

**Appendix 1B**

**May 31, 2004**

**TERMS AND CONDITIONS  
FOR**

(l) "Head of the agency" (also called "agency head") or "Secretary" means the Secretary (or Attorney General, Administrator, Governor, Chairperson, or other chief official, as appropriate) of the agency, including any deputy or assistant chief official of the agency, and the term "authorized representative" means any person, persons, or board (other than the Contracting Officer) authorized to act for the head of the Agency or Secretary.

(m) The term "FAR" means the Federal Acquisition Regulation as in effect on the date of this PO unless a specific date is shown.

regulations, rules, codes and ordinances which govern the performance of the work and services.

## **5 - REQUIREMENTS FOR REGISTRATION OF DESIGNERS**

The design of architectural, structural, mechanical, electrical, civil, or other engineering features of the work shall be accomplished or reviewed and approved by architects or engineers registered to practice in the particular professional field involved in a State or possession of the United States, or in the District of Columbia.

## **6 - OVERSIGHT OF THE WORK BY LOCKHEED MARTIN**

The extent and character of the work to be done by Contractor shall be subject to the general supervision and approval of Lockheed Martin. The work to be performed by Contractor's agents, employees and subcontractors shall be subject to the supervision, inspection, direction, control and approval of Contractor.

## **7 - RESPONSIBILITY FOR THE WORK**

(a) Contractor shall be responsible for the professional quality, technical accuracy,

(b) Whenever in the specifications or upon the drawings the words "directed," "required," "ordered," "designated," "prescribed," or words of like import are used, it shall be

marks indicated on the drawings, and shall be responsible for all measurements in connection with the layout. Contractor shall furnish, at its own expense, all stakes, templates, platforms, equipment, tools, materials, and labor required to lay out any part of the work. Contractor shall be responsible for executing the work to the lines and grades that may be established or indicated by Lockheed Martin. Contractor shall also be responsible

(c) Failure of Contractor to comply with the requirements of Lockheed Martin under this Clause shall be grounds for a determination by Lockheed Martin that Contractor is not prosecuting the work with sufficient diligence to ensure completion within the time specified in this PO. Upon making this determination, Lockheed Martin may terminate Contractor's right to proceed with the work, or any separable part of it, in accordance with the default terms of this PO.

## **12 - SUPERINTENDENCE BY CONTRACTOR**

At all times during performance of this PO and until the work is completed and accepted, Contractor shall directly superintend the work or assign and have on the worksite a competent superintendent who is satisfactory to Lockheed Martin and has the authority to act for Contractor.

## **13 - PERMITS AND RESPONSIBILITIES**

Contractor shall, without additional expense to Lockheed Martin, be responsible for obtaining any necessary licenses and permits, and for complying with any Federal, state, and municipal laws, codes, and regulations applicable to the performance of the work. Contractor shall also be responsible for all damages to persons or property that occur as a result of Contractor's fault or negligence. Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire work, except for any completed unit of work which may have been accepted under this PO.

## **14 - SITE INVESTIGATION AND CONDITIONS AFFECTING THE WORK**

(a) Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the work or its cost, including but not limited to: (1) conditions bearing upon transportation, disposal, handling, and storage of materials; (2) the availability of labor, water, electric power, and roads; (3) general weather conditions; (4) the conformation and conditions of the ground; (5) applicable security requirements; and (6) the character of equipment and facilities needed preliminary to and during work performance.

Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by Lockheed Martin, as well as from the drawings and specifications made a part of this PO. Any failure of Contractor to take the actions described and acknowledged in this paragraph shall not relieve Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding successfully to perform the work without additional expense to Lockheed Martin.

(b) Lockheed Martin assumes no responsibility for any conclusions or interpretations made by Contractor based on the information made available by Lockheed Martin. Nor does Lockheed Martin assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of Lockheed Martin's officers, agents, subcontractors or employees prior to the execution of this PO, unless that representation is expressly stated in this PO. Any such representations or understandings made but not so expressly stated in this PO and for which liability is not expressly assumed

by Lockheed Martin herein shall be deemed only for the information of Contractor and Lockheed Martin and shall not render Lockheed Martin responsible or liable therefor.

## **15 - MATERIAL AND WORKMANSHIP**

(a) All equipment, material, and supplies incorporated into the Work covered by this PO shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in this PO. References in the specifications to equipment, material, Supplies, or patented processes by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. Contractor may, at its option, use any equipment, material, Supplies, or process that, in the judgment of Lockheed Martin, is equal to that named in the specifications, unless otherwise specifically provided in this PO.

(b) Contractor shall obtain Lockheed Martin's approval of the machinery and mechanical and other equipment to be incorporated into the work. When requesting approval, Contractor shall furnish to Lockheed Martin the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature and rating of the machinery and mechanical and other equipment. When required by this PO or by Lockheed Martin, Contractor shall also obtain Lockheed Martin's approval of the material or Supplies which Contractor contemplates incorporating into the work. When requesting approval, Contractor shall provide full information concerning the material or Supplies. When directed to do so, Contractor shall submit samples for approval at Contractor's expense, with all shipping charges prepaid. Machinery, equipment, material and Supplies that do not have the required approval shall be installed or used at the risk of subsequent rejection.

(c) All work under this PO shall be performed in a skillful and workmanlike manner. Lockheed Martin may require, in writing, that Contractor remove from the work any employee Lockheed Martin deems incompetent, careless, or otherwise objectionable.

## **16 - AVAILABILITY AND USE OF UTILITY SERVICES**

(a) Lockheed Martin shall make all reasonably required amounts of utilities available to Contractor from existing outlets and supplies, as specified in this PO. Contractor shall carefully conserve all utilities furnished by Lockheed Martin.

(b) Contractor, at its expense and in a workmanlike manner satisfactory to Lockheed

*Environmental, Safety and Health (ESH) Requirements for Contractors, Vendors and Suppliers* prior to Contractor's starting work on property owned by or under the control of Lockheed Martin. Contractor agrees to comply with all provisions set forth therein.

## **18 - NOTIFICATION OF CHANGES**

(a) As specified in the clause of this PO entitled Direction and Redirection of Effort, only Lockheed Martin's Authorized Procurement Representative may direct or redirect Contractor's effort hereunder. In the event, however, Contractor considers any conduct including any action, inaction, written or oral communication by Lockheed Martin or Lockheed Martin's customer to constitute a change to this PO, other than a written change order issued by Lockheed Martin's Authorized Procurement Representative, Contractor shall notify Lockheed Martin in writing as soon as possible but in no event later than fifteen (15) days from the date Contractor identifies the conduct considered to constitute a change to this PO. On the basis of the most accurate information available to Contractor, the notice shall state:

- (1) The date, nature and circumstances of the conduct regarded as a change;
- (2) The name, function, and activity of each Lockheed Martin employee, customer employee and Contractor employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) The particular elements of contract performance which Contractor considers to be affected by the conduct, including an estimate of any cost or schedule impact;
- (5) Contractor's estimate of the time by which Lockheed Martin must respond to Contractor's notice to minimize cost, delay or disruption of performance.

(b) Contractor shall take no action in reliance on the conduct considered to constitute a change unless and until Lockheed Martin's Authorized Procurement Representative issues a written change order covering the conduct in question.

## **19 – CHANGES**

(a) Lockheed Martin may at any time, by written order from Lockheed Martin's Authorized Procurement Representative, and without notice to sureties or assignees, if any, make changes in the Work within the general scope of this PO, including changes:

- (1) In the specifications (including drawings and designs),
- (2) In the method or manner of performance of the Work,
- (3) In the Lockheed Martin furnished facilities, equipment, materials, services, or site; or,



(4) Directing acceleration in the performance of the Work or other schedule changes.

(b) Except as may otherwise be expressly provided in this PO, if any such change under subparagraphs (a)(1), (2), or (3) above causes an increase or decrease in the time required for performance of this PO, whether or not changed by the order, Lockheed Martin shall make an equitable adjustment in the delivery schedule, and the affected PO(s) shall be modified accordingly in writing.

(c) Except as may otherwise be expressly provided in this PO, if any change under paragraph (a) above causes an increase or decrease in the cost of performance of any part of this PO, whether or not changed by the order, Lockheed Martin shall make an equitable adjustment in the contract price, and the affected PO(s) shall be modified accordingly in writing.

(d) Contractor must submit any proposal for adjustment under this clause within twenty five (25) days from the date of receipt of the written change order from Lockheed Martin. The proposal for adjustment should include an estimate of costs for excess or obsolete material, work-in-process or other property using the forms and in the detail prescribed by generally acceptable accounting principles. If Contractor's proposal for adjustment includes the cost of property made obsolete or excess by the change, Lockheed Martin shall have the right to prescribe the manner of the disposition of the property.

(e) Contractor agrees that its failure to submit any proposal for adjustment within the applicable time period shall constitute a waiver thereof unless Contractor requests in writing, prior to the expiration of the applicable time period, that a time extension for filing its proposal for adjustment be granted by Lockheed Martin. Any such extensions shall not be unreasonably disapproved and shall be effective if authorized in writing by Lockheed Martin' Authorized Procurement Representative.

(f) Nothing contained in this Clause shall excuse Contractor from proceeding without delay with this PO as changed.

## **20 - INSPECTION OF WORK**

(a) "Work" includes, but is not limited to materials, workmanship, and manufacture and fabrication of components.

(b) Contractor shall maintain an adequate inspection system acceptable to Lockheed Martin and shall perform such inspections as will ensure that the work performed under this PO conforms to contract requirements. Contractor shall maintain complete inspection records and make them available to Lockheed Martin. All work shall be conducted under the general direction of Lockheed Martin and is subject to Lockheed Martin inspection and test at all places and at all reasonable times before



Contractor for itself, its successors and assigns, does hereby warranty to Lockheed Martin that all materials and equipment furnished under this PO shall be new unless otherwise specified by Lockheed Martin, and that

(a) The materials (herein defined as including but not limited to fixtures, clause, supplies, equipment, and parts thereof) provided for the work under said PO shall be of good quality and free from fault or defect due to design (except to the extent such design is prescribed in the specification furnished by Lockheed Martin, workmanship, or material content, shall be free from fault under conditions of proper and normal use and be in conformance with the PO documents.

Should any materials not be free of such fault or defect or otherwise fail to meet the requirements of the PO, Lockheed Martin may, within one (1) year after actually discovering such defect or nonconformance reject the materials and direct the Contractor to proceed at once to make alterations or furnish new materials. All costs of removing such defective or nonconforming materials, furnishing and install new materials or making alterations of materials, and all costs of tests made necessary by failure of the materials to meet this Warranty and other requirements of the PO, and all costs resulting from damage to other materials, work or the work site due to the defective or faulty materials, shall be borne by the Contractor.

(b) There shall be no omissions of materials and snpn(nd s Tw{tJ0 -1. 1257yt)2.1 fau)4omis

(d) the reference to "one year" is changed to "six months," and in paragraph (k) the





(1) Extra Hazardous Work means work such as (i) heavy construction work, (ii) work performed in manufacturing or flight areas of Lockheed Martin's premises where aircraft or aircraft assemblies are exposed, and (iii) work performed directly in or upon aircraft or aircraft assemblies.

(2) Hazardous Work means all other work performed in manufacturing or flight areas of Lockheed Martin's premises. Except as covered by subparagraph (b)(1)(ii) above, minor construction work, regardless of where such work is performed, shall be considered as Hazardous Work.

(3) Non-Hazardous Work means all work performed outside of manufacturing and flight areas, except for work, such as construction work, which is considered as Hazardous or Extra Hazardous Work.

(c) Upon Lockheed Martin's request, Contractor shall provide to Lockheed Martin satisfactory evidence in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or material change adversely affecting Lockheed Martin's interests shall not be effective (1) for such period as the laws of the state in which this PO is to be performed prescribe or (2) until thirty (30) days after the insurer or Contractor gives written notice to Lockheed Martin, whichever period is longer.

(d) Contractor shall insert the substance of this Clause, including this paragraph (d) in lower tier subcontracts under this PO which require work on Lockheed Martin's premises and shall require lower tier subcontractors to provide and maintain the required insurance required in paragraph (a) above.

## **27- DIFFERING SITE CONDITIONS**

(a) Contractor shall promptly, and before the

## 28 - OPERATIONS AND STORAGE AREAS

(a) Contractor shall confine all operations (including storage of materials) on Lockheed Martin premises to areas authorized or approved by Lockheed Martin. No unauthorized or unwarranted entry upon, passage through, or storage or disposal of materials shall be made upon Lockheed Martin or Government premises. At Lockheed Martin's option, areas adjacent to the work area may be made available for use by Contractor without cost whenever such use will not interfere with Lockheed Martin or Government use or purposes, and with respect to Government premises, subject to any required approval by the Government.

(b) Temporary buildings (e.g. storage sheds, shops, offices) and utilities may be erected by Contractor only with the advance written approval of Lockheed Martin, and shall be built with labor and materials furnished by Contractor without expense to Lockheed Martin. The temporary buildings and utilities shall remain the property of Contractor and shall be removed by Contractor and the premises restored to original condition at Contractor's expense upon completion of the work. With the written consent of Lockheed Martin, the buildings and utilities may be abandoned and need not be removed.

(c) Contractor shall, under regulations prescribed by Lockheed Martin, use only established roadways, or use temporary roadways constructed by Contractor when and authorized by Lockheed Martin. When materials are transported in prosecuting the work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by any Federal, state or local law or regulation. When it is necessary to cross curbs or sidewalks, Contractor shall provide adequate protection against damage. In the event of damage, Contractor shall repair or pay for the repair of any damaged curb, sidewalks, or roads.

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(a) Contractor shall provide and maintain work environments and procedures which

### **32 - OTHER CONTRACTS**

Lockheed Martin may undertake or award other contracts for additional facilities work. Contractor shall fully cooperate with the other contractors and with Lockheed Martin employees and shall carefully adapt scheduling and performing the work under this PO to accommodate the additional work, heeding any direction that may be provided by Lockheed Martin. Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Lockheed Martin's employees.

### **33 - PATENT INDEMNITY, TRADEMARKS AND COPYRIGHTS**

### **36– INDEMNIFICATION**

Contractor shall defend, indemnify, and hold harmless Lockheed Martin, its officers, employees and agents from any claim, suit, loss, cost, damage, expense (including attorney's fees), or liability by reason of property damage or personal injury (including death) to any person, including Contractor's employees, of whatsoever nature or kind arising out of, as a result of, or in connection with such performance occasioned in whole or in part by the actions or omissions of Contractor, its officers, employees, agents or subcontractors at any tier. Contractor shall take all precautions necessary, special or otherwise and shall be responsible for compliance with all Federal, state and local safety laws in the performance of this PO. Without in any way limiting the foregoing undertakings, Contractor and its subcontractors at any tier shall maintain personal liability and property damage insurance in reasonable limits covering the obligations set forth herein and shall maintain proper Workers' Compensation Insurance covering all employees performing hereunder.

### **37 - SPECIAL PLANT CONDITIONS**

(a) ALLOCATION OF WORK. The specifications are divided into sections in an effort to separate the work by major trades insofar as possible. Any overlapping of trades or failure to include all work of a given trade under the appropriate heading will not relieve Contractor of his responsibility to provide a turnkey job, complete in every respect.

(b) INTERFERENCES. As the work progresses, Lockheed Martin will cooperate with Contractor in locating and identifying interferences in the work. When interferences are encountered in the work, Contractor shall notify Lockheed Martin for verification and identification. In all cases, Contractor shall proceed with extreme care in the vicinity of utilities and existing installations. If such are damaged by Contractor, Contractor shall repair or replace the damaged installation to the satisfaction of Lockheed Martin with no additional cost to Lockheed Martin.

(c) CONCURRENCE WITH PLANT OPERATIONS. Contractor will be required to conduct all phases of the work in such a manner as to preclude the possibility of any interferences with or delay to Lockheed Martin's personnel and/or production work and shall be prepared at all times to readily yield right of way to Lockheed Martin's transportation



workmanlike manner satisfactory to Lockheed Martin, and shall be removed by Contractor in like manner at his expense prior to acceptance of the work.

execute contractual obligations hereunder, Lockheed Martin may temporarily cease to invite Contractor to bid on additional work until Contractor has satisfactorily resolved deficiencies regarding contractual obligations. Failure to properly execute contractual obligations includes, but is not limited to, unsatisfactory progress as related to the construction schedule, and delays resulting from Contractor operations or negligence.

(2) In addition to Lockheed Martin's options under Paragraph (1), if, in the opinion of Lockheed Martin, Contractor is mishandling or improperly disposing of hazardous materials or waste products at Lockheed Martin's facility, Lockheed Martin may order Contractor to cease work hereunder until such violations are corrected to the satisfaction of Lockheed Martin. During this work stoppage, Lockheed Martin shall not be obligated to Contractor for payments, and no extensions of time shall be given for the completion of Contractor's work.

(w) CLOSEOUT DOCUMENTS. Contractor shall submit to Lockheed Martin, all required closeout documents within thirty (30) calendar days after completion of all work (excluding administrative tasks) associated with this project. Closeout documents include, without limitation, items such as: payroll reports, as-bCLOSESL.rdsioa ractng

In the event that Contractor anticipates soliciting foreign source(s) for any work under this PO, Contractor shall notify Lockheed Martin five (5) working days before either applying for an export license under ITAR (International Traffic In Arms Regulation), 22 CFR §§121-128, or before solicitation of the foreign source, whichever shall occur first. This notification shall include detailed description of the Lockheed Martin or Government data/equipment to be exported and a copy of the application for an export license, if such application has been made. This notification shall not be construed as an application for an export license, nor shall it in any way be interpreted to impede Contractor's right to apply for an export license. However, if Lockheed Martin or the Contracting Officer disagrees with the application, Contractor will be so notified.

#### **41- COMSEC MONITORING**

All communications with DoD organizations are subject to COMSEC review. Contractor personnel will be aware that telecommunications networks are continually subject to intercept by unfriendly intelligence organizations. The DoD has authorized the military departments to conduct COMSEC monitoring and recording of telephone calls originating from or terminating at DoD organizations. Therefore, civilian contractor personnel are advised that any time they place a call to or receive a call from a USAF organization, they are subject to COMSEC procedures. Contractor will assume the responsibility for ensuring wide and frequent dissemination of the above information to all employees dealing with official DoD information.

#### **42 - ELIMINATION OF USE OF CLASS I OZONE DEPLETING SUBSTANCES IN AIR**

(3) Other controlled substances: carbon tetrachloride, methyl chloroform, and methyl bromide.

(d) The Air Force has reviewed the requirements specified in the prime contract to reflect this policy. Where considered essential, specific authorization has been obtained to require use of the following substances.

<u>SUBSTANCE</u>	<u>APPLICATION/USE</u>	<u>QUANTITY(IES)</u>
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None

(e) Contractor is encouraged to notify Lockheed Martin if any Class I DDS not specifically listed is required in the performance of this PO.

#### **43 – USE OF LOCKHEED MARTIN'S DATA**

(a) "Lockheed Martin's data" as used herein means data, designs or other information owned by Lockheed Martin. The term does not include data, designs or other information owned by the Government. Contractor shall not reproduce, use or disclose any data, designs, drawings or other information belonging to or supplied by or on behalf of Lockheed Martin, except as necessary in the performance of this PO or other POs with Lockheed Martin or the U.S. Government pursuant to paragraph (c) below. Upon Lockheed Martin's request, such data, designs, drawings, and other information, and any copies thereof, shall be returned to Lockheed Martin. Where Lockheed Martin's data, designs, drawings or other information are furnished to Contractor's lower tier subcontractors for performance of this or other subcontracts with Lockheed Martin, Contractor shall insert a similar provision in Contractor's subcontracts with its lower tier subcontractors.

(b) Lockheed Martin shall be considered the "person for whom the work was prepared for the purpose of authorship in any copy-rightable work created by Contractor under this PO.

(c) Notwithstanding any other provision of this PO, to the extent the U.S. Government has rights in Lockheed Martin's data or has received the right under its prime contracts with Lockheed Martin to authorize such use by Contractor, Contractor may reproduce Supplies ordered, use Lockheed Martin's tooling, or use Lockheed Martin's data, designs, drawings and other information in the manufacture of clauses for direct sale to the U.S. Government; provided, however, that Contractor shall: (1) give Lockheed Martin prior written notice of each such proposed use, (2) make no use which adversely affects Contractor's performance of work under this PO, (3) prominently identify, to the extent possible, each clause as being manufactured by Contractor for direct sale to the U.S. Government, and (4) indemnify and save Lockheed Martin harmless from any and all expense, loss, cost, damage or liability which may arise out of Contractor's use of such data, designs, drawings and other information and clauses.

#### **44 - NOTIFICATION OF DEBARMENT/SUSPENSION STATUS**

Contractor shall provide immediate notice to Lockheed Martin in the event of being suspended, debarred or declared ineligible by any Government agency, or upon receipt of a notice of proposed suspension or debarment from any Government agency, during the



performance of this PO.

#### **45 - GIFTS, GRATUITIES, AND KICKBACKS**

(a) Buyer may, by written notice to Seller, terminate this PO for default if Buyer has reasonable cause to believe that gratuities or kickbacks were offered or given by Seller, or any agent or representative of Seller, to any officer, employee or representative of Buyer with a view toward securing this PO or securing favorable treatment with respect to awarding, amending or the making of any determinations with respect to the performance of this PO.

(b) Buyer complies with the Anti-Kickback Act of 1986, 41 U.S.C. 51-58, ("the Act") and related laws and regulations. By acceptance of this PO Seller agrees:

(1) to comply with the Act;

(2) to report possible violations of the Act to and cooperate with Buyer and/or the Government in connection with the investigation of any actual or alleged violation of the Act;

(3) to indemnify Buyer against any loss, cost, damage or liability by reason of Seller's violation of the Act including, but not limited to, any amount that Buyer is directed by the Contracting Officer to withhold from Seller; and

(4) that Buyer may terminate this PO for default in the event of Seller's violation of the Act in connection with this PO.

(c) The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided at law, in equity, or under this PO.

(c) Lockheed Martin does not guarantee the accuracy of any furnished property or the quality or suitability of any material supplied to Contractor. All such property furnished by Lockheed Martin or the Government shall be used solely in the performance of this PO or other POs with Lockheed Martin or the Government where the Government has received such rights from Lockheed Martin. Such property shall be subject at all times to disposition as Lockheed Martin may direct and shall not be commingled with property belonging to Contractor or others. Contractor agrees to maintain inventory Control of all such property and to furnish inventories thereof when so required by Lockheed Martin. Contractor shall insert the substance of this clause in all lower tier subcontracts for procurement of supplies for use in the performance of this PO.

#### **47-TAXES**

Unless otherwise agreed in writing between the parties, Contractor shall pay such taxes and other impositions levied under applicable law, the amount of which is included in the PO price.

#### **48 – CERTIFICATIONS AND REPRESENTATIONS**

##### **A. Compliance with Laws**

immediately notify LOCKHEED MARTIN of any change of status with regard to these certifications and representations.

2. The following clauses of the Federal Acquisition Regulation (FAR) are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable to any order, agreement, or subcontract. In each clause incorporated below, substitute "LOCKHEED MARTIN" for "Government" and "Contracting Agency" and "LOCKHEED MARTIN Procurement Representative" for "Contracting Officer" throughout.

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

(1) 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.

(2) 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 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 a solicitation or order, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, in accordance with its instructions, and

(c) CONTRACTOR will include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(3) Submission of this certification and disclosure is a prerequisite for making or entering into a contract as imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended

by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

**(b) FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters.**

(1) CONTRACTOR certifies that, to the best of its knowledge and belief, that CONTRACTOR and/or any of its Principals, (as defined in FAR 52.209-5,)



means Contractor; and “Subcontractor(s)” means Contractor’s subcontractor(s). Except where a date is provided, the FAR and DFARS clauses are those in effect as of the date of this PO, or, if no such clause is in effect as of the date of this PO, then such clause as was most recently in effect.

Lockheed Martin and Contractor agree that they intend for the clauses thus incorporated to establish obligations on Contractor as a subcontractor to Lockheed Martin, including without limitation those obligations on Contractor which are necessary to permit Buyer to comply with its obligations to the U.S. Government under Lockheed Martin’s prime contract(s).

<u><b>FAR</b></u>	<u><b>TITLE</b></u>
52.203-6	<b>Restrictions on Subcontractor Sales to the Government - If PO (s) exceeds \$100,000.</b> (Jul 1995)
52.203-7	<b>Anti-kickback Procedures - If PO(s) exceeds \$100,000.</b> Delete paragraph (c)(1). In paragraph (c)(2), sentence two, insert “Lockheed Martin and to” after the sixth word “to.” In paragraph (c)(3), insert “Lockheed Martin and” after the sixth word “with.” Add the following to the end of paragraph (c)(4): “In addition to any other remedies which the Lockheed Martin has at law, in equity, or under this PO, Lockheed Martin shall have the right to withhold from Contractor the amount, if any, that the Contracting Officer directs Lockheed Martin to withhold from Contractor.” (July 1995)
52.203-12	<b>Limitation on Payments to Influence Certain Federal Transactions - If PO(s) exceeds \$100,000.</b> Change the beginning of paragraphs c(1) and c(2) to read: “Contractor shall file with Lockheed Martin a disclosure form...,” and “such person” means Contractor. (Jan 1990)
52.204-4	<b>Printing/Copying Double Sided on Recycled Paper.</b> (Jun 1996)
52.211-15	<b>Defense Priority and Allocation Requirements.</b> (Sep 1990)
52.215-2	<b>Audit &amp; Records - Negotiation.</b> (Aug 1996)
52.215-22	<b>Price Reduction for Defective Cost or Pricing Data</b> (OCT 1995) - In paragraph (a)(2), “subcontractor” means Contractor or Contractor’s subcontractors, and “Contractor” means Lockheed Martin. If Lockheed Martin is subject to any liability or expense, including without limitation Government withholding of payments, as the result of: 1) Contractor’s or its lower-tier subcontractors’ submission and/or certification of alleged or actual defective cost or pricing data, as set forth in this clause and in FAR 52.215-23; or 2) their furnishing, as prospective subcontractors, alleged or actual defective cost or pricing data, which data was certified or required to be certified by Lockheed Martin to be accurate, complete and current as of the date of final price PO given on Lockheed Martin’s Certificate of Current Cost or Pricing Data, and which data Contractor was given timely notice by Lockheed Martin to

sold in substantial quantities to the general public, is a price set by law or regulation, is a commercial item; or, on any other basis set forth in FAR 15.804-1 (or FAR 15.403-1, as applicable) or other pertinent law or regulation; or 4) their furnishing data of any description that is allegedly or actually inaccurate as set forth in this clause and in FAR 52.215-23, (or 52.215-11, as applicable), then Contractor agrees to indemnify and hold Lockheed Martin harmless to the full extent of any damage or expense resulting from such action.

- 52.215-24 **Subcontractor Cost or Pricing Data** (OCT 1995)
- 52.215-26 **Integrity of Unit Prices (OCT 1995), with its Alternate I** (APR 1991).
- 52.215-27 **Termination of Defined Benefit Pension Plans** - If PO(s) requires certified cost or pricing data and any preaward or postaward cost determinations will be subject to FAR part 31. "Government" means Government and Lockheed Martin. (Mar 1996)
- 52.215-39 **Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB)** - If PO(s) requires certified cost or pricing data or if any preaward or postaward cost determinations will be subject to FAR part 31. (Mar 1996)
- 52.219-8 **Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns** - If PO(s) offers further subcontracting opportunities, or exceeds \$500,000. (Oct 1995)
- 52.219-9 **Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan** - If PO(s) contains the clause at FAR 52.219-8, "Contracting Officer" means Lockheed Martin in the first sentence of paragraph (c). (Oct 1995)
- 52.222-1 **Notice to the Government of Labor Disputes** - "Contracting Officer" means Lockheed Martin. (Apr 1984)
- 52.222-17 **Labor Standards for Construction Work – Facilities Contracts.** (Feb 1988) "Contracting Officer" means Lockheed Martin.
- 52.222-26 **Equal Opportunity** 7033.4271 .25 0 TD-0.001 Tc-0.08Rs2. (Apr 1984) ) J 52.222-27

252.204-7000	<b>Disclosure of Information</b> - In paragraph (b) "45 days" is changed to "60 days," and "Contracting Officer" means Lockheed Martin. (Dec 1991)
252.209-7000	<b>Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty</b> - If PO(s) exceeds \$50,000 unless specified as \$100,000 elsewhere herein, except if for commercial or commercial-type products. (Nov 1995)
252.215-7000	<b>Pricing Adjustments.</b> (Dec 1991)
252.219-7003	<b>Small Business and Small Disadvantaged Business Subcontracting Plan (DoD Contracts)</b> - If PO(s) contains the clause at FAR 52.219-8. (Apr 1996)
252.223-7006	<b>Prohibition on Storage and Disposal of Toxic and Hazardous Materials</b> - If PO(s) requires, may require, or permits a subcontractor to treat or dispose of Non-DOD-owned toxic or hazardous materials as defined in the clause. "Government" means Government and Lockheed Martin. (Apr 1993)
252.225-7001	<b>Buy American Act and Balance of Payments Program.</b> (Jan 1996)
252.225-7002	<b>Qualifying Country Sources as Subcontractors.</b> (Dec 1991)
252.225-7009	<b>Duty-Free Entry - Qualifying Country End Products and Supplies</b> - If PO(s) is for supplies. (Dec 1991)
252.225-7010	<b>Duty-Free Entry - Additional Provisions</b> - If PO(s) is for supplies. (Dec 1991)
252.225-7012	<b>Preference for Certain Domestic Commodities.</b> (Nov 1995)
252.227-7013	<b>Rights in Technical Data – Noncommercial Items.</b> (Nov 1995)
252.227-7024	<b>Notice and Approval of Restricted Designs.</b> (Apr 1984)
252.227-7037	<b>Validation of Restrictive Marking on Technical Data.</b> (Nov 1995)
252.231-7000	<b>Supplemental Cost Principles.</b> (Dec 1991)
252.232-7006	<b>Reduction or Suspension of Contract Payments Upon Finding of Fraud</b> - To the extent that payments to Lockheed Martin are suspended or reduced under this clause due to Seller fraud, Buyer shall suspend or reduce payments to Seller. (Aug 1992)
252.247-7023	<b>Transportation of Supplies by Sea</b> - If PO(s) exceeds \$50,000 unless specified as \$100,000 elsewhere herein. "Contracting Officer" means Lockheed Martin. In paragraph (d), delete the phrase, "within 30 days...Washington, D.C. 20590," and replace with the phrase "furnish with each invoice submitted for payment." (Nov 1995)
252.249-7001	<b>Notification of Substantial Impact on Employment</b> - If PO(s) is for \$500,000 or more. "Contracting Officer" means Lockheed Martin. (Dec 1991)

**50 - CERTIFICATION OF REQUESTS FOR ADJUSTMENT OR RELIEF EXCEEDING \$100,000**



(a) If Lockheed Martin submits to the Government any contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85-804 or other similar request exceeding \$100,000, and such claim or request includes or is based upon, in whole or in part, a claim or request exceeding \$100,000 made by Contractor to Lockheed Martin, Contractor shall, at the request of Lockheed Martin, submit the following certificate given by a senior company official in charge at the plant or location of Contractor involved:

I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief; and that the amount requested accurately reflects the contract adjustment for which Contractor believes that Lockheed Martin/the Government is liable.

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(Official's Name)

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(Title)

(b) The certification in paragraph (a) requir

## **52 - LOWER TIER SUBCONTRACTS**

(a) Notwithstanding any other provision of this PO, Contractor shall not procure any of the completed or substantially completed Supplies described herein from any other party, by subcontract or otherwise, without the prior written consent of Lockheed Martin.

(b) No lower tier subcontracts placed in support of this PO shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type lower tier subcontracts shall not exceed the fee limitations contained in FAR Subpart 15.903(d).

(c) Contractor shall give Lockheed Martin immediate written notice of any action or suit filed and prompt notice of any claim made against Contractor by any lower tier subcontractor that, in the opinion of Contractor, may result in litigation related in any way to this PO, with respect to which Contractor may be entitled to reimbursement from Lockheed Martin.

## **53 – AMENDMENTS**

b) Contractor recognizes that this PO is entered into under and subject in part to a prime contract between Lockheed Martin and the Government. The parties agree to negotiate in good faith an amendment to this PO upon notice by Lockheed Martin that additional clauses or conditions are required by reason of the terms of the applicable prime contract or amendment thereto which affects performance hereunder.