



ADDITIONAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS

SPECIAL U.S. GOVERNMENT PROVISIONS. The provisions set forth hereunder shall apply in addition to those terms in the Purchase Order/Agreement (hereinafter the “AGREEMENT”) or attached/referenced in the AGREEMENT and incorporated by reference. Seller hereby agrees to flow down the applicable FAR, DFARS, or other agency clauses to its lower-tier subcontractors as required.

1. **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.
2. **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.
3. **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.
4. **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. 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.
5. **Clauses.** The following clauses of the FAR, DFARS, or other agency clauses 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 any changes, if necessary, to each such clause, including dates, shall be made to be consistent to the requirements of Buyer's customer. Upon Seller's written request, Buyer's Purchasing Representative will make their full text available. Also, the full text of a FAR, DFARS, or agency clause may be accessed electronically at this addresses: <https://www.acquisition.gov> or <https://www.acq.osd.mil/dpap/dars/index.html>. In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller’s obligations to Buyer and to the Government; and to enable Buyer to meet its obligations under its prime contract. Whenever said clauses include a requirement for the resolution of disputes

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between the Parties in accordance with the FAR “Disputes” clause, the dispute shall instead be disposed of in accordance with the clause entitled “Disputes/Claims” in the Standard General Terms and Conditions for Goods & Services. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term “Government” and equivalent phrases shall mean “Buyer”, the term “Contracting Officer” shall mean “Buyer’s Purchasing Representative”, the term “Contractor” or “Offeror” shall mean “Seller”, “Subcontractor” shall mean “Seller’s Subcontractor” under this AGREEMENT, and the term “Contract” shall mean this “AGREEMENT”. For the avoidance of doubt, the words “Government” and “Contracting Officer” do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, such as in FAR 52.227-1 and FAR 52.227-2 and (2) when title to property is to be transferred directly to the Government. Nothing in this AGREEMENT grants Seller a direct right of action against the Government. If any of the following FAR, DFARS, or agency clauses do not apply to this AGREEMENT, such clauses are considered to be self-deleting. The column appearing in Table One and Two below titled “Conditions” identifies the triggering requirements that make each Clause applicable to the AGREEMENT. Buyer’s notations in this Column are provided for reference only and shall not serve to render an applicable Clause inapplicable where the terms of the Clause differ from Buyer’s notation. Seller is responsible for confirming the applicability of each Clause while performing this AGREEMENT. Seller shall incorporate into each lower tier contract issued in support of this AGREEMENT all applicable FAR, DFARS, or agency clauses in accordance with the flow down requirements specified in such clauses, either verbatim, or in substance and by incorporation-by-reference or otherwise as appropriate.

6. FAR and DFARS Representations and Certifications. Buyer and Seller acknowledge that certain FAR and DFARS below concern representations and certifications by the offeror only to the United States Government for the solicitation or response to the RFP. Seller agrees to comply with such requirements as if it was the prime contractor and will reasonably assist Buyer in confirming or answering such FAR and DFARS representations and certifications, including any follow-on questions by the United States Government or its respective agencies or departments. Seller acknowledges it has had the opportunity to inquire as to the clauses present in Buyer’s contract and agrees to be bound to such clauses in the manner listed below.

7. Commercial Items/ Non-Commercial Items. If Seller is providing Buyer with Products that Seller determines are Commercial Items or COTS (Commercial Item Off the Shelf) as those terms are defined within FAR 2.101, then Seller shall adhere to all applicable FAR and DFARS clauses that appear in Table One below. If Seller is providing Buyer with Products that Seller determines are Non-Commercial Items, as that term is defined within FAR 2.101, the Seller shall adhere to all applicable FAR and DFARS clauses that appear in Table Two below. Where Seller is providing Buyer with Products that are a mix of Commercial Items and/or COTS, and Non-Commercial Items Seller shall adhere to all applicable FAR and DFARS clauses that appear in Table Two below. Clauses appearing below Table One and Table Two, written in full text, shall be applicable unless otherwise stated within each such clause.

8. This Project is subject to FAR 52.211-15. The DPAS Rating for this Project: **DOA6**

Conditions Legend
ALL – clause applies to all orders
SAT – Applicable to orders greater than \$250,000.00 (or the simplified acquisition threshold)
SB - Applicable to small business concern
>15k - Applicable to orders greater than \$15,000.00
>35k - Applicable to orders greater than \$35,000.00
>150k - Applicable to orders greater than \$150,000.00
>500k - Applicable to orders greater than \$500,000.00
>700k - Applicable to orders greater than \$700,000.00
>750k - Applicable to orders greater than \$750,000.00

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>1M - Applicable to orders greater than \$1,000,000.00
>2M - Applicable to orders greater than \$2,000,000.00
>6M - Applicable to orders greater than \$6,000,000.00
>10M - Applicable to orders greater than \$10,000,000.00
GP - Applicable in order where government property is acquired or furnished.
Government installation - Applicable in order that requires work on a government installation.
DBA Act – Where the Defense Base Act is applicable.
Outside US - Applicable in order in areas of combat operations, or other military operations
Foreign - Applicable in order in designated operational areas during contingency operations, humanitarian or peacekeeping or other military operations. Also while supporting diplomatic or consular operations
SI - Applicable in order for containing sensitive information, have access to a system of records; Create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or Design, develop, maintain, or operate a system of records.
HUBZONE - need to be certified.
FPA - Applicable in order for fixed price acquisitions.
Price reductions - Applicable in order when it is contemplated that certified cost or pricing data will be required from the contractor or any subcontractor for the pricing of contract modifications.
Government unique standards - Applicable in order when the contract uses these standards when the agency uses transaction-based reporting.
Federal Controlled Facility - Applicable in order for when the subcontractor’s employees are required to have routine physical access to a Federally controlled facility and/or routine access to a Federally controlled information system.
Motor Carrier – Applicable in order for carriage in which a motor carrier, broker or freight forwarder will provide or arrange truck transportation services the provide for a full related adjustment.
!! - Applicable in order where repairable or consumable parts identified as critical safety items, systems and subsystems, assemblies and subassemblies integral to a system or all of the maintenance and repair into those items.
Welded shipboard - Applicable in order for items containing welded shipboard anchor and mooring chain four inches or less in diameter.
AA&E - Applicable in order where development, production, manufacture or purchase of AA&E or when AA&E will be provided as Government furnished property

TABLE ONE (COMMERCIAL ITEMS AND COTS)

Condition	Regulatory Cite	Title	Date
Applicable, unless COTS only	DFARS 252.204-7020	NIST SP 800-171 DOD Assessment Requirements.	(NOV 2023)

TABLE TWO (NON-COMMERCIAL ITEMS)

Condition	Regulation	Title	Date
All	FAR52.202-1	Definitions	(JUN 2020)
>150k	FAR 52.203-5	Covenant Against Contingent Fees	(MAY 2014)
SAT	FAR 52.203-6	Restrictions on Subcontractor Sales to the Government.	(NOV 2021)
>100k	FAR 52.203-7	Anti-Kickback Procedures.	(JUN 2020)

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All	FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	(MAY 2014)
All	FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity.	(MAY 2014)
>100k	FAR 52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions.	(SEP 2024)
>100k	FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions.	(JUN 2020)
>5M	FAR 52.203-13	Contractor Code of Business Ethics and Conduct.	(NOV 2021)
All	FAR 52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements	(JAN 2017)
Federal Controlled Facility	FAR 52.204-9	Personal Identity Verification of Contractor Personnel.	(JAN 2011)
All	FAR 52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	(JUN 2020)
All	FAR 52.204-18	Commercial And Government Entity Code Maintenance	(AUG 2020)
All	FAR 52.204-21	Basic Safeguarding Of Covered Contractor Information Systems	(NOV 2021)
All	FAR 52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities.	(DEC 2023)
All	FAR 52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.	(NOV 2021)
All	FAR 52.204-27	Prohibition on a ByteDance Covered Application	(JUN 2023)
All	FAR 52.209-3	First Article Approval-Contractor Testing	(SEP 1989)
All	FAR 52.209-3, Alt I	First Article Approval-Contractor Testing	(JAN 1997)
All	FAR 52.209-4	First Article Approval-Government Testing	(SEP 1989)
All	FAR 52.209-4, Alt I	First Article Approval-Government Testing	(JAN 1997)
>30k	FAR 52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.	(JAN 2025)
>250k	FAR 52.215-2	Audit and Records — Negotiation	(JUN 2020)
Price reduction	FAR 52.215-10	Price Reduction for Defective Certified Cost or Pricing Data.	(AUG 2011)
Price reduction	FAR 52.215-11, DEVIATION 2022-O0001	Price Reduction for Defective Certified Cost or Pricing Data-Modifications.	(OCT 2021)
>2M	FAR 52.215-12, DEVIATION 2022-O0001, Revision 1	Subcontractor Certified Cost or Pricing Data.	(OCT 2021)
>2M	FAR 52.215-13, DEVIATION 2022-O0001, Revision 1	Subcontractor Certified Cost or Pricing Data-Modifications.	(OCT 2021)

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>250k	FAR 52.215-14	Integrity of Unit Prices.	(NOV 2021)
All that meet applicability of FAR 15.408(g)	FAR 52.215-15	Pension Adjustments and Asset Reversions.	(OCT 2010)
	FAR 52.215-16	Facilities Capital Cost of Money	(JUN 2003)
All that meet applicability of FAR 15.408(J)	FAR 52.215-18	Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other Than Pensions.	(JUL 2005)
All	FAR 52.215-21	Requirements for Certified Cost of Pricing Data or Information other than Cost or Pricing Data Modifications	(NOV 2021)
All	FAR 52.215-23	Limitations of Pass-Through Charges	(JUN 2020)
HUBZONE	FAR 52.219-8	Utilization of Small Business Concerns.	(JAN 2025)
>550k	FAR 52.219-9	Small Business Subcontracting Plan.	(JAN 2025)
All	FAR 52.222-20	Contracts for Materials, Supplies, Articles, and Equipment	(JUN 2020)
>100k	FAR 52.222-35	Equal Opportunity for Veterans.	(JUN 2020)
>10k	FAR 52.222-36	Equal Opportunity for Workers with Disabilities.	(JUN 2020)
>10k	FAR 52.222-40	Notification of Employee Rights under the National Labor Relations Act.	(DEC 2010)
All	FAR 52.222-50	Combating Trafficking in Persons.	(NOV 2021)
All	FAR 52.223-3	Hazardous Material Identification and Material Safety Data.	(FEB 2021)
All	FAR 52.225-13	Restrictions on Certain Foreign Purchases.	(FEB 2021)
All	FAR 52.226-8	Encouraging Contractor Policies to Ban Text Messaging While Driving	(MAY 2024)
SAT	FAR 52.227-1	Authorization and Consent.	(JUN 2020)
>250k	FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	(JUN 2020)
All	FAR 52.232-39	Unenforceability of Unauthorized Obligations	(JUN 2013)
All	FAR 52.232-40	Providing Accelerated Payments to Small Business Subcontractors	(MAR 2023)
All	FAR 52.242-15	Stop-Work Order.	(AUG 1989)
All	FAR 52.243-6	Change Order Accounting	(APR 1984)
All	FAR 52.244-6	Subcontracts for Commercial Items (DEVIATION 2025-O0003)	(MAR 2025)
GP	FAR 52.245-1	Government Property	(SEP 2021)
All	FAR 52.245-2	Government Property Installation Operation Services	(APR 2012)
All	FAR 52.246-11	Higher-Level Contract Quality Requirement	(DEC 2014)
All	FAR 52.246-15	Certificate of Conformance	(APR 1984)
All	FAR 52.246-26	Reporting Nonconforming Items	(AUG 2024)
All	FAR 52.247-63	Preference For U.S.-Flag Air Carriers.	(JAN 2025)
SAT	FAR 52.248-1	Value Engineering.	(JUN 2020)
All	DFARS 252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	(JAN 2023)

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All	DFARS 252.203-7002	Requirement to Inform Employees of Whistleblower Rights	(DEC 2022)
All	DFARS 252.203-7004	Display of Hotline Posters	(JAN 2023)
All	DFARS 252.204-7000	Disclosure of Information.	(OCT 2016)
All	DFARS 252.204-7004	Level I Antiterrorism Awareness Training for Contractors	(FEB 2019)
All	DFARS 252.204-7012 (DEVIATION 2024-O0013, REVISION 1)	Safeguarding Covered Defense Information and Cyber Incident Reporting	
All	DFARS 252.204-7014	Limitations on the Use or Disclosure of Information by Litigation Support Contractors.	(JAN 2023)
All	DFARS 252.204-7015	Notice Of Authorized Disclosure Of Information For Litigation Support	(JAN 2023)
All	DFARS 252.204-7018	Prohibition On The Acquisition Of Covered Defense Telecommunications Equipment Or Services	(JAN 2023)
All	DFARS 209-7004	Subcontracting with firms that are owned or controlled by the government of a country that is a state sponsored of terrorism	(MAY 2019)
if item is uniquely identifiable	DFARS 252.211-7003	Item Unique Identification and Valuation.	(JAN 2023)
>1M	DFARS 252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements.	(JAN 2023)
All	DFARS 252.223-7002	Safety Precautions for Ammunition and Explosives	(NOV 2023)
All	DFARS 252.223-7003	Change in Place of Performance - Ammunition and Explosives	(DEC 1991)
Any contract that could require, may require or permit access to DoD installation	DFARS 252.223-7006	Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials	(SEP 2014)
AA&E	DFARS 252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, And Explosives.	(NOV 2023)
All except COTS	DFARS 252.225-7001	Buy American and Balance of Payments Program--Basic.	(FEB 2024)
All	DFARS 252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	(DEC 2018)
All	DFARS 252.225-7012	Preference For Certain Domestic Commodities.	(APR 2022)
All	DFARS 252.225-7013	Duty-Free Entry.	(NOV 2023)
Foreign	DFARS 252.225-7040	Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States	(OCT 2023)

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Foreign	DFARS 252.225-7043	Antiterrorism/Force Protection for Defense Contractors Outside the United States	(JUN 2015)
All	DFARS 252.225-7048	Export-Controlled Items	(JUN 2013)
All	DFARS 252.225-7056	Prohibition Regarding Business Operation with the Maduro Regime	(JAN 2023)
All	DFARS 252.225-7972 (DEVIATION 2020-O0014)	Prohibition On The Procurement Of Foreign-Made Unmanned Aircraft Systems	(AUG 2024)
>500k	DFARS 252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns.	(JAN 2023)
Contains technical data to be delivered to the government (commercial)	DFARS 252.227-7015	Technical Data–Commercial Items.	(JAN 2025)
All	DFARS 252.227-7016	Rights in Bid or Proposal Information.	(JAN 2023)
All	DFARS 252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.	(JAN 2025)
Applicable if there is a requirement for delivery of Technical Data	DFARS 252.227-7037	Validation of Restrictive Markings on Technical Data.	(JAN 2025)
All	DFARS 252.243-7002	Request for Equitable Adjustment	(DEC 2022)
All	DFARS 252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts).	(NOV 2023)
All	DFARS 252.245-7003	Contractor Property Management system administration	(JAN 2025)
All	DFARS 252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	(JAN 2023)
All	DFARS 252.246-7008	Sources of Electronic Parts	(JAN 2023)
All	DFARS 252.247-7023	Transportation of Supplies by Sea -- Basic.	(OCT 2024)

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52.203-3 Gratuities.

As prescribed in [3.202](#) , insert the following clause:

Gratuities (Apr 1984)

(a) The right of the Contractor to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Contractor, its agent, or another representative-

(1) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and

(2) Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this contract is terminated under paragraph (a) of this clause, the Government is entitled-

(1) To pursue the same remedies as in a breach of the contract; and

(2) In addition to any other damages provided by law, to exemplary damages of not less than 3 nor more than 10 times the cost incurred by the Contractor in giving gratuities to the person concerned, as determined by the agency head or a designee. (This paragraph (c)(2) is applicable only if this contract uses money appropriated to the Department of Defense.)

(d) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

(End of clause)

52.211-5 Material Requirements.

As prescribed in [11.302](#) , insert the following clause:

Material Requirements (Aug 2000)

(a) *Definitions.*

As used in this clause-

New means composed of previously unused components, whether manufactured from virgin material, recovered material in the form of raw material, or materials and by-products generated from, and reused within, an original manufacturing process; *provided* that the supplies meet contract requirements, including but not limited to, performance, reliability, and life expectancy.

Reconditioned means restored to the original normal operating condition by readjustments and material replacement.

Recovered material means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

Remanufactured means factory rebuilt to original specifications.

Virgin material means-

(1) Previously unused raw material, including previously unused copper, aluminum, lead, zinc, iron, other metal or metal ore; or

(2) Any undeveloped resource that is, or with new technology will become, a source of raw materials.

(b) Unless this contract otherwise requires virgin material or supplies composed of or manufactured from virgin material, the Contractor shall provide supplies that are new, reconditioned, or remanufactured, as defined in this clause.

(c) A proposal to provide unused former Government surplus property shall include a complete description of the material, the quantity, the name of the Government agency from which acquired, and the date of acquisition.

(d) A proposal to provide used, reconditioned, or remanufactured supplies shall include a detailed description of such supplies and shall be submitted to the Contracting Officer for approval.

(e) Used, reconditioned, or remanufactured supplies, or unused former Government surplus property, may be used in contract performance if the Contractor has proposed the use of such supplies, and the Contracting Officer has authorized their use.

(End of clause)

52.211-15 Defense Priority and Allocation Requirements.

As prescribed in [11.604](#)(b), insert the following clause:

Defense Priority and Allocation Requirement (Apr 2008)

This is a rated order certified for national defense, emergency preparedness, and energy program use, and the Contractor shall follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700).

(End of clause)

52.215-19 Notification of Ownership Changes.

As prescribed in [15.408](#)(k), insert the following clause:

Notification of Ownership Changes (Oct 1997)

(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

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(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)

52.249-2 Termination for Convenience of the Government (Fixed-Price).

As prescribed in [49.502](#) (b)(1)(i), insert the following clause:

Termination for Convenience of the Government (Fixed-Price) (Apr 2012)

(a) The Government may terminate performance of work under this contract in whole or, from time to time, in part if the Contracting Officer determines that a termination is in the Government's interest. The Contracting Officer shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and the effective date.

(b) After receipt of a Notice of Termination, and except as directed by the Contracting Officer, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

(1) Stop work as specified in the notice.

(2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the contract.

(3) Terminate all subcontracts to the extent they relate to the work terminated.

(4) Assign to the Government, as directed by the Contracting Officer, all right, title, and interest of the Contractor under the subcontracts terminated, in which case the Government shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this clause.

(6) As directed by the Contracting Officer, transfer title and deliver to the Government-

(i) The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and

(ii) The completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the Government.

(7) Complete performance of the work not terminated.

(8) Take any action that may be necessary, or that the Contracting Officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the Government has or may acquire an interest.

(9) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in paragraph

(b)(6) of this clause; *provided*, however, that the Contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, the Contracting Officer. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the Government under this contract, credited to the price or cost of the work, or paid in any other manner directed by the Contracting Officer.

(c) The Contractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 120-day period.

(d) After expiration of the plant clearance period as defined in Subpart [49.001](#) of the Federal Acquisition Regulation, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by the Contracting Officer. The Contractor may request the Government to remove those items or enter into an agreement for their storage. Within 15 days, the Government will accept title to those items and remove them or enter into a storage agreement. The Contracting Officer may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and shall correct the list, as necessary, before final settlement.

(e) After termination, the Contractor shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Contractor shall submit the proposal promptly, but no later than 1 year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 1-year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after 1 year or any extension. If the Contractor fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the amount, if any, due the Contractor because of the termination and shall pay the amount determined.

(f) Subject to paragraph (e) of this clause, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph (f) or paragraph (g) of this clause, exclusive of costs shown in paragraph (g)(3) of this clause, may not exceed the total contract price as reduced by (1) the amount of payments previously made and (2) the contract price of work not terminated. The contract shall be modified, and the Contractor paid the agreed amount. Paragraph (g) of this clause shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

(g) If the Contractor and the Contracting Officer fail to agree on the whole amount to be paid because of the termination of work, the Contracting Officer shall pay the Contractor the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed on under paragraph (f) of this clause:

(1) The contract price for completed supplies or services accepted by the Government (or sold or acquired under paragraph (b)(9) of this clause) not previously paid for, adjusted for any saving of freight and other charges.

(2) The total of-

ADDITIONAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS

- (i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under paragraph (g)(1) of this clause;
 - (ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subdivision (g)(2)(i) of this clause; and
 - (iii) A sum, as profit on subdivision (g)(2)(i) of this clause, determined by the Contracting Officer under [49.202](#) of the Federal Acquisition Regulation, in effect on the date of this contract, to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, the Contracting Officer shall allow no profit under this subdivision (g)(2)(iii) and shall reduce the settlement to reflect the indicated rate of loss.
- (3) The reasonable costs of settlement of the work terminated, including-
- (i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;
 - (ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and
 - (iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.
- (h) Except for normal spoilage, and except to the extent that the Government expressly assumed the risk of loss, the Contracting Officer shall exclude from the amounts payable to the Contractor under paragraph (g) of this clause, the fair value as determined by the Contracting Officer, for the loss of the Government property.
- (i) The cost principles and procedures of [part 31](#) of the Federal Acquisition Regulation, in effect on the date of this contract, shall govern all costs claimed, agreed to, or determined under this clause.
- (j) The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraph (e), (g), or (l) of this clause, except that if the Contractor failed to submit the termination settlement proposal or request for equitable adjustment within the time provided in paragraph (e) or (l), respectively, and failed to request a time extension, there is no right of appeal.
- (k) In arriving at the amount due the Contractor under this clause, there shall be deducted-
- (1) All unliquidated advance or other payments to the Contractor under the terminated portion of this contract;
 - (2) Any claim which the Government has against the Contractor under this contract; and
 - (3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not recovered by or credited to the Government.
- (l) If the termination is partial, the Contractor may file a proposal with the Contracting Officer for an equitable adjustment of the price(s) of the continued portion of the contract. The Contracting Officer shall make any equitable adjustment agreed upon. Any proposal by the Contractor for an equitable adjustment under this clause shall be requested within 90 days from the effective date of termination unless extended in writing by the Contracting Officer.
- (m)
- (1) The Government may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor will be entitled.
 - (2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the Government upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App.1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.
- (n) Unless otherwise provided in this contract or by statute, the Contractor shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this contract. The Contractor shall make these records and documents available to the Government, at the Contractor's office, at all reasonable times, without any direct charge. If approved by the Contracting Officer, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.
(End of clause)

252.227-7030 Technical Data—Withholding of Payment.

As prescribed at [227.7103-6\(e\)\(2\)](#) or [227.7104 \(e\)\(4\)](#), use the following clause:

TECHNICAL DATA—WITHHOLDING OF PAYMENT (MAR 2000)

- (a) If technical data specified to be delivered under this contract, is not delivered within the time specified by this contract or is deficient upon delivery (including having restrictive markings not identified in the list described in the clause at [252.227-7013 \(e\)\(2\)](#) or [252.227-7018 \(e\)\(2\)](#) of this contract), the Contracting Officer may until such data is accepted by the Government, withhold payment to the Contractor of ten percent (10%) of the total contract price or amount unless a lesser withholding is specified in the contract. Payments shall not be withheld nor any other action taken pursuant to this paragraph when the Contractor's failure to make timely delivery or to deliver such data without deficiencies arises out of causes beyond the control and without the fault or negligence of the Contractor.
- (b) The withholding of any amount or subsequent payment to the Contractor shall not be construed as a waiver of any rights accruing to the Government under this contract.
(End of clause)