

General Terms and Conditions of Purchase – Supplement 1
Government Contract Provisions from the Federal Acquisition Regulation (FAR)



TC-002 (03/09)

1. When the materials, products or services furnished are for use in connection with a U.S. Government prime contract or higher-tier subcontract, in addition to the General Provisions (TC-001), the following FAR clauses and provisions (TC-002) shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each FAR provision shall be the same version as that which appears in Buyer's Prime Contract, or higher-tier subcontract under which this Order is a subcontract. In the event of a conflict between these FAR provisions (TC-002) and the General Provisions (TC-001), the FAR provisions (TC-002) shall control.
2. The following clauses set forth in the FAR in effect as of the date of the prime contract or higher-tier subcontract 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 herein and affect the proper intent of the clause or provision except where further clarified or modified below. 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, such as in FAR 52.227-1 and FAR 52.227-2, and (2) when title to property is to be transferred directly to the Government. "Subcontractor" shall mean "Seller's Subcontractor" under this Purchase Order. The listed FAR clauses are incorporated herein as if set forth in full text unless made inapplicable by its corresponding note, if any. If any of the following FAR clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting.

A. APPLICABLE TO ALL ORDERS:

1. Gratuities	52.203-3
2. Price or Fee Adjustment for Illegal or Improper Activity	52.203-10
3. Security Requirements	52.204-2
4. Personal Identity Verification of Contractor Personnel	52.204-9
5. Material Requirements	52.211-5
6. Defense Priority and Allocation Requirements	52.211-15
7. Utilization of Small Business Concerns	52.219-8
8. Notice to the Government of Labor Dispute	52.222-1
9. Service Contract Act of 1965	52.222-41
10. Combating Trafficking in Persons and Alternate 1 (Include Alternate 1 if it is included in the prime contract)	52.222-50 & Alt 1
11. Employment Eligibility Verification (This clause is applicable to Purchase Orders for construction or commercial Services (except commercial services that are part of a purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,000; and (iii) includes work performed in the United States.)	52.222-54
12. Hazardous Material Identification and Material Safety Data - "Government" means "Government and Buyer"	52.223-3
13. Pollution Prevention and Right-to-Know Information (Applicable in contracts that provide for performance on a Federal facility.)	52.223-5
14. Notice of Radioactive Materials (Applicable in contracts for supplies which are, or which contain radioactive materials.)	52.223-7
15. Ozone-Depleting Substances	52.223-11
16. Privacy Act	52.224-2
17. Buy American Act - Supplies	52.225-1
18. Duty-Free Entry	52.225-8
19. Restrictions on Certain Foreign Purchases	52.225-13
20. Authorization and Consent and Alternate I (Include Alternate 1 if it is included in the prime contract.)	52.227-1
21. Refund of Royalties	52.227-9
22. Filing of Patent Applications-Classified Subject Matter	52.227-10

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23. Patent Rights - Ownership by the Contractor	52.227-11
24. Rights in Data - General	52.227-14
25. Commercial Computer Software License	52.227-19
26. Insurance-Work on a Government Installation	52.228-5
27. Industrial Resources Developed Under Defense Production Act Title III	52.234-1
28. Accident Prevention	52.236-13
29. Protection of Government Buildings, Equipment, and Vegetation	52.237-2
30. Bankruptcy	52.242-13
31. Change Order Accounting	52.243-6
32. Competition in Subcontracting	52.244-5
33. Subcontracts for Commercial Items	52.244-6
34. Government Property	52.245-1
35. Government Property (Alternate I – Applicable to Purchase orders other than cost-reimbursement, time & materials and labor hour Purchase Orders and FP Purchase Orders awarded on the basis of submission of cost or pricing data.)	52.245-1
36. Government Property(Alternate II - Applicable to Purchase Orders for the conduct of basic or applied research at nonprofit institutions of higher education or at nonprofit institutions whose primary purpose is the conduct of scientific research.)	52.245-1
37. Government Property Installation Services (Applicable if the Purchase Order is a service contract to be performed on a Government installation when Government furnished property will be provided for initial provisioning only and the Government is not responsible for repair or replacement.)	52.245-2
38. Use and Charges	52.245-9
39. Inspection of Supplies – Fixed-Price	52.246-2
40. Responsibility for Supplies	52.246-16
41. Preference for U.S.-Flag Air Carriers	52.247-63
42. Preference for Privately Owned U.S.-Flag Commercial Vessels	52.247-64
43. Termination for Convenience of the Government (Fixed-Price) - "Government" shall mean "Buyer." In paragraph (d) the term "45 days" is changed to "90 days." The term "one-year" in paragraph (e) is changed to "six months." The term "90 days" in paragraph (l) is changed to "forty-five days."	52.249-2

B. ORDERS OVER \$10,000 ALSO INCLUDE THE FOLLOWING:

1. Walsh-Healy Public Contracts Act	52.222-20
2. Prohibition of Segregated Facilities	52.222-21
3. Equal Opportunity	52.222-26
4. Affirmative Action for Workers with Disabilities	52.222-36

C. ORDERS OVER \$100,000 ALSO INCLUDE THE FOLLOWING:

1. Covenant Against Contingent Fees	52.203-5
2. Restrictions on Subcontractor Sales to the Government	52.203-6
3. Anti-Kickback Procedures (less paragraph (c)(1))	52.203-7
4. Limitation on Payments to Influence Certain Federal Transactions	52.203-12

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5. Audit and Records Negotiation	52.215-2
6. Integrity of Unit Prices (less paragraph b)	52.215-14
7. Contact Work Hours and Safety Standards Act-Overtime Compensation	52.222-4
8. Equal Opportunity for Special Disabled Veterans Veterans of the Vietnam Era, and Other eligible Veterans	52.222-35
9. Employment Reports on Disabled Veterans and Employment Reports on Disabled Veterans and Veterans of the Vietnam Era, and other Eligible Veterans	52.222-37
10. Notification of Employee Rights Concerning Payment Of Union Dues or Fees	52.222-39
11. Toxic Chemical Release Reporting (less Paragraph (e))	52.223-14
12. Notice and Assistance Regarding Patent and Copyright Infringement	52.227-2
13. Value Engineering	52.248-1

D. ORDERS OVER \$550,000 ALSO INCLUDE:

1. Small Business Subcontracting Plan – (Note to Seller: This clause requires adoption of small business subcontracting plan and reporting.)	52.219-9
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E. UNLESS OTHERWISE EXEMPT ALSO INCLUDE THE FOLLOWING:

1. Price Reduction for Defective Cost or Pricing Data	52.215-10
2. Price Reduction for Defective Cost or Pricing Data-Modifications	52.215-11
3. Subcontractor Cost or Pricing Data	52.215-12
4. Subcontractor Cost or Pricing Data-Modifications	52.215-13
5. Pension Adjustments and Asset Reversions	52.215-15
6. Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other Than Pensions	52.215-18
7. Notification of Ownership Changes	52.215-19
8. Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data	52.215-20
9. Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data-Modification	52.215-21

F. APPLICABLE TO COST REIMBURSEMENT, TIME & MATERIAL OR LABOR HOUR ORDERS:

1. Facilities Capital Cost of Money	52.215-16
2. Allowable Cost and Payment - Seller agrees to execute assignment documents in order to comply with subsection (h)	52.216-7
3. Fixed Fee (Applicable if this is a cost plus fixed fee order.)	52.216-8
4. Incentive Fee (Applicable if this is a cost plus incentive fee order.)	52.216-10
5. Cost Contract -No Fee (Applicable if this is a cost no fee order.)	52.216-11
6. Cost Sharing Contract- No Fee(Applicable if this is a cost sharing, no fee order.)	52.216-12
7. Payment for Overtime Premiums insert "0%" in paragraph (a) unless indicated otherwise on the face of this order	52.222-2
8. Payments under Time-and-Materials and Labor-Hour	52.232-7

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Contracts – “schedule” means this Purchase Order, “voucher(s)” means invoice(s), “Government” means Buyer and “Contracting Officer” means Buyer’s Purchasing Representative.

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| 9. Limitation of Cost (if fully funded) | 52.232-20 |
| 10. Limitation of Funds (if incrementally funded) | 52.232-22 |
| 11. Changes -Cost-Reimbursement (Applicable if this is a cost-reimbursement order.) | 52.243-2 |
| 12. Changes -Time and Material or Labor-Hours (Applicable if this is a time and material or labor hour order.) | 52.243-3 |
| 13. Subcontracts (paragraphs (h) and (i) only apply) | 52.244-2 |
| 14. Inspection of Supplies (Cost-Reimbursement) – “Contracting Officer” means Buyer’s Purchasing Representative and “Government” means Buyer and “Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and/or Buyer”. The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. | 52.246-3 |
| 15. Inspection of Services (Cost Reimbursement) – “Contracting Officer” means Buyer’s Purchasing Representative and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer). The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. | 52.246-5 |
| 16. Inspection of Time and Material and Labor Hour “Contracting Officer” means Buyer’s Purchasing Representative and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and/or Buyer”. The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. | 52.246-6 |
| 17. Termination (Cost-Reimbursement) - “Government” means “Buyer” and “Contracting Officer” means Buyer’s Purchasing Representative. In paragraph (e) Change “15 days” and “45 days” to “30 days” and “90 days”, respectively. In paragraph (f) change “1 year” to “six months”. Alternate IV is applicable to time and material or labor hour orders only. | 52.249-6, |
| 18. Excusable Delays | 52.249-14 |

G.APPLICABLE TO ORDERS OVER \$5,000,000:

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| 1. Display of Hotline Poster(s) | 52.203-14 |
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H.APPLICABLE TO ORDERS THAT HAVE A VALUE OF MORE THAN \$5,000,000; AND THAT HAVE A PERFORMANCE PERIOD OF MOE THAN 120 DAYS:

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| 1. Contractor Code of Business Ethics and Conduct (In paragraph (b)(3)(i), the meaning of “agency office of the Inspector General” and “Contracting Officer” does not change, in paragraph | 52.203-13 |
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(b)(3)(ii) the meaning of "Government" does not change and in paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of "OIG of the ordering agency" "IG of the agency", "agency OIG" and "Contracting Officer" do not change.)

(b)(3)(ii) the meaning of "Government" does not change and in paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of "OIG of the ordering agency" "IG of the agency", "agency OIG" and "Contracting Officer" do not change.)

3. CERTIFICATIONS:

The Offeror, by signing its offer, hereby certifies compliance with the following clauses and is, therefore, eligible for award.

	Certification and Disclosure Regarding Payments	
A.	to Influence Certain Federal Transactions (over \$100,000)	52.203-11
B.	Certification Regarding Responsibility Matters (over \$30,000)	52.209-5
C.	Previous Contracts and Compliance Reports (over \$10,000)	52.222-22
D.	Certification of Toxic Chemical Release Reporting (over \$100,000)	52.223-13

4. ADDITIONAL CLAUSES:

A. COST ACCOUNTING STANDARDS (Applicable if noted in the Purchase Order)

Cost Accounting Standards	52.230-2
Disclosure and Consistency of Cost Accounting Practices	52.230-3
Cost Accounting Standards – Educational Institution	52.230-5
Administration of Cost Accounting Standards	52.230-6

Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting Cost Accounting Standards, FAR 52.230-2, and Administration of Cost Accounting Standards, FAR 52.230-6, provided Seller shall not be required to disclose to Buyer such communications containing information which is legally privileged and confidential to the Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses, except in FAR 52.230-6.

B. TRUTH IN NEGOTIATIONS (Cost and Pricing Data)

Unless exempt, Seller shall submit a FAR Part 15 compliant cost proposal inclusive of appropriate updates throughout the negotiation process. At the conclusion of negotiations, and regardless of any prior certification, Seller must certify as to the accuracy, currency and completeness of its information in accordance with the FAR required Certificate of Current Cost or Pricing Data.

1. Indemnification

If any price (including profit or fee) negotiated in connection with the prime contract between the Government and the Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by the Buyer relating to said contract or in connection with this Purchase Order was not accurate, complete, or current, the Seller shall indemnify the Buyer in the amount of said reduction.

The phrase "cost or pricing data" as used herein shall be deemed to include any such data which related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of, in connection with the aforesaid proposal or this Purchase Order in support of its cost estimate.

If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay the Buyer at the time such overpayment is repaid:

- a. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date the Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and
- b. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

2. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Purchase Order which involves increases and/or decreases in costs plus applicable profit expected to exceed the threshold for submission of cost or pricing data, subcontractors shall submit cost or pricing data and shall certify that the data, as defined in Federal Acquisition Regulation 15.406-2, submitted either actually or by specific identification in writing are accurate, complete, and current as of the date of completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the provisions of this Purchase Order, Seller shall obtain such data.

5. DISPUTES – GOVERNMENT CONTRACTS

Any reference to "Disputes" in any applicable FAR Clause contained herein shall mean this paragraph, Disputes Government Contracts

- A. Any dispute arising under this Purchase Order relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with Paragraph (B) below. All other disputes will be resolved by the Disputes Clause in the General Terms and Conditions of Purchase.
- B. 1. Notwithstanding any other provisions in this Purchase Order, any decision of the Contracting Officer under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this Purchase Order, provided that:
 - a. The Buyer notifies with reasonable promptness the Seller of such decision and
 - b. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
 - c. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.
2. Any decision upon such appeal, when final, shall be binding upon the Seller.
3. The Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.
4. The Seller shall indemnify and save harmless Buyer from any and all liability of any kind incurred by or imputed to Buyer under Section 5, "Fraudulent Claims," of the Contract Disputes Act of 1978, as amended, if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misrepresentation of fact on the part of Seller.
- C. Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this Purchase Order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this Purchase Order.
- D. Nothing in this clause nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller's claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.
- E. As used in this clause, the word "appeal" means an appeal taken under the Contract Disputes Act of 1978, as amended.