**ADDITIONAL PROVISIONS FOR ORDERS ISSUED PURSUANT TO THE  
DDG 128 (AND FOLLOW) CONSTRUCTION PRIME CONTRACT NO. N00024-18-C-2307**

**INGALLS SHIPBUILDING DIVISION SUPPLEMENT**

***(This document is to be used in conjunction with Huntington Ingalls Incorporated form SBF P9328, GENERAL PROVISIONS FOR ORDERS UNDER U.S. GOVERNMENT CONTRACTS, or SBF P9482, GENERAL PROVISIONS FOR ORDERS FOR COMMERCIAL ITEMS ACQUIRED UNDER U.S. GOVERNMENT CONTRACTS, for Orders issued by the Ingalls Shipbuilding division.)***

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1. **REFUNDS (SPARES AND SUPPORT EQUIPMENT).**  [**(back to top)**](#TOP_of_TOC)
   1. In the event that the price of a spare part or item of support equipment delivered under this contract significantly exceeds its intrinsic value, the SELLER agrees to refund the difference. Refunds will only be made for the difference between the intrinsic value of the item at the time an agreement on price was reached and the contract price. Refunds will not be made to recoup the amount of cost decreases that occur over time due to productivity gains (beyond economic purchase quantity considerations) or changes in market conditions.
   2. For purpose of this clause, the intrinsic value of an item is defined as follows:
      1. If the item is one that is sold or is substantially similar or functionally equivalent to one that is sold in substantial quantities to the general public, intrinsic value is the established catalog or market price, plus the value of any unique requirements, including delivery terms, inspection, packaging, or labeling.
      2. If there is no comparable item sold in substantial quantities to the general public, intrinsic value is defined as the price an individual would expect to pay for the item based upon an economic purchase quantity as defined in FAR 52.207-4, plus the value of any unique requirements, including delivery terms, inspection, packaging or labeling.
   3. At any time up to two years after delivery of a spare part or item of support equipment, the BUYER may notify the SELLER that based on all information available at the time of the notice, the price of the part or item apparently exceeds its intrinsic value.
   4. If notified in accordance with subparagraph C above, the SELLER agrees to enter into good faith negotiations with the BUYER to determine if, and in what amount, the BUYER is entitled to a refund.
   5. If agreement pursuant to subparagraph D above cannot be reached, and the BUYER’S return of the new or unused item to the SELLER is practical, the BUYER, subject to the SELLER’S agreement, may elect to return the item to the SELLER. Upon return of the item to its original point of BUYER acceptance, the SELLER shall refund in full the price paid. If no agreement pursuant to subparagraph D above is reached, and return of the item by the BUYER is impractical, the BUYER may, issue a final decision on the matter, subject to the Disputes Clause.
   6. The SELLER will make refunds, as required under this clause, in accordance with instructions from the BUYER.
   7. The SELLER shall not be liable for a refund if the SELLER advised the BUYER in a timely manner that the price it would propose for a spare part or item of support equipment exceeded its intrinsic value, and with such advice, specified the estimated proposed price, the estimated intrinsic value and known alternative sources or items, if any, that can meet the requirements.
   8. This clause does not apply to any spare parts or items of support equipment whose price is determined through adequate price competition. This clause also does not apply to any spare part or item of support equipment with a unit price in excess of $100,000; or in excess of $25,000 if the SELLER submitted, and certified the currency, accuracy and completeness of, cost or pricing data applicable to the item.
2. **ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE.** [**(back to top)**](#TOP_of_TOC)
   1. Performance under this Order may require that SELLER have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, SELLER shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum, (1) access to, and use of, the proprietary data or software exclusively for the purposes of performance of the work required by this contract, and (2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Government’s Contracting Officer. Upon modification of the Prime Contract by the Government, Buyer may correspondingly unilaterally modify this Order to list those third parties with which SELLER has agreement(s).
   2. SELLER agrees to: (1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted; (2) not disclose the data or software to another party or other SELLER personnel except as authorized by the Contracting Officer; (3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement; (4) not disclose the data or software to any other party, including, but not limited to, joint venture, affiliate, successor, or assign of SELLER; and (5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.
   3. The restrictions on use and disclosure of the data and software described above also apply to such information received from the Government through any means to which SELLER has access in the performance of this Order that contains proprietary or other restrictive markings.
   4. SELLER agrees that it will promptly notify BUYER of any attempt by an individual, company, or Government representative not directly involved in the effort to be performed under this Order to gain access to such proprietary information. Such notification shall include the name and organization of the individual, company, or Government representative seeking access to such information.
   5. SELLER shall include this requirement in subcontracts of any tier which involve access to information covered by subparagraph A, substituting “subcontractor” for “SELLER” where appropriate.
   6. Compliance with this requirement is a material requirement of this Order.
3. **ACCESS TO VESSELS BY NON-U.S. CITIZENS.** [**(back to top)**](#TOP_of_TOC)
   1. No person not known to be a U.S. Citizen shall be eligible for access to naval vessels, work sites and adjacent areas when said vessels are under construction, conversion, overhaul, or repair, except upon a finding by COMNAVSEA or his designated representative that such access should be permitted in the best interest of the United States. SELLER shall establish procedures to comply with this requirement and NAVSEAINST 5510.3.
   2. If SELLER desires to employ non-U.S. citizens in the performance of work under this Order that requires access as specified in subparagraph A of this requirement, approval of the Contracting Officer under the Prime Contract must be obtained prior to access. To request such approval for non-U.S. citizens of friendly countries, SELLER shall submit to BUYER, an Access Control Plan (ACP) that shall contain as a minimum, the following information:
      1. Badge or Pass oriented identification, access, and movement control system for non-U.S. citizen employees with the badge or pass to be worn or displayed on outer garments at all times while on BUYER’s facilities and when performing work aboard ship.
         1. Badges must be of such design and appearance that permits easy recognition to facilitate quick and positive identification.
         2. Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulation and instructions.
         3. A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten or no longer required badges, must be established.
         4. A badge or pass check must be performed at all points of entry to the BUYER’s facilities or by a site supervisor for work performed on vessels outside BUYER’s plant.
      2. SELLER’s plan for ascertaining citizenship and for screening employees for security risk.
      3. Data reflecting the number, nationality, and positions held by non-U.S. citizen employees, including procedures to update data as non-U.S. citizen employee data changes, and pass to cognizant CAO.
      4. SELLER’s plan for ensuring subcontractor compliance with the provisions of the SELLER’s ACP.
      5. These conditions and controls are intended to serve as guidelines representing the minimum requirements of an acceptable ACP. They are not meant to restrict SELLER in any way from imposing additional controls necessary to tailor these requirements to a specific facility.
   3. To request approval for non-U.S. citizens of hostile and/or communist- controlled countries (Listed in Department of Defense Industrial Security Manual, COC 5220.22-M or available from cognizant CAO), SELLER shall include in the ACP the following employee data: name, place of birth, citizenship (if different from place of birth), date of entry to U.S., extenuating circumstances (if any) concerning immigration to U.S., number of years employed by SELLER, position, and stated intent concerning U.S. citizenship. COMNAVSEA or his designated representative will make individual determinations for desirability of access for above group. Approval of ACP’s for access of non-U.S. citizens of friendly countries will not be delayed for approval of non-U.S. citizens of hostile communist-controlled countries. Until approval is received, SELLER must deny access to vessels for employees who are non-U.S. citizens of hostile and/or communist-controlled countries.
   4. SELLER shall fully comply with approved ACPs. Noncompliance by SELLER or its subcontractors serves to cancel any authorization previously granted, in which case SELLER shall be precluded from the continued use of non-U.S. citizens on this Order until such time as the compliance with an approved ACP is demonstrated and upon a determination by the CAO that the Government’s interests are protected. Further, the Government and BUYER reserve the right to cancel previously granted authority when such cancellation is determined to be in the Government’s or BUYER’s best interest. Use of non-U.S. citizens, without an approved ACP or when a previous authorization has been canceled, will be considered a violation of security regulations. Upon confirmation by the CAO of such violation, this Order may be terminated for default.
   5. SELLER shall have full responsibility for the proper administration of the approved ACP for all work performed under this Order, regardless of the location of the vessel, and must ensure compliance by all of its subcontractors, technical representatives and other persons granted access to U.S. Navy vessels, adjacent areas, and work sites.
   6. In the event SELLER does not intend to employ non-U.S. citizens in the performance of the work under this Order, but has non-U.S. citizen employees, such employees must be precluded from access to the vessel and its work site and those shops where work on the vessel’s equipment is being performed. The ACP must spell out how non-U.S. citizens are excluded from access to contract work areas.
   7. The same restriction as in paragraph (F) above applies to other than non-U.S. citizens who have access to the BUYER’s facilities (e.g., for accomplishing facility improvements, from foreign crewed vessels within its facility, etc.) except that, with respect to access to the vessel and worksite, the restrictions shall not apply to uniformed U.S. Navy personnel who are non-U.S. citizens and who are either assigned to the ship or require access to the ship to perform their duties.
4. **ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS.** [**(back to top)**](#TOP_of_TOC)

To the extent that National Stock Numbers (NSNs) or preliminary NSNs are assigned by the Government or BUYER for the identification of parts, pieces, items, subassemblies or assemblies to be furnished under this Order, SELLER shall use such NSNs or preliminary NSNs in the preparation of provisioning lists, package labels, packing lists, shipping containers and shipping documents as required by applicable specifications, standards or Data Item Descriptions (DIDs) of this Order or as required by orders for spare and repair parts. BUYER shall be responsible for conveying to SELLER such NSNs or preliminary NSNs that may be assigned and that are not already in the possession of SELLER.

1. **DEPARTMENT OF LABOR OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING.** [**(back to top)**](#TOP_of_TOC)

Attention of SELLER is directed to Public Law 91 596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the “OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970” and to the “OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT” promulgated thereunder by the Secretary of Labor (29 CFR 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this Order shall be construed as relieving SELLER from any obligations that it may have for compliance with the aforesaid regulations.

1. **EXTENSION OF COMMERCIAL WARRANTY.** [**(back to top)**](#TOP_of_TOC)

SELLER shall extend to BUYER and the Government the full coverage of any standard commercial warranty normally offered in a similar commercial sale, provided that such warranty is available at no additional cost to BUYER and the Government. SELLER shall provide a copy of the standard commercial warranty with the item. The standard commercial warranty period shall begin upon the final acceptance of the applicable Product. Acceptance of the standard commercial warranty does not waive the BUYER’s or Government’s rights under the “Inspection” clause, nor does it limit BUYER’s rights with regard to other terms and conditions of this Order. In the event of a conflict, the terms and conditions of this Order shall take precedence over the standard commercial warranty.

1. **PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS.**  [**(back to top)**](#TOP_of_TOC)
   1. The printing, duplication, and binding of all technical manuals, books, and other publications, and changes, amendments, and revisions thereto, including all copies and portions of such documents which are required to be prepared and furnished under this Order for review, approval or otherwise, shall be accomplished in accordance with the following:
      1. DOD Instruction 5330.03, Defense Logistics Agency (DLA) Document Services of February 8, 2006;
      2. Federal Acquisition Regulation (FAR) Subparts 8.8 and 17.5, as in effect on the date of the Prime Contract; and
      3. “Government Printing and Binding Regulations,” published by the Joint Committee on Printing, Congress of the United States, as in effect on the date of the Prime Contract.
   2. Publications and other printed or duplicated material which (1) are prepared and carried by equipment manufacturers for regular commercial sale or use, and (2) require no significant modification for military use or to meet the requirements of this Order, or (3) are normally supplied for commercial equipment, shall be provided by SELLER. Except for material falling within (1) through (3) of this paragraph, the printing of technical manuals, publications, changes, revisions, or amendments by the SELLER is prohibited.
   3. SELLER shall have the printing and binding of final approved technical manuals, publications, changes, revisions and amendments thereto, as required under this Order (whether prepared by SELLER or a subcontractor), printed at Government expense by or through the DLA Document Services in the Naval District in which the Buyer is located, in accordance with the following general procedures:
      1. Prior to preparation of materials for printing (photolithographic negatives, camera-ready copies or digital media (CD/DVD) by SELLER or a subcontractor, SELLER shall make arrangements with the DLA Document Services and with the designated Contract Administration Office for printing and binding that shall include:
         1. Citation of Prime Contract number;
         2. Security classification of materials to be printed;
         3. Establishment of a schedule for printing, including estimated delivery date to DLA Document Services;
         4. Provisions for furnishing photolithographic negatives or camera-ready copies and art work in the proper sequence for printing;
         5. A check-off list to verify the printing sequence of test pages and foldouts in the form prescribed by DLA Document Services;
         6. Complete printing instructions, which shall specify colors, if required for specific pages, the trim size, including apron, if required, for each foldout/in or chart, or other unique requirements;
         7. Type of binding (side stitch, perfect bound, saddle stitch, glue bound, tape bound plastic comb/wire bound, loose leaf, screw posts, etc.); and
         8. Other instructions, as applicable, such as packing instructions, banded, shrink pack, strap, binders, fill and seal cartons/boxes, inset padding of any type of envelope, water type packaging or other container quantity for each addressee, required delivery schedule, or delivery instructions. (SELLER shall provide an address list and addressed mailing labels for each addressee.)
         9. Special handling of classified materials from Confidential up to Top Secret requiring printing through DLA Document Services or the GPO are managed in accordance with DODD 5200.32. Contact the appropriate DLA Document Services location before delivering classified originals to ensure proper handling and disposition.
      2. SELLER shall ship the complete set of photolithographic negatives, camera-ready copies or digital media (CD/DVD) required to be printed in accordance with the detailed procedures specified by DLA Document Services. All transportation charges are paid to DLA Document Services or a contract printer designated by DLA Document Services.
      3. For steam and electrical plant composite diagrams, SELLER shall provide an original Mylar print or digital media (CD/DVD) of the diagram to the DLA Document Services with a guide indicating the color of each line. DLA Document Services will prepare the color separation negatives for the composite diagram and return those to SELLER for editorial review. DLA Document Services will correct any errors and print the corrected composite diagram.
      4. DLA Document Services will furnish or provide for all supplies and services (including binders) that are necessary to accomplish the printing and binding.
      5. DLA Document Services will pack and ship or provide for packing and shipping of the printed material to SELLER and the distribution list furnished by SELLER in accordance with the printing order, unless distribution by SELLER is otherwise required by the terms of this Order, the specifications, or otherwise, in which case the printed and bound publications will be returned to SELLER for distribution.
      6. DLA Document Services will pack and ship the material used for printing to the DLA Document Services, 4th Naval District (Philadelphia, PA), for storage.
      7. In establishing the schedule for printing, SELLER shall provide for furnishing the photolithographic negatives, camera-ready copies or digital media (CD/DVD) to DLA Document Services in time to allow at least the minimum number of working days specified in the schedule below (eight-hour day, five days per week exclusive of Saturdays, Sundays, and holidays) from date of acceptance of material for printing at DLA Document Services to date of shipment of printed material from DLA Document Services.

Minimum number of working  
Printing days required by DLA Document Services

Up to 200 copies per original 30  
201 to 400 copies per original 40  
401 to 600 copies per original 50  
601 copies per original and over 60

1. If DLA Document Services exceeds the delivery requirements established in accordance with subparagraph C(i)(3) for the item(s) specified, the time shall be extended by an equivalent number of working days, provided that SELLER requests such extensions, in writing, to the BUYER’s Contracting Officer and submits with its request sufficient evidence to enable the BUYER’s Contracting Officer to determine the validity of SELLER’s request. If performance of all or part of the work under this Order is delayed or interrupted by said late shipment by DLA Document Services, and if the Government makes an adjustment to the Prime Contract pursuant to the “GOVERNMENT DELAY OF WORK” (FAR 52.242-17) clause of the Prime Contract, BUYER shall make an appropriate adjustment to this Order.

E. SELLER shall not be responsible for the quality, or quality control, of printing performed by DLA Document Services or a printer under contract to DLA Document Services, and if the Government shall reimburse the BUYER for any costs incurred on account of replacement of material lost or damaged by DLA Document Services or a printer under contract to DLA Document Services, BUYER will likewise reimburse SELLER. If such loss or damage of material causes a delay or interruption of performance of all or any part of the work under this Order, an adjustment shall be made pursuant to this Order if the Prime Contract is adjusted pursuant to the “GOVERNMENT DELAY OF WORK” clause of the Prime Contract.

F. The costs of printing, binding, packing and distribution by DLA Document Services of the publications and changes described herein (but not the costs of preparing photolithographic negatives, camera-ready copies and other materials for printing and the costs of transporting or shipping such materials to DLA Document Services or a contract printer designated by DLA Document Services) shall be borne by BUYER on behalf of the Government.

G. BUYER agrees to cooperate with SELLER to ensure compliance with this clause.

1. **IDENTIFICATION MARKING OF PARTS (applicable only to Orders for Coordinated Shipboard Allowance List (COSAL) items).** [**(back to top)**](#TOP_of_TOC)

Identification marking of individual parts within the systems, equipments, assemblies, subassemblies, components, groups, sets or kits, and of spare and repair parts shall be done in accordance with applicable specifications and drawings. To the extent identification marking of such parts is not specified in applicable specifications or drawings, such marking shall be accomplished in accordance with the following:

(1) Parts shall be marked in accordance with generally accepted commercial practice.

(2) In cases where parts are so small as not to permit identification marking as provided above, such parts shall be appropriately coded so as to permit ready identification.

1. **MARKING AND PACKING LIST(S).**  [**(back to top)**](#TOP_of_TOC)
   * + 1. Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with MIL-STD-129R dated 18 February 2014.
       2. Packing List(s). A packing list (DD Form 250 Material Inspection and Receiving Report may be used) identifying the contents of each shipment, shipping container or palletized unit load shall be provided by SELLER with each shipment. When a contract line item identified under a single stock number includes an assortment of related items such as kit or set components, detached parts or accessories, installation hardware or material, the packing list(s) shall identify the assorted items. Where DD Form 1348-1 or DD Form 1348-1A is applicable and assortment of related items is included in the shipping container, a packing list identifying the contents shall be furnished.
       3. Master Packing List. In addition to the requirements in paragraph B above, a master packing list shall be prepared where more than one shipment, shipping container or palletized unit load comprise the contract line item being shipped. The master packing list shall be attached to the number one container and so identified.
       4. Part Identification. All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number. Refer to the above cited MIL-STD for marking of assorted (related-unrelated) items.
2. **CALIBRATION SYSTEM REQUIREMENTS.**  [**(back to top)**](#TOP_of_TOC)

The calibration of measuring and testing equipment shall, as a minimum, adhere to the requirements of ANSI/NCSL Z540.3-2006.

1. **INSPECTION AND TEST RECORDS.**  [**(back to top)**](#TOP_of_TOC)

Inspection and test records shall, as a minimum, indicate the nature of the observations, number of observations made, and the number and type of deficiencies found. Data included in inspection and test records shall be complete and accurate, and shall be used for trend analysis and to assess corrective action and effectiveness.

1. **LIAISON PERSONNEL.** [**(back to top**](#TOP_of_TOC)**)**

The delivery of the Products in strict accordance with the specifications and delivery schedule is of paramount importance. To assure attainment of this requirement, the parties agree that BUYER may, at its option, assign representatives from Engineering, Manufacturing, Quality Assurance, Procurement, or other specialties as necessary as resident or itinerant representatives to be located at SELLER’s plant. SELLER shall at no cost to BUYER, provide adequate office space and equipment for BUYER liaison personnel at its plant during the performance of this Order.

1. **QUALIFICATION OF SELLER NONDESTRUCTIVE TESTING (NDT) PERSONNEL.** [**(back to top)**](#TOP_of_TOC)

Any NDT SELLER (as hereinafter defined) shall utilize for the performance of required Nondestructive Testing (NDT) (which includes radiography, magnetic particle, liquid penetrant, eddy current, ultrasonic inspections and visual inspections) shall utilize for the performance of required NDT, only Level I, II and III personnel currently certified in accordance with NAVSEA Technical Publication T9074-AS-GIB-010/271, Revision 1 dated 11 September 2014. Documentation pertaining to the qualification and certification of NDT personnel shall be made available to the Buyer for review upon request. The term “NDT SELLER” is defined to be a first tier subcontractor performing NDT in conjunction with the production of materials, components, or equipments for the vessel(s).

1. **COST OF QUALITY DATA.** [**(back to top)**](#TOP_of_TOC)

SELLER shall maintain and use quality cost data as a management element of its quality program. The data to be maintained and used shall include the costs associated with the prevention and correction of defects. Data on the cost of failures must include all labor and material costs of rework. These data shall, on request, be identified and made available for “on site” review by BUYER or the Government.

1. **LOGISTIC SUPPORT REQUIREMENT.** [**(back to top)**](#TOP_of_TOC)

A. This requirement applies whenever the contract specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called “repair parts”) for a ship component or item of equipment.

B. With respect to ship components or equipments manufactured other than in the United States and Canada, SELLER agrees that, in addition to any other data required by this Order, it will furnish under this Order sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the ship components or equipments shall have made arrangements satisfactory to SELLER and approved by the BUYER and BUYER’s Contracting Officer for the manufacturing of repair parts in the United States or Canada. For the purpose of this requirement, “sufficient data” shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operation or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall be in the English language and according to the United States system of weights and measures, and drawings for components, assemblies, subassemblies and parts protected by U.S. patents shall contain a prominent notation to that effect fully identifying the patent or patents involved, and bearing the Prime Contract number.

C. In order to satisfy the requirements of paragraph B above, unless SELLER or SELLER’s supplier of the ship components or equipments shall have made arrangements, satisfactory to SELLER and approved by the BUYER and BUYER’s Contracting Officer, for the manufacture of such repair parts in the United States or Canada, SELLER and SELLER’s subcontractors shall both provide and shall include in all subcontracts for the purchase of ship components or equipments from foreign sources this clause that hereby grants to the United States Government for a period of seven (7) years, “Government Purpose Rights” (as defined in paragraph (a)(13) of the clause of this Order entitled “RIGHTS IN TECHNICAL DATA – NONCOMMERCIAL ITEMS” (DFARS 252.227-7013)) in all technical data necessary to manufacture spare and repair parts for such components or equipments.

1. **TER****MINATION FOR CONVENIENCE.** [**(back to top)**](#TOP_of_TOC)

A. Buyer may terminate this Order in whole or in part at any time for its sole convenience. Buyer will terminate by delivering to Seller a Notice of Termination specifying the extent of termination and the effective date. After receipt of a Notice of Termination, Seller shall immediately proceed with the following obligations:

(i) stop work as specified in the notice;

(ii) place no further subcontracts or orders (referred to as subcontracts in this clause); and

(iii) terminate all subcontracts to the extent they relate to the work terminated.

B. Buyer’s sole obligation to Seller in the event of a termination for convenience shall be to pay Seller a percentage of the Order price corresponding with the percentage of the terminated work actually performed prior to the notice of termination, plus Seller's reasonable expenses incurred as a direct result of the termination. No amount will be allowed for anticipated profit on the terminated work. The amount paid shall be reduced by the reasonable resale or salvage value of any undelivered work or uncompleted work in progress. Seller shall submit to Buyer supporting documentation in sufficient detail to justify any termination payments requested from Buyer. Seller will not be paid for any work performed or costs incurred that could reasonably have been avoided.

1. **SUSPENSION OF WORK.** [**(back to top)**](#TOP_of_TOC)

Buyer may, by written notice, suspend work under this Order at any time. Upon receipt of such notice, Seller shall immediately comply with its terms and, during the work suspensions, take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the suspension notice. If the suspension of work ordered under this provision results in an increase in the time required for, or in Seller's cost properly allocable to the performance of any part of this Order, Buyer shall make an adjustment in the delivery schedule or Order price or both. Seller shall assert its right to an adjustment no later than 20 days after the work suspension is lifted.

1. **PERMITS AND RESPONSIBILITIES.** [**(back to top)**](#TOP_of_TOC)

Seller shall, without additional expense to the BUYER or Government, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal, State, and Municipal laws, codes, and regulations, in connection with any movement over the public highways of overweight/ overdimensional materials.

1. **SPECIAL AGREEMENT REGARDING SWITCHBOARD SUBCONTRACTS.** [**(back to top)**](#TOP_of_TOC)

Seller shall, in all cases involving subcontracts that contain air circuit breakers for switchboards, give advance notification to Buyer and obtain written consent of the Buyer (who in turn must have obtained consent of the Prime Contract contracting officer) prior to placing any such subcontract. Such advance notification shall include the information listed under paragraph (e)(1) of the FAR clause entitled "SUBCONTRACTS" (FAR 52.244-2).

1. **ADJUSTMENTS RELATING TO DEFECTS.** [**(back to top)**](#TOP_of_TOC)

Notwithstanding any term or condition of this Order to the contrary, Seller agrees to hold Buyer harmless from any and all liabilities, claims, losses, costs and expenses incurred by or charged to Buyer in connection with any defect in materials or workmanship (each, a “Defect”) that requires processing of a specification waiver with the Government and/or results in any withholding or price adjustment under the Prime Contract. Buyer will notify Seller as soon as possible after receipt of notice of any kind from the Navy requiring a repair, correction or Prime Contract withhold or price adjustment relating directly to a Defect. Seller agrees pay any invoice from Buyer to reimburse a Prime Contract price adjustment relating directly to such Defect within 10 business days of receipt. Should any repair or correction of such Defect be required, Seller agrees to promptly commence such repairs at its sole expense, and shall also reimburse Buyer for any work performed directly in support of Seller’s repairs. If following any notice by Buyer under this paragraph Seller states or by its actions indicates its inability or unwillingness to comply, then Buyer shall proceed to accomplish the work by the most expeditious means available to it and to backcharge Seller for the cost of the required work. The parties agree that for any work performed by Buyer hereunder, Seller will pay Buyer’s actual costs and Buyer’s labor at Buyer’s fully-burdened hourly rates (as appropriate) utilizing the then-current Government-approved rate set authorized for change-order activity.

1. **RESERVED.** [**(back to top)**](#TOP_of_TOC)

1. **FAR/DFARS – PROVISIONS INCORPORATED BY REFERENCE.** [**(back to top)**](#TOP_of_TOC)
   1. The below listed FAR and DFARS clauses are incorporated by reference and made part of this Order with the same force and effect as though set forth in full text, and supersede and replace all FAR and DFARS clauses incorporated by reference in the Section titled FAR/DFARS CLAUSES/PROVISIONS in BUYER’s Form SBF P9328, General Provisions for Orders under U.S. Government Contracts, or SBF P9482, General Provisions for Orders for Commercial Items Acquired under U.S. Government Contracts, as applicable.
   2. Unless the text in these clauses clearly reserves rights in the Government only or as otherwise noted, the terms “Contractor” means “SELLER,” “Contracting Officer” means “BUYER,” “Contract” means this Order and “Government” means “BUYER or the Government.” However, the words “Government” and “Contracting Officer” do not change 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.
   3. Applicable thresholds include Truthful Cost and Pricing Data (formerly known as TINA) threshold at $2,000,000; Simplified Acquisition Threshold (SAT) at $250,000; and Micro Purchase Threshold at $10,000.
   4. Whenever the FAR or DFARS clauses include a requirement for the resolution of disputes between the Parties in accordance with the “Disputes clause,” the dispute shall be disposed of in accordance with the provision entitled “Disputes” in this Order.
   5. The full text of a clause may be accessed electronically at this/these address(es):

FAR: <http://farsite.hill.af.mil/vffara.htm>

DFARS: <http://farsite.hill.af.mil/vfdfara.htm>

| CLAUSE NUMBER | CLAUSE NAME | CLAUSE DATE |
| --- | --- | --- |
| **FAR** | **Federal Acquisition Regulation** |  |
| 52.202-1 | Definitions  *(“solicitation” means the Buyer’s customer’s solicitation under which the Order is issued)* | (Nov 2013) |
| 52.203-3 | Gratuities  *(“Government” means “Buyer” (except “Government” means “Buyer or Govern­ment” in the phrase “to any officer or employee of the Government”))*. | (Apr 1984) |
| 52.203-6\* | Restrictions on Subcontractor Sales to the Government  *(applies to Orders over Simplified Acquisition Threshold (SAT)) (Alt 1 applies to commercial items)* | (Sep 2006) |
| 52.203-7\* | Anti-Kickback Procedures *(except paragraph (c)(1))*  *(applies to Orders over SAT)* | (May 2014) |
| 52.203-8 | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity | (May 2014) |
| 52.203-10 | Price or Fee Adjustment for Illegal or Improper Activity | (May 2014) |
| 52.203-12\* | Limitation on Payments to Influence Certain Federal Transactions  *(applies to Orders over $150,000)* | (Oct 2010) |
| 52.203-13\* | Contractor Code of Business Ethics and Conduct  *(applies to Orders over $5,500,000 and has a performance period of more than 120 days. Notwithstanding any alterations to this clause to reflect the relationship between Buyer and Seller, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the Office of the Inspector General of the agency issuing the prime contract under which this subcontract is being issued, with a copy to the Contracting Officer of the prime contract.)* | (Oct 2015) |
| 52.203-17 | Contractor Employee Whistleblower Rights and Requirement  To Inform Employees of Whistleblower Rights (*applies to Orders over SAT*) | (Apr 2014) |
| 52.203-19\* | Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements | (Jan 2017) |
| 52.204-2\* | Security Requirements  *(applies to Orders that involve access to classified information, delete para. (c))* | (Aug 1996) |
| 52.204-4 | Printed or Coped Double-Sided on Postconsumer Fiber Content Paper | (May 2011) |
| 52.204-10 | Reporting Executive Compensation and First-Tier Subcontract Awards | (Oct 2016) |
| 52.204-21\* | Basic Safeguarding of Covered Contractor Information  Systems | (Jun 2016) |
| 52.204-23\* | Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities | (Jul 2018) |
| 52.204-24 | Representation Regarding Certain Telecommunications and  Video Surveillance Services or Equipment | (Aug 2020) |
| 52.204-25\* | Prohibition on Contracting for Certain Telecommunications  and Video Surveillance Services or Equipment | (Aug 2020) |
| 52.209-6\* | Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment  (*applies to Orders that exceed $35,000, except COTS items)* | (Oct 2015) |
| 52.211-5 | Material Requirements | (Aug 2000) |
| 52.211-15\* | Defense Priority and Allocation Requirement | (Apr 2008) |
| 52.215-2\* | Audit And Records – Negotiation  *(applies to Orders over the SAT)* | (Oct 2010) |
| 52.215-10 | Price Reduction for Defective Cost or Pricing Data | (Aug 2011) |
| 52.215-11 | Price Reduction for Defective Cost or Pricing Data – Modifications | (Aug 2011) |
| 52.215-12\* | Subcontractor Cost or Pricing Data  (*applies to Orders over the TINA threshold)* | (Oct 2010) |
| 52.215-13\* | Subcontractor Cost or Pricing Data – Modifications | (Oct 2010) |
| 52.215-14\* | Integrity of Unit Prices and Alt I (Oct 1997)  *(applies to Orders over the SAT, delete paragraph(b))* | (Oct 2010) |
| 52.215-15\* | Pension Adjustments and Asset Reversions  (*applies to Orders over the TINA threshold)* | (Oct 2010) |
| 52.215-18\* | Reversion or Adjustment of Plans for Post Retirement Benefits (PRB) Other Than Pensions (*applies to Orders over the TINA threshold)* | (Jul 2005) |
| 52.215-19\* | Notification of Ownership Changes | (Oct 1997) |
| 52.215-21 | Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (*including Alt II)* *(Oct 1997)* | (Oct 2010) |
| 52.215-23\* | Limitation on Pass-Through Charges *(applies to Orders over the TINA threshold)* | (Oct 2009) |
| 52.219-8\* | Utilization of Small Business Concerns  *(applies to Orders over the SAT threshold except for personal services or performed entirely outside United States)* | (Nov 2016) |
| 52.219-9\* | Small Business Subcontracting Plan  *(applies to Orders over $700,000 except commercial items and small businesses)* | (Jan 2017) |
| 52.222-4\* | Contract Work Hours and Safety Standards Act – Overtime Compensation | (May 2014) |
| 52.222-19 | Child Labor – Cooperation with Authorities and Remedies  (*except paragraph (a)*) | (Oct 2016) |
| 52.222-21\* | Prohibition on Segregated Facilities | (Apr 2015) |
| 52.222-26\* | Equal Opportunity | (Sep 2016) |
| 52.222-35\* | Equal Opportunity for Veterans  *(applies to Orders of $100,000 or more)* | (Oct 2015) |
| 52.222-36\* | Affirmative Action for Workers with Disabilities  *(applies to Orders over $15,000)* | (Jul 2014) |
| 52.222-37\* | Employment Reports on Veterans  *(applies to Orders of $150,000 or more).* | (Feb 2016) |
| 52.222-40\* | Notification of Employee Rights Under the National Labor Relations Act | (Dec 2010) |
| 52.222-50\* | Combating Trafficking in Persons | (Mar 2015) |
| 52.222-54\* | Employment Eligibility Verification | (Oct 2015) |
| 52.222-60 | Paycheck Transparency (Executive Order 13673)*(applies to Orders over $500,000 except for COTS items)* | (Oct 2016) |
| 52.223-3 | Hazardous Material Identification and Material Safety Data | (Jan 1997) |
| 52.223-11 | Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons | (Jun 2016) |
| 52.223-12 | Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners | (Jun 2016) |
| 52.223-17 | Affirmative Procurement of EPA-Designated Items in Service and Construction Contracts | (May 2008) |
| 52.223-18\* | Encouraging Contractor Policies to Ban Text Messaging While Driving | (Aug 2011) |
| 52.225-13\* | Restrictions on Certain Foreign Purchases | (Jun 2008) |
| 52.227-1\* | Authorization and Consent  (*applies to Orders over SAT; Alt I applies to Research and Development Orders; Alt II applies to communication services)* | (Dec 2007) |
| 52.227-2\* | Notice and Assistance Regarding Patent and Copyright Infringement  *(applies to Orders over the SAT threshold)* | (Dec 2007) |
| 52.227-10\* | Filing of Patent Applications – Classified Subject Matter  *( applies to Orders that cover classified subject matters)* | (Dec 2007) |
| 52.230-2\* | Cost Accounting Standards (CAS)  *(applies to negotiated Orders over $750,000 with CAS covered Sellers, except paragraph “(b)”)* | (Oct 2015) |
| 52.230-6 | Administration of Cost Accounting Standards  *(applies to Orders over $750,000 with CAS covered sellers)* | (Jun 2010) |
| 52.232-17 | Interest | (May 2014) |
| 52.232-39 | Unenforceability of Unauthorized Obligations | (Jun 2013) |
| 52.232-40\* | Providing Accelerated Payments to Small Business Subcontractors (*applies to Orders issued to small business concerns)* | (Dec 2013) |
| 52.234-1\* | Industrial Resources Developed Under Defense Production Act Title III | (Sep 2016) |
| 52.242-3 | Penalties for Unallowable Costs (*applicable to cost-reimbursement Orders only)* | (May 2014) |
| 52.242-15 | Stop Work Order – Alternate I (Apr 1984) | (Aug 1989) |
| 52.244-6\* | Subcontracts for Commercial Items | (Jan 2017) |
| 52.245-1 | Government Property  (*excluding any warranty of suitability/serviceability contained in para. (d)(2) and (d)(2)(iii)*) | (Jan 2017) |
| 52.247-63\* | Preference for U.S. Flag Air Carriers | (Jun 2003) |
| 52.248-1\* | Value Engineering  *(applies to Orders of $150,000 or more except as specified in FAR 48.201(a))*  *(substitute “Buyer” for “Contracting Officer” and “Government” throughout, except where used in the term “Government costs” and in paragraph (m) where “Govern­ment” shall mean “Government and/or Buyer.”* ) | (Oct 2010) |
|  |  |  |
| **DFARS** | **Defense Federal Acquisition Regulation Supplement** |  |
| 252.203-7001\* | Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (*applies to Orders over the SAT threshold except commercial items*) | (Dec 2008) |
| 252.203-7002\* | Requirement to Inform Employees of Whistleblower Rights | (Sep 2013) |
| 252.203-7003 | Agency Office of the Inspector General | (Dec 2012) |
| 252.203-7004\* | Display of Fraud Hotline Posters(s)  (*applies to Orders over $5,000,000*) | (Oct 2016) |
| 252.204-7000\* | Disclosure of Information | (Oct 2016) |
| 252.204-7012\* | Safeguarding Covered Defense Information and Cyber Incident Reporting | (Oct 2016) |
| 252.204-7015\* | Disclosure of Information to Litigation Support Contractors | (May 2016) |
| 252.211-7000\* | Acquisition Streamlining (*applies to Orders over $1,500,000*) | (Oct 2010) |
| 252.211-7003\* | Item Identification and Valuation (*applies to Orders when any item is listed as requiring unique item identification*) | (Mar 2016) |
| 252.211-7007 | Reporting of Government-Furnished Property | (Aug 2012) |
| 252.215-7000 | Pricing Adjustments  (*applies when it is contemplated that Cost or Pricing Data will be required*) | (Dec 2012) |
| 252.219-7003 | Small Business Subcontracting Plan (DoD Contracts)  (*supplements FAR 52.219-9 above)(applies to Orders over $700,000)* | (Aug 2016) |
| 252.222-7006 | Restrictions on the use of Mandatory Arbitration Agreements (*applies to Orders over $1,000,000, except commercial items)* | (Dec 2010) |
| 252.223-7002 | Safety Precautions For Ammunition And Explosives *(applies to Orders that involve ammunition or explosives)* | (May 1994) |
| 252.223-7008\* | Prohibition of Hexavalent Chromium | (Jun 2013) |
| 252.225-7001 | Buy American and Balance of Payments Program – Basic (Dec 2016) | (Dec 2016) |
| 252.225-7002 | Qualifying Country Sources as Subcontractors | (Dec 2016) |
| 252.225-7004 | Report of Intended Contract Performance Outside the United States and Canada – Submission After Award (*applies to Orders over $650,000 and could be performed in United States or Canada*) | (Oct 2015) |
| 252.225-7007\* | Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies | (Sep 2006) |
| 252.225-7008 | Restriction on Acquisition of Specialty metals | (Mar 2013) |
| 252.225-7009\* | Restriction on Acquisition of Certain Articles Containing Specialty Metals  *(except paragraph (d) and (e)(1); Sellers utilizing the minimal content exception in paragraph (c)(6) shall submit a “Good Faith Estimate” on a form designated by Buyer)* | (Oct 2014) |
| 252.225-7012 | Preference for Certain Domestic Commodities  (*applies to Orders over the SAT threshold*) | (Dec 2016) |
| 252.225-7013\* | Duty-Free Entry -- Basic (May 20160 | (May 2016) |
| 252.225-7015 | Restriction on Acquisition of Hand or Measuring Tools | (Jun 2005) |
| 252.225-7016 | Restriction on Acquisition of Ball And Roller Bearings  (*commercial items and items not containing ball or roller bearings are exempt*) | (Jun 2011) |
| 252.225-7019\* | Restriction on Acquisition of Anchor and Mooring Chain  (*applies to items containing welded shipboard anchor and mooring chain, four inches or less in diameter*) | (Dec 2009) |
| 252.225-7021 | Trade Agreements – Basic | (Dec 2016) |
| 252.225-7025\* | Restriction on Acquisition of Forgings  (*applies to forged items or items containing forged items*) | (Dec 2009) |
| 252.225-7033\* | Waiver of United Kingdom Levies | (Apr 2003) |
| 252.225-7038 | Restriction on Acquisition of Air Circuit Breakers  (*applies to Orders over the SAT*) | (Jun 2005) |
| 252.225-7048\* | Export-Controlled Items | (Jun 2013) |
| 252.226-7001\* | Utilization of Indian Organizations, Indian-Owned Economic Enterprises and Native Hawaiian Small Business Concerns  (*applies to Orders exceeding $500,000*) | (Sep 2004) |
| 252.227-7013\* | Rights in Technical Data – Noncommercial Items and Alt II (Mar 2011) | (Feb 2014) |
| 252.227-7014\* | Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation | (Feb 2014) |
| 252.227-7015\* | Technical Data–Commercial Items and Alt I (Dec 2011) | (Feb 2014) |
| 252.227-7016\* | Rights in Bid or Proposal Information | (Jan 2011) |
| 252.227-7019\* | Validation of Asserted Restrictions – Computer Software  (*applies to Orders that will be furnishing computer software during performance of Order*) | (Sep 2016) |
| 252.227-7025 | Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends | (May 2013) |
| 252.227-7027 | Deferred Ordering of Technical Data or Computer Software | (Apr 1988) |
| 252.227-7037\* | Validation of Restrictive Markings on Technical Data | (Sep 2016) |
| 252.229-7006 | Value Added Tax Exclusion (United Kingdom) | (Dec 2011) |
| 252.231-7000 | Supplemental Cost Principles | (Dec 1991) |
| 252.234-7004\* | Cost and Software Data Reporting System—Basic *(applies to Orders over $50 million)* | (Nov 2014) |
| 252.235-7003\* | Frequency Authorization *(applies to Orders requiring radio frequency authorization)* | (Mar 2014) |
| 252.239-7000 | Protection Against Compromising Emanations | (Jun 2004) |
| 252.239-7001 | Information Assurance Contractor Training and Certification | (Jan 2008) |
| 252.243-7001 | Pricing of Contract Modifications | (Dec 1991) |
| 252.243-7002 | Requests for Equitable Adjustment | (Dec 2012) |
| 252.244-7000\* | Subcontracts for Commercial Items (*supplements FAR 52.244-6*) | (Jun 2013) |
| 252.245-7001 | Tagging, Labeling, and Marking of Government-Furnished Property | (Apr 2012) |
| 252.245-7002 | Reporting Loss of Government Property  (*Seller shall forward the information required by the Clause to Buyer*) | (Apr 2012) |
| 252.245-7003 | Contractor Property Management System Administration | (Apr 2012) |
| 252.245-7004 | Reporting, Reutilization, and Disposal  *(Seller shall provide inventory disposal schedules to Buyer)* | (Sep 2016) |
| 252.246-7001 | Warranty Of Data and Alt I (Mar 2014) | (Mar 2014) |
| 252.246-7003\* | Notification of Potential Safety Issues  (*applies to Orders that Items are identified as: (i) critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system*) | (Jun 2013) |
| 252.246-7007\* | Contractor Counterfeit Electronic Part Detection and Avoidance System | (Aug 2016) |
| 252.246-7008\* | Sources of Electronic Parts | (Oct 2016) |
| 252.247-7023\* | Transportation of Supplies By Sea  (*applies to Orders over the SAT; below the SAT only paragraphs (a) through (e), and (h), apply*) | (Apr 2014) |
| 252.247-7024\* | Notification of Transportation of Supplies By Sea  (*applies to Orders for noncommercial items*) | (Mar 2000) |
| 252.249-7002 | Notification of Anticipated Contract Termination or Reduction  (*applies to Orders at $700,000 or more when Seller is first-tier subcontractor or $150,000 or more for lower-tier subcontractors*) | (Oct 2015) |

\* Denotes mandatory flow down where applicable.