

**LOCKHEED MARTIN CORPORATION**

**PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)**

**ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS  
UNDER**

JSF LRIP 4  
CONTRACT NUMBER N00019-09-C-0010

**Generated using Lockheed Martin CorpDocs 2012 Version**

September, 18 2012

The following are the supplemental terms and conditions to be incorporated, in addition to those other terms and conditions (e.g., Corpdoc 3, Corpdoc 3a, Corpdoc 4, etc.), into subcontracts issued under the LRIP 4 prime contract Prime Contract N00019-09-C-0010.

The Terms and Conditions listed below are incorporated by reference and made a part of this Contract. Unless otherwise limited in this Contract, each document applies in its entirety.

In the event of a conflict between the version or date of a clause set forth in this document and the version or date of a clause set forth in the identified CorpDocs, the version or date of the clauses set forth in this document shall take precedence.

To the extent that any clause included in this PSFD is inapplicable to the performance of this Contract, the parties shall consider such clauses to be self-deleting and shall not impose any obligations upon the SELLER.

**1. The dates of the following FAR and DFARS clauses are modified as follows:  
RESERVED**

**2. The following FAR and DFARS clauses are added:**  
The following clauses apply for all contracts:

**FAR 52.211-15 Defense Priority and Allocation Requirements (Apr 2008)**

Subcontracts that are issued under a rated prime contract must carry the rating of the prime contract.

**FAR 52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004)**

Applies if this contract exceeds \$100,000.

**FAR 52.223-7 Notice of Radioactive Materials (Jan 1997)**

Applies if this contract is for radioactive materials. "Contracting Officer" and "Government" means "Lockheed Martin." The blank in paragraph (a) is replaced with "180 days."

**FAR 52.227-11 Alt I Patent Rights--Ownership by the Contractor (Jun 1989)**

Paragraph (d)(2), insert: JSF SDD and PFSD MOUs

**FAR 52.229-8 Taxes--Foreign Cost-Reimbursement Contracts (Mar 1990)**

In paragraph (b), "Contracting Officer" and "Government of the United States" mean "Lockheed Martin." The blank is completed with \_\_\_\_\_.

"Contracting Officer" means "Lockheed Martin" except in paragraph (g) where it means "Lockheed Martin or Contracting Officer." "Government" means "Lockheed Martin" except: (1) in paragraphs (d), (e) and (j)(5) where the term is unchanged and (2) in paragraphs (g) and (i) where it means "Lockheed Martin and the Government."

**FAR 52.243-7 Notification of Changes (Apr 1984)**

Paragraph (b), insert 7; Paragraph (d), insert 30

**FAR 52.245-9 Use and Charges (Aug 2010)**

Applies when Government Property is provided. Communications with the Government under this clause will be made through Lockheed Martin

**FAR 52.246-2 Alt I Inspection of Supplies**

implemented in the prime contract." Subparagraphs (d)(2)(ii), (d)(3)(ii) and the last are deleted

**DFARS 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (Dec 1991)**

Applies if this contract requires securing telecommunications.

**DFARS 252.243-7002 Requests for Equitable Adjustment (Mar 1998)**

"Government" means "Lockheed Martin."

**DFARS 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts Aug 2009)**

The clause mandates flowdown of the DFARS provisions identified in the clause.

Applies for Fixed Price Contract Line Items Only

**3. The following Section H is added:**

**SECTION H – SPECIAL PURCHASE ORDER REQUIREMENTS**

For purposes of this Section H, “Government” means the United States Government.

**H-1 5252.204-9504 DISCLOSURE OF CONTRACT INFORMATION (NAVAIR) (JAN 2007)**

(a) The Contractor shall not release to anyone outside the Contractor’s organization any unclassified information (e.g., announcement of contract award), regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract, unless the Contracting Officer has given prior written approval.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Contractor shall submit its request to the Contracting Officer at least twenty (20) days before the proposed date for release.

(c) The Contractor agrees to include a similar requirement in each subcontract under this contract. Subcontractors shall submit requests for authorization to release through the prime contractor to the Contracting Officer.

(d) Communications with the Contracting Officer shall be made through Lockheed Martin

**H-2 5252.227-9501 INVENTION DISCLOSURES AND REPORTS (NAVAIR) (MAY 1998)**

(a) In accordance with the requirements of the Patent Rights clause of this contract, the contractor shall submit “Report of Inventions and Subcontracts” (DD Form 882) along with written disclosure of inventions to the designated Contract Administrator.

(b) The Contract Administrator will forward such reports and disclosu



**Revision actions for September 18, 2012 release of PSFD.**

**1. The following FAR & DFAR regulations added:**

**FAR 52.246-3**

2. Document re-formatted to numerically align the various regulations



3002. The Chief Engineer shall convene a meeting of cognizant Contractor and Government personnel as soon as practical, but not later than 60 days after the deficiency is reported. Deficiencies may be reported by either Government or Contractor personnel.

(9) Point of Discovery Cut-Off Date – For purposes of this clause, “Point of Discovery Cut-Off Date” means the date appearing in Block 21a of the DD250 for the last LRIP 4 Air System delivered under this contract. The Contractor is not obligated to incorporate Concurrency Changes discovered after the Point of Discovery Cut-Off Date.

(10) Preliminary Engineering Change Proposal (PECP) – For the purposes of this clause, “Preliminary Engineering Change Proposal (PECP)” means an Engineering Change Proposal (DD1692) that does not contain certified cost and pricing data and the Certificate of Current Cost or Pricing Data required by FAR 15.406-2 but does include a not-to-exceed estimate of the proposed change with supporting cost information.

(c) Contractor Responsibility to Incorporate Changes

(1) Material or Workmanship Deficiencies: Concurrency Changes do not include material and workmanship deficiencies. SELLER is obligated to correct material or workmanship deficiencies in accordance with the terms of the Contract.

(2) For any Concurrency Change that does not involve a deficiency in material or workmanship, SELLER will support the LM Concurrency process by a Not to Exceed (NTE) proposal for the recurring effort, as delineated in CM 2YZA00017 Rev C. In the event LOCKHEED MARTIN and its Customer agree to proceed with incorporation of the Concurrency Change, whether by Pre-Acceptance Concurrency Action or Post-Acceptance Concurrency Action, LOCKHEED MARTIN will notify SELLER and SELLER will incorporate the Concurrency Change into LRIP production. Cost and schedule impacts of the Concurrency Change will be negotiated between the Parties consistent with SELLER’s NTE proposal. In no event will a Concurrency Change action under this provision exceed the Truth in Negotiation Act (TINA) threshold. For any action that exceeds the TINA threshold, the Parties will proceed as delineated in the Changes clause of this Contract. Whether any change to the LRIP baseline is a Concurrency Change will be determined by LOCKHEED MARTIN.

For purposes of Concurrency Changes hereunder, non-recurring costs are borne under the SDD contract pursuant to the term of that contract.

**H-7 LIQUIDATED DAMAGES FOR LATE DELIVERY** Should SELLER fail to make delivery of an item in accordance with the delivery schedule in this PO, then LOCKHEED MARTIN shall be entitled to receive, and SELLER shall pay, compensation in the form of liquidated damages and not as a penalty. SELLER shall be entitled to a ten (10) day grace period. In the event SELLER fails to make delivery of an item within the grace period, then the amount of liquidated damages shall accrue at the rate of \$ \_\_\_\_\_ per day beginning on the first day of the scheduled delivery date. SELLER agrees that liquidated damages in the foregoing amounts are reasonable



set forth herein, or at law or in equity. Moreover, LOCKHEED MARTIN may, as an alternative to the assessment of liquidated damages, recover actual damages under other articles or clauses set forth herein, or by other remedies at law and/or equity.

**H-**

a. If a Preliminary Engineering Change Pr



**H-16 5252.245-9500 GOVERNMENT PROPERTY FOR THE PERFORMANCE OF THIS CONTRACT  
(NAVAIR) (FEB 2009)**

Pursuant to FAR Clause 52-245-1 "Government Property (Cost-Reimbursement, Time and Material, or Labor Hour Contracts) (JUN 2007) the Seller is authorized to use the following Government property on a rent-free basis in