
LOCKHEED MARTIN CORPORATION

CORPDOC 3

(Modified for JSF N00019-02-C-3002 on 3 September 2003)

**GENERAL PROVISIONS AND FAR FLOWDOWN PROVISIONS FOR
SUBCONTRACTS/ PURCHASE ORDERS (ALL AGENCIES) FOR NON-
COMMERCIAL ITEMS UNDER A U.S. GOVERNMENT PRIME CONTRACT**

SECTION I: General Provisions

- 1 Acceptance of Contract/Terms and Conditions**
- 2 Applicable Laws**
- 3 Assignment**
- 4 Communication with Lockheed Martin Customer**
- 5 Contract Direction**
- 6 Definitions**
- 7 Disputes**
- 8 Export Control**
- 9 Extras**
- 10 Furnished Property**
- 11 Gratuities/Kickbacks**
- 12 Independent Contractor Relationship**
- 13 Information of Lockheed Martin**
- 14 Information of Seller**
- 15 Insurance/Entry on Lockheed Martin's Property**
- 16 Intellectual Property Infringement**
- 17 New Materials**
- 18 Offset Credit/Cooperation**
- 19 Packing and Shipment**
- 20 Reserved**
- 21 Payments, Taxes, and Duties**
- 22 Precedence**
- 23 Priority Rating**
- 24 Quality Control System**
- 25 Release of Information**
- 26 Severability**
- 27 Survivability**
- 28 Timely Performance**
- 29 Waiver, Approval, and Remedies**
- 30 Warranty**

by SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, LOCKHEED MARTIN may proceed as provided for in (4) below.

(3) Where submission of cost or pricing data is required or requested at any time prior to or during performance of this Contract, if SELLER or its lower-tier subcontractors: (i) submit and/or certify cost or pricing data that are defective; (ii) with notice of applicable cutoff dates and upon LOCKHEED MARTIN's request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on LOCKHEED MARTIN's Certificate of Current Cost or Pricing Data; (iii) claim an exception to a requirement to submit cost or pricing data and such exception is invalid; or (iv) furnish data of any description that is inaccurate; or (v) the U.S. Government alleges any of the foregoing, and, as a result, (1) LOCKHEED MARTIN's contract price or fee is reduced; (2) LOCKHEED MARTIN's costs are determined to be unallowable; (3) any fines, penalties or interest are assessed on LOCKHEED MARTIN; or (4) LOCKHEED MARTIN incurs any other costs or damages; LOCKHEED MARTIN may proceed as provided for in (4) below.

(4) Upon the occurrence of any of the circumstances identified in (2) and (3) above, LOCKHEED MARTIN may make a reduction of corresponding amounts (in whole or in part) in the price, or in the costs and fee, of this Contract or any other contract with SELLER, and/or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded.

(5) These rights and obligations shall survive the termination or completion of this Contract.

(c) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to LOCKHEED MARTIN hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection

31(SELLER.7(all provant Ld8ts thaetha)48 T896 0 TD0u s

(d) "LOCKHEED MARTIN Procurement Representative" means the person authorized by LOCKHEED MARTIN's cognizant procurement organization to administer and/or execute this Contract.

(e) "PO" or "Purchase Order" as used in any document constituting a part of this Contract shall mean this "Contract."

(f) "SELLER" means the party identified on the face of the Contract with whom LOCKHEED MARTIN is contracting.

(g) "Work" means all required articles, materials, supplies, goods and services constituting the subject matter of this Contract.

7. Disputes.

All disputes under this Contract which are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by LOCKHEED MARTIN.

8. Export Control.

(a) Seller agrees to comply fully with all applicable U.S. export control laws and regulations. Without limiting the foregoing, SELLER agrees that it will not transfer any export controlled item, data or services, to include transfer to foreign persons employed by or associated with, or under contract to SELLER or SELLER's lower tier suppliers, without the authority of an Export License or applicable license exception.

(b) SELLER agrees to notify LOCKHEED MARTIN if any deliverable under this Contract is restricted by export control laws or regulations.

(c) SELLER shall immediately notify the LOCKHEED MARTIN Procurement Representative if SELLER is listed in any Denied Parties List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.

9. Extras.

Work shall not be supplied in excess of quantities specified in the Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

10. Furnished Property.

(a) LOCKHEED MARTIN may provide to SELLER property owned by either LOCKHEED MARTIN or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract. LOCKHEED MARTIN shall at all reasonable times have access to the premises where any of the Furnished Property Is located.

(b) Title to Furnished Property shall remain in LOCKHEED MARTIN or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership. SELLER shall not incur any liens or encumbrances or permit any liens or encumbrances to attach to the Furnished Property. Title to Furnished Property shall not be affected by the incorporation or attachment thereof to any property not owned by LOCKHEED MARTIN nor shall such Furnished Property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify LOCKHEED MARTIN of, any loss or damage. Without additional charge, SELLER shall maintain adequate control records and shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice. SELLER shall take all reasonable steps to comply with all appropriate directions or instructions which LOCKHEED MARTIN may prescribe as reasonably necessary for the protection of the Furnished Property.

(d) Furnished Property shall remain in the possession of the SELLER for such period of time as is required for the performance of this Contract, unless LOCKHEED MARTIN determines that the interests of LOCKHEED MARTIN require removal of such Furnished Property. In such case, SELLER shall promptly take such action as LOCKHEED MARTIN may direct. In such instances, this Contract may be amended to accomplish an equitable adjustment in its terms and provisions.

(e) At LOCKHEED MARTIN's request, and/or upon completion of this Contract the SELLER shall submit, in an acceptable form

(2) If this is a cost-reimbursement contract, the clause at FAR 52.245-5 shall apply and is incorporated by reference. In addition to the modifications under 1 above, Paragraphs (g)(1), (g)(2) and (g)(3) of FAR 52.245-5 are deleted and replaced with the following: "SELLER assumes the risk of, and shall be responsible for, any loss or destruction, or damage to, Government property upon its delivery to LOCKHEED MARTIN or upon passage of title to the Government under paragraph (c) of this clause. However, SELLER shall not be liable for reasonable wear and tear to Government property or for Government Property properly consumed in the performance of this Contract."

11. Gratuities/Kickbacks.

(a) No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by SELLER, to any employee of LOCKHEED MARTIN with a view toward securing favorable treatment as a supplier.

(b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.

12. Independent Contractor Relationship.

(a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to LOCKHEED MARTIN.

(b) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses a 0 T D 0

14. Information of Seller.

SELLER shall not provide any Proprietary Information to LOCKHEED MARTIN without prior execution by LOCKHEED MARTIN of a Proprietary Information Agreement.

15. Insurance/Entry On Lockheed Martin's Property.

In the event that SELLER, its employees, agents, or subcontractors enter LOCKHEED MARTIN's or its' Customer's premises for any reason in connection with this Contract, SELLER, its subcontractors and lower-tier subcontractors, shall procure and maintain worker's compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as LOCKHEED MARTIN may require and shall comply with all site requirements. SELLER shall indemnify and hold harmless LOCKHEED MARTIN, its officers, employees and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses

18. Offset Credit/Cooperation.

All offset or countertrade credit value resulting from this Contract shall ac

(d) All taxes, assessments and similar charges levied with respect to or upon any such products or Work owned by LOCKHEED MARTIN while in SELLER's possession or control, and for which no exemption is available, shall be borne by SELLER.

22. Precedence.

Any inconsistencies in this Contract shall be resolved in accordance with the following

27. Survivability.

If this Contract is terminated for default or convenience, SELLER shall not be relieved of those obligations contained in this Contract for the following provisions:

- (a) Applicable Laws, Clause # 2
- Export Control, Clause #8
- Independent Contractor Relationship, Clause #12
- Information of Lockheed Martin, Clause #13
- Insurance/Entry on LOCKHEED MARTIN Property, Clause #15
- Intellectual Property Infringement, Clause #16
- Release of Information, Clause #25
- Warranty, Clause #30

- (b) Those U.S. Government flowdown provisions that by their nature should survive.

28. Timely Performance.

- (a) SELLER's timely performance is a critical element of this Contract.
- (b) Unless advance shipment has been authorized in writing by LOCKHEED MARTIN, LOCKHEED MARTIN may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.
- (c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify LOCKHEED MARTIN, in writing, giving pertinent details. This notification shall not change any delivery schedule.
- (d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by LOCKHEED MARTIN.

29. Waiver, Approval And Remedies.

- (a) Failure by LOCKHEED MARTIN to enforce any provision(s) of this Contract shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of LOCKHEED MARTIN thereafter to enfo

30. Warranty.

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, and descriptions, and other requirements of this Contract and be free from defects in design, material and workmanship. The warranty shall begin upon final acceptance and extend for a period of (i) the manufacturer's warranty period or six months, whichever is longer, if SELLER is not the manufacturer and has not modified the Work or, (ii) one year or the manufacturer's warranty period, whichever is longer; if the SELLER is the manufacturer of the Work or has modified it. If any non-conformity with Work appears within that time, SELLER shall promptly repair, replace, or reperform the Work. Transportation of replacement Work and return of non-conforming Work and repeat performance of Work shall be at SELLER's expense. If repair or replacement or reperformance of Work is not timely, LOCKHEED MARTIN may elect to return the nonconforming Work or

E. FAR Flowdown Clauses.

REFERENCE TITLE

1. The following FAR clauses apply to this Contract :

52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000)
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS (OCT 2000).
52.222-1	NOTICE TO GOVERNMENT OF LABOR DISPUTES (FEB 1997) (See Note 2).
52.222-20	WALSH HEALY PUBLIC CONTRACTS ACT (DEC 1996).
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999).
52.222-26	EQUAL OPPORTUNITY (FEB 1999) - (Only subparagraphs (b)(1)-(11) applies.)
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUL 2000) - (In paragraph (a), see Notes 5 and 6.)
52.234-1	INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994) - (See Note 2.)
52.242-13	BANKRUPTCY (JUL 1995) - (See Note 2.)
52.242-15	STOP-WORK ORDER (AUG 1989) - (See Notes 1 and 2.)
52.243-1	CHANGES - FIXED PRICE (AUG 1987) - (See Notes 1 and 2; delete the reference to the “disputes” clause in subparagraph (e).)
52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (MAY 2001).
52.246-2	INSPECTION OF SUPPLIES - FIXED PRICE (AUG 1996) - (The Government also may exercise any of LOCKHEED MARTIN’s inspection rights under this clause. See Notes 1 and 2.)
52.246-4	INSPECTION OF SERVICES - FIXED PRICE (AUG 1996) - (The Government also may exercise any of LOCKHEED MARTIN’s inspection rights under this clause. See Note 1.)
52.246-7	INSPECTION OF RESEARCH AND DEVELOPMENT – FIXED PRICE (AUG 1996) - (The Government also may exercise any of LOCKHEED MARTIN’s inspection rights under this clause. See Notes 1 and 2.)
52.249-2	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (SEP 1996) - (Applicable only for fixed-price contracts. See Notes 1 and 2. “Government” and “Contracting Officer” mean “LOCKHEED MARTIN” except in paragraph (n) where “Government” means LOCKHEED MARTIN and the “Government” and “Contracting Officer” means “LOCKHEED MARTIN or the “Contracting Officer.” In paragraph (c) “120 days” is changed to “60 days.” In paragraph (d) “15 days” is changed to “30 days,” and “45 days” is changed to “60 days.” In paragraph (e) “1 year” is changed to “6 months.” Paragraph (j) is deleted. In paragraph (l) “90 days” is changed to “45 days.” Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

- 52.249-8 **DEFAULT (FIXED PRICE SUPPLY AND SERVICE) (APR 1984)** - (Applicable only for fixed-price Contracts.) See Notes 1 and 2 except Note 1 is not applicable to paragraph (e). In subparagraph (a)(1)(i), add the following after the word “services”: “(including, without limitation, research and development)....” Timely performance is a material element of this Contract.
2. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$10,000:
- 52.222-35 **AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VIETNAM ERA VETERANS (APR 1998).**
- 52.222-36 **AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998).**
- 52.222-37 **EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1999).**
3. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$100,000:
- 52.203-6 **RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (JUL 1995).**
- 52.203-12 **LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 1997)** - (See Note 5.)
- 52.215-2 **AUDIT AND RECORDS-NEGOTIATION (JUN 1999)** - (Applicable if (1) CONTRACTOR is required to furnish cost or pricing data, or (2) the Contract requires CONTRACTOR to furnish cost, funding or performance reports. Insert "and the LOCKHEED MARTIN Purchasing Representative" after "the Contracting Officer or representatives of the Contracting Officer" or after "... representatives of the Contracting Officer who are employees of the Government", where indicated throughout the clause.)
- 52.215-14 **INTEGRITY OF UNIT PRICES (JAN 1997).** (Delete paragraph (b) of this clause.)
- 52.222-4 **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT - OVERTIME COMPENSATION (SEP 2000)** - (Applicable as prescribed at FAR 22.305.)
- 52.223-14 **TOXIC CHEMICAL RELEASE REPORTING (OCT 2000)** - (See Notes 2 and 5, delete subparagraph (e).)
- 52.227-1 **AUTHORIZATION AND CONSENT (JUL 1995) and ALT 1 (APR 1984)** - In the clause, in paragraph (a)(1) see Note 4, and in paragraph (a)(2)(ii) see Note 2.)
- 52.227-2 **NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (AUG 1996)** - (See Notes 2 and 4.)
- 52.244-5 **COMPETITION IN SUBCONTRACTING (DEC 1996)** (See Note 5.)

- 52.223-11 **OZONE-DEPLETING SUBSTANCES (MAY 2001)** - (Applicable if the Work was manufactured with or contains ozone-depleting substances.)
- 52.225-8 **DUTY FREE ENTRY (FEB 2000)** - (Applicable if supplies will be imported into the Customs Territory of the United States. In paragraph (c)(1) the notice provision shall be 30 days. See Notes 2, 3, 5 and 6.)
- 52.227-10 **FILING OF PATENT APPLICATIONS-CLASSIFIED SUBJECT MATTER (APR 1984)** - (Applicable if the Work or any patent application may cover classified subject matter.)
- 52.227-11 **PATENT RIGHTS-RETENTION BY THE CONTRACTOR (SHORT FORM) (JUN 1997)** (Applicable if CONTRACTOR is a small business or domestic non-profit organization performing experimental or R&D Work.)
- 52.227-12 **PATENT RIGHTS-RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997)** - (Applicable to other than a small business or domestic non-profit organization performing experimental or R&D work.)
- 52.229-6 **TAXES – FOREIGN FIXED-PRICED CONTRACTS (JAN 1991).** (Applicable unless taxes or duties are imposed by or in To Be Provided . See Note 2.)
- 52.233-3 **PROTEST AFTER AWARD (AUG 1996)** - (In the event LOCKHEED MARTIN’s customer has directed LOCKHEED MARTIN to stop performance of the work under the prime contract under which this contract is issued pursuant to FAR 33.1, LOCKHEED MARTIN may, by written order to CONTRACTOR, direct CONTRACTOR to stop performance of the work called for by this Contract; “30 days” means “20 days” in paragraph (b)(2); Note 1 applies except the first time it appears in paragraph (f); in paragraph (f) add after “33.104(h)(1)” “and recovers those costs from LOCKHEED MARTIN”; See Note 2.)
- 52.242-12 **REPORT OF SHIPMENT (RESHIP) (JUL 1995)** Applicable if this contract involves classified information (See FAR 4.401).
- 52.245-17 **SPECIAL TOOLING (DEC 1989)** - (Applicable if this is a fixed-price Contract and the Contract involves the use of special tooling; see Note 2. DoD Contracts shall incorporate the (APR 1984) clause.)
- 52.245-18 **SPECIAL TEST EQUIPMENT (FEB 1993)** - (Applicable if this Contract involves the acquisition or fabrication of Special Test Equipment. Notice to

request of LOCKHEED MARTIN, or accepting any Contract, CONTRACTOR certifies to the representations and certifications as set forth below in this clause. These certifications shall apply whenever these terms and conditions are incorporated by reference in any Contract, agreement, other contractual document or any quotation, request for quotation (oral or written), request for proposal or solicitation (oral or written), issued by LOCKHEED MARTIN. CONTRACTOR shall immediately notify LOCKHEED MARTIN of any change of status with regard to these certifications and representations.

(1) FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Applicable to solicitations and contracts exceeding \$100,000)

(i) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions are hereby incorporated by reference in paragraph (b) of this certification.

(ii) CONTRACTOR certifies that to the best of its knowledge and belief that on and after December 23, 1989.

(a) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement;

(b) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a

to pay such portion. Buyer, as set forth in the clause of this P.O. entitled "Termination for Convenience (Fixed Price)," may terminate this P.O. for any reason if Buyer determines that it is in the Buyer's interest to do so. The term "any reason" includes, but is not limited to, termination of the Buyer's prime contract with the U. S. Government on any basis, convenience or default. A termination for default of this P.O. is justified at any time where the circumstances provided in