SPECIAL TERMS AND CONDITIONS OF PURCHASE – SUPPLEMENT 2
FIXED-PRICE TYPE PROCUREMENTS FOR OTHER THAN COMMERCIAL ITEMS UNDER U.S. GOVERNMENT PRIME CONTRACTS

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below in effect as of the date of the applicable prime contract or higher-tier subcontract are incorporated herein by reference, with the same force and effect as if they were given in full text, including any notes following the clause citation. Except as noted herein, in the event of a conflict between any terms and/or set forth herein and Buyer's General Terms and Conditions of Purchase, the terms and conditions of these Special Terms and Conditions shall take precedence.

In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the U.S. Government and to enable Buyer to meet its obligations under its prime contract or subcontract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "Buyer", the term "Contracting Officer" shall mean "Buyer's Purchasing Representative", the term "Contractor" or "Offeror" shall mean "Seller", the term "Subcontractor" shall mean "Seller's Subcontractor" under Buyer's Order, and the term "Contract" shall mean "Buyer's Order". The Contracts Disputes Act shall have no application to the Buyer's Order. Any reference to a "Disputes" clause shall mean the "Disputes and Arbitration" section of Buyer's General Terms and Conditions of Purchase. If any of the following FAR or DFARS clauses do not apply pursuant to the associated FAR or DFARS prescribing criteria, such clauses shall be considered to be self-deleting.

1. FAR Clauses

In accordance with FAR 52.252-1 and 52.252-2, the following clauses and provisions are incorporated by reference and apply as defined by the respective FAR clause or provision:

(a) The following FAR clauses apply as defined by the respective FAR clause regardless of dollar value:

52.202-1	Definitions
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (applicable if prime contract is funded with Recovery Act funds)
52.204-2	Security Requirements (applicable if access to classified information is required)
52.204-9	Personal Identity Verification of Contractor Personnel (applicable if Seller is required to routinely access a federally-controlled facility or a Federal information system)
52.208-8	Required Sources for Helium and Helium Usage Data (applicable if performance of Buyer's Order involves a major helium requirement)
52.216-5	Price Redetermination – Prospective (applicable if FAR 16.205-2 and 16.205-3 are met)
52.216-6	Price Redetermination – Retroactive
52.216-7	Allowable Cost and Payment
52.222-21	Prohibition of Segregated Facilities
52.222-22	Previous Contracts and Compliance Reports
52.222-26	Equal Opportunity
52.222-41	"Service Contract Labor Standards" (applicable if Buyer's Order is subject to the Service Contract Labor Standards statute)
52.222-49	Service Contract Labor Standards – Place of Performance Unknown
52.222-50	Combating Trafficking in Persons
52.222-52	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services – Certification (applies if Seller is exempt under FAR 22.1003-4(c))
52.223-3	Hazardous Material Identification and Material Safety Data
52.223-6	Drug-Free Workplace
52.223-7	Notice of Radioactive Materials
52.223-11	Ozone Depleting Substances
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving
52.224-1	Privacy Act Notification (applicable when design, development, or operation of a system of records on individuals is required)
52.224-2	Privacy Act (applicable when design, development, or operation of a system of records on individuals is required)
52.225-13	Restrictions on Certain Foreign Purchases
52.227-10	Filing of Patent Applications – Classified Subject Matter
52.227-11	Patent Rights-Ownership by the Contractor
52.227-13	Patent Rights-Ownership by the Government
52.227-14	Rights in Data-General
52.227-19	Commercial Computer Software License
52.228-3	Workers Compensation Insurance (Defense Base Act)
62.228-5	Insurance – Work on a Government Installation (applies if Seller is required to work on a Government installation)
52.232-40	Providing Accelerated Payments to Small Business Subcontractors (applies if Seller is classified as a small business)
52.233-3	Protest After Award
52.234-1	Industrial Resources Developed Under Defense Production Act Title III
52.242-15	Stop-Work Order
52.243-1	Changes – Fixed Price Contracts
52.243-6	Change Order Accounting
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property (applicable if Government furnished property will be used in performance of Buyer's Order)
52.245-9	Use and Charges (applicable if Government furnished property will be used in performance of Buyer's Order)
52.246-2	Inspection of Supplies-Fixed-Price
52.246-4	Inspection of Services-Fixed-Price
52.246-7	Inspection of Research and Development-Fixed-Price
52.246-16	Responsibility for Supplies
52.247-63	Preference for U.S. Flag Air Carriers
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels
52.249-2	Termination for Convenience of the Government (Fixed-Price) (excluding any references to the Disputes Clause)
52.249-8	Termination for Default (excluding any references to the Disputes Clause)

(b) The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds the "micro-purchase threshold" ($3,000):

52.222-3	Convict Labor
52.222-18	Certification Regarding Knowledge of Child Labor for Listed End Products
52.222-19	Child Labor-Cooperation with Authorities and Remedies
52.222-54	Employment Eligibility Verification

(c) The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds $15,000:

52.222-20	Contracts for Materials, Supplies, Articles, and Equipment Exceeding $15,000 (Walsh-Healy Act)
52.222-36	Equal Opportunity for Workers with Disabilities

(d) The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds $25,000:

52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards (applicable if Buyer is the Prime Contractor)
52.225-1	Buy American-Supplies
52.225-2	Buy American Certificate
52.225-3	Buy American Act-Free Trade Agreements-Israeli Trade Act
52.225-4	Buy American-Free Trade Agreements-Israeli Trade Act Certificate

(e) The following additional clause applies as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds $30,000:

52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

(f) The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds $100,000:

52.222-35	Equal Opportunity for Veterans
52.222-37	Employment Reports on Veterans

(g) The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds the "simplified acquisition threshold" ($150,000):

52.203-2	Certificate of Independent Price Determination (applicable if Buyer's Order includes an economic price adjustment)
52.203-3	Gratuities
52.203-5	Covenant Against Contingent Fees
52.203-6	Restrictions on Subcontractor Sales to the Government
52.203-7	Anti-Kickback Procedures
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
52.203-12	Limitation on Payments to Influence Certain Federal Transactions
52.203-16	Preventing Personal Conflicts of Interest (applicable if performing acquisition functions closely associated with inherently governmental functions)
52.203-17	Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
52.211-5	Material Requirements
52.211-14	Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use (applicable if Buyer's Order has a DPAS rating)
52.211-15	Defense Priority and Allocation Requirements (applicable if Buyer's Order has a DPAS rating)
52.215-2	Audit and Records-Negotiation
52.215-14	Integrity of Unit Prices
52.215-22	Limitations on Pass-Through Charges – Identification of Subcontract Effort (applicable if 52.215-23 applies)
52.215-23	Limitation on Pass-Through Charges (see exceptions in FAR 15.408(n)(2))
52.219-8	Utilization of Small Business Concerns
52.222-4	Contract Work Hours and Safety Standards Act-Overtime Compensation
52.222-38	Compliance with Veterans' Employment Reporting Requirements
52.222-40	Notification of Employee Rights Under the National Labor Relations Act
52.222-54	Employment Eligibility Verification (not applicable if contract performance period is less than 120 days)
52.225-5	Trade Agreements (applicable if the value of Buyer's Order equals or exceeds $204,000)
52.225-8	Duty-Free Entry
52.227-1	Authorization and Consent
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
52.229-3	Federal, State, and Local Taxes
52.242-13	Bankruptcy
52.244-5	Competition in Subcontracting
52.248-1	Value Engineering

(h) The following additional clause applies as defined by the respective FAR clause if the Seller classified as a Large Business and the value of Buyer's Order equals or exceeds $500,000:

52.204-14	Service Contract Reporting Requirements (applies if Buyer is the Prime Contractor)
52.204-15	Service Contract Reporting Requirements for Indefinite-Delivery Contracts (applies if Buyer is the Prime Contractor)

(i) The following additional clauses apply as defined by the respective FAR clause if the Seller classified as a Large Business and the value of Buyer's Order equals or exceeds $650,000:

52.219-9	Small Business Subcontracting Plan
52.219-16	Liquidated Damages-Subcontracting Plan (applicable if 52.219-9 applies)

(j) The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds $700,000:

52.214-26	Audit and Records-Sealed Bidding (applicable to sealed bids only)
52.214-27	Price Reduction for Defective Cost or Pricing Data-Modifications (applicable to sealed bids only)
52.214-28	Subcontractor Certified Cost or Pricing Data-Modifications (applicable to sealed bids only)
52.215-10	Price Reduction for Defective Cost or Pricing Data
52.215-11	Price Reduction for Defective Cost or Pricing Data-Modifications
52.215-12	Subcontractor Cost or Pricing Data
52.215-13	Subcontractor Cost or Pricing Data-Modifications
52.215-15	Pension Adjustments and Asset Reversions
52.215-16	Facilities Capital Cost of Money (applicable if Seller is proposing facilities capital cost of money in its Offer)
52.215-18	Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other than Pensions
52.215-19	Notification of Ownership Changes
52.215-20	Requirements for Cost or Pricing Data or Information Other than Cost or Pricing
52.215-21	Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data-Modifications
52.227-9	Refund of Royalties
52.230-2	Cost Accounting Standards
52-230-3	Disclosure and Consistency of Cost Accounting Practices
52.230-4	Disclosure and Consistency of Cost Accounting Practices-Foreign Concern
52.230-6	Administration of Cost Accounting Standards
52.242-1	Notice of Intent to Disallow Costs
52.242-3	Penalties for Unallowable Costs

(k) The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds $5,000,000:

52.203-13	Contractor Code of Business Ethics and Conduct
52.203-14	Display of Hotline Posters
52.210-1	Market Research

2. DFARS Clauses

The following DFARS clauses and provisions are incorporated by reference and apply as defined by the respective DFARS clause or provision:

(a) The following DFARS clauses apply as defined by the respective DFARS clause regardless of dollar value:

252.203-7002	Requirement to Inform Employees of Whistleblower Rights
252.204-7000	Disclosure of Information (applicable if Seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public)
252.204-7012	Safeguarding of Covered Defense Information and Cyber Incident Reporting
252.204-7015	Disclosure of Information to Litigation Support Contractors
252.208-7000	Intent to Furnish Precious Metals as Government-Furnished Material (applicable if the item(s) delivered by Seller contain precious metals)
252.211-7003	Item Identification and Valuation (Seller's obligations under this clause are limited to cooperating with Buyer's efforts to comply with this clause)
252.211-7007	Reporting of Government-Furnished Property (applicable if Seller will use Government-Furnished Property in the performance of Buyer's Order)
252.223-7001	Hazard Warning Labels (applicable if submission of hazardous material data sheets is required under Buyer's Order)
252.223-7002	Safety Precautions for Ammunition and Explosives (applies if ammunition or explosives are furnished, including liquid and solid propellants)
252.223-7003	Change in Place of Performance – Ammunition and Explosives (applies if DFARS 252.223.7003 is applicable)
252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials
252.223-7007	SafeGuarding Sensitive Conventional Arms, Ammunition and Explosives
252.223-7008	Prohibition of Hexavalent Chromium

252.225-7001	Buy American and Balance of Payments Program (applies in lieu of FAR 52.225-1)
252.225-7007	Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals (applicable if work contains specialty metals)
252.225-7010	Commercial Derivative Military Article – Specialty Metals Compliance Certificate (applicable if work contains specialty metals)
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings
252.225-7025	Restriction on the Acquisition of Forgings
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate
252.225-7033	Waiver of United Kingdom Levies (applicable if Buyer's Order is placed with a United Kingdom company)
252.225-7043	Anti-Terrorism/Force Protection for Defense Contractors Outside the United States (Applicable if work is to be performed outside of the United States)
252.225-7048	Export-Controlled Items
252.227-7013	Rights in Technical Data-Noncommercial Items (applicable if Seller will be providing technical data in the performance of Buyer's Order)
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applicable if Seller will be delivering computer software or computer software documentation in the performance of Buyer's Order)
252.227-7016	Rights in Bid or Proposal Information (applicable if DFARS clauses 252.227-7013, 252.227-7014, or 252.227-7018 apply)
252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions (applicable if DFARS clauses 252.227-7013, 252.227-7014, or 252.227-7018 apply)
252.227-7019	Validation of Asserted Restrictions-Computer Software (applicable if Seller will be furnishing of computer software in the performance of Buyer's Order)
252.225-7021	Trade Agreements (applies in lieu of FAR 52.225-5)
252.225-7031	Secondary Arab Boycott on Israel (applicable if Buyer's Order exceeds the "micro-purchase threshold" ($3,000))
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
252.227-7026	Deferred Delivery of Technical Data or Computer Software
252.227-7027	Deferred Ordering of Technical Data or Computer Software
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government (applicable if Seller is required to deliver technical data in the performance of Buyer's Order)
252.227-7030	Technical Data-Withholding of Payment (applicable if DFARS clauses 252.227-7013 or 252.227-7018 apply)
252.227-7037	Validation of Restrictive Markings on Technical Data
252.227-7038	Patent Rights-Ownership by the Contractor (Large Business) (applicable if Buyer's Order is for experimental, developmental, or research work and Seller is not a small business or nonprofit organization)
252.227-7039	Patents-Reporting of Subject Inventions (applicable if FAR clause 52.227-11 applies)
252.231-7000	Supplemental Cost Principles
252.234-7001	Notice of Earned Value Management System
252.234-7002	Earned Value Management System
252.235-7003	Frequency Authorization (applicable if Buyer's Order is a device requiring frequency authorization)
252.239-7016	Telecommunications Security Equipment, Devices, Techniques, and Services (applicable if Buyer's Order is for telecommunications equipment)
252.239.7017	Notice of Supply Chain Risk
252.239-7018	Supply Chain Risk
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)
252.246-7001	Warranty of Data (applicable if DFARS clause 252.227-7013 applies)
252.246-7003	Notification of Potential Safety Issues (applicable if Buyer's Order is for (i) parts defined as critical safety items in accordance with this clause; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; and (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system)
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
252.247-7023	Transportation of Supplies by Sea
252.247-7024	Notification of Transportation of Supplies by Sea

(b) The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds ($100,000):

252.225-7013	Duty-Free Entry

(c) The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds the "simplified acquisition threshold" ($150,000):

252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies
252.209-7004	Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country
252.247-7022	Representation of Extent of Transport by Sea

(d) The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds $500,000:

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

(e) The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds $650,000:

252.219-7003	Small Business Subcontracting Plan (DoD Contracts) (applicable if prime contract includes FAR clause 52.219-9)

(f) The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds $700,000:

252.215-7000	Pricing Adjustments
252.215-7002	Cost Estimating System Requirements
252.249-7002	Notification of Anticipated Contract Termination or Reduction

(g) The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds $1,000,000:

252.222-7006	Restricting the Use of Mandatory Arbitration Agreements

(h) The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds $1,500,000:

252.211-7000	Acquisition Streamlining

(i) The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds $5,000,000:

252.203-7003	Agency Office of the Inspector General
252.203-7004	Display of Fraud Hotline Poster(s) (applicable to all Buyer's Orders except Buyer's Orders that are for acquisition of a commercial item, or that will be performed entirely outside the United States)

3. <u>Additional Requirements</u>

(a) For orders issued under the American Recovery and Reinvestment Act, the Seller shall comply with the reporting requirements of FAR 52.204-11, American Recovery and Reinvestment Act Reporting Requirements and FAR 52.203-15, Whistleblower Protections under ARRA, and shall ensure compliance with the Buy American provisions cited in the Quality Terms cited in the Order.

(b) Seller covenants and agrees that if Buyer's contract price or a cost allowance is reduced by reason of Seller's failure to comply with an applicable Cost Accounting Standard or to follow any practice disclosed in its Disclosure Statement, Buyer shall be entitled to:

(i) reduce the price of Buyer's Order by an amount commensurate with the reduction in Buyer's contract price or cost allowance together with interest computed at the applicable Treasury rate; or

(ii) in the event Seller shall already have been paid the full Order price or essentially the full Order price, Seller shall reimburse and indemnify Buyer in an amount commensurate with the reduction in Buyer's contract price or cost allowance together with interest computed at the applicable Treasury rate.

(c) The provisions of 41 CFR 60-300.5, Equal Opportunity for Disabled Veterans, Recently Separated Veterans, Other Protected Veterans, and Armed Forces Service Medal Veterans, apply to all contracts, subcontracts, and purchase orders where the value equals or exceeds $100,000. Contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

(d) The provisions of 41 CFR 60-741.5, Affirmative Action and Nondiscrimination Obligations of Contractors and Subcontractors Regarding Individuals with Disabilities, apply to all contracts, subcontracts, and purchase orders where the value equals or exceeds $10,000. Contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment-qualified individuals with disabilities.

(e) Notwithstanding any other clauses in the Buyer's Order, Seller shall not impose any restrictions on the Government's use of tooling, designs, and/or drawings provided or received during the performance of Buyer's Order that the Government independently owns or has a right to use.

(f) Notwithstanding any other clauses in the Buyer's Order, in no event shall the Seller acquire any direct claim or course of action against the U. S. Government.

(g) Seller shall flow down all required FAR and DFARs clauses to Seller's subcontractors, suppliers and vendors in accordance with the applicable FAR and DFARs requirements.

4. Government Inspection

The Government has the right to perform Government quality assurance at Seller's plant as may be necessary to determine conformance with the requirements specified for all services and/or supplies ordered under Buyer's Order.

5. Government-Owned Facilities

If Government-owned facilities are to be used by Seller to perform work prescribed in Buyer's Order, the Seller shall provide two (2) prices: one based on rent-free use and one based on rental payments (applicable to request for quote only).

6. Order Completion and Closeout

Seller agrees to close out this order within the following schedule:

(1) Firm fixed price orders: Final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE
(2) Fixed Price/Labor Hour orders: Final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE.
(3) Special Note for Delivery/Task Order Contracts: Completion vouchers and documents shall be submitted on each delivery order separately.

Failure to submit the invoice within the specified period will result in a unilateral closeout of the order by the Buyer at the price shown as paid in the Buyer's records.

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