

# ADDITIONAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS



**Day&Zimmermann**

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**SPECIAL U.S. GOVERNMENT PROVISIONS.** The provisions set forth hereunder shall apply in addition to those attached to the Purchase Order. Seller hereby agrees to flow down the applicable FAR clauses to its lower-tier subcontractors.

- a. **Audits.** Seller agrees that its books and records and its plans or any such part thereof as may be engaged in the performance of this AGREEMENT, shall at all reasonable times be subject to inspection and audit by any person designated by the head of any executive department of the U. S. Government or any representative of buyer.
- b. **Quality Control.** Except as otherwise provided in this AGREEMENT, Seller's system of Quality Control during the performance of this AGREEMENT shall be in accordance with the specifications as are required by Buyer's prime contract or higher tier AGREEMENT.
- c. **Modification.** Seller agrees it will negotiate AGREEMENT modification(s) in good faith to incorporate additions, deletions, and changes to the clauses set forth below if Buyer deems them necessary to comply with Buyer's Contract or modifications to Buyer's Contract. If any such modification to this Purchase Order causes an increase or decrease in the cost, or the time required for the performance, of any part of the work under this AGREEMENT, an equitable adjustment shall be made pursuant to the "Changes" clause of this Purchase Order. Seller shall proceed immediately to perform this AGREEMENT as changed.
- d. **Government/Buyers Property.** Seller shall maintain and administer a program for the maintenance, repair, protection, and preservation of Buyer and Government property in accordance with FAR 52.245-1, June 2007. Seller assumes risk of and shall be responsible for any loss or damage to Government property except for reasonable wear and tear and except to the extent that such property is incorporated in the Goods delivered under this AGREEMENT. The Buyer or Government makes no warranty, express or implied, with respect to the serviceability and or suitability of property of performance of this AGREEMENT. Any repairs, replacements or refurbishments shall be at the Seller's expense. Upon completion of this Order or at such earlier times as Buyer may request, Seller shall submit, in acceptable form, inventory schedules covering all items of Buyer and Government property pertaining to this AGREEMENT. In addition, upon the request of the Buyer, the Seller may be required to furnish a list of all Buyer and Government property required to support any follow-on requirement. This list shall be in an acceptable format and identify the category, quantity and acquisition cost. To the extent that such use will not interfere with Seller's performance of this or other AGREEMENTS from Buyers, this clause shall not limit the use by the Seller of property to which the Government has title in the production of end items on direct Government Order; however, nothing herein will be deemed to contravene the rights of the Government under FAR 52.245-1.
- e. **FAR Clauses.** The following clauses of the FAR are incorporated herein by reference, as applicable, and made part hereof with the same force and effect as if they were given in full text, including any notes following the clause citations, to this AGREEMENT. The clauses in effect in the Buyer's Contract on the date of this Purchase Order are incorporated by reference and changes, if necessary, to each such clause, including dates, shall be made to be consistent with the intent of the changes set forth below or as required by Buyer's customer. In the following FAR and DFARS clauses, unless otherwise noted, "Contractor" or "Offeror" shall mean "Seller", "Government" or "United States" shall mean "Buyer", "Contract" shall mean this AGREEMENT, and "Contracting Officer", "Administrative Contracting Officer" and "ACO" shall mean "Buyer's Representative", unless otherwise noted.

Regulatory Cite	Title
52.202-1	Definitions
52.203-3	Gratuities
52.203-5	Covenant Against Contingent Fees

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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 Activities
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity
52.203-12	Limitation on Payments to Influence Certain Federal Transactions
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017)
52.204-4	Printed or Copied Double-sided on Postconsumer Fiber Content
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
52.204-13	System for Award Management Maintenance
52.204-18	Commercial and Government Entity Code Maintenance
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
52.209-9	Updates of Publicly Available Information Regarding Responsibility Matters
52.209-10	Prohibition on Contracting with Inverted Domestic Corporations
52.210-1	Market Research
52.211-5	Material Requirements
52.211-15	Defense Priority and Allocation Requirements
52.215-2	Audit and Records - Negotiations
52.215-8	Order of Precedence - Uniform Contract Format
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data - Modifications
52.215-13	Subcontractor Certified Cost or Pricing Data - Modifications
52.215-14	Integrity of Unit Prices
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) other than Pensions
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications
52.219-8	Utilization of Small Business Concerns

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52.219-9	Small Business Subcontracting Plan
52.219-9	Small Business Subcontracting Plan Alternated II (Nov 2016)
52.219-16	Liquidated Damages -- Subcontracting Plan
52.222-19	Child Labor - Cooperation with Authorities and Remedies
52.222-20	Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000 (clause was previously titled Walsh-Healey Public Contracts Act)
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-37	Employment Reports on Veterans
52.222-40	Notification of Employee Rights under the National Labor Relations Act
52.222-50	Combating Trafficking in Persons
52.222-54	Employment Eligibility Verification
52.222-60	Paycheck Transparency (Executive Order 13673)
52.223-6	Drug-Free Workplace
52.223-18	Contractor Policy to Ban Text Messaging while Driving
52.225-13	Restrictions on Certain Foreign Purchases
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
52.232-1	Payments
52.232-8	Discounts for Prompt Payment
52.232-11	Extras
52.232-17	Interest
52.232-18	Availability of Funds
52.232-23 Alt. I,	Assignment of Claims (May 2014) Alternate I (Apr-84)
52.232-25	Prompt Payment
52.232-33	Payment by Electronic Funds Transfer - System for Award Management

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52.232-39	Unenforceability of Unauthorized Obligations
52.232-40	Providing Accelerated Payments to Small Business Subcontractors
52.233-1	Disputes
52.233-3	Protest After Award
52.233-4	Applicable Law for Breach of Contract Claim
52.242-13	Bankruptcy
52.242-15	Stop-Work Order
52.242-17	Government Delay of Work
52.243-1	Changes - Fixed Price
52.244-5	Competition in Subcontracting
52.245-1	Government Property
52.245-9	Use and Charges
52.246-2	INSPECTION OF SUPPLIES--FIXED-PRICE
52.246-16	RESPONSIBILITY FOR SUPPLIES
52.247-15	Contractor Responsibility for Loading and Unloading
52.247-29	F.O.B. Origin
52.247-63	Preference for U.S.-Flag Air Carriers
52.247-68	Report of Shipment (REPSHIP)
52.248-1	Value Engineering
52.249-2	Termination for Convenience of the Government (Fixed Price)
52.249-8	Default (Fixed Price Supply and Service)
52.253-1	Computer Generated Forms
252.203-7000	Requirements Relating to Compensation of Former DOD Officials
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
252.203-7002	Requirement to Inform Employees of Whistleblower Rights
252.204-7000	Disclosure of Information
252.204-7002	Payment for Subline Items Not Separately Priced

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252.204-7003	Control of Government Personnel Work Product
252.204-7004	Alternate A, System for Award Management (SAM)
252.204-7006	Billing Instructions
252.204-7012	Safeguarding of Unclassified Controlled Technical Information
252.204-7015	Disclosure of Information to Litigation Support Contractors
252.205-7000	Provision of Information to Cooperative Agreement Holders
252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Gov't of a Terrorist Country
252.211-7003	Item Unique Identification and Valuation
252.211-7007	Reporting of Government-Furnished Property
252.215-7000	Pricing Adjustments
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements
252.223-7002	Safety Precautions for Ammunition and Explosives
252.223-7003	Change in Place of Performance - Ammunition and Explosives
252.223-7004	Drug-Free Work Force
252.225-7008	RESTRICTION ON ACQUISITION OF SPECIALTY METALS
252.225-7009	RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS
252.225-7013	DUTY-FREE ENTRY
252.225-7048	Export-Controlled Items
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.227-7013	Rights in Technical Data - Noncommercial Items
252.227-7016	Rights in Bid or Proposal Information
252.227-7025	Limitations on Use or Disclosure of Gov't-Furnished Information Marked with Restrictive Legends
252.227-7030	Technical Data - Withholding of Payments
252.227-7037	Validation of Restrictive Markings on Technical Data
252.231-7000	Supplemental Cost Principles

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252.232-7003	Electronic Submission of Payment Requests and Receiving Reports
252.232-7010	Levies on Contract Payments
252.243-7002	Requests for Equitable Adjustment
252.245-7001	Tagging, Labeling, and Marking of Government-Furnished Property
252.245-7002	Reporting Loss of Government Property
252.245-7003	Contractor Property Management System Administration
252.245-7004	Reporting, Reutilization, and Disposal
252.246-7000	Material Inspection and Receiving Report
252.247-7023	Transportation of Supplies by Sea
252.247-7028	Application for U.S. Government Shipping Documentation/ Instructions.
52.243-7	Notification of Changes
52.209-3	First Article Approval -- Contractor Testing (Sep 1989) --
52.209-4	First Article Approval -- Government Testing
52.217-7	Option for Increased Quantity - Separately Priced Line Item
252.223-7007	SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES
52.203-13	Contractor Code of Business Ethics and Conduct
52.204-19	INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS
52.204-21	BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS
52.215-19	Notification of Ownership Changes
52.219-28	Post-Award Small Business Program Representation
52.222-35	Equal Opportunity for Veterans
52.222-36	Equal Opportunity for Workers with Disabilities
52.252-2	Clauses Incorporated by Reference
52.252-6	Authorized Deviations in Clauses

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252.211-7005	Substitutions for Military or Federal Specifications and Standards
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**52.242-15 STOP-WORK ORDER**

**52.242-17 GOVERNMENT DELAY OF WORK**

**52.247-29 F.O.B. ORIGIN**

**52.246-11 HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT**

**252.211-7007 REPORTING OF GOVERNMENT-FURNISHED PROPERTY**

**52.211-8 TIME OF DELIVERY**

(a) The Government requires delivery to be made according to the following schedule:

REQUIRED DELIVERY SCHEDULE

ITEM NO. QUANTITY WITHIN DAYS

AFTER DATE OF

CONTRACT

60mm M1061 HE Mortar See TDP P17C19 for Qty Details 578 Days

Cartridge FAT

\*\*\*Delivery Destination\*\*\* Use Delivery Destinations Below:

Quantities: Delivery shall be at a rate of no more than 5000 Units per month due no later than 60 days after First Article Approval.

FAT/Balistic First Article Delivery Destination:

DODAAC W61P4X

W04X USA Yuma Proving Ground

Ammo Storage and Issue Section

3294 Aberdeen and Firing Front Rd

Yuma AZ 85365-9104

Production Delivery Destinations:

1) DODAAC: W53XMD

SU W39Z Crane Army Ammo Activity

Receiving

Building 2074 300 HWY 361

Crane, IN, 47522-5099

2) DODAAC: W25G1R

SR W39Z Letterkenny Munitions CTR

Route 997

Voelz Gate

Chambersburg, PA 17201-4150

3) DODAAC: W44XMF

XR W390 MCALESTER Army Ammo Plant

Wholesale SUP ACCT

MCALESTER, OK 74501-5000 Contractor is authorized early deliveries under this contract upon PCO approval.

Please NOTE: The GFM under this contract will be provided within 90 Days in Advance of the Delivery Date.

**(End of Clause)**

(a) The contractor shall comply with the higher-level quality standard(s) listed below.

Quality Management System- Requirements: ISO 9001:2008 (15 Nov 2008) tailored by excluding paragraph 7.3

(b) The contractor shall include applicable requirements of the higher-level quality standard(s) listed in paragraph (a) of this clause and the requirement to flow down such standards, as applicable, to lower-tier subcontracts in

(1) Any subcontract for critical and complex items (see 46.203(b) and (c)); or

(2) When the technical requirements of a subcontract require

(i) Control of such things as design, work operations, in-process control, testing and inspection; or

(ii) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

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(End of clause)

## **52.246-4000 ACCEPTANCE (ES6901)**

Acceptance will be at the Contractor's plant.

Acceptance will be at destination.

Destination for FAT Report.

## **52.246-4001 GOVERNMENT PROCUREMENT QUALITY ASSURANCE ACTIONS (ES6902)**

Government Procurement Quality Assurance (PQA) actions will be accomplished by the Governments Quality Assurance Representative (QAR)

at:

Contractors Plant

Destination

Other: The Contractors plant except for tests conducted at a Government Facility or Proving Ground.

## **52.246-4010 DOD PREFERRED METHODS OF ACCEPTANCE OF PRODUCT (MIL-STD-1916) (ES6916)**

The Government will not accept lots whose samples submitted for acceptance contain nonconformances unless appropriately documented and approved by the contracting officer. The contractor shall use MIL-STD- 1916, DOD Preferred Methods of Acceptance of Product. The

Verification Level (VL) shall be VL [VL-IV ] for major characteristics and VL [ VL-II ] for minor characteristics.

MIL-HDBK-1916 provides guidance on the use of MIL-STD 1916. This handbook is not contractually binding.

## **52.246-4011 CRITICAL CHARACTERISTICS (SIX SIGMA) (ES6917)**

a. The contractors processes shall be designed with the objective of preventing the creation or occurrence of non-conforming critical characteristics (see paragraphs d & e). The contractor shall establish, document and maintain a product specific, critical characteristics control (CCC) plan that shall be submitted to and approved by the Procuring Contracting Officer (PCO) IAW DD Form 1423 and DI-MGMT-80004. The CCC plan shall include or reference all procedures, work and handling instructions and process controls relating to any critical characteristics. Mistake Proofing techniques of the material handling and inspection systems shall be a part of the CCC

Plan. Guidance for developing this plan and submitting Critical Plans of Action (CPOA) (paragraph g) can be found at <http://www.pica.army.mil/PicatinnyPublic/organizations/ardec/orgchart/quality.html>.

b. The contractor shall assure its critical processes are robust in design, capable and under control, with the objective of not generating any critical non-conformances. The contractor shall calculate, document, clearly identify, and have a schedule that routinely assess the reliability and effectiveness of its critical processes to prevent generating critical non-conformances as identified in the CCC Plan.

c. An inspection and verification system shall be employed that will verify the robustness of all critical processes. The contractor shall calculate, document, clearly identify, and have a schedule that routinely assess the reliability and effectiveness of its inspection and verification system to detect and prevent critical non-conformance escapes as identified in the CCC Plan. The Government expects that a contractor will allow zero critical escapes. To demonstrate its critical escape risk the contractor will utilize the nonconformance escape risk goal provided below.

(1) Unless otherwise specified immediately below, the calculated critical non-conformance escape risk is 1 in a million (.000001) items delivered. Or:

Alternate calculated Critical Non-conformance Escape risk (Not Applicable N/A ): CDRL 1423 Required

Unless otherwise approved by the PCO, the non-conformance escape risk is the sum of the individual characteristic escape rates. The probability of escape for a single characteristic shall be calculated by multiplying the non-conformance rate(s) entering the inspection system(s) by the error rate of the inspection system(s). These escape rates are then summed and shall not exceed the tolerable critical non-conformance escape risk.

(2) Within 45 days after award, the contractor can elect to submit a phased-in approach on how the non-conformance escape risk will be achieved over a period of time not to exceed 180 days from the date of first article approval, or from initiation of production when first article is not required. Submission will require approval by the Government and is subject to a technical review and analysis.

Allowance for a phased-in approach will then become a part of the contract. Disapproval of the contractor's submission does not relieve the contractor of its obligation to comply with the terms of this clause.

(3) Based on the maximum error rate defined for the inspection system, the contractor shall develop a test procedure to demonstrate the error rate. As part of the test plan the contractor shall include sufficient test quantities to assure 90% statistical confidence in the resultant rates unless otherwise approved by the PCO. Once established, the contractor shall have a documented schedule to routinely monitor the non-conformance and inspection system error rates to assure they do not exceed the maximum rates allotted.

d. As a result of previous practices, the government's technical data may refer to Critical I, Critical II, and Special characteristics.



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The use of the term "critical characteristics" within this clause includes Critical I, Critical II and Special characteristics and the use of the term "critical nonconformances" includes those nonconformances pertaining to Critical I, Critical II and Special characteristics. Unless otherwise stated in Section C, these characteristics shall be subject to all requirements of this clause.

e. In addition to critical characteristics defined in the governments technical data (drawings, specifications, etc.), the contractor shall also identify and document in their contractor developed technical data all known material, component, subassembly and assembly characteristics whose non-conformances would likely result in hazardous or unsafe conditions for individuals using, maintaining or depending upon the product. All additional critical characteristics identified by the contractor shall comply with the critical characteristic requirements of the technical data package, supplemented herein. The Critical Item Characteristic List (CICL) review process shall be included in the CCC Plan. The contractor's additional critical characteristics shall be classified in accordance with guidance located at <http://www.pica.army.mil/PicatinyPublic/organizations/ardec/orgchart/quality.shtml> and shall be submitted to and approved by the PCO prior to production (DI-SAFT-80970A).

f. In the event that a critical non-conformance is found anywhere in the production process, the contractor, as part of its CCC Plan, shall have procedures in place to ensure:

(1) The non-conformance is positively identified and segregated to ensure that nonconforming product does not inadvertently remain in or reenter the production process. This control shall be accomplished without affecting or impairing subsequent non-conformance analysis. Final disposition of non-conforming product shall be documented and audited for traceability.

(2) The operation that produced the non-conforming component or assembly and any other operations incorporating suspect components or assemblies are immediately stopped. (See para h. for exceptions)

(3) The government (PCO) is immediately notified of the critical non-conformance (electronic mail)(DI-SAFT-80970A).

(4) Any suspect material is identified, segregated and suspended from any further processing and shipment.

(5) An investigation is conducted to determine the root cause of the non-conformance and the required corrective actions. An evaluation shall also be conducted with regard to suspect material to ensure that no additional critical non-conformances are present. A report of this investigation shall be submitted to the government (DI-SAFT-80970A). The use of the DID report shall not delay notification to the government as required in f(3) above.

(6) A request to restart manufacturing or to use any suspect material associated with the critical non-conformance is submitted to the government (DI-SAFT-80970A). Restart of production shall not occur until authorized by the PCO, unless previously addressed in the approved CCC Plan. The Government will respond to a restart request within 3 working days. All objective evidence of the investigations to date shall be available for review at the time of restart. Suspect material shall not be used without PCO approval.

(7) The procuring activity reserves the right to refuse acceptance of any suspect material until the root cause or reasonably likely cause of the critical non-conformance has been identified, corrective action has been fully implemented and sufficient evidence has been provided to exclude non-conforming material from the conforming population.

g. The contractor may develop alternative plans and provisions, collectively referred to as a Critical Plan of Action (CPOA), relative to government or contractor identified critical characteristics. All CPOAs are independent and shall be evaluated by the government for this contract. The CPOA and any subsequent revisions submitted IAW DD Form 1423 and DI-MGMT-80004 require PCO approval prior to implementation. Unless otherwise specified at time of approval, contractor shall review and evaluate CPOAs for currency and process improvements at least on an annual basis and submit results to the PCO. Unless otherwise approved by the PCO, each critical characteristic shall require a separate CPOA. If the CPOA includes other documents by reference they shall be submitted upon request.

Guidance for the development of a CPOA can be found in the referenced guidance located at paragraph of this clause.

h. The contractor may continue production with an approved CPOA provided that the critical non-conformance is consistent with the failure mode(s) and rates established in the CPOA. Failure to meet all CPOA requirements will require the contractor to revert back to paragraph f requirements.

i. If a critical non-conformance is discovered beyond its designated inspection point and prior to Government acceptance the contractor shall take actions specified in paragraph f above. If a critical non-conformance is discovered after Government acceptance the Government has the right to invoke the requirements of paragraph f with respect to the contractors remaining production under this contract.

### **52.246-4014 STATISTICAL PROCESS CONTROL (SPC) (ES6921)**

#### **Part I General Statistical Process Control Requirements**

(a) In addition to the quality requirements of the technical data package, the Contractor shall implement Statistical Process Control (SPC) in accordance with a government accepted SPC Program Plan. Control chart techniques shall be in accordance with the American National Standards Institute (ANSI) B1, B2 and B3. Alternate SPC charting methods may be proposed and submitted to the Government for review.

(b) The SPC Program Plan developed by the contractor shall consist of a general plan and a detailed plan. The plans shall be structured as delineated on the Data Item Description referenced in the DD Form 1423. The general and the detailed plans shall be submitted to the government for review per DD Form 1423 requirements. Notification by the Government of acceptance or nonacceptance of the plans shall be provided in accordance with the timeframes specified on the DD Form 1423. Once a general plan for a facility has been approved by this Command, the approval remains in effect for subsequent contracts as long as the

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contractual requirements remain substantially unchanged from contract to contract. Therefore, resubmission of a previously accepted general SPC plan is not required if current SPC contract clause and Data Item Description (DID) requirements are fulfilled. If this Command has previously accepted the general SPC plan under essentially the same SPC contractual requirements, so indicate by providing the Contracting Officer with the following information:

Date of Acceptance \_\_\_N/A\_\_\_\_\_

Contract Number(s) \_\_\_N/A\_\_\_\_\_

(c) The contractor is responsible for updating the general plan to current SPC contractual requirements. If errors or omissions are encountered in a previously accepted SPC general plan, opportunities for improvement will be identified by the Government, and corrective action shall be accomplished by the contractor.

(d) A milestone schedule will be submitted for those facilities that do not have, or have never had, a fully implemented SPC program and will not have a fully operational SPC program once production is initiated. The milestones shall provide a time phased schedule of all efforts planned relative to implementation of an SPC program acceptable to the Government. A milestone schedule shall include implementation start and complete dates for those SPC subjects addressed in Part II of this clause. The milestone schedule shall only include those actions that cannot be accomplished prior to first article or the initiation of production, if a first article is not required. Milestones shall be developed for each commodity identified for SPC application. Milestones shall be submitted through the Government Quality Assurance Representative to the Contracting Officer for review and acceptance. Any deviations from the accepted milestones, to include justification for such deviations, shall be resubmitted through the same channels for review. The Government reserves the right to disapprove any changes to the previously accepted milestones. Notification by the Government of the acceptance or non-acceptance of the milestones shall be furnished to the Contractor by the Contracting Officer.

(e) The Contractor shall review all process and operation parameters for possible application of SPC techniques. This review shall include processes and operations under the control of the prime contractor and those under the control of subcontractor or vendor facilities. A written justification shall be included in the detailed plan for each process and operation parameter that controls or influences characteristics identified as critical, special, or major which have been deemed impractical for the application of SPC techniques. A pamphlet on application of SPC for short production runs is available through the Contracting Officer.

(f) Statistical evidence in the form of control charts shall be prepared and maintained for each process or operation parameter identified in the detailed plan. These charts shall identify all corrective actions taken on statistical signal. During production runs, control charts shall be maintained in such a manner to assure product is traceable to the control charts. At the conclusion of the production run, a collection of charts traceable to the product, shall be maintained for a minimum of three years. The control charts shall be provided to the Government for review at any time upon request.

(g) When the process or operation parameter under control has demonstrated both stability and capability, the Contractor may request, in writing, through Administrative Contracting Officer (ACO) and Contracting Officer (CO) channels to the Product Assurance and Test Directorate, that acceptance inspection or testing performed in accordance with contract requirements be reduced or eliminated. Upon approval by the CO, acceptance shall then be based upon the accepted SPC plan, procedures, practices and the control charts.

(h) The Government will not consider requests for reduction or elimination of 100% acceptance inspection and testing of parameters or characteristics identified as critical in the technical data package, specifications or drawings of this contract if any one of the following conditions exists:

(1) The existing process currently utilizes a fully automated, cost effective, and sufficiently reliable method of 100% acceptance inspection or testing for an attribute type critical parameter or characteristic.

(2) The Contractor utilizes attribute SPC control chart methods for the critical parameter or characteristic.

(3) The critical parameter or characteristic is a first order, single point safety failure mode (nonconformance of the critical parameter or characteristic in and of itself would cause a catastrophic failure).

(i) The Government will only consider reduction or elimination of the 100% acceptance inspection or test requirement for other critical parameters or characteristics if either of the following conditions is met:

(1) The process is in a state of statistical control utilizing variable control chart methods for the critical parameter or characteristic under control and the process performance index (Cpk) is at least 2.0. The Contractor shall maintain objective quality evidence through periodic audits that the process performance index is being maintained for each production delivery.

(2) The critical parameter or characteristic is conclusively shown to be completely controlled by one or more process or operation parameters earlier in the process, and those parameters are in a state of statistical control utilizing variable data, and the product of the probability of the conformance for each earlier parameter associated to the critical characteristic is better than or equal to a value equivalent to that provided by a Cpk of at least 2.0. The Contractor shall maintain objective quality evidence through periodic audits that the process performance indexes are being maintained for each production delivery.

(j) For characteristics other than critical, requests for reduction or elimination of acceptance inspection and testing shall be considered when the process performance index is greater than or equal to a Cpk of 1.33 for variables data. Requests shall be considered for attributes data when the percent beyond the specification limits is less than or equal to .003 (Cpk=1.33).

(k) Process or operation parameters under reduced or eliminated inspection or testing that undergo a break in production less than 6 months in length, may continue to operate under reduced or eliminated inspection or testing provided there has been no degradation below a Cpk of 1.33 (2.0 for criticals). Any break in production greater than 6 months shall require resubmission of

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the request for reduction or elimination of inspection or testing through the same channels cited in paragraph (g) above.

(l) Not used.

(m) Immediately following a change to a process or operation parameter under reduced or eliminated inspection, the process capability

(Cp) or process performance indexes (Cpk) shall be recalculated and documented for variable data; the grand average fraction defective shall be recalculated for attribute data. If any of these values have deteriorated, immediate notification shall be made to the Government along with the associated documentation. Return to original inspection and test requirements may be imposed as stipulated in paragraph n below.

(n) The Government reserves the right to withdraw authorization to reduce or eliminate final acceptance inspection or testing and direct the Contractor to return to original contract inspection or test procedures at any indication of loss of process control or deterioration of quality. Part II Detailed requirements pertaining to plan submittal

In accordance with DI-MGMT-80004 and Part I of this clause, the following supplemental information shall be considered and used when designing your general and detailed SPC plans.

### 1.0 General Management Plan

This section shall define management's SPC responsibilities and involvement and shall include management's commitment to continuous process improvement. The plan shall embrace a total commitment to quality and shall be capable of standing on its own merit.

1.1 Policy/Scope: Describe the Contractor's policy for applying SPC, including goals and management commitment to SPC.

### 1.2 Applicable Document:

List documents that are the basis for the contractor's SPC program (i.e., ANSI standard, textbooks, Government documents).

### 1.3 SPC Management Structure:

Define the SPC management structure within the organization. Identify and include interrelationships of all departments involved in SPC (i.e., Production, Quality, Engineering, Purchasing, etc.) Identify by job title or position all key personnel within departments involved in the application of SPC. Describe which functions are performed by key personnel and when these functions are performed (i.e., include personnel responsible for performing inspections/audits, charting and interpreting data; personnel responsible for determining, initiating and implementing corrective action upon detecting assignable causes, etc.)

### 1.4 SPC Training:

Identify by job title or position the primary individual responsible for overseeing that SPC training is accomplished. Describe the qualification program required and in use for all personnel utilizing SPC techniques, including the qualification of trainers. Identify who is to be trained and the type, extent and length of such training (i.e., on-the-job, classroom, etc.). Identify when refresher training is required and how personnel using SPC techniques are monitored.

### 1.5 Manufacturing Controls:

Identify the criteria for performing SPC gage capability studies and describe how and when these studies are applied. Repeatability and accuracy of gages should be addressed.

### 1.6 Determination of SPC Use:

Describe how the process/operation parameters are determined appropriate for SPC application and explain what actions are taken if SPC is not deemed appropriate for critical, special and major process/operation parameters (i.e., Pareto analysis; analysis of characteristics with tight tolerances, etc.)

### 1.7 Process Stability and Capability:

a. Identify the criteria for performing process capability studies and describe how and when these studies are applied. Describe how the process capability index is calculated and include the frequency of these calculations. Describe what actions are taken as a result of each process capability study. Describe the contractor's methodologies when process capability is for variable and attribute data. To determine a capable process, the process/operation parameters shall meet the following requirements:

(1) Variable Data. Process capability (Cp) shall be determined. Process performance index shall be greater than or equal to 1.33 (Cpk). For critical parameters/characteristics, the process performance index shall be greater than or equal to 2.0 (Cpk).

(2) Attribute Data: Process capability/performance shall be the percent beyond the upper/lower specification limit less than or equal to .003 percent (Cpk=1.33).

b. Describe what actions will be taken if process/operation is sub-marginal or marginal. (Cpk less than 1.33 or 2.0 for criticals) or grand average fraction defective is greater than .003 percent).

c. Include analysis of statistical distributions and define all formulas and symbology utilized.

### 1.8 Control Chart Policy:

a. Type of charts to be used (i.e.,  $\bar{x}$  bar/R  $\bar{x}$  bar/S, etc.) and rationale for use; the criteria for selection of sample size, frequency of sampling and rational subgroups.

b. Procedures for establishing and updating control limits, including frequency of adjustments.

c. Criteria for determining out-of-control conditions (i.e., trends, points beyond control limits, etc.) and the corrective action taken; to include failure analysis when the process is unstable or when nonconforming product has resulted from unstable processes.

Illustrate out-of-control tests.

d. Describe the method of recording pertinent facts on control charts such as changes in raw material, machines, manufacturing methods and environment, and corrective actions taken and describe how control charts are traceable to the product.

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### 1.9 Vendor/Subcontractor Purchase Controls:

Identify whether suppliers are required to utilize SPC and describe the extent the vendor's policies and procedures are consistent with in-house procedures of the prime contractor. Describe the following: methods utilized to determine that suppliers have adequate controls to assure defective product is not produced and delivered; the system utilized to audit suppliers, what will be audited and how often; what action will be taken when out-of-control conditions exist at subcontractor/vendor facilities.

### 1.10 SPC Audit System:

At a minimum, the contractor's SPC Audit System shall consist of auditing compliance with the planned arrangements specified in the general and detailed SPC plans followed by a review and analysis of the outcome to include implementation of necessary corrective action.

### 1.11 SPC Records:

Identify various records to be used in support of SPC and describe their use. Identify retention periods.

### 2.0 Detailed Plan:

This section shall detail specific manufacturing process/operation parameters under control.

#### 2.1 Control of Process/Operation Parameters or Characteristics:

a. Identify the following for each process/operation by name or characteristic under control:

(1) Identify process/operation by name or characteristic and provide rationale for selection; justification for non-selection if the parameter or characteristic is identified as critical, special and/or major.

(2) Describe how the characteristic is produced; the chain of events, type and number of machines involved, location of manufacturing facility, tolerances maintained, etc.

(3) Production and inspection machinery used. Include the production rate, number of shifts and length of shifts plus whether inspection is fully or semi-automatic or manual. If manual, identify the type of gages in use.

(4) Identify the type of charts to be maintained and whether the process/operation is performed in-house or subcontracted out; identify facility/vendor where process/operation parameters are targeted for SPC.

2.2 Reduction or Elimination of Inspection/Test: The Procuring Contracting Officer (PCO) will accept submissions of requests for reduction or elimination of final acceptance inspection/testing when the requirements of the SPC contract clause and this SOW are met. Each request shall contain and/or address the following: control charts documenting twenty (20) consecutive production shifts or more for the same process/operation parameter under control; type of control chart utilized; control chart limits and process average or grand average fraction defective (as applicable); definition of out-of-control condition and corrective actions taken during out-of control conditions; specification and part number.

### **52.246-4018 MEASUREMENT SYSTEM EVALUATION (MSE) (ES6925)**

(a)Definitions. This paragraph defines specific terms utilized throughout the rest of the clause and in the accompanying Contract Data Requirements List (CDRL) and Data Item Description (DID) (DI-QCIC-81960). This aids in clarifying the MSE requirements to Government and contractor personnel.

(1)Acceptance Inspection Equipment (AIE). All equipment (includes AAIE defined below), special and standard, including dimensional gages, measuring equipment, test fixtures, electronic and physical test equipment, and other test equipment used for examination and test of a product to determine conformance to the Technical Data Package (TDP) which may include drawings and specifications (e.g., Detail, Performance, Weapon specifications, and QAPs).

(2)Automated Acceptance Inspection Equipment (AAIE). AIE in which the inspection and acceptance determination of the product is performed, in whole or in part, in an automatic manner.

(3)Contractor Inspection Equipment. Government-approved equipment utilized by the contractor to perform examination and tests to assure conformance to contract requirements.

(4)Commercial Inspection Equipment. Industry-developed inspection equipment of universal application, without limitations to a specific part or item, which is advertised or cataloged as available to the trade or to the public on an unrestricted basis at an established price. Examples follow:

(i)Standard Test Equipment. Multiusage equipment that is specific to a function rather than to an item. It includes such items as hardness testers, tensile strength testers, meters, weighing devices, standard gear testers, ohmmeters, voltmeters, and oscilloscopes.

(ii)Standard Measuring Equipment (SME). Multipurpose equipment and standards used for performing measurements. It includes such items as micrometers, rulers, tapes, height gages, and protractors, etc. Standards include visual inspection equipment such as scratch and dig standards, surface finish comparator, color standards (FED-STD-595), etc.

(5)Nondestructive Testing. The development and application of technical methods to examine materials or components in ways that do not impair future usefulness and serviceability in order to detect, locate, measure and evaluate flaws; to assess integrity, properties and composition; and to measure geometrical characteristics. NDT includes Radiography/Radioscopic, Ultrasonic, Eddy Current, Magnetic Particle, and Liquid Penetrant.

(6)Measurement System Analysis (MSA). Per ASTM E2782 (Standard Guide for MSA), paragraph 3.1.7, MSA is any of a number of specialized methods useful for studying a measurement system and its properties.

(b)Scope. This clause establishes requirements for design, supply, performance, and maintenance of AIE used for product inspection and acceptance. In addition, this clause establishes requirements for the preparation, submission, and approval of AIE documentation.

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(c)AIE. The contractor shall provide all AIE necessary to ensure conformance of components and end-items to contract requirements.

AIE shall include inspection, measuring, and test equipment whether Government furnished or contractor furnished (including commercially acquired) along with the necessary specifications and procedures for their use (see ISO 10012, paragraph 6.2.1). The AIE shall not create or conceal defects on the product being inspected. All AIE documentation shall contain sufficient information to permit evaluation of the AIEs ability to test, verify, and/or measure the applicable characteristics or parameters (see DI-QCIC-81960).

(d)AIE Designs & Government Furnished Gages. AIE designs are of two types Government designs (see d.1) and contractor designs (see d.2). When applicable, Government designs or Government furnished gages are designated in the TDP/contract; responsibility for all other AIE is assigned to the contractor. The designs, associated inspection procedures, and theory of operation shall have the level of detail to demonstrate capability of the proposed AIE to perform the required inspection.

(1)Government AIE Designs. Government AIE designs may consist of detailed drawings necessary for the fabrication and use of the AIE. Unless otherwise specified, the contractor may submit alternate or modified contractor designs of Government AIE designs.

(2)Contractor AIE Designs. Contractor AIE design drawings shall meet the requirements of ASME Y14.100, ASME Y14.5 and ASME Y14.43 and may include commercial inspection equipment. [Commercial inspection equipment is defined as shown in paragraph a.4 above. It shall be fully described by catalog listings or other means which provide sufficient information to permit identification and evaluation by the Government and may include illustrations and engineering data.] Designs shall be submitted for any special fixture(s) to be used. Unless otherwise specified, Gage Tolerancing Policy shall be in accordance with ASME Y14.43, Absolute Tolerancing (Pessimistic Tolerancing).

(3)Visual Inspection. Visual inspection standards used for the acceptance/rejection of product shall be submitted for approval.

(e)AIE Package Submittals. The contractor shall prepare the AIE package submittal in accordance with DI- QCIC-81960 in the applicable Contract Data Requirements List (CDRL DD Form 1423). In addition, the contractor shall adhere to the following requirements:

(1)Designs for Approval. Contractor designs and/or the submission for the use of Government designs shall be approved by the Government. Partial submission of AIE designs is permissible in order to expedite the approval process; however, the response date for design review will be based on the date of the final complete submission of designs.

(2)Correspondence in English. The contractor shall ensure all AIE correspondence and documentation are submitted in English.

(3)Units of Measurement. The units of measurement within the AIE package submittal shall be consistent with the requirements of the Technical Data Package (TDP).

(4)AIE Flow Down. The contractor shall flow down AIE requirements to sub-contractors at any tier who are performing acceptance inspections.

(f)Characteristics for Inspection. AIE documentation for Critical, Special, and Major characteristic inspections shall be submitted to the Government for approval in accordance with (IAW) the CDRL (DI-QCIC-81960). AIE for Minor characteristic inspections shall be submitted to the Government for approval IAW CDRL (DI-QCIC-81960) and as required below:

(1) (X) Listed Minor (characteristics displayed on specifications and/or drawings).

(2) ( ) Government selected list (as attached or as provided herein)

(3) ( ) Not submitted

(g)Automated Acceptance Inspection Equipment. The AAIE shall accept only conforming material. All characteristics requiring AAIE per the TDP shall utilize inspection equipment with a minimum demonstrated reliability of 99.8% at a 90% confidence level to detect non-conforming material unless otherwise specified below.

(1)Reliability of 99.8% at a 90% Confidence Level for Critical/Special Characteristics

(2)Reliability of 99.0% at a 90% Confidence Level for Major Characteristics

(3)For inspection of major and minor characteristics where contractor utilizes AAIE when it is not required by the TDP, the AAIE package shall be submitted to the Government for approval. If the Minor characteristic is not listed in paragraph f.2 or not required for submittal in paragraph f.3, then the AAIE requirements (e.g., verification, calibration, prove-out, etc.) of the inspection shall still be performed.

(4)All AAIE packages submitted to the Government for approval shall be in accordance with MIL-A-70625 (Automated Acceptance Inspection Equipment Design, Testing and Approval of). Furthermore, the contractor shall be responsible for producing the acceptance and rejection verification standards/masters representative of the characteristics the AAIE is designed to inspect. The verification standards and frequency of use require Government approval prior to use. When verification standards are used for the VL-VII sampling plan per MIL-STD-1916 paragraph 4.4, verification standards and frequency of use shall require Government approval prior to use.

(5)If the AAIE accepts a critical characteristic reject standard the contractor shall notify the Government and act in accordance with paragraph f of the Critical Characteristic Control Clause. In addition, if the AAIE accepts a major and/or minor characteristic reject standard the contractor shall act in accordance with paragraph 8.3 of ISO 10012 or paragraph 5.2.3 of ANSI/NCSL Z540.3.

(6)All AAIE shall be required to pass a Government-approved Acceptance (Prove-Out) Test. The contractor shall conduct this test per the approved test plan and shall submit a test analysis report for approval. See applicable CDRL (DI-QCIC-81960).

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This test shall be performed at the contractors facilities whose manufacturing system has had the AAIE fully integrated and calibrated as per paragraph (j) of this clause. The contractor shall allow Government personnel access to this facility and unobstructed monitoring of this test.

(7)The contractor shall notify the Government prior to a modification and/or relocation of the Government- approved AAIE. The modified AAIE designs shall be submitted for approval. The modified and/or relocated AAIE shall require submission of the acceptance test plan (prove-out) and results for review and approval prior to use. The modified and/or relocated AAIE shall be in accordance with paragraphs (g)(1) (g)(6).

(h)Measurement System Analysis (MSA). The contractor is responsible to ensure all AIE is, at a minimum, stable, repeatable, and reproducible for all characteristics. Refer to ASTM E2782 and/or AIAG MSA for guidance. The contractor shall provide objective evidence, including the MSA assessment plan, associated data, and analysis, which demonstrates the AIE is, at a minimum, stable, repeatable, and reproducible for the following characteristics (MSA CDRL): Specification DTL13008598, Paragraph 4.4.2.1, Drawing 13008598, Characteristic M114 and Specification DTL13008598, Paragraph 4.4.2.1, Drawing 13008598, Characteristic M115. Approval of submitted MSA(s) must be granted before the corresponding AIE can be used or continue to be used for acceptance of product. If at any time following approval of the AIE and MSA the AIE is disapproved, then the MSA shall be disapproved. After the resubmitted AIE is approved, the MSA shall be conducted on the approved AIE and resubmitted for approval.

(i)Robust AIE System. The contractor shall ensure the AIE and its use is not negatively affected by any manufacturing/inspection environmental stimuli including, but not limited to production rate, noise, temperature, humidity, and vibration.

(j)AIE Calibration and Verification. The calibration system shall be in accordance with ISO 10012 or ANSI/NCSL Z540.3. All AIE shall be subjected to scheduled calibration intervals to ensure that the equipment will accept only conforming product and reject all nonconforming product for the duration of the approved calibration period. AIE shall be subjected to periodic verification to ensure that the equipment will continue to accept and reject product with the same consistency as it did at the time of its previous calibration.

(k)Non-Destructive Testing (NDT). Contractor shall submit detailed plans for qualifying and certifying NDT personnel and plans for qualification and ongoing use of NDT methods used for inspecting product. If re- qualification of NDT personnel and/or NDT methods is required, then the applicable plans shall be submitted.

(1)Personnel performing NDT examinations shall be qualified and certified in accordance with the standard practices prescribed by NAS 410 (NAS Certification & Qualification of NDT Personnel), ANSI/ASNT-CP- 189 (ASNT Standard for Qualification and Certification of NDT Personnel), or SNT-TC-1A (Recommended Practice for Personnel Qualification and Certification in NDT), and additional procedures that may be identified by the Government. Acceptance of product using NDT shall be performed by personnel at a level of qualification consistent with that defined in the applicable standard.

(2)The NDT method(s) shall be applied in accordance with ASTM E 543 (Standard Specification for Agencies Performing Nondestructive Testing) and the current nationally recognized standard practices appropriate to the NDT method(s) employed, such as ASTM E-1742 (Standard Practice for Radiographic Examination) and SAE-AMS-STD-2154 (Inspection, Ultrasonic, Wrought Metals, Process For). Each application technique shall identify the standard(s) utilized. Non-destructive testing includes, but is not limited to, the following types of testing: Radiography/Radioscopic, Ultrasonic, Eddy Current, Magnetic Particle, and Liquid Penetrant.

(l)Contractor Alternate Inspection Method(s), Modifications and/or Relocation of AIE (Non-Automated) After Government Approval. If the contractor proposes an alternate inspection method and/or modifies the AIE design(s) affecting hardware, software, or procedures after Government approval the intended change(s) shall be submitted to and approved by the Government prior to implementation. If an AIE is relocated and the relocation risks the integrity of the inspection system, notify the Government to determine information needed to assess impact to AIE. See CDRL (DI-QCIC-81960).

(m)Responsibility for AIE Package Submittal. The contractor shall submit the AIE design documentation package within contractual timeframes per CDRL (DI-QCIC-81960). The Government will provide approval or disapproval within the timeframe specified in the CDRL. Disapproval of the AIE package will require re-submittal and subsequent Government review in accordance with the CDRL requirements. The AIE package and any required prove-outs must be approved prior to First Article (FA) (if required) or production start-up if FA is not required.

(n)Governments Right to Disapprove AIE. The Government reserves the right to revoke approval of any AIE that is not satisfying the required acceptance criteria at any time during the performance of this contract. See CDRL (DI-QCIC-81960).

(o)Navy Furnished Gages. When gages are listed in paragraph o.9 below, the Navy Special Interface Gage (NSIG) Requirement paragraphs o.1 o.8 shall be satisfied.

(1)The NSIG(s) are provided for verification of selected interface dimensions and do not constitute sole acceptance criteria of production items or relieve the contractor of meeting all drawing/specification requirements under the contract.

(2)The contractor is responsible for contacting the Naval Surface Warfare Center (NSWC), Corona Division at least 45 days prior to FAT (if required) or production, for the delivery of NSIG(s).

(3)NSIG(s) will be forwarded to the contractor for joint use by the Government and the contractor. Government furnished NSIG(s) shall not be used by the contractor(s) or subcontractor(s) as in-process or working gage(s).

(4)For production items that fail to be accepted by the applicable NSIG(s), an alternate inspection method may be submitted for approval.

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(5) The contractor may substitute contractor designed and built AIE for the NSIG(s) noted in paragraph (o.9) below. However, the designs require Government (Navy) approval and the contractor AIE hardware requires Government (Navy) certification. AIE designs shall be submitted in accordance with CDRL (DI-QCIC- 81960).

(6) The Government (Navy) shall not be responsible for discrepancies or delays in production items resulting through misuse, damage or excessive wear to the NSIG(s).

(7) Calibration and repair of the NSIG(s) shall only be performed as authorized by the NSWC Corona Division. Repair is at no cost to the contractor unless repair is required due to damage to the gages resulting from contractor fault or negligence. Damaged, worn, or otherwise unserviceable NSIG(s) shall be brought to the immediate attention of the CAO and NSWC Corona Division. The contractor shall not make any adjustments, alterations or add permanent markings to NSIG(s) hardware unless specified by the NSIG operating instructions or authorized by the NSWC Corona Division.

(8) Within 45 calendar days after final acceptance of all production items, the NSIG(s) shall be shipped to NSWC Corona Division, ATTN: Receiving Officer, Bldg 575, Gage Laboratory, 1999 Fourth St., Norco, CA 92860- 1915. The following shipping and marking specifications are applicable:

(i) Shipping, MIL-STD-2073, "DOD Standard Practice for Military Packaging"

(ii) Marking, MIL-STD-129, "Marking for Shipment and Storage".

(9) The following NSIG(s) shall be provided and are mandatory for use except as noted by paragraph (o.5) above: Drawing, Revision, Characteristic, NSIG Number, Quantity, Dimension, Weight, and Value.

### **52.246-4003 REWORK AND REPAIR OF NONCONFORMING MATERIAL (ES7904)**

a. Rework and Repair are defined as follows:

(1) Rework - The reprocessing of nonconforming material to make it conform completely to the drawings, specifications or contract requirements.

(2) Repair - The reprocessing of nonconforming material in accordance with approved written procedures and operations to reduce, but not completely eliminate, the nonconformance. The purpose of repair is to bring nonconforming material into a usable condition. Repair is distinguished from rework in that the item after repair still does not completely conform to all of the applicable drawings, specifications or contract requirements.

b. Rework procedures along with the associated inspection procedures shall be documented by the Contractor and submitted to the Government Quality Assurance Representative (QAR) for review prior to implementation. Rework procedures are subject to the QAR's disapproval.

c. Repair procedures shall be documented by the Contractor and submitted on a Request for Deviation/Waiver, DD Form 1694, to the Contracting Officer for review and written approval prior to implementation.

d. Whenever the Contractor submits a repair or rework procedure for Government review, the submission shall also include a description of the cause for the nonconformances and a description of the action taken or to be taken to prevent recurrence.

e. The rework or repair procedure shall also contain a provision for reinspection which will take precedence over the Technical Data Package requirements and shall in addition, provide the Government assurance that the reworked or repaired items have met reprocessing requirements.

### **52.246-4008 DESTRUCTIVE TESTING (ES7913)**

a. All costs of destructive testing by the Contractor and items destroyed by the Government are considered as being included in the contract unit price.

b. Where destructive testing of items or components thereof is required by contract or specification, the number of items or components required to be destructively tested, whether destructively tested or not, shall be in addition to the quantity to be delivered to the Government as set forth in the Contract Schedule.

c. All pieces of the complete First Article shall be considered as destructively tested items unless specifically exempted by other provisions of this contract.

d. The Contractor shall not reuse any components from items used in a destructive test during First Article, lot acceptance or inprocess testing, unless specifically authorized by the Contracting Officer.

e. The Government reserves the right to take title to all or any items or components described above. The Government may take title to all or any items or components upon notice to the Contractor. The items or components of items to which the Government takes title shall be shipped in accordance with the Contracting Officer's instructions. Those items and components to which the Government does not obtain title shall be rendered inoperable and disposed of as scrap by the Contractor.

### **52.246-4016 ACCEPTANCE AND DESCRIPTION DATA SHEETS, MIL-STD 1171A (FOR PROPELLANTS AND EXPLOSIVES) (ES7923)**

(a) The contractor shall prepare Acceptance and Description Sheets in accordance with MIL-STD-1171A as reinstated by Notice 2 when mandated by the Contract Data Requirements List (CDRL). The Worldwide Ammunition-data Repository Program (WARP) shall be utilized to store the data sheets required by MIL-STD-1171A. The Army Electronic Product Support (AEPS) network located at <https://mhpwarp.redstone.army.mil> must be used to gain access to WARP.

(b) The requirements of MIL-STD 1171A as reinstated by Notice 2 specified in the CDRL is a flow-down requirement that applies

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to Contractor's and their suppliers, vendors or subcontractors.

(c) The contractor is responsible for on-screen entry of the data sheets into the appropriate Acceptance and Description Sheet module located in the WARP system.

(d) The presence of the contractors typed signature has the same legal effect and consequences of a handwritten signature. The signatory of the data sheets has the authority to sign for the contractor and certifies the information contained on the data sheets is truthful and accurate as evidenced by release of the typed signature.

### **52.246-4016 ACCEPTANCE AND DESCRIPTION DATA SHEETS, MIL-STD 1171A MAR/2011 (FOR PROPELLANTS AND EXPLOSIVES)**

a) The contractor shall prepare Acceptance and Description Sheets in accordance with MIL-STD-1171B as reinstated by Notice 2 when mandated by the Contract Data Requirements List (CDRL). The Worldwide Ammunition-data Repository Program (WARP) shall be utilized to store the data sheets required by MIL-STD-1171B. The Army Electronic Product Support (AEPS) network located at must be used to gain access to WARP.

(b) The requirements of MIL-STD 1171B as reinstated by Notice 2 specified in the CDRL is a flow-down requirement that applies to contractors and their suppliers, vendors or subcontractors.

(c) The contractor is responsible for on-screen entry of the data sheets into the appropriate Acceptance and Description Sheet module located in the WARP system.

(d) The presence of the contractors typed signature has the same legal effect and consequences of a handwritten signature. The signatory of the data sheets has the authority to sign for the contractor and certifies the information contained on the data sheets is truthful and accurate as evidenced by release of the typed signature.

### **52.246-4015 AMMUNITION DATA CARDS (ES6922)**

### **52.000-4002 LEVEL 1 ANTI TERRORIST AWARENESS TRAINING REQUIREMENTS FOR CONTRACTOR EMPLOYEES (HS7040)**

(a) All contractor employees requiring access to any Federally-controlled facility and logical access to Federally controlled information systems except for national security systems as defined by 44 U.S.C. 3542(b)(2), should be certified in Level 1 Anti Terrorism Training. The training is accessible from any computer with access to the World Wide Web and is available at <http://jko.jten.mil/>. The contractor is responsible for ensuring that the training has been satisfactorily completed and that valid certificates of completion have been submitted to the Contracting Officers Representative (COR) with a copy furnished to the Contracting Officer. The Certificates are valid for one year, therefore, training shall be completed every year for the duration of the contract.

(b) The term Federally-controlled facility is defined as:

(1) Federally-owned buildings or leased space, whether for single or multi-tenant occupancy, and its grounds and approaches, all or any portion of which is under the jurisdiction, custody or control of a department or agency;

(2) Federally-controlled commercial space shared with non-government tenants. For example, if a department or agency leased the 10<sup>th</sup> floor of a commercial building, the Directive applies to the 10th floor only;

(3) Government-owned, contractor-operated facilities, including laboratories engaged in national defense research and production activities; and

(4) Facilities under a management and operating contract, such as for the operation, maintenance, or support of a Government-owned or Government-controlled research, development, special production, or testing establishment.

(c) The term Federally-controlled information system means an information system (44 U.S.C. 3502(8)) used or operated by a Federal agency, or a contractor or other organization on behalf of the agency (44 U.S.C. 3544(a)).

(d) The term "contractor employee" includes employees, agents, students or student interns, or representatives and all employees, agents or representatives of all subcontractors and suppliers.

### **52.243-7 NOTIFICATION OF CHANGES**

(a) Definitions. "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer. "Specifically Authorized Representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within 30 calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state --

(1) The date, nature, and circumstances of the conduct regarded as a change; 115 127

(2) The name, function, and activity of each Government individual and Contractor official or employee involved in or



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knowledgeable about such conduct;

(3) The identification of any documents and the substance of any oral communication involved in such conduct;

(4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;

(5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including --

(i) What line items have been or may be affected by the alleged change;

(ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;

(iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;

(iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) Continued performance. Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) Government response. The Contracting Officer shall promptly, within 30 calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either --

(1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(2) Countermand any communication regarded as a change;

(3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(4) In the event the Contractor's notice information is inadequate to make a decision under subparagraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) Equitable adjustments.

(1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made --

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in paragraphs (b) and (c) of this clause.

NOTE: The phrases "contract price" and "cost" wherever they appear in the clause, may be appropriately modified to apply to cost reimbursement or incentive contracts, or to combinations thereof.

**(End of Clause)**

### **252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES**

(a) Definition. Arms, ammunition, and explosives (AA&E), as used in this clause, means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

(b) The requirements of DoD 5100.76-M apply to the following items of AA&E being developed, produced, manufactured, or purchased for the Government, or provided to the Contractor as Government-furnished property under this contract:

NOMENCLATURE NATIONAL SENSITIVITY/

STOCK NUMBER CATEGORY

Cartridge, Ignition M702 1310-01-342-6874 SG1

Fuze, Multi-Option M734A1 Load Assembly 1390-01-624-2837 SG1

Charge, Propelling M236 1310-01-566-7489 SG1

Cartridge, 60mm: HE, M1061 with Fuze, Multi-Option 1310-01-573-2228 SG1

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- (c) The Contractor shall comply with the requirements of DoD 5100.76-M, as specified in the statement of work. The edition of DoD 5100.76-M in effect on the date of issuance of the solicitation for this contract shall apply.
- (d) The Contractor shall allow representatives of the Defense Security Service (DSS), and representatives of other appropriate offices of the Government, access at all reasonable times into its facilities and those of its subcontractors, for the purpose of performing surveys, inspections, and investigations necessary to review compliance with the physical security standards applicable to this contract.
- (e) The Contractor shall notify the cognizant DSS field office of any subcontract involving AA&E within 10 days after award of the subcontract.
- (f) The Contractor shall ensure that the requirements of this clause are included in all subcontracts, at every tier--
- (1) For the development, production, manufacture, or purchase of AA&E; or
- (2) When AA&E will be provided to the subcontractor as Government-furnished property.
- (g) 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 requirements for obtaining licenses and permits) in connection with the performance of this contract.
- (End of clause)**

### **52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT**

- (a) Definitions. As used in this clause--
- "Agent" means any individual, including a director, an officer, an employee, or an independent Contractor, authorized to act on behalf of the organization.
- "Full cooperation"--
- (1) Means disclosure to the Government of the information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct. It includes providing timely and complete response to Government auditors and investigators' request for documents and access to employees with information;
- (2) Does not foreclose any Contractor rights arising in law, the FAR, or the terms of the contract. It does not require--
- (i) A Contractor to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine; or
- (ii) Any officer, director, owner, or employee of the Contractor, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; and
- (3) Does not restrict a Contractor from--
- (i) Conducting an internal investigation; or
- (ii) Defending a proceeding or dispute arising under the contract or related to a potential or disclosed violation.
- "Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).
- "Subcontract" means any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.
- "Subcontractor" means any supplier, distributor, vendor, or firm that furnished supplies or services to or for a prime contractor or another subcontractor.
- "United States," means the 50 States, the District of Columbia, and outlying areas.
- (b) Code of business ethics and conduct.
- (1) Within 30 days after contract award, unless the Contracting Officer establishes a longer time period, the Contractor shall--
- (i) Have a written code of business ethics and conduct; and
- (ii) Make a copy of the code available to each employee engaged in performance of the contract.
- (2) The Contractor shall—
- (i) Exercise due diligence to prevent and detect criminal conduct; and
- (ii) Otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.
- (3)(i) The Contractor shall timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed--
- (A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or
- (B) A violation of the civil False Claims Act (31 U.S.C. 3729-3733).
- (ii) The Government, to the extent permitted by law and regulation, will safeguard and treat information obtained pursuant to the Contractor's disclosure as confidential where the information has been marked confidential or proprietary by the company. To the extent permitted by law and regulation, such information will not be released by the Government to the public pursuant to a Freedom of Information Act request, 5 U.S.C. Section 552, without prior notification to the Contractor. The Government may transfer documents provided by the Contractor to any department or agency within the Executive Branch if the information relates to matters within the organizations jurisdiction.
- (iii) If the violation relates to an order against a Government wide acquisition contract, a multi-agency contract, a multiple-award

## **ADDITIONAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS**

schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the Contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract.

(c) Business ethics awareness and compliance program and internal control system. This paragraph (c) does not apply if the Contractor has represented itself as a small business concern pursuant to the award of this contract or if this contract is for the acquisition of a commercial item as defined at FAR 2.101. The Contractor shall establish the following within 90 days after contract award, unless the Contracting Officer establishes a longer time period:

(1) An ongoing business ethics awareness and compliance program.

(i) This program shall include reasonable steps to communicate periodically and in a practical manner the Contractor's standards and procedures and other aspects of the Contractor's business ethics awareness and compliance program and internal control system, by conducting effective training programs and otherwise disseminating information appropriate to an individual's respective roles and responsibilities.

(ii) The training conducted under this program shall be provided to the Contractor's principals and employees, and as appropriate, the Contractor's agents and subcontractors.

(2) An internal control system.

(i) The Contractor's internal control system shall--

(A) Establish standards and procedures to facilitate timely discovery of improper conduct in connection with Government contracts; and

(B) Ensure corrective measures are promptly instituted and carried out.

(ii) At a minimum, the Contractor's internal control system shall provide for the following:

(A) Assignment of responsibility at a sufficiently high level and adequate resources to ensure effectiveness of the business ethics awareness and compliance program and internal control system.

(B) Reasonable efforts not to include an individual as a principal, whom due diligence would have exposed as having engaged in conduct that is in conflict with the Contractor's code of business ethics and conduct.

(C) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the Contractor's code of business ethics and conduct and the special requirements of Government contracting, including--

(1) Monitoring and auditing to detect criminal conduct;

(2) Periodic evaluation of the effectiveness of the business ethics awareness and compliance program and internal control system, especially if criminal conduct has been detected; and

(3) Periodic assessment of the risk of criminal conduct, with appropriate steps to design, implement, or modify the business ethics awareness and compliance program and the internal control system as necessary to reduce the risk of criminal conduct identified through this process.

(D) An internal reporting mechanism, such as a hotline, which allows for anonymity or confidentiality, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports.

(E) Disciplinary action for improper conduct or for failing to take reasonable steps to prevent or detect improper conduct.

(F) Timely disclosure, in writing, to the agency OIG, with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of any Government contract performed by the Contractor or a subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 U.S.C. or a violation of the civil False Claims Act (31 U.S.C. 3729-3733).

(1) If a violation relates to more than one Government contract, the Contractor may make the disclosure to the agency OIG and Contracting Officer responsible for the largest dollar value contract impacted by the violation.

(2) If the violation relates to an order against a Government wide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract, and the respective agencies contracting officers.

(3) The disclosure requirement for an individual contract continues until at least 3 years after final payment on the contract.

(4) The Government will safeguard such disclosures in accordance with paragraph (b)(3)(ii) of this clause.

(G) Full cooperation with any Government agencies responsible for audits, investigations, or corrective actions.

(d) Subcontracts.

(1) The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts that have a value in excess of \$5,500,000 and a performance period of more than 120 days.

(2) In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.

**(End of clause)**

### **52.204-19 INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS**

The Contractor's representations and certifications, including those completed electronically via the System for Award Management (SAM), are incorporated by reference into the contract.

**(End of clause)**

## **ADDITIONAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS**

### **52.204-21 BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS**

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

"Covered contractor information system" means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

"Federal contract information" means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government

to the public (such as on public Web sites) or simple transactional information, such as necessary to process payments.

"Information" means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

"Information system" means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information (44 U.S.C. 3502).

"Safeguarding" means measures or controls that are prescribed to protect information systems.

(b) Safeguarding requirements and procedures.

(1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:

(i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).

(ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.

(iii) Verify and control/limit connections to and use of external information systems.

(iv) Control information posted or processed on publicly accessible information systems.

(v) Identify information system users, processes acting on behalf of users, or devices.

(vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.

(vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.

(viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.

(ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.

(x) Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.

(xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.

(xii) Identify, report, and correct information and information system flaws in a timely manner.

(xiii) Provide protection from malicious code at appropriate locations within organizational information systems.

(xiv) Update malicious code protection mechanisms when new releases are available.

(xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

(2) Other requirements. This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial items, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

(End of clause)

### **52.204-25 PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT**

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

"Backhaul" means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

"Covered foreign country" means The Peoples Republic of China.

"Covered telecommunications equipment or services" means--

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

## **ADDITIONAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS**

(2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

"Critical technology" means--

(1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled--

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

(ii) For reasons relating to regional stability or surreptitious listening;

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817). "Interconnection arrangements" means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

"Reasonable inquiry" means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit. "Roaming" means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high. "Substantial or essential component" means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) Prohibition. (1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104.

(2) Section 889(a) (1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) Exceptions. This clause does not prohibit contractors from providing--

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement. (1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d) (2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information; in the case of the Department of Defense, the Contractor shall report to the website at <https://dibnet.dod.mil> . For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both

## **ADDITIONAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS**

the indefinite delivery contract and any affected orders in the report provided at <https://dibnet.dod.mil>.

(2) The Contractor shall report the following information pursuant to paragraph (d) (1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

**(End of clause)**

### **52.215-19 NOTIFICATION OF OWNERSHIP CHANGES**

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall --

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

**(End of Clause)**

### **52.222-35 EQUAL OPPORTUNITY FOR VETERANS**

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

"Active duty wartime or campaign badge veteran," "Armed Forces service medal veteran," "disabled veteran," "protected veteran," "qualified disabled veteran," and "recently separated veteran" have the meanings given at FAR 22.1301.

(b) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts of \$150,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

**(End of clause)**

### **52.222-36 EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES**

(a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(b) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of \$15,000 unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S.

Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

**(End of clause)**

### **52.252-2 CLAUSES INCORPORATED BY REFERENCE**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon

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request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address:

For FAR clauses: <https://www.acquisition.gov/>

For DFARS clauses: <https://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>

**(End of Clause)**

### **52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES**

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any DoD Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

**(End of Clause)**

### **252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS**

(a) Definition. SPI process, as used in this clause, means a management or manufacturing process that has been accepted previously by the Department of Defense under the Single Process Initiative (SPI) for use in lieu of a specific military or Federal specification or standard at specific facilities. Under SPI, these processes are reviewed and accepted by a Management Council, which includes representatives of the Contractor, the Defense Contract Management Agency, the Defense Contract Audit Agency, and the military departments.

(b) Offerors are encouraged to propose SPI processes in lieu of military or Federal specifications and standards cited in the solicitation. A listing of SPI processes accepted at specific facilities is available via the Internet at (paragraph 4.2).

(c) An offeror proposing to use an SPI process in lieu of military or Federal specifications or standards cited in the solicitation shall

(1) Identify the specific military or Federal specification or standard for which the SPI process has been accepted;

(2) Identify each facility at which the offeror proposes to use the specific SPI process in lieu of military or Federal specifications or standards cited in the solicitation;

(3) Identify the contract line items, subline items, components, or elements affected by the SPI process; and

(4) If the proposed SPI process has been accepted at the facility at which it is proposed for use, but is not yet listed at the Internet site specified in paragraph (b) of this clause, submit documentation of Department of Defense acceptance of the SPI process.

(d) Absent a determination that an SPI process is not acceptable for this procurement, the Contractor shall use the following SPI processes in lieu of military or Federal specifications or standards:

(Offeror insert information for each SPI process)

SPI Process: N/A

Facility: N/A

Military or Federal Specification or Standard: N/A

Affected Contract Line Item Number, Subline Item Number, Component, or Element: N/A

(e) If a prospective offeror wishes to obtain, prior to the time specified for receipt of offers, verification that an SPI process is an acceptable replacement for military or Federal specifications or standards required by the solicitation, the prospective offeror

(1) May submit the information required by paragraph (d) of this clause to the Contracting Officer prior to submission of an offer; but

(2) Must submit the information to the Contracting Officer at least 10 working days prior to the date specified for receipt of offers.

**(End of clause)**