

**STANDARD PURCHASE ORDER/CONTRACT TERMS AND CONDITIONS**

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**1. Offer and Acceptance.** This Purchase Order/Contract constitutes an offer by A-Tech Corporation, *d.b.a.* Applied Technology Associates (ATA) to purchase Goods (the “Goods”) or services (the “Services”) from the supplier (the “Seller”). If Seller accepts this offer, ATA and Seller will have formed a contract (the “Agreement”) on the terms and conditions set forth below. Seller may accept this Purchase Order/Contract either by giving ATA written notice of Seller’s acceptance or by beginning performance of Seller’s obligations under this Purchase Order/Contract. ATA hereby limits acceptance of this offer to the terms and conditions contained in this Purchase Order/Contract, and ATA hereby gives notice of objection to and rejection of any terms and conditions which add to or differ from those set forth in this Purchase Order/Contract. Any changes or exceptions to these terms and conditions must be expressly accepted in writing by the cognizant ATA Supply Chain Manager, Subcontract Administrator or Buyer identified elsewhere in this Purchase Order/Contract.

**2. Prices.** ATA will not pay prices for the Goods higher than those stated on the Purchase Order/Contract. If Seller makes any price reductions after the date of this Purchase Order/Contract but prior to the payment date, such price reductions will be applicable to this Purchase Order/Contract. Seller warrants that the prices of the Goods covered by this Purchase Order/Contract are not in excess of the Seller’s lowest prices in effect on the date of this Purchase Order/Contract for comparable quantities of similar Goods.

**3. Delivery.** ATA will not be obligated to accept substitutions, untimely deliveries, deliveries in quantities other than those ordered by ATA or deliveries of Goods failing to conform to Seller’s warranties contained elsewhere in this Purchase Order/Contract. Time is of the essence in this Purchase Order/Contract. Acceptance by ATA whether of substitutions, late deliveries, partial deliveries or deliveries of non-conforming Goods shall not waive the delivery schedule set forth in this Purchase Order/Contract. Seller will immediately give written notice to ATA of any actual or potential cause or event which threatens the timely performance of this Purchase Order/Contract. Unless otherwise specified in this Purchase Order/Contract (or sale is other than Free on Board (FOB) Destination), then Seller will retain the risk of loss or damage in transit until Goods are actually delivered to ATA. Freight charges will be addressed in the Purchase Order regardless of the FOB. If Goods are not shipped in accordance with ATA’s direction, Seller shall pay to ATA any excess cost occasioned thereby. Seller shall be responsible for ensuring the proper packaging of Goods hereunder. Seller shall not charge for packing, crating, freight, local cartage, and/or any other services unless so specified in the Purchase Order/Contract.

Purchase Order number(s) and the relevant line item number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, air waybills, and invoices.

On-time performance is a material condition of this Purchase Order/Contract and failure to perform according to the delivery schedule in this Purchase Order, if unexcused, shall be considered a material breach. Acceptance of late deliveries shall not constitute waiver of this provision. ATA may refuse or return, at Seller’s risk and expense, shipments made in excess of this Purchase Order or in advance of required schedules. ATA may defer payment on advance deliveries until scheduled delivery dates.

Seller shall notify ATA in writing immediately of any actual or potential delay to the performance of this Purchase Order. Such notice shall include a proposed revised schedule, but such notice and proposal or ATA’s receipt or acceptance thereof, shall not constitute a waiver of ATA’s rights and remedies hereunder.

During performance of this Purchase Order, Seller shall notify ATA of any planned obsolescence of the goods set out in this Purchase Order.

**4. Inspection.** Final inspection and acceptance of Goods and services shall be made by ATA, after delivery at destination unless otherwise expressly indicated in this Purchase Order/Contract, and shall be conclusive except as regards latent defects, fraud, such gross mistakes as amount to fraud, and the Seller's warranty obligations.

Any Goods purchased hereunder shall be subject to inspection and tests by ATA to the extent practicable at all times and places, including the period of manufacture and in any event, prior to acceptance. If ATA makes any inspection or test on the premises of the Seller, the Seller shall, without additional charge, provide all reasonable facilities and assistance for the safety and convenience of ATA's inspectors in the performance of their duties. All inspections and tests shall be performed in such manner as not to unduly delay the work. No inspection or test made prior to final inspection and acceptance shall relieve the Seller from responsibility for defects or other failures to meet the requirements of this Purchase Order/Contract.

In the event any Goods are defective in materials or workmanship, or otherwise not in conformity with the requirements of this Purchase Order/Contract, ATA shall have the right either to reject the Goods, require correction, or accept the Goods with an equitable adjustment in price. Any Goods that have been rejected or require correction shall be promptly removed and corrected, or replaced by at the expense of the Seller, promptly after notice. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or re-inspection by ATA shall be at Seller's expense. If, after notification by ATA, Seller fails promptly to replace or correct any defective Goods, ATA may replace or correct such Goods and charge Seller the cost for such replacement or correction, or without further notice, terminate the Purchase Order/Contract for default according to the clause hereof entitled, "Default."

Neither ATA's inspection nor ATA's failure to inspect shall relieve Seller of any responsibility to perform according to the terms of this Purchase Order. Notwithstanding any other provision of the Purchase Order, the risk of loss of, or damage to, non-conforming goods remains with Seller until cure or acceptance.

The Seller shall provide and maintain an inspection system according to sound business practice and as otherwise provided in the Purchase Order/Contract. Records of any inspection work by the Seller shall be kept complete and available to ATA during the performance of this Purchase Order/Contract and for such longer periods, and in such manner as may be specified elsewhere in this Purchase Order/Contract.

**5. Invoices.** Unless other payment provisions are specified elsewhere in this Purchase Order/Contract, payment shall be made upon the later of (i) final acceptance by ATA of the Goods, and (ii) submission by Seller of a proper invoice. Payment for Goods does not constitute acceptance. ATA will take advantage of any discounts incorporated elsewhere in this Purchase Order/Contract, or found on individual invoices,

whichever discount is more favorable to ATA. Delays in receiving invoice(s), errors or omissions on invoice(s), or lack of supporting documentation required by the terms of this Purchase Order/Contract, will be cause for ATA to withhold payment without losing discount privileges. ATA may make adjustments to amounts invoiced by Seller for shortages, rejection, or other failure to comply with the provisions of this Purchase Order/Contract. ATA will notify Seller of any such adjustments. Unless specified elsewhere in this Purchase Order/Contract, Seller shall furnish a separate invoice for each shipment of Goods or major increment of service rendered. Invoices must contain the following information:

- Seller's name;
- Invoice number and date;
- Purchase Order/Contract number, line item number, description of the Goods or Services, quantity, unit of measure, unit price, and extended total; and
- Name and address for remittent of payment.

By virtue of its submission to ATA, each invoice or claim from Seller shall be deemed to include a warranty by Seller that all amounts claimed by Seller are due and proper. ATA shall have the right to audit, or if the Seller has objections, ATA will request to have Defense Contract Audit Agency (DCAA) or Defense Contract Management Agency (DCMA) audit such claim or invoice and any books, documents or records of Seller that involve transactions relating to, or which form the basis of, said invoice or claim. In addition to any other rights ATA may have under this Purchase Order/Contract, ATA shall have a right of action against Seller for any breach of such warranty. Upon request by ATA, Seller shall provide written certification of Seller's invoices or claims in such terms, and with such signatures, as ATA may prescribe, and ATA may ignore any invoice or claim not so certified. Seller shall ensure that each of Seller's Sellers at all tiers are bound by the same obligations as are imposed on Seller by this paragraph.

**6. Warranties.** In addition to all statutory warranties, express or implied, Seller warrants that all Goods or services furnished hereunder will be free from defects in design, materials and workmanship, will be merchantable, and will conform to all specifications and other requirements applicable to this Purchase Order/Contract. Seller also warrants that Seller has complied, and will comply with all federal, state, and local laws, regulations and directives that may relate to this Purchase Order/Contract. Seller further warrants that all certifications offered by Seller are authentic, that Seller has not violated any applicable Federal Acquisition Regulations (FARs) and that all cost and pricing data supplied by Seller are complete. These warranties will survive acceptance, payment and subsequent use and/or resale of any Goods by ATA.

These warranty entitlements shall inure to the benefit of both ATA and ATA's customers.

**7. Risk of Loss.** Notwithstanding any term of this Purchase Order/Contract, or any inference there from, the risk for any loss of or damage to or destruction of Goods described in this Purchase Order/Contract shall be borne by Seller at all times until the Goods are received and accepted by ATA. Title to the Goods passes to ATA upon final acceptance after inspection and delivery.

**8. Insurance Requirements.** Seller agrees that any services to be rendered or Goods to be furnished by Seller under this Purchase Order/Contract shall be rendered or furnished as an independent contractor, and Seller shall be solely responsible for the safe conduct of the performance under this Purchase Order/Contract and for the protection of all persons, premises or facilities involved in said performance. Seller shall provide all safeguards and take all necessary precautions to prevent the occurrence of any accident, injury, death or loss to any person or property in the performance of this Purchase Order/Contract, whether on Seller's property, ATA's property or elsewhere. All performance under this Purchase Order/Contract by Seller is at Seller's risk as to the methods, processes, procedures, and safe conduct of the work. Seller will indemnify and defend ATA and hold ATA harmless from and against any and all losses, liabilities, claims, demands, suits, actions, proceedings and subrogation's arising from or relating to the performance of Seller's work. Before performing any work on ATA's premises or ATA's customers premises, Seller will obtain (and thereafter maintain) the following insurance, (a) Workers' Compensation and Employer's Liability Insurance in the amount of \$500,000 or the minimum limits required by law, whichever is greater, with waiver of subrogation in favor of ATA, (b) General Liability Insurance (including contractual, products and completed operations coverage) with bodily injury limits of at least \$1,000,000 per occurrence and \$1,000,000 annual aggregate and with property damage limits of \$1,000,000 per occurrence, and (c) Automobile Liability Insurance with bodily injury limits of at least \$1,000,000 for any injuries to any person, \$1,000,000 for any one accident involving two or more persons, and property damage of not less than \$1,000,000 per accident. Seller will assure that all of the foregoing insurance will identify ATA as a certificate holder and additional named insured, and Seller will provide a certificate of insurance upon request evidencing such coverage. Such insurances shall be primary to any other insurance maintained by ATA. Seller will also assure that all certificates must provide ten (10) days' notice to ATA prior to cancellation or alteration of the insurance.

**9. Changes.** ATA may at any time by written notice suspend or stop work or make changes within the general scope of this Purchase Order/Contract in any one or more of the following, (1) description of services, (2) time of performance, (3) place of performance, (4) drawings, (5) designs, (6) specifications, (7) method of shipping or packing, (8) place of inspection, delivery or acceptance, (9) quantities, and (10) schedules. Seller shall proceed immediately to perform this Purchase Order/Contract as changed. If any such change causes an increase or decrease in the cost of, or time required for performance of any part of the work under this Purchase Order/Contract an equitable adjustment in the Purchase Order/Contract price and/or delivery schedule will be made after an acceptable change proposal is received and negotiated by ATA. Any claim for adjustment under this clause will be deemed to be waived unless asserted in writing (including the

amount of the claim) and delivered to ATA within twenty (20) days from the date of receipt of Seller of the change order or written notice or within such further time as may be agreed upon by the parties.

ATA shall have the right by written notice to suspend or stop work or to make changes from time to time in the services or the goods to be furnished by Seller or to the delivery schedule.

**10. Export Related Requirements:**

a. Export Compliance. Seller hereby certifies that, in connection with the performance of this Purchase Order, it will comply with U.S. export and import control laws and regulations, including but not limited to the International Traffic in Arms Regulations (ITAR) (22 CFR 120 et seq.), the Export Administration Regulations (EAR) (15 CFR Part 730-774), the regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) (31 CFR Part 500-598), the regulations administered by the U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) found in [27 CFR, Chapter II](#), and all other applicable U.S. Government regulations relating to the importation of goods into the United States (including, but not limited to, the regulations administered by U.S. Customs and Border Protection (CBP) at [19 CFR 0](#) et seq. and other import regulations promulgated by other U.S. agencies which may be enforced by CBP) (collectively "U.S. export and import control laws and regulations"). If Seller engages in the United States in the business of either manufacturing, exporting, or brokering in ITAR-controlled defense articles or furnishing ITAR-controlled defense services, Seller hereby certifies that it is currently registered with the U.S. Department of State Directorate of Defense Trade Controls (DDTC).

Seller shall ensure that any disclosure, export, re-export, transfer and retransfer of, and access to, any hardware, software, controlled technical data, technology, and/or services (collectively referred to as "items") received under this Purchase Order is undertaken in accordance with U.S. export control laws and regulations. Seller agrees that no items controlled under U.S. export and import laws and regulations and provided by ATA in connection with this Purchase Order shall be provided to any person or entity, including non-U.S. person employees, subsidiaries, or affiliates, unless the transfer is expressly permitted by a U.S. Government license or other authorization, or is otherwise in accordance with applicable laws and regulations.

This Paragraph applies only in circumstances in which Seller or its sub-tier supplier is either the design authority or the exporter for a deliverable under this Purchase Order. Seller shall notify ATA if any deliverable under this Purchase Order is subject to U.S. export and import control laws and regulations described in Paragraph 23(a). Before providing ATA any deliverable subject to the EAR or the ITAR, Seller shall provide in writing to the ATA's Procurement Representative the export jurisdiction and classification of any such item or controlled data. After this initial disclosure, Seller shall timely notify the ATA's Procurement Representative in writing of any changes to the export jurisdiction and classification of the item or controlled data.



Seller hereby warrants that neither Seller, nor any immediate or ultimate parent, majority shareholder, subsidiary, affiliate, or lower-tier subcontractor is listed on any [Restricted Party List](#) of an agency of the U.S. Government, any applicable non-U.S. Government or international organization, or any applicable state, local government, or municipality, nor are their export privileges denied, suspended or revoked. For purposes of this provision, “Restricted Party List” is defined to include lists administered by the U.S. Departments of State, Commerce, and Treasury (e.g., Specially Designated Nationals List) or other U.S. government agency and other similar lists that relate to export controls, economic sanctions, or anti-corruption. Seller shall immediately notify ATA if Seller, or any immediate or ultimate parent, majority shareholder, subsidiary, affiliate, or lower-tier subcontractor is added to any such Restricted Party List or if any of their export privileges become denied, suspended, or revoked. Seller shall not deal with any Restricted Party in relation to this Purchase Order.

Seller shall promptly notify ATA of any known or suspected violation of export or import control laws or regulations, or the initiation or existence of any U.S. Government investigation into same. Seller shall comply with requests from ATA for additional information regarding any changed circumstance, known or suspected violation, or U.S. Government investigation.

Seller shall indemnify ATA for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by ATA in connection with any violations of non-U.S. or U.S. export or import control laws and regulations, by Seller, its officers, employees, agents, suppliers, or subcontractors at any tier

b. Foreign Personnel. Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of ATA. Any request for such consent must state the intended recipient’s citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the “Immigration and Naturalization Act”), and such other information as ATA may reasonably request. No consent granted by ATA in response to Seller’s request under this paragraph b shall relieve Seller of its obligations to comply with the provisions of this Clause No. 10 or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph a, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.

c. Indemnification. Seller shall indemnify and hold harmless ATA from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys’ fees, arising out of claims, suit, allegations or charges of Seller’s failure to comply with the provisions of this Clause No. 10 and breach of the warranty set forth in paragraph a. Any failure of Seller to comply with the requirements or any breach of the

warranty contained in this Clause No. 10 shall be a material breach of this Purchase Order/Contract.

d. Subcontracts. The substance of this Clause No. 10 shall be incorporated into any subcontract entered into by the Seller for the performance of any part of the work under this Purchase Order/Contract.

**11. Disputes.** In the event a dispute should arise between ATA and Seller regarding the terms or the interpretation of this Agreement, Seller agrees to continue to perform under the terms of this agreement to the best of its ability during the period of the dispute. If a dispute arises under this agreement that is not settled promptly in the ordinary course of business, the parties shall seek to resolve any such dispute between them by negotiating at a senior management level promptly with each other in good faith negotiations. This Agreement shall be governed by the laws of the state of New Mexico without resort to said state’s conflict of laws rules. Any documents filed in a court in relation to this Agreement shall be filed in the Second Judicial District Court in Bernalillo County, New Mexico. However, any provision in this Purchase Order that is: (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR) or; (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the United States Government.

**12. Indemnification.** Seller shall protect, defend, indemnify and hold harmless ATA, its subsidiaries, affiliates and their agents, employees, officers and directors from and against any and all claims, suits, allegations, judgments, actions, liabilities, losses, damages, penalties, fines, costs and expenses, including property damage or environmental pollution, (the “Loss”) resulting from any and all acts of Seller or its employees in the performance or non-performance of this Agreement, including without limitation, improper or defective design, manufacture, material or workmanship in Goods purchased from Seller, or Seller’s failure to comply with applicable FARs. ATA shall promptly notify Seller of the Loss. ATA shall cooperate in, but not be responsible for paying for, any investigation and defense relating to the Loss. Should Seller fail to assume its obligation hereunder, ATA shall have the right, but not the obligation, to defend itself and to thereafter require from Seller reimbursement and indemnification for any and all costs and expenses, including attorney’s fees paid by ATA in connection therewith. Seller having insurance as required hereunder shall in no way be interpreted as relieving Seller of any responsibility under this section. This section shall survive termination, cancellation, or expiration of this Agreement.

**Patent and Copyright Indemnity:** If ATA receives a claim that the Goods or any part thereof manufactured by Seller infringes a U.S. patent, ATA shall notify Seller promptly in writing and give Seller information, assistance, and exclusive authority to evaluate, defend and settle such claim. Seller shall then, at its own expense and option, (i) settle such claim, or (ii) procure for ATA the right to use the Goods, or (iii) replace or modify the Goods to avoid infringement, or (iv) remove the Goods and refund the purchase price (including transportation costs) less a reasonable amount for usage, or (v) defend against the infringing claim. If a court of competent jurisdiction subsequently holds the Goods to be infringing, the Seller shall pay any costs and damages finally awarded by reason of such infringement, and if the use of the Goods is enjoined, the Seller shall take, at its option, one or more of the actions described in (ii), (iii), (iv), or (v) above.

**13. Confidentiality.** This document and any material transmitted herewith may contain information proprietary to ATA, its subsidiaries or affiliates and such information is not to be used by the recipient for any purpose other than the purpose for which it was transmitted. The information shall be maintained in confidence and not disclosed to third parties without the written consent of ATA. Seller will execute a confidentiality or non-disclosure agreement as required by ATA.

**14. Independent Contractor.** Seller is an independent contractor. All individuals that Seller assigns to perform services are Seller's employees or subcontractors. Nothing in this Agreement, and no conduct, communication, trade practice or course of dealing shall be interpreted or deemed to create any partnership, joint venture, agency, or fiduciary relationship between the parties or their subsidiaries or affiliates.

**15. No Solicitation.** During the period that this Agreement is in force and throughout the period of performance of any resultant contract or subcontract arrangements, including extensions or modifications thereto, and for one (1) year after termination of this Agreement, the parties hereto agree that neither shall directly solicit the other party's technical employees for employment without the prior written agreement of the party whose employee is being solicited for employment. This restriction shall not be deemed to include the placement of advertisements in newspapers or trade publications addressed to the general public, or to employees of the parties seeking employment on their own accord.

**16. Assignment.** This Purchase Order/Contract may not be assigned and Seller may not delegate any performance, duty or other obligation of Seller without the prior written consent of ATA. ATA may assign this Purchase Order to (i) any affiliated company, (ii) any successor in interest, or (iii) ATA's customer. Additionally, Seller shall not change the place of performance under this Purchase Order without ATA's prior written consent.

Seller shall promptly notify ATA in writing of any Seller name or ownership changes, or mergers or acquisitions.

**17. No Waiver/Severability.** No modification, change, or waiver of any provision hereof will be effective for any purpose unless such modification, change, or waiver is specifically authorized by an ATA Supply Chain/Procurement Representative. No waiver of any right or remedy in respect to any occurrence or event on one occasion will be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion. Invalidity of any part of this Purchase Order/Contract shall not affect the validity of any other part of this Purchase Order/Contract.

**18. Offsets.** Seller agrees to identify and retain for ATA's use any rights to offset credits generated by its suppliers and subcontractors arising out of or resulting from this Purchase Order/Contract. Seller shall provide a copy of each purchase order or subcontract placed with a foreign source under this Purchase Order/Contract in support of ATA's rights to offset credit. Seller shall execute all necessary documents to evidence ATA's right to use or assign any offset credits. ATA reserves the right to assign offset credits generated through Seller's efforts under this Purchase Order/Contract to third parties. Seller shall include the substance of this Section 18, in favor of ATA, in its subcontracts issued at all tiers pursuant to this Purchase Order/Contract.

**19. Limitation of Obligation.** The total maximum liability of ATA under this Agreement for all charges incurred by and payable to Seller shall not exceed the value issued to Seller under this Agreement.

**20. Force Majeure.** Except for a default of the Seller's subcontractor at any tier, neither ATA nor the Seller shall be liable for failure or delay in performance resulting from, directly or indirectly, any cause or circumstance beyond its reasonable control and without their fault of negligence. Such causes or circumstances shall include, without limitation, acts of God of the public enemy, acts or orders of the government in its sovereign or contractual capacity (including acts of government related to economic sanctions and embargoes), fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that causes of the type described above ("Force Majeure") adversely affect performance of this Purchase Order/Contract, the Party whose performance is so affected shall so notify the other Party's authorized representative in writing. ATA may reasonably adjust the delivery schedule due to the existence of a Force Majeure.

**21. Rights and Remedies.** The rights and remedies of ATA provided in these terms and conditions are cumulative, and are in addition to any other rights and remedies that ATA may have at law or in equity. **IN NO EVENT SHALL ATA BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS).**

Failure of either Party to enforce any of its rights shall not constitute a waiver of such rights or of any other rights and shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.

**22. Stop Work.** ATA may, at any time, by written order to the Seller, require the Seller to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Seller, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, ATA shall either, (1) Cancel the stop-work order, or (2) Terminate the work covered by the order as provided in the Default, or the Cancellation/Partial Termination clause of this contract.

If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Seller shall resume work. ATA shall make an equitable adjustment in the delivery schedule or contract price, or both, and the contract shall be modified, in writing, accordingly, if, (1) The stop-work order results in an increase in the time required for, or in the Seller's cost properly allocable to, the performance of any part of this contract, and (2) The Seller asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if ATA decides the facts justify the action, ATA may receive and act upon the claim submitted at any time before final payment under this contract.

If a stop-work order is not canceled and the work covered by the order is terminated for convenience, ATA shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

If a stop-work order is not canceled and the work covered by the order is terminated for default, ATA shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

**23. Default.** ATA may, by written notice of default to the Seller, terminate this Purchase Order/Contract or any part thereof if the Seller fails, (1) to deliver the Goods according to the delivery schedule specified herein, or any extension thereof by Change Order or written amendment, (2) to replace or correct defective Goods according to the "Inspection" clause, or (3) to perform any of the other provisions of this Purchase Order/Contract or fails to make progress as to endanger performance of this Purchase Order/Contract according to its terms and in either of the circumstances specified does not correct such failure within a period of ten (10) days, or such longer period as ATA may authorize in writing, after receipt of notice from ATA specifying such failure.

In the event of termination pursuant to this clause, ATA may purchase similar Goods elsewhere on such terms and in such manner as ATA may deem appropriate, and the Seller shall be liable to ATA for any excess costs occasioned ATA thereby.

If, after notice of default under the provisions of (a) above, it is determined that if the failure to perform the Purchase Order/Contract is due to unforeseeable causes beyond the control and without the fault or negligence of the Seller, said notice shall be deemed to have been issued pursuant to the clause entitled "Cancellation/Partial Termination" (as applicable) and the rights and obligations of the parties hereto shall be governed by that clause.

Failure of ATA to enforce any right under this clause shall not be deemed a waiver of any right hereunder. The rights and remedies of ATA under this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Purchase Order/Contract.

Acts of Insolvency: ATA may terminate this Purchase Order/Contract by written notice to Seller, if Seller becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or has wound up or liquidated, voluntarily or otherwise.

#### **24. Termination.**

Termination for Convenience:

- i. ATA, by written notice, may terminate this Purchase Order/Contract for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller shall perform the non-terminated balance of work under the Purchase Order/Contract.
- ii. If ATA terminates for convenience, Seller shall be reimbursed for actual, reasonable, substantiated, and allocable costs, plus a reasonable profit for work performed to date of termination provided Seller submits its termination settlement proposal to ATA promptly, but no later than ninety (90) days from the effective date of the termination. In no event shall the amount of any settlement be in excess of the Purchase Order/Contract value. ATA may take immediate possession of all goods, complete or incomplete, and all products resulting from services upon written notice of termination to Seller.

Termination for Default:

- i. ATA may, after providing Seller with ten (10) calendar days written notice, and upon Seller's failure to cure such default in that ten (10) day period ("Cure Period"), terminate this Purchase Order in whole or in part at any time by notice in writing for (i) breach of any one or more of its terms, (ii) failure to deliver goods or services within the time specified by this Purchase Order or any written extension, (iii) failure to make progress so as to endanger performance of this Purchase Order, or (iv) failure to provide adequate assurance of future performance; provided, however, there shall be no Cure Period for default related to failure to meet the delivery schedule or for defaults incapable of cure.



- ii. To the extent allowed by law, ATA may also terminate this Purchase Order in whole or in part without a Cure Period in the event of Seller's suspension of business, insolvency, bankruptcy, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors (collectively hereinafter "Insolvency"). Seller agrees to provide detailed written notice to ATA within five (5) days of initiating such Insolvency proceedings. In the event of partial termination, Seller shall perform the non-terminated balance of work under the Purchase Order.
- iii. If this Purchase Order is terminated for default, ATA may by written notice require Seller to transfer title and deliver to ATA any, (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights that Seller has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction of ATA, Seller shall also protect and preserve property in its possession in which ATA has an interest. The Parties shall agree on the amount of payment for such deliveries and for the protection and preservation of the property above.

**27. Gratuities.** ATA employees are not permitted to accept gifts or gratuities from any supplier for themselves or for their families. ATA employees are not permitted to take advantage of their position to obtain discounts on procurement of articles for personal use. This is construed by ATA as a gratuity. Generally, however, it is permissible for employees to accept advertising novelties, provided that the item is of no appreciable value to the employee and is widely distributed to others with essentially the same business relationship.

**26. DPAS:** (Clause is applicable only if Defense Priorities and Allocations System (DPAS) DO or DX rating is set forth elsewhere within this purchase order.) See CFR 700.

***Priority scheduling of production and delivery:*** Contractors and suppliers receiving DPAS-rated orders shall give the rated orders priority over other contracts as needed to meet delivery requirements (15 CFR 700.14).

***Priority ratings and symbols:*** A priority rating consists of the appropriate DO or DX rating symbol and a program identification symbol to indicate the authorized program [e.g., DO-A7]. All DO rated orders have equal priority with each other and take preference over unrated orders. All DX rated orders have equal priority with each other, unless accompanying instructions otherwise provide [a rarity], and take preference over DO rated and unrated orders.

A supplier must accept or reject a rated order in writing within 15 working days after receipt of a DO rated order and within 10 working days after receipt of a DX rated order. The supplier must give sanctioned reasons in writing for the rejection (15 CFR 700.13).

**27. Citizenship or Authorized Foreign National Requirement:** (Clause may be invoked in writing by ATA, (i) at any time within performance of this purchase order/contract, and (ii) without adjustment of any terms and conditions of this purchase order.) Persons assigned under this order to work in any of ATA's or U.S. Government facilities need to have original documents sufficient to establish identity and citizenship or authorized immigration status, and to present them upon initially reporting to work and when requested thereafter. For those individuals who are not U.S. citizens, one of the following must be provided:

- (1) Alien Registration Receipt Card (INS Form I-151) with photograph, (2) Resident Alien Card (INS Form I-551) with photograph, (3) Temporary Resident Card (INS Form I-688), (4) Employment Authorization Card (INS Form I-688-A), (5) Declaration of Intent to Become a Citizen (INS Form I-772), Unexpired Foreign Passport with either, (a) An unexpired stamp reading "Processed for I-661, Temporary Evidence of Lawful Admission for permanent residence. Valid until (with date inserted). Employment authorized," or (b) An attached Form I-94, bearing the same name as the passport, which contains a current employment authorization stamp, so long as the proposed employment does not conflict with any restrictions/limitations on the I-94, (6) Employment Authorization Document (INS Form I-688-B), or (7) Employment Authorization Document (INS Form I-766).

**28. Public Release/Dissemination of Information.** No news release, advertisement, or other disclosure relating to this Purchase Order/Contract shall be made without prior written approval. Further, Seller shall keep confidential all designs, processes, drawings, specifications, reports, ATA and other technical or proprietary information and other items furnished or disclosed to Seller by ATA in connection with this contract, unless otherwise provided herein or authorized by ATA in writing. Seller shall use such information and items, and the features thereof, only in the performance of this contract. Upon completion or termination of this Purchase Order/Contract, Seller shall return all such information and items to ATA or make such other disposition thereof as may be directed or approved by ATA.

**29. Taxes.** Unless prohibited by law, Seller shall pay and has included in the price of the Purchase Order/Contract any federal, state, or local tax, transportation tax, or other tax which is required to be imposed upon the Goods ordered hereunder, or by reason of their sale or delivery.

Seller's prices shall not include any duties, taxes, or fees for which ATA has furnished a valid exemption certificate or other evidence of exemption acceptable to the applicable government agency.

Seller shall separately state on Seller's invoice any applicable sales and use taxes in the price. Seller agrees to remit any taxes collected from ATA to the relevant tax authority.

Any refund, credit, or rebate of any import duties, taxes, or fees (including any drawback claim), in Seller's price to ATA, shall inure solely to ATA's benefit and shall be assigned to ATA. Seller shall reasonably assist ATA in ATA's effort to realize any such available amounts.

**30. Compliance with Laws.** In the performance of this Purchase Order/Contract Seller shall comply with all relevant federal, state and local safety laws, and all other applicable federal, state and local laws, regulations, rules and ordinances (collectively, “applicable laws”) including by not limited to:

1. All U.S. laws and regulations including:
  - i. The Fair Labor Standards Act (FLSA) of 1938, as amended, and the regulations and orders of the United States Department of Labor under the FLSA,
  - ii. The Occupational Safety and Health Act (OSHA) of 1970, as amended, and
  - iii. The U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations.
2. The laws and regulations of Seller’s place of performance,
3. The applicable domestic and international prohibitions on child labor, human trafficking, and slavery,
4. The United States Foreign Corrupt Practices Act (FCPA), 15 U.S.C. § 78 et seq., and other Anti-Corruption Requirements as defined in paragraph 19(b), below, and
5. The Anti-Kickback Act of 1986.

**Anti-Corruption Requirements:**

1. Seller acknowledges that its actions may subject it and ATA to liability under the FCPA, the anti-corruption laws, regulations, and policies of the home country of any supplier to this Purchase Order, the United States of America, and/or the anti-corruption laws, regulations, and policies of any other country with jurisdiction over the activities performed pursuant to this Purchase Order (together and individually hereinafter referred to as the “Anti-Corruption Requirements”). Seller acknowledges that it is familiar with the prohibitions under, and the requirements of, the Anti-Corruption Requirements.
2. Neither Seller nor any of its principals, consultants, subcontractors, shareholders, directors, officers, employees, or agents has performed or will perform any act which ATA could reasonably believe would constitute a violation of the Anti-Corruption Requirements or which ATA could reasonably believe would cause ATA to be in violation of the Anti-Corruption Requirements, or present a credible risk, as determined by ATA, of a violation of the Anti-Corruption Requirements.
3. If at any time Seller becomes aware of information or circumstances that suggest any of the provisions of this Section 31 may not be accurate, it shall notify ATA immediately in writing, but not more than seven (7) days after becoming aware of such circumstances.

4. No payment will be made hereunder to any person other than Seller, and no payment will be made to Seller under this Purchase Order other than the payment of the compensation in accordance with the terms hereof. Seller’s price quotations and invoice prices shall accurately and fairly reflect the commensurate value of the goods and services provided under this Purchase Order.
5. In connection with this Purchase Order, Seller shall maintain books, records, and accounts, which in reasonable detail, accurately and fairly reflect the transactions and asset dispositions of Seller and allow ATA to, (i) maintain accurate books and records, and (ii) comply with the requirements for internal management controls set forth in the Anti-Corruption Requirements as well as relevant U.S. laws and regulations.
6. Seller shall cooperate with, and provide assistance to, ATA in implementing adequate due diligence procedures in connection with the selection and retention of consultants and subcontractors by ATA or Seller.

Seller warrants that it and its officers, employees or representatives, (i) have complied with the Anti-Kickback Act of 1986 and has not offered or given and will not offer or give to any employee, agent, or representative of ATA any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1986, and (ii) have not, for the purpose of improperly obtaining or rewarding favorable treatment in connection with the award of this Purchase Order to Seller from ATA, (1) provided, attempted to provide, or offered to provide any kickback, (2) solicited, accepted, or attempted to accept any kickback, or (3) included, directly or indirectly, the amount of any kickback prohibited by (1) or (2) of this Section in the price charged by Seller to ATA under this Purchase Order. Any breach of this warranty shall constitute a material breach of this Purchase Order. For purposes of this Section, the term “kickback” means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to ATA or ATA’s officers, employees or representatives, including any of their family members, subcontractors, or subcontractor employees, for the purpose of improperly obtaining or rewarding favorable treatment in connection with this Purchase Order. Any breach of this warranty shall be a material breach of each contract between ATA and Seller.

Seller agrees, upon request, to furnish ATA a certificate regarding compliance or compliance with applicable laws in such form as ATA may from time to time require. Seller agrees to indemnify and hold ATA harmless to the full extent of any loss, damage or expense (including attorneys’ fees) which ATA may incur as a result of Seller’s violation of any applicable laws.

Seller warrants that it has and shall maintain all registrations and licenses and shall obtain permits as required to perform the work hereunder.



**31. Order of Precedence.** In the event of a conflict between this Agreement and any other documents related thereto, the following order of precedence shall govern:

- a) The specific terms of this Agreement (Specified on the Purchase Order);
- b) ATA Standard Purchase Order Terms and Conditions
- c) ATA Supplemental Terms and Conditions (ATA-01);
- d) ATA Contract Specific Flow Downs
- e) A master schedule, statement of work or other document describing with particularity the items to be procured or the work to be performed, executed either contemporaneously with this Agreement or subsequently.

**32. Entire Agreement.** The terms and conditions set forth herein, including all specifications, drawings and other documents expressly referred to in this Purchase Order/Contract, contain the entire agreement of the parties and supersede all prior negotiations, agreements, understandings or arrangements between the parties with respect to the subject matter hereof. No modifications to this Agreement shall be binding upon the parties hereto or either party individually, unless such modification is in writing and duly signed by an authorized representative of the parties. Paragraph headings herein are for convenience only and shall not limit in any way the scope or interpretation of any provision of this Agreement.

## SUPPLEMENTAL TERMS AND CONDITIONS (ATA-01)

### Government Contract Provisions from the Federal Acquisition Regulation

The Federal Acquisition Regulation (FAR)/Department of Defense Federal Acquisition Regulation (DFAR) clauses identified herein below are hereby incorporated into this purchase order either, (i) in full text if shown, or (ii) by reference with full force and effect. The applicability and interpretation of each such clause are subject to any specific parenthetical statement following its title and setting forth conditions, requirements, and instructions for use of the clause. Upon request, the Buyer shall make available to the Seller the full text of any such referenced clause. Additionally, the full text of a FAR/DFAR provision or clause may be accessed electronically at these addresses:

- <http://farsite.hill.af.mil/>
- <https://www.acquisition.gov/browse/index/far>
- <http://www.acq.osd.mil/dpap/sitemap.html>

When the materials, parts, and products (“goods”) or services, including the products resulting from services hereby ordered are for use in connection with a United States Government (“Government”) prime contract or higher-tier subcontract, in addition to the Standard Purchase Order/Contract Terms and Conditions, the following ATA Supplemental Terms and Conditions FAR/DFAR provisions and clauses (ATA-01) shall apply, as required by the terms of the prime contract, or by operation of law or regulation. The effective version of each FAR/DFAR provision and clause shall be the same version as that which appears in Buyer’s prime contract, or higher-tier subcontract under which this Purchase Order is a subcontract. In the event of a conflict between these Supplemental Terms and Conditions FAR/DFAR provisions and clauses (ATA-01) and the Standard Purchase Order/Contract Terms and Conditions, the Supplemental Terms and Conditions FAR/DFAR provisions and clauses (ATA-01) shall control.

In all provisions and 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 the prime contract. 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 Purchase Order, and the term “Contract” shall mean this “Purchase Order.” For the avoidance of doubt, 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.

If any of the following FAR/DFAR provisions and clauses do not apply to this Purchase Order, such provisions and clauses are considered self-deleting. Seller shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable FAR/DFAR provisions and clauses in accordance with the flow down requirements specified in such clauses.

With respect to any applicable DFARS clauses incorporated into this Purchase Order relating to rights in non-commercial technical data and non-commercial computer software and non-commercial computer software documentation, the Seller grants to Buyer the right to use, disclose, modify, combine, integrate or make derivative works of any non-commercial technical data, non-commercial computer software and/or non-commercial computer software documentation delivered under this Purchase Order to the extent necessary, and for such period as is required, for Buyer to complete its performance under the Buyer’s U.S. Government programs.

**A. APPLICABLE TO PURCHASE ORDERS WITHOUT REGARD TO DOLLAR VALUE:**

1. **52.203-19** “Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements”
2. **52.204-2** “Security Requirements” (Applicable to Purchase Orders that involve access to classified information. Any reference to the Changes clause is excluded.)
3. **52.204-9** “Personal Identity Verification of Contractor Personnel” (Applicable to Purchase Orders when Seller’s employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.)
4. **52.204-21** “Basic Safeguarding of Covered Contractor Information Systems” (Applicable to Purchase Orders in which Seller may have Federal contract information residing in or transiting through its information system.)
5. **52.204-23** “Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities”
6. **52.204-25** “Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment”
7. **52.211-5** “Material Requirements”
8. **52.215-23** “Limitations on Pass-Through Charges” (Applicable to cost-reimbursement Purchase Orders that exceed the simplified acquisition threshold, except if the contract is with the Department of Defense (DoD), then this clause is applicable to all cost-reimbursement Purchase Orders and fixed-price Purchase Orders, except those identified in FAR15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.)
9. **52.219-8** “Utilization of Small Business Concerns” (Applicable to Purchase Orders (except to small business concerns) that offer further subcontracting opportunities.)
10. **52.222-4** “Contract Work Hours and Safety Standards – Overtime Compensation” (Applicable to Purchase Orders that require or involve the employment of laborers and mechanics.)
11. **52.222-21** “Prohibition of Segregated Facilities”
12. **52.222-26** “Equal Opportunity” (Applicable to Purchase Orders that are not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended.)
13. **52.222-41** “Service Contract Labor Standards” (Applicable to Purchase Orders that are subject to the Service Contract Labor Standards statute.)
14. **52.222-50** “Combating Trafficking in Persons”
15. **52.222-54** “Employment Eligibility Verification” (Applicable to Purchase Orders for, (i) for construction or commercial or non-commercial services (except commercial services that are part of a purchase of a commercial off-the-shelf (COTS) item or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item), (ii) has a value more than \$3,500 or the dollar threshold in effect as of the date of the prime contract, and (iii) includes work performed in the United States.)
16. **52.222-55** “Minimum Wages Under Executive Order 13658” (Applicable to Purchase Orders regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.)
17. **52.222-62** “Paid Sick Leave Under Executive Order 13706” (Applicable to Purchase Orders that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute and are to be performed in whole or in part in the United States.)
18. **52.223-3** “Hazardous Material Identification and Material Safety Data” (Applicable to Purchase Orders that require the delivery of hazardous materials as defined in FAR 23.301. “Government” means “Government and Buyer” in this clause.)
19. **52.223-7** “Notice of Radioactive Materials” (Seller shall notify Buyer if any goods under this Purchase Order contain any of the material as described in the clause. Insert 45 days in the blank in paragraph (a) of the clause unless otherwise indicated in the Purchase Order.)
20. **52.223-11** “Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons” (Seller shall label products which contain or are manufactured with ozone-depleting substances as described in the clause.)



21. **52.224-3** “Privacy Training” (Applicable to Purchase Orders when Seller’s employees will, (i) have access to a system of records, (ii) create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information, or (iii) Design, develop, maintain, or operate a system of records.)
22. **52.225-1** “Buy American – Supplies”
23. **52.225-5** “Trade Agreements”
24. **52.225-8** “Duty-Free Entry” (Applicable to Purchase Orders including supplies that may be imported into the United States.)
25. **52.225-13** “Restrictions on Certain Foreign Purchases”
26. **52.225-26** “Contractors Performing Private Security Functions Outside the United States” (Applicable to Purchase Orders that will be performed outside the United States in areas of, (i) combat operations, as designated by the Secretary of Defense, or (ii) other significant military operations, upon agreement of the of the Secretaries of Defense and State that the clause applies in that area.)
27. **52.227-9** “Refund of Royalties” (Applicable to Purchase Orders in which the amount of royalties reported during negotiation of the Purchase Order exceeds \$250.)
28. **52.227-10** “Filing of Patent Applications-Classified Subject Matter” (Applicable to Purchase Orders that cover or likely to cover classified subject matter.)
29. **52.227-11** “Patent Rights – Ownership by the Contractor” (Applicable to Purchase Orders for experimental, developmental, or research work to be performed by a small business concern or non-profit organization.)
30. **52.227-14** “Rights in Data – General”
31. **52.228-5** “Insurance-Work on a Government Installation”
32. **52.232-40** “Providing Accelerated Payments to Small Business Subcontractors” (Applicable to Purchase Orders with small business concerns when Buyer receives Accelerated Payments under its prime contract.)
33. **52.234-1** “Industrial Resources Developed Under Defense Production Act Title III”
34. **52.237-2** “Protection of Government Buildings, Equipment, and Vegetation” (Applicable to Purchase Orders for services to be performed on Government installations.)
35. **52.243-6** “Change Order Accounting” (Applicable to Purchase Orders for supply and research and development contracts of significant technical complexity.)
36. **52.244-5** “Competition in Subcontracting”
37. **52.244-6** “Subcontracts for Commercial Items”
38. **52.245-1** Government Property (“Contracting Officer” means “ATA” except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes ATA. “Government” is unchanged in the phrases “Government property” and “Government furnished property” and where elsewhere used except in paragraph (d)(1) where it means “ATA” and except in paragraphs (d)(2) and (g) where the term includes ATA. The following is added as paragraph (n) “SELLER shall provide to ATA immediate notice if the Government or other customers (i) revokes its assumption of loss under any direct contracts with SELLER, or (ii) makes a determination that SELLER’s property management practices are inadequate, and/or present an undue risk, or that SELLER has failed to take corrective action when required.”)
39. **52.247-63** “Preference for U.S.-Flag Air Carriers” (Applicable to Purchase Orders that involve international air transportation.)
40. **52.247-64** “Preference for Privately Owned U.S.-Flag Commercial Vessels” (Applicable to Purchase Orders, except those exempted in paragraph (e) (4) of the clause.)
41. **52.249-2** “Termination for Convenience of the Government” (Fixed-Price), (The usual substitution of the parties in which “Government” means “Buyer,” “Contracting Officer” means “Buyer’s Purchasing Representative,” and “Contractor” means “Seller” is applicable to this clause except that any express obligation to transfer or assign title to property shall be modified such that “Government” means “Government or Buyer.”) (In paragraph (d), the term “45 days” is changed to “90 days.” The term “one-year” in paragraph (e) is changed to “six months.” The term “90 days” in paragraph (l) is changed to “forty-five days.”)

- B. PURCHASE ORDERS OVER THE MICRO-PURCHASE THRESHOLD (AS DEFINED AT FAR 2.101 IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.223-18 “Encouraging Contractor Policies to Ban Text Messaging while Driving”
- C. PURCHASE ORDERS OVER \$10,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.222-40 “Notification of Employee Rights Under the National Labor Relations Act”
- D. PURCHASE ORDERS OVER \$15,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.222-20 “Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000”
  2. 52.222-36 “Equal Opportunity for Workers with Disabilities”
- E. PURCHASE ORDERS OF \$30,000 OR MORE (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.204-10 “Reporting Executive Compensation and First-Tier Subcontract Awards” (Applicable to Purchase Orders when Buyer is the Prime Contractor.) (The usual substitution of the parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.)
- F. PURCHASE ORDERS OVER \$35,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.209-6 “Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment”
- G. PURCHASE ORDERS OF \$150,000 OR MORE (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.203-11 “Certification and Disclosure Regarding Payments to Influence Certain Federal Transitions”
  2. 52.222-35 “Equal Opportunity for Veterans”
  3. 52.222-37 “Employment Reports on Veterans”
  4. 52.222-38 “Compliance with Veterans’ Employment Reporting Requirements” (Not Applicable for Commercial Items)
- H. PURCHASE ORDERS OVER \$150,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.202-1 “Definitions”
  2. 52.203-7 “Anti-Kickback Procedures” (Excepting subparagraph (c)(1) of the clause.)
  3. 52.203-12 “Limitation on Payments to Influence Certain Federal Transactions”
  4. 52.203-16 “Preventing Personal Conflicts of Interest”
  5. 52.248-1 “Value Engineering”
- I. PURCHASE ORDERS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101 IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. 52.203-6 “Restrictions on Subcontractor Sales to the Government”
  2. 52.203-17 “Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights”
  3. 52.215-2 “Audit and Records – Negotiation” (Applicable to Purchase orders, (i) that are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-determinable type or any combination of these, (ii) for which certified cost or pricing data are required, or (iii) that require Seller to furnish reports as discussed in paragraph (e) of the clause.)
  4. 52.215-14 “Integrity of Unit Prices” (Applicable to Purchase Orders less paragraph (b) in the clause, except for construction or architect-engineer services under FAR Part 36, utility services under FAR Part 41, services where supplies are not required, and petroleum products.)
  5. 52.227-1 “Authorization and Consent and Alternate I” (Include Alternate 1 if it is included in the prime contract.)
  6. 52.227-2 “Notice and Assistance Regarding Patent and Copyright Infringement”

- J. PURCHASE ORDERS OVER \$700,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. **52.219-9** “Small Business Subcontracting Plan” (Applicable to Purchase Orders (except to small business concerns) with further subcontracting possibilities.)
- K. UNLESS OTHERWISE EXEMPT (SEE FAR 15.408), PURCHASE ORDERS ALSO INCLUDE:**
1. **52.215-10** “Price Reduction for Defective Certified Cost or Pricing Data”
  2. **52.215-11** “Price Reduction for Defective Certified Cost or Pricing Data – Modifications”
  3. **52.215-12** “Subcontractor Certified Cost or Pricing Data”
  4. **52.215-13** “Subcontractor Certified Cost or Pricing Data – Modifications”
  5. **52.215-15** “Pension Adjustments and Asset Reversions”
  6. **52.215-18** “Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions”
  7. **52.215-19** “Notification of Ownership Changes”
  8. **52.215-20** “Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data”
  9. **52.215-21** “Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications”
- L. PURCHASE ORDERS OVER \$5,500,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**
1. **52.203-14** “Display of Hotline Poster(s)”
- M. PURCHASE ORDERS THAT HAVE A VALUE OF MORE THAN \$5,500,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT), AND THAT HAVE A PERFORMANCE PERIOD OF MORE THAN 120 DAYS ALSO INCLUDE:**
1. **52.203-13** “Contractor Code of Business Ethics and Conduct” (In paragraph (b)(3)(i), the meaning of “agency office of the Inspector General” and “Contracting Officer” does not change, in paragraph (b)(3)(ii), the meaning of “Government” does not change, and in paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of “OIG of the ordering agency” “IG of the agency”, “agency OIG” and “Contracting Officer” do not change.)
- N. COST REIMBURSEMENT, TIME AND MATERIAL, OR LABOR HOUR PURCHASE ORDERS ALSO INCLUDE:**
1. **52.216-7** “Allowable Cost and Payment” (Seller agrees to execute assignment documents in order to comply with subsection (h).) (This clause is not applicable to Labor Hour Purchase Orders.)
  2. **52.216-8** “Fixed Fee” (Applicable if this is a cost plus fixed fee Purchase Order.)
  3. **52.216-10** “Incentive Fee” (Applicable if this is a cost plus incentive fee Purchase Order.)
  4. **52.216-11** “Cost Contract -No Fee” (Applicable if this is a cost no fee Purchase Order.)
  5. **52.227-19** “Commercial Computer Software-Restricted Rights”
  6. **52.232-7** “Payments under Time-and-Materials and Labor-Hour Contracts,” (“schedule” means this Purchase Order, “voucher(s)” means invoice(s).
  7. **52.232-20** “Limitation of Cost” (Applicable to fully funded Purchase Orders.)
  8. **52.232-22** “Limitation of Funds” (Applicable to incrementally funded Purchase Orders.)
  9. **52.243-2** “Changes – Cost-Reimbursement” (Applicable to cost-reimbursement Purchase Orders.)
  10. **52.243-3** “Changes – Time and Material or Labor-Hours” (Applicable to time and material or labor hour Purchase Orders.)
  11. **52.244-2** “Subcontracts” (paragraphs (g) and h) only apply)
  12. **52.246-3** “Inspection of Supplies (Cost-Reimbursement),” (“Contracting Officer” means Buyer’s Purchasing Representative and “Government” means Buyer and “Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and/or Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)



13. **52.246-5** “Inspection of Services (Cost Reimbursement),” (“Contracting Officer” means “Buyer’s Purchasing Representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer). The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)
14. **52.246-6** “Inspection of Time and Material and Labor Hour,” (“Contracting Officer” means Buyer’s Purchasing Representative and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and/or Buyer.”) (The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)
15. **52.249-6** “Termination (Cost-Reimbursement),” (“Government” means “Buyer” and “Contracting Officer” means Buyer’s Purchasing Representative. In paragraph (e), Change “15 days” and “45 days” to “30 days” and “90 days,” respectively. In paragraph (f), change “1 year” to “six months.”) (Alternate IV is applicable to time and material or labor hour orders only.)
16. **52.249-14** “Excusable Delays”

**ADDITIONAL CLAUSES:**

**A. COST ACCOUNTING STANDARDS (Applicable When Stated in the Purchase Order)**

1. **52.230-2** “Cost Accounting Standards”
2. **52.230-3** “Disclosure and Consistency of Cost Accounting Practices”
3. **52.230-5** “Cost Accounting Standards – Educational Institution”
4. **52.230-6** “Administration of Cost Accounting Standards”

Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting the applicable Cost Accounting Standards clause, and the Administration of Cost Accounting Standards clause, provided Seller shall not be required to disclose to Buyer such communications containing information confidential to the Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-4, 52.230-5, or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses, except in FAR 52.230-6.

**B. TRUTHFUL COST OR PRICING DATA**

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

1. Indemnification

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

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

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

- a. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date the Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and

- b. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

2. Cost or Pricing Data for Changes

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

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

**C. DISPUTES – GOVERNMENT CONTRACTS**

Any reference to “Disputes” in any applicable FAR Clause contained herein shall mean this paragraph, Disputes -- Government Contracts.

A. Any dispute arising under this Purchase Order relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with Paragraph (B) below. All other disputes will be resolved by the Disputes and Governing Law Section in the General Terms and Conditions of Purchase.

B.

1. Notwithstanding any other provisions in this Purchase Order, any decision of the Contracting Officer under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this Purchase Order, provided that:

- a. The Buyer notifies with reasonable promptness the Seller of such decision and
- b. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
- c. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.

2. Any decision upon such appeal, when final, shall be binding upon the Seller and Seller shall have no recourse against Buyer for any damages that allegedly resulted from the decision of the Contracting Officer.

3. The Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.

4. The Seller shall indemnify and save harmless Buyer from any and all liability of any kind incurred by or imputed to Buyer under Section 5, “Fraudulent Claims,” of the Contract Disputes Act of 1978, as amended, (41 U.S.C. 7103 (c)(2), Fraudulent Claims) if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misrepresentation of fact on the part of Seller.

C. Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this Purchase Order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this Purchase Order.

D. Nothing in this Section 5 grants Seller a direct right of action against the U.S. Government and no authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller’s claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.

E. As used in this Section 5, the word “appeal” means an appeal taken under the Contract Disputes Act.

**Government Contract Provisions from the Department of Defense FAR Supplement (DFAR)**

**A. APPLICABLE TO ALL PURCHASE ORDERS WITHOUT REGARD TO DOLLAR VALUE:**

1. **252.203-7002** “Requirement to Inform Employees of Whistleblower Rights”
2. **252.204-7000** “Disclosure of Information” (Applicable to Purchase Orders when the Seller will have access to or generate unclassified information that may be sensitive or inappropriate for release to the public.)
3. **252.204-7009** “Limitations on the Use and Disclosure of Third Party Contractor Reported Cyber Incident Information” (Applicable to Purchase Orders that include support for the Government’s activities related to safeguarding covered defense information and cyber incident reporting.)
4. **252.204-7012** “Safeguarding Covered Defense Information and Cyber Incident Reporting” (FINAL RULE 10/21/2016) (Applicable to Purchase Orders under DoD contracts awarded after October 20, 2016 for operationally critical support, or for which Purchase Order performance will involve covered defense information.)
5. **252.204-7015** “Disclosure of Information To Litigation Support Contractors”
6. **252.211-7003** “Item Unique Identification and Valuation” (Seller’s obligations under this clause are limited to cooperating with Buyer’s efforts to comply with this clause, including granting Buyer access to Seller’s deliverables at its facilities and to appropriate property records.)
7. **252.223-7001** “Hazard Warning Labels” (Applicable to Purchase Orders for goods that require submission of hazardous material data sheets (see FAR 23.302(c)).)
8. **252.223-7002** “Safety Precautions for Ammunition and Explosives” (Applicable to Purchase Orders that involve ammunition or explosives. “Government” means “Government and/or Buyer.”)
9. **252.223-7003** “Change in Place of Performance – Ammunition and Explosives” (Applicable to Purchase Orders that involve ammunition or explosives.)
10. **252.223-7007** “Safeguarding Sensitive Conventional Arms, Ammunition and Explosives” (Applicable to Purchase Orders for, (i) the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E), or (ii) when AA&E will be provided to the Seller as Government-furnished property.)
11. **252.223-7008** “Prohibition of Hexavalent Chromium” (Applicable to all Purchase Orders for supplies, maintenance and repair services, or construction materials.)
12. **252.225-7001** “Buy American Act and Balance of Payments Program” (Seller must deliver goods that contain more than 50% United States or Qualifying Country content pursuant to the clause.)
13. **252.225-7007** “Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies” (Applicable to Purchase Orders for the acquisition of items covered by the United States Munitions List of the International Traffic in Arms Regulation.)
14. **252.225-7008** “Restriction on Acquisition of Specialty Metals” (Applicable to Purchase Orders for the delivery of specialty metals as end items to Buyer or Seller to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract.)
15. **252.225-7009** “Restriction on Acquisition of Certain Articles Containing Specialty Metals” (excluding paragraph (d) and paragraph (e)(1) which are deleted from this clause.) (Applicable to Purchase Orders for items containing specialty metals to ensure compliance of the end products that Buyer will deliver to the Government.)
16. **252.225-7012** “Preference for Certain Domestic Commodities”
17. **252.225-7013** “Duty-Free Entry” (Applicable to all Purchase Orders with Sellers who are located in a “Qualifying country” as defined in DFARS Part 225.8, or if the estimated U.S. duty for the Goods will exceed \$200 per unit. The information required by paragraph (j)(3) of this clause is available upon request.)
18. **252.225-7016** “Restriction on Acquisition of Ball and Roller Bearings” (Applicable to Purchase Orders for Goods that contain ball or roller bearings.)
19. **252.225-7040** “Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States” (Applicable to Purchase Orders that will be performed when Seller’s personnel or Seller’s subcontractors are supporting U.S. Armed Forces deployed outside the United States in contingency operations, peace operations consistent with Joint Publication 307.3, or other military operations or military exercises, when designated by the Combatant Commander or as directed by the Secretary of Defense.)
20. **252.225-7048** “Export-Controlled Items”



21. **252.227-7013** “Rights in Technical Data – Non-commercial Items” (Applicable to solicitations and resulting Purchase Orders when Buyer will be required to deliver to the Government Seller’s technical data pertaining to non-commercial items, or pertaining to commercial items for which the Government will have paid for any portion of the development costs.)
22. **252.227-7014** “Rights in Non-commercial Computer Software and Non-commercial Computer Software Documentation” (Applicable to solicitations and resulting Purchase Orders when Seller’s performance will require delivery of computer software or computer software documentation.)
23. **252.227-7015** “Technical Data – Commercial Items” (Applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under this Purchase Order for delivery to the Government.)
24. **252.227-7016** “Rights in Bid or Proposal Information” (Applicable to solicitations and resulting Purchase Orders that will include DFARS clause 252.227-7013, 252.227-7014, or 252.2277018.)
25. **252.227-7017** “Identification and Assertion of Use, Release, or Disclosure Restrictions” (Applicable to solicitations and resulting Purchase Orders that will include DFARS clause 252.227-7013, 252.227-7014, or 252.227-7018.)
26. **252.227-7019** “Validation of Asserted Restrictions – Computer Software” (Applicable to all Purchase Orders when Seller’s performance includes the furnishing of computer software that Buyer will furnish to the Government.)
27. **252.227-7025** “Limitation on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends”
28. **252.227-7026** “Deferred Delivery of Technical Data or Computer Software”
29. **252.227-7027** “Deferred Ordering of Technical Data or Computer Software”
30. **252.227-7028** “Technical Data or Computer Software Previously Delivered to the Government” (Applicable to solicitations for Purchase Orders when the resulting Purchase Order will require the Seller to deliver technical data.)
31. **252.227-7037** “Validation of Restrictive Markings on Technical Data” (Applicable to Purchase Orders requiring the delivery of technical data.)
32. **252.227-7038** “Patent Rights – Ownership by the Contractor (Large Business)” (Applicable to Purchase Orders for experimental, developmental, or research work if the Seller is not a small business or non-profit organization, unless a different patent rights clause is required by FAR 27.303.)
33. **252.228-7005** “Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles” (Applicable to Purchase Orders for aircraft, missile, or space launch vehicles being manufactured, modified, repaired, or overhauled. Seller must cooperate and assist Buyer in accident investigations.)
34. **252.231-7000** “Supplemental Cost Principles” (Applicable to solicitations and resulting Purchase Orders that are subject to the principles and procedures described in FAR subparts 31.1, 31.2, 31.6, or 31.7.)
35. **252.235-7003** “Frequency Authorization” (Applicable to Purchase Orders requiring the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.)
36. **252.239-7010** “Cloud Computing Services” (Applicable to Purchase Orders that involve or may involve cloud services.)
37. **252.239-7018** “Supply Chain Risk” (Applicable to Purchase Orders involving the development or delivery of any information technology, as defined in the clause, as a service or a supply.)
38. **252.244-7000** “Subcontracts for Commercial Items and Commercial Components (DoD Contracts)”
39. **252.246-7003** “Notification of Potential Safety Issues” (Applicable to Purchase Orders for, (i) parts defined as critical safety items in accordance with this clause, (ii) systems and subsystems, assemblies, and subassemblies integral to a system, and (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.)
40. **252.246-7007** “Contractor Counterfeit Electronic Part Detection and Avoidance System” (Applicable to Purchase Orders when the goods or services include *electronic parts* or assemblies containing *electronic parts*. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.)
41. **252.246-7008** “Sources of Electronic Parts” (Applicable to Purchase Orders for *electronic parts* or assemblies containing *electronic parts*, unless Seller is the original manufacturer.)
42. **252.247-7023** “Transportation of Supplies by Sea”

**B. PURCHASE ORDERS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101 IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. **252.203-7001** “Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies”
2. **252.215-7010** “Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data”
3. **252.225-7052** “Restriction on the Acquisition of Certain Magnets and Tungsten” (Applicable to Purchase Orders for the delivery of goods, unless an exception at paragraph (c) of the clause applies).

**C. PURCHASE ORDERS OVER \$500,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. **252.226-7001** “Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns”

**D. PURCHASE ORDERS OF \$700,000 OR MORE (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. **252.249-7002** “Notification of Anticipated Contract Terminations or Reductions” (Seller shall (i) Provide notice to each of its subcontractors with a subcontract of \$150,000 or more; and (ii) Impose a similar notice and flowdown requirement to subcontractors with subcontracts of \$150,000 or more.)

**E. PURCHASE ORDERS OVER \$700,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. **252.219-7003** “Small Business Subcontracting Plan (DoD Contracts)” (Include Alternate 1 if it is included in the prime contract) (Applicable to Purchase Orders under prime contracts that contain FAR clause 52.219-9.)

**F. PURCHASE ORDERS OVER \$1,000,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. **252.222-7006** “Restricting the Use of Mandatory Arbitration Agreements” (Seller certifies by acceptance of the Purchase Order that (i) Seller complies with all requirements set out in the clause and (ii) Seller requires each covered subcontractor to agree not to enter into, and not to take any action to enforce, any provision of any existing agreements, as described in paragraph (b)(1) of the clause, with respect to any employee or independent contractor performing work related to such subcontract.)
2. **252.225-7033** “Waiver of United Kingdom Levies” (Applicable to Purchase Orders where a lower-tier subcontract exceeding \$1 million with a U.K. firm is anticipated.)

**G. PURCHASE ORDERS OVER \$1,500,000 (OR THE DOLLAR THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. **252.211-7000** “Acquisition Streamlining”

**H. PURCHASE ORDERS OVER \$5,500,000 (OR THE THRESHOLD IN EFFECT AS OF THE DATE OF THE PRIME CONTRACT) ALSO INCLUDE:**

1. **252.203-7004** “Display of Fraud Hotline Poster(s)”

**Business Systems Rule:**

Seller shall communicate and otherwise deal directly with the United States Government Contracting Officer to the extent practicable and permissible as to all matters relating to any of Seller’s business systems under any of the following applicable Business Systems clauses: 252.215-7002 “Cost Estimating System Requirements,” 252.234-7002 “Earned Value Management System,” 252.242-7004 “Material Management and Accounting System,” 252.242-7006 “Accounting System Administration,” 252.244-7001 “Contractor Purchasing System Administration,” 252.245-7003 “Contractor Property Management System Administration” (hereinafter referred to collectively as “Business Systems clauses”). Seller shall provide Buyer with copies of communications with the United States Government respecting significant deficiencies in any of Seller’s business systems under the applicable Business Systems clauses, provided Seller shall not be required to disclose to Buyer such communications containing information confidential to the Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller hereby indemnifies and holds Buyer harmless to the full extent of any loss, damage, or expense including without limitation any withholds under 252.242-7005 “Contractor Business Systems” incurred by Buyer that result from any government action, claim, withhold or similar action against Buyer that results in a Buyer loss or expense of any type, including lost profit or fee, legal costs, interest, indirect cost markups, because of a failure of Seller or its lower-tier subcontractors to comply with any of the Business System clauses.