety Manual for Ammunition and Explosives, DoD 4145.26-M, hereafter referred to as "the manual," in effect on the date of the solicitation for this contract. The Contractor shall also comply with any other additional requirements included in the schedule of this contract.

(2) The Contractor shall allow the Government access to the Contractor's facilities, personnel, and safety program documentation. The Contractor shall allow authorized Government representatives to evaluate safety programs, implementation, and facilities.

*(c) Noncompliance with the manual.*

(1) If the Contracting Officer notifies the Contractor of any noncompliance with the manual or schedule provisions, the Contractor shall take immediate steps to correct the noncompliance. The Contractor is not entitled to reimbursement of costs incurred to correct noncompliances unless such reimbursement is specified elsewhere in the contract.

(2) The Contractor has 30 days from the date of notification by the Contracting Officer to correct the noncompliance and inform the Contracting Officer of the actions taken. The Contracting Officer may direct a different time period for the correction of noncompliances.

(3) If the Contractor refuses or fails to correct noncompliances within the time period specified by the Contracting Officer, the Government has the right to direct the Contractor to cease performance on all or part of this contract. The Contractor shall not resume performance until the Contracting Officer is satisfied that the corrective action was effective and the Contracting Officer so informs the Contractor.

(4) The Contracting Officer may remove Government personnel at any time the Contractor is in noncompliance with any safety requirement of this clause.

(5) If the direction to cease work or the removal of Government personnel results in increased costs to the Contractor, the Contractor shall not be entitled to an adjustment in the contract price or a change in the delivery or performance schedule unless the Contracting Officer later determines that the Contractor had in fact complied with the manual or schedule provisions. If the Contractor is entitled to an equitable adjustment, it shall be made in accordance with the Changes clause of this contract.

*(d) Mishaps.* If a mishap involving ammunition or explosives occurs, the Contractor shall—

(1) Notify the Contracting Officer immediately;

(2) Conduct an investigation in accordance with other provisions of this contract or as required by the Contracting Officer; and

(3) Submit a written report to the Contracting Officer.

*(e) Contractor responsibility for safety.*

(1) Nothing in this clause, nor any Government action or failure to act in surveillance of this contract, shall relieve the Contractor of its responsibility for the safety of—

(i) The Contractor's personnel and property;

(ii) The Government's personnel and property; or

(iii) The general public.

(2) Nothing in this clause shall relieve the Contractor of its responsibility for complying with applicable Federal, State, and local laws, ordinances, codes, and regulations (including those requiring the obtaining of licenses and permits) in connection with the performance of this contract.

*(f) Contractor responsibility for contract performance.*

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(1) Neither the number or frequency of inspections performed by the Government, nor the degree of surveillance exercised by the Government, relieve the Contractor of its responsibility for contract performance.

(2) If the Government acts or fails to act in surveillance or enforcement of the safety requirements of this contract, this does not impose or add to any liability of the Government.

(g) *Subcontractors.*

(1) The Contractor shall insert this clause, including this paragraph (g), in every subcontract that involves ammunition or explosives.

(i) The clause shall include a provision allowing authorized Government safety representatives to evaluate subcontractor safety programs, implementation, and facilities as the Government determines necessary.

(ii) **NOTE:** The Government Contracting Officer or authorized representative shall notify the prime Contractor of all findings concerning subcontractor safety and compliance with the manual. The Contracting Officer or authorized representative may furnish copies to the subcontractor. The Contractor in turn shall communicate directly with the subcontractor, substituting its name for references to "the Government". The Contractor and higher tier subcontractors shall also include provisions to allow direction to cease performance of the subcontract if a serious uncorrected or recurring safety deficiency potentially causes an imminent hazard to DoD personnel, property, or contract performance.

(2) The Contractor agrees to ensure that the subcontractor complies with all contract safety requirements. The Contractor will determine the best method for verifying the adequacy of the subcontractor's compliance.

(3) The Contractor shall ensure that the subcontractor understands and agrees to the Government's right to access to the subcontractor's facilities, personnel, and safety program documentation to perform safety surveys. The Government performs these safety surveys of subcontractor facilities solely to prevent the occurrence of any mishap which would endanger the safety of DoD personnel or otherwise adversely impact upon the Government's contractual interests.

(4) The Contractor shall notify the Contracting Officer or authorized representative before issuing any subcontract when it involves ammunition or explosives. If the proposed subcontract represents a change in the place of performance, the Contractor shall request approval for such change in accordance with the clause of this contract entitled "Change in Place of Performance--Ammunition and Explosives".

(End of clause)

### 98. **252.223-7003 Change in Place of Performance--Ammunition and Explosives.**

#### CHANGE IN PLACE OF PERFORMANCE--AMMUNITION AND EXPLOSIVES (DEC 1991)

(a) The Offeror shall identify, in the "Place of Performance" provision of this solicitation, the place of performance of all ammunition and explosives work covered by the Safety Precautions for Ammunition and Explosives clause of this solicitation. Failure to furnish this information with the offer may result in rejection of the offer.

(b) The Offeror agrees not to change the place of performance of any portion of the offer covered by the Safety Precautions for Ammunition and Explosives clause contained in this solicitation after the date set for receipt of offers without the written approval of the Contracting Officer. The Contracting Officer shall grant approval only if there is enough time for the Government to perform the necessary safety reviews on the new proposed place of performance.

(c) If a contract results from this offer, the Contractor agrees not to change any place of performance previously cited without the advance written approval of the Contracting Officer.

(End of clause)