Contract Number: W15QKN-15-C-0066  Contract Name: AMP
Tally Number: P1788  Award Date: 7/28/2015

Instructions for Completion

Contracts:
1. Complete contract information above.
2. Add special flow downs and define their applicability to below list.
3. Forward to Material Program Manager along with a copy of the contract.

<table>
<thead>
<tr>
<th>Applies</th>
<th>Clause Number</th>
<th>Description</th>
<th>Applicability</th>
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<tbody>
<tr>
<td></td>
<td>252.225-7010</td>
<td>Commercial Derivative Military Article</td>
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<td>Section A -</td>
<td>Place of Performance and Security</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Section C - Description/Spec/SOW</td>
<td>Explosive Mat'l Handling and Accident</td>
</tr>
<tr>
<td></td>
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<td>Reporting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Section E - Inspection and Acceptance</td>
<td>Inspection and FAAT Clauses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Section F - Deliveries</td>
<td></td>
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<tr>
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<td>Section G - Contract Admin</td>
<td>Invoicing and Payment Clauses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Section H - Special Contract Requirements</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Section I - FAR/DFAR Clauses</td>
<td>FAAT Clauses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DD254/SCG</td>
<td></td>
</tr>
</tbody>
</table>

Material Program Manager:
1. Review and validate.
2. Forward copies to buyers.
## SPECIAL U.S. GOVERNMENT PROVISIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Prime Contract Number</th>
<th>Prime Award Date</th>
<th>Prime Contract Mod</th>
<th>Priority Rating</th>
<th>Prime RFP Number</th>
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<tbody>
<tr>
<td>Program Description: AMP</td>
<td>W15QKN-15-C-0066</td>
<td>7/28/2015</td>
<td>Award</td>
<td>DOA6</td>
<td>W15QKN-14-R-0192</td>
<td>CPFF</td>
</tr>
</tbody>
</table>
8. Section C has been revised to replace the Statement of Objectives (SOO) and now contains the contractor's Statement of Work (SOW) with USG revisions.

9. All other terms and conditions remain unchanged and in full force and effect.

*** END OF NARRATIVE A0001 ***

A-1 52.215-4004 IDENTIFICATION OF WORK PERFORMED AT A GOVERNMENT LOCATION (AS7027) OCT/2010

1. Offeror will specify in his proposal the place(s) of performance of the work.

2. Where the place(s) of performance includes, in whole or part, a Government location, installation, facility, office space, etc. the offeror will:

   a. Specify which work will be performed at a Government location and which will be performed at a contractor location.

   b. Identify any Government locations, buildings, room numbers, areas etc. where that part of the work will be performed.

   c. If a government location is provided under another contract, specify the contract number, PCO, COR or other Government point of contact, etc.

   d. If any offeror personnel currently have access to a Government electronic mail account or have in their possession a Government identification badge, specify all such persons, badge numbers, e-mail accounts, etc.

   e. Specify any Government furnished equipment needed to perform the work under this solicitation such as office space, other space, utilities, physical access, e-mail accounts, and the like on which the proposal is based.

   f. Separate in the proposal any differing overhead, G&A and other applicable cost or pricing information applicable to the work to be performed at a government location vs. contractor location.

   g. If applicable, furnish a copy of any prior or current agreement for the use of such Government location(s).

A-2 52.223-4000 PHYSICAL SECURITY STANDARDS FOR SENSITIVE ITEMS (AS7002) OCT/2010

1. When the contract contains sensitive conventional Arms, Ammunition and Explosives (AA&E) the contractor will be required to provide proper storage and accountability. These standards are set forth in Department of Defense (DOD) 5100.76-M, dated August, 2000, entitled "Physical Security of Sensitive Conventional Arms, Ammunition and Explosives".

2. Prior to any contract being awarded, the contractor facility must first have a pre award Physical Security Inspection of their facility conducted by the Defense Security Service (DSS). See DOD 5100.76-M, Appendix 2, Attachment 1, for a listing of DSS regions. Contractor facilities, including any subcontractors, that do not meet all of the security requirements of DOD 5100.76-M will not be awarded a contract until such time as they correct all deficiencies noted in the DSS inspection.

3. When the contract requires transportation of Sensitive Conventional AA&E, the standards set forth in Defense Transportation Regulation 4500.9-R., Defense Traffic Management, shall be followed.

4. The following website is provided to obtain the publications identified above:


A-3 52.224-4001 DISCLOSURE OF UNIT PRICE INFORMATION (AS7029) OCT/2010

This constitutes notification pursuant to Executive Order 12600, Pre-Disclosure Notification Procedures for Confidential Commercial Information (June 23, 1987), of our intention to release unit prices in response to any request under the Freedom of Information Act, 5 USC 552. Unit price is defined as the contract price per unit or item purchased. We consider any objection to be waived unless the contracting officer is notified of your objection to such posting prior to submission of initial proposals.
Trucks shall deliver Monday through Thursday, excluding holidays, between the hours of 7:30 A.M. and 2:00 P.M. Enter through the truck entrance and report to the Scale House for further assistance.

Schedule shipments with ARDEC receiving personnel before delivery at telephone number (973) 724-4243, 3384 or 2503. Failure to schedule delivery could result in delay of off-loading. If you cannot deliver by the contract/purchase order delivery date, you will notify the Contract Specialist cited on DD Form 1155, SP33 or SF18 for disposition instructions.
Certificates of compliance/conformance shall not be considered as adequate evidence of material certification.

C.7.3.4.21 Accident/Incident Reports

The contractor shall report immediately to the PCO and Government Program IPT any major accident/incident (including fire) resulting in any one or more of the following: one or more fatalities, one or more disabling injuries; damage of Government property exceeding $10,000; a change in program planning or production schedules; degrading the safety of equipment under contract, such that personal injury or property damage may be involved; identifying a potential hazard requiring corrective action. The contractor shall prepare a report (DI-SAFT-81563) for each incident/accident without delay after each occurrence.

C.7.4 DATA INTERCHANGE

Upon contract award, the contractor shall utilize the Government’s Integrated Data Environment (IDE) for the exchange of program information. The contractor shall use DVD/CD for the delivery of classified information.

*** END OF NARRATIVE C0001 ***

<table>
<thead>
<tr>
<th>Regulatory Cite</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-1</td>
<td>52.223-4005 EXPLOSIVE MATERIAL HANDLING (CS7030)</td>
<td>OCT/2010</td>
</tr>
</tbody>
</table>

The Contractor shall comply with the requirements of the Department of the Army Pamphlet 385-64, Safety, Ammunition and Explosives Safety Program, in effect on the date of the solicitation for this contract.
SECTION E - INSPECTION AND ACCEPTANCE

This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:


If the clause requires additional or unique information, then that information is provided immediately after the clause title.

<table>
<thead>
<tr>
<th>Regulatory Cite</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-1</td>
<td>INSPECTION OF SUPPLIES--FIXED-PRICE</td>
<td>AUG/1996</td>
</tr>
<tr>
<td>E-2</td>
<td>INSPECTION OF SUPPLIES--COST-REIMBURSEMENT</td>
<td>MAY/2001</td>
</tr>
<tr>
<td>E-3</td>
<td>INSPECTION OF RESEARCH AND DEVELOPMENT--COST REIMBURSEMENT</td>
<td>MAY/2001</td>
</tr>
<tr>
<td>E-4</td>
<td>RESPONSIBILITY FOR SUPPLIES</td>
<td>APR/1984</td>
</tr>
<tr>
<td>E-5</td>
<td>HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT</td>
<td>DEC/2014</td>
</tr>
<tr>
<td>(a)</td>
<td>The contractor shall comply with the higher-level quality standard(s) listed below.</td>
<td></td>
</tr>
<tr>
<td>Title Number Date Tailoring</td>
<td>Quality Management Systems ISO 9001:2008 15 Nov 2008 Untailored</td>
<td></td>
</tr>
</tbody>
</table>

(b) The contractor shall include applicable requirements of the higher-level quality standard(s) listed in paragraph (a) of this clause and the requirement to flow down such standards, as applicable, to lower-tier subcontracts in--

(i) Any subcontract for critical and complex items (see 46.203(b) and (c)); or

(ii) Control of such things as design, work operations, in-process control, testing and inspection; or

(ii) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

(End of clause)

E-6 52.209-4000 FIRST ARTICLE TEST (GOVERNMENT TESTING) (ES6909) OCT/2010

a. The first article shall be examined and tested in accordance with contract requirements, the item specification(s), Quality Assurance Provisions (QAPs) and all drawings listed in the Technical Data Package.

b. The first article shall be delivered by the Contractor Free on Board (FOB) destination except when transportation protective service or transportation security is required by other provision of this contract. If such is the case, the first article shall be delivered FOB origin and shipped on Government Bill of Lading.

c. The first article shall be representative of items to be manufactured using the same processes and procedures as contract production. All parts and materials, including packaging and packing, shall be obtained from the same source of supply as will be used during regular production. All components, subassemblies, and assemblies in the first article sample shall have been produced by the Contractor (including subcontractors) using the technical data package provided by the Government.

d. Prior to delivery, each of the first article assemblies, subassemblies, and components shall be inspected by the Contractor for all contract, drawing, QAP and specification requirements except for any environmental or destructive tests indicated below:

n/a

The Contractor shall provide to the Contracting Officer at least 15 calendar days advance notice of the schedule date for final inspection of the first article. Those inspections which are of a destructive nature shall be performed upon additional sample parts selected from the same lot(s) or batch(es) from which the first article was selected. Results of contractor inspections (including supplier’s and vendor’s inspection records when applicable) shall be verified by the Government Quality Assurance Representative (QAR). One copy of the contractor’s inspection report with evidence of the QAR’s verification shall be forwarded with the first article; two copies shall be provided to the Contracting Officer. Upon delivery to the Government, the first article may be subjected to inspection for all contract, drawing, specification, and QAP requirements.

e. Notwithstanding the provisions for waiver of first article, an additional first article sample or portion thereof, may be ordered by the Contracting Officer in writing when (i) a major change is made to the technical data, (ii) whenever there is a lapse in production for a period in excess of 90 days, or (iii) whenever a change occurs in the place of performance, manufacturing process, material used,
Government shall be borne by the Contractor.

Testing resulting from any of the causes listed herein that were instituted by the contractor and not due to changes directed by the Government shall be borne by the Contractor.

f. Rejected first articles or portions thereof not destroyed during inspection and testing will be held at the government first article test site for a period of 30 days following the date of notification of rejection, pending receipt of instructions from the Contractor for the disposition of the rejected material. The Contractor agrees that failure to furnish such instructions within said 30 day period shall constitute abandonment of said material by the Contractor and shall confer upon the Government the right to destroy or otherwise dispose of the rejected items at the discretion of the Government without liability to the Contractor by reason of such destruction or disposition.

c. The first article shall be inspected and tested by the contractor for all requirements of the drawing(s), the QAPs, and specification(s) referenced thereon, except for:

1. Inspections and tests contained in material specifications provided that the required inspection and tests have been performed previously and certificates of conformance are submitted with the First Article Test Report.

2. Inspections and tests for Military Standard (MS) components and parts provided that inspection and tests have been performed previously and certifications for the components and parts are submitted with the First Article Test Report.

3. Corrosion resistance tests over 10 days in length provided that a test specimen or sample representing the same process has successfully passed the same test within 30 days prior to processing the first article, and results of the tests are submitted with the First Article Test Report.

4. Life cycle tests over 10 days in length provided that the same or similar items manufactured using the same processes have successfully passed the same test within 1 year prior to processing the first article and results of the tests are submitted with the First Article Test Report.

5. Onetime qualification tests, which are defined as a one-time on the drawing(s), provided that the same or similar item manufactured using the same processes has successfully passed the tests, and results of the test are on file at the contractor's facility and certifications are submitted with the First Article Test Report.

d. Those inspections which are of a destructive nature shall be performed upon additional sample parts selected from the same lot(s) or batch(es) from which the first article was selected.

e. A First Article Test Report shall be compiled by the contractor documenting the results of all inspections and tests (including supplier's and vendor's inspection records and certifications, when applicable). The First Article Test Report shall include actual inspection and test results to include all measurements, recorded test data, and certifications (if applicable) keyed to each drawing, specification and QAP requirement and identified by each individual QAP characteristic, drawing/specification characteristic and unlisted characteristic. Evidence of the QAR's verification will be provided. One copy of the First Article Test Report will be copy furnished to RDAR-EIQ-PD, dawn.r.simpson.civ@mail.mil.

f. Notwithstanding the provisions for waiver of first article, an additional first article sample or portion thereof, may be ordered by the Contracting Officer so that a determination can be made concerning the need for an additional first article sample or portion thereof, and instructions provided concerning the submission, inspection and notification of results. Costs of the additional first article testing resulting from any of the causes listed herein that were instituted by the contractor and not due to changes directed by the Government shall be borne by the Contractor.
a. The Design Verification sample shall consist of 780 Tactical Cartridges and all other deliverables from CLIN 0004 that are listed under the column Intended Use as "Conduct DT&E Testing", "EOD training aid" or "training aid". Additionally if the Government determines it necessary, CLIN 0007 will be exercised as part of the Design Verification sample. The Design Verification sample shall be verified in accordance with the contract and specification 120mm Cartridge, HEMP-T, XM1147, PRF-13053500. All costs associated with this test are the responsibility of the contractor.

b. The Design Verification sample shall be delivered to APG/Yuma/Picatinny Test Facilities. Unless otherwise specified below, the Contractor is responsible for the conduct of all tests and associated test documentation. If the Government is to perform testing, the contractor is responsible for shipping the test sample and all resubmission samples to and from the test site.

c. The contractor shall provide at least 15 calendar days advance notice of the Design Verification test to the item manager and the Contracting Officer so the Government may witness the testing.

d. The Contracting Officer will provide notice of approval, conditional approval or disapproval of the sample within 45 calendar days of receipt of the Design Verification test report. The notice of conditional approval or disapproval shall not relieve the contractor of the requirement to comply with the terms of the contract. The notice of conditional approval or disapproval will state the reasons for the disposition and may state that further action is required. Further action may include corrective action and resubmission of a new sample at the contractors expense. A notice of disapproval may be considered reason for termination of the contract.

e. Before design verification test approval, the acquisition of materials or components for, or the commencement of production of the balance of the contract quantity is at the sole risk of the contractor unless specific written authorization is granted by the Contracting Officer. The contractor is responsible for verification that all configuration changes necessary to achieve design verification test approval are incorporated into the production quantities.

f. The Government may waive all or part of the Design Verification test for supply of an identical or similar design to that previously furnished by the contractor. The contractor may request a waiver but must provide evidence of prior successful verification of the design to the technical requirements.

g. Notwithstanding a waiver, a new Design Verification, or portions of one, may be required by the contracting officer when a configuration change occurs that experience and judgment indicates will affect:

1. Interface characteristics
2. Form, fit, function or performance
3. Support and ownership requirements
4. Operating requirements

In this situation, the contractor shall notify the contracting officer so that a determination can be made concerning the need for a new Design Verification. The costs for a new Design Verification resulting from a design change not requested by the Government shall be borne by the contractor.

[ X ] Acceptance will be at the Contractor's plant.

[ ] Acceptance will be at destination.

Government Procurement Quality Assurance (PQA) actions will be accomplished by the Governments Quality Assurance Representative (QAR) at:

[ X ] Contractors Plant

[ ] Destination

[ X ] Other: The Contractors plant except for tests conducted at a Government Facility or Proving Ground.
a. The contractors processes shall be designed with the objective of preventing the creation or occurrence of non-conforming critical characteristics (see paragraphs d & e). The contractor shall establish, document and maintain a product specific, critical characteristics control (CCC) plan that shall be submitted to and approved by the Procuring Contracting Officer (PCO) IAW DD Form 1423 and DI-MGMT-80004. The CCC plan shall include or reference all procedures, work and handling instructions and process controls relating to any critical characteristics. Mistake Proofing techniques of the material handling and inspection systems shall be a part of the CCC Plan. Guidance for developing this plan and submitting Critical Plans of Action (CPOA) (paragraph g) can be found at http://www.pica.army.mil/PicatinnyPublic/organizations/ardec/orgchart/quality.shtml.

b. The contractor shall assure its critical processes are robust in design, capable and under control, with the objective of not generating any critical non-conformances. The contractor shall calculate, document, clearly identify, and have a schedule that routinely assess the reliability and effectiveness of its critical processes to prevent generating critical non-conformances as identified in the CCC Plan.

c. An inspection and verification system shall be employed that will verify the robustness of all critical processes. The contractor shall calculate, document, clearly identify, and have a schedule that routinely assess the reliability and effectiveness of its inspection and verification system to detect and prevent critical non-conformance escapes as identified in the CCC Plan. The Government expects that a contractor will allow zero critical escapes. To demonstrate its critical escape risk the contractor will utilize the non-conformance escape risk goal provided below.

(1) Unless otherwise specified immediately below, the calculated critical non-conformance escape risk is 1 in a million (0.000001) items delivered. Or:

Alternate calculated Critical Non-conformance Escape risk: n/a

Unless otherwise approved by the PCO, the non-conformance escape risk is the sum of the individual characteristic escape rates. The probability of escape for a single characteristic shall be calculated by multiplying the non-conformance rate(s) entering the inspection system(s) by the error rate of the inspection system(s). These escape rates are then summed and shall not exceed the tolerable critical non-conformance escape risk.

(2) Within 45 days after award, the contractor can elect to submit a phased-in approach on how the non-conformance escape risk will be achieved over a period of time not to exceed 180 days from the date of first article approval, or from initiation of production when first article is not required. Submission will require approval by the Government and is subject to a technical review and analysis. Allowance for a phased-in approach will then become a part of the contract. Disapproval of the contractors submission does not relieve the contractor of its obligation to comply with the terms of this clause.

(3) Based on the maximum error rate defined for the inspection system, the contractor shall develop a test procedure to demonstrate the error rate. As part of the test plan the contractor shall include sufficient test quantities to assure 90% statistical confidence in the resultant rates unless otherwise approved by the PCO. Once established, the contractor shall have a documented schedule to routinely monitor the non-conformance and inspection system error rates to assure they do not exceed the maximum rates allotted.

d. As a result of previous practices, the governments technical data may refer to Critical I, Critical II, and Special characteristics. The use of the term "critical characteristics" within this clause includes Critical I, Critical II and Special characteristics and the use of the term "critical nonconformances" includes those nonconformances pertaining to Critical I, Critical II and Special characteristics. Unless otherwise stated in Section C, these characteristics shall be subject to all requirements of this clause.

e. In addition to critical characteristics defined in the governments technical data (drawings, specifications, etc.), the contractor shall also identify and document in their contractor developed technical data all known material, component, subassembly and assembly characteristics whose non-conformances would likely result in hazardous or unsafe conditions for individuals using, maintaining or depending upon the product. All additional critical characteristics identified by the contractor shall comply with the critical characteristic requirements of the technical data package, supplemented herein. The Critical Item Characteristic List (CICL) review process shall be included in the CCC Plan. The contractor's additional critical characteristics shall be classified in accordance with guidance located at http://www.pica.army.mil/PicatinnyPublic/organizations/ardec/orgchart/quality.shtml and shall be submitted to and approved by the PCO prior to production (DI-SAFT-80970A).

f. In the event that a critical non-conformance is found anywhere in the production process, the contractor, as part of its CCC Plan,
shall have procedures in place to ensure:

(1) The non-conformance is positively identified and segregated to ensure that nonconforming product does not inadvertently remain in or reenter the production process. This control shall be accomplished without affecting or impairing subsequent non-conformance analysis. Final disposition of non-conforming product shall be documented and audited for traceability.

(2) The operation that produced the non-conforming component or assembly and any other operations incorporating suspect components or assemblies are immediately stopped. (See para h. for exceptions)

(3) The government (PCO) is immediately notified of the critical non-conformance (electronic mail) (DI-SAFT-80970A).

(4) Any suspect material is identified, segregated and suspended from any further processing and shipment.

(5) An investigation is conducted to determine the root cause of the non-conformance and the required corrective actions. An evaluation shall also be conducted with regard to suspect material to ensure that no additional critical non-conformances are present. A report of this investigation shall be submitted to the government (DI-SAFT-80970A). The use of the DID report shall not delay notification to the government as required in f(3) above.

(6) A request to restart manufacturing or to use any suspect material associated with the critical non-conformance is submitted to the government (DI-SAFT-80970A). Restart of production shall not occur until authorized by the PCO, unless previously addressed in the approved CCC Plan. The Government will respond to a restart request within 3 working days. All objective evidence of the investigations to date shall be available for review at the time of restart. Suspect material shall not be used without PCO approval.

(7) The procuring activity reserves the right to refuse acceptance of any suspect material until the root cause or reasonably likely cause of the critical non-conformance has been identified, corrective action has been fully implemented and sufficient evidence has been provided to exclude non-conforming material from the conforming population.

The contractor may develop alternative plans and provisions, collectively referred to as a Critical Plan of Action (CPOA), relative to government or contractor identified critical characteristics. All CPOAs are independent and shall be evaluated by the government for this contract. The CPOA and any subsequent revisions submitted IAW DD Form 1423 and DI-MGMT-80004 require PCO approval prior to implementation. Unless otherwise specified at time of approval, contractor shall review and evaluate CPOAs for currency and process improvements at least on an annual basis and submit results to the PCO. Unless otherwise approved by the PCO, each critical characteristic shall require a separate CPOA. If the CPOA includes other documents by reference they shall be submitted upon request. Guidance for the development of a CPOA can be found in the referenced guidance located at paragraph a of this clause.

The contractor may continue production with an approved CPOA provided that the critical non-conformance is consistent with the failure mode(s) and rates established in the CPOA. Failure to meet all CPOA requirements will require the contractor to revert back to paragraph f requirements.

If a critical non-conformance is discovered beyond its designated inspection point and prior to Government acceptance the contractor shall take actions specified in paragraph f above. If a critical non-conformance is discovered after Government acceptance the contractor has the right to invoke the requirements of paragraph f with respect to the contractors remaining production under this contract.

Detailed requirements and guidance for the preparation of Ammunition Data Cards (ADCs) and Ammunition Lot Numbers are contained in MIL-STD-1168, DI-MISC-80043 and the Worldwide Ammunition-data Repository Program (WARP) online user's manual. Detailed requirements for obtaining and using a manufacturer's identification symbol, which is an integral component of the ammunition lot number, can be found in MIL-STD-1168 and the WARP users manual. Information provided in paragraphs 6.7 through 6.16 of MIL-STD-1168 shall be considered mandatory requirements where all instances of the term "should" are considered to be replaced with the word "shall."

(a) The contractor shall develop and submit ADCs in accordance with the requirements of this clause, MIL-STD-1168, and the user's manual located on the WARP database. The WARP application is accessed through the Munitions History Program (MHP) website. The ADC requirement is a flow-down requirement that applies to contractors and their suppliers, vendors or subcontractors.

(b) The contractor shall prepare an ADC for each lot of item(s) being produced under this contract, regardless of whether or not those lots are accepted or rejected by the Government. The ADC shall comply with MIL-STD-1168 and WARP requirements.

(c) Unless otherwise authorized by the Procuring Contracting Officer, the contractor shall include, in the components sections on the ADC representing the deliverable item, as a minimum; all assemblies, sub-assemblys, components, explosives, and propellants listed below for the item being procured.
(d) The component items identified below are from paragraph (c) above and will require their own component ADC in addition to being listed on the end item ADC. The component ADCs shall also comply with MIL-STD-1168 and WARP requirements.

<table>
<thead>
<tr>
<th>Component</th>
<th>Drawing Number</th>
<th>Nomenclature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Drawing Number from paragraph (c) above TBD, components as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Drawing Number</th>
<th>Nomenclature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

(e) Lot numbers shall be in accordance with MIL-STD-1168 lot number convention and the technical data package requirements. Lot numbers shall be used for all ammunition end items and their major components, including inert, dummy, or non-energetic items and components. When not required by technical data package and not considered an end item or major component, the component lot number may be constructed through contractor lot number convention.

(f) The flowdown of the requirement for component ADCs generated via WARP is highly encouraged for other items not identified in paragraph (d) above when the prime contractor is purchasing components, assemblies, and subassemblies from subcontractors or vendors.

(g) All component RFD/ECPs shall be listed on the ADC for the deliverable item, as well as on the component ADC, when that component is identified in paragraph (d) above. The WARP user's manual provides information on the level of detail required.

(h) A sample ADC shall be developed and submitted to the WARP system 30 days prior to First Article testing or 30 days prior to production in the event a first article is not required. The WARP ADC program will not allow the submission of additional ADCs until such time as the sample ADC has been approved in the system.

(End of clause)
The results of a process performance study, and if available, the results of a process capability study.

For SPC data to be used as an alternative to lot acceptance sampling, the following conditions shall be met:

(i) The process is in a state of statistical control using SPC control chart methods.

(ii) Variable data: for Critical characteristics a CPK \( \geq 2.00 \) (or equivalent capability) is achieved; for Major characteristics a CPK \( \geq 1.33 \) (or equivalent capability) is achieved.

(iii) Attribute data: for Critical Characteristics a process average of 100% of the product conforming to the specification; for Major Characteristics a process average of 99.9937% of the product conforming to the specification.

(c) Proposals offered after award. The Contracting Officer is responsible for accepting or rejecting the alternate lot acceptance procedure submitted by the contractor. The contractor may submit an alternate lot acceptance procedure at any time during the performance of this contract. The Contracting Officer is responsible for accepting or rejecting the alternate procedure within 30 days of receipt. If the Government needs more time to evaluate the alternate procedure, the Contracting Officer shall notify the contractor in writing, giving the reasons and the anticipated decision date. The contractor may withdraw its proposal at anytime prior to its incorporation by contract modification. Because offerors may withdraw their proposal at anytime, the Contracting Officer’s failure to timely accept or reject the proposal shall not constitute grounds for claim against the Government. Any proposed and accepted procedure must be incorporated by contract modification. If the alternate procedure is not accepted, the Contracting Officer shall provide the contractor with written notification, explaining the reasons for rejection.

(d) Any equitable adjustment resulting from approval of an alternate lot acceptance procedure described in paragraph (c) above will be handled in accordance with the Changes clause of this contract.

(e) Until notification is received, the contractor is required to perform under this contract in accordance with the requirements herein, including lot acceptance inspection and testing.

E-15 52.246-4003 REWORK AND REPAIR OF NONCONFORMING MATERIAL (ES7904) OCT/2010

a. Rework and Repair are defined as follows:

(1) Rework - The reprocessing of nonconforming material to make it conform completely to the drawings, specifications or contract requirements.

(2) Repair - The reprocessing of nonconforming material in accordance with approved written procedures and operations to reduce, but not completely eliminate, the nonconformance. The purpose of repair is to bring nonconforming material into a usable condition. Repair is distinguished from rework in that the item after repair still does not completely conform to all of the applicable drawings, specifications or contract requirements.

b. Rework procedures along with the associated inspection procedures shall be documented by the Contractor and submitted to the Government Quality Assurance Representative (QAR) for review prior to implementation. Rework procedures are subject to the QAR’s disapproval.

c. Repair procedures shall be documented by the Contractor and submitted on a Request for Deviation/Waiver, DD Form 1694, to the Contracting Officer for review and written approval prior to implementation.

d. Whenever the Contractor submits a repair or rework procedure for Government review, the submission shall also include a description of the cause for the nonconformances and a description of the action taken or to be taken to prevent recurrence.

e. The rework or repair procedure shall also contain a provision for reinspection which will take precedence over the Technical Data Package requirements and shall in addition, provide the Government assurance that the reworked or repaired items have met reprocessing requirements.

E-16 52.246-4004 ACCEPTANCE INSPECTION EQUIPMENT (AIE) (ES7905) OCT/2010

a. The contractor shall use a calibration system, with traceability to a national or international standard, for the AIE used on this contract.

b. The contractor shall provide all AIE (except for any AIE listed as available in Section H or Appendix I) necessary to assure conformance of material to the contract requirements.

c. AIE shall be available for use on the First Article (FA) submission, if FA is required, or prior to use for acceptance of production
d. Contractor furnished AIE shall be made (i) to the AIE designs specified in section C, or (ii) to any other design provided the contractors proposed AIE design is approved by the Government. AIE designs for inspection of characteristics listed as Critical, Special or Major shall be submitted to the Government for review and approval as directed on the Contract Data Requirements List, DD FORM 1423. Government approval of AIE design documentation shall not be considered to modify the contract requirements.

e. When the contractor submits proposed AIE on commercial off the shelf equipment, the contractor shall include the manufacturers name and model number and sufficient information to show capability of the proposed AIE to perform the inspection required. When the contractor submits proposed AIE designs on commercial computer controlled test and measuring equipment, the contractor shall include information on (1) test program listing (2) flowcharts showing accept and reject limits and computer generated test stimuli (3) calibration program listing (4) sample of the printout of an actual test and calibration (5) test plan to verify accuracy of inspection and correctness of accept or reject decision (6) identification of the equipment by model name and number.

f. Resubmission of the contractors proposed AIE design for approval on a follow on Government contract, by the same contracting activity, is not required provided the inspection characteristic parameters specified in the technical data package and the previously Government approved AIE designs have not changed. In this situation, the contractor shall provide written correspondence in place of the AIE designs that indicates the prior Government approval and states that no changes have occurred.

g. The Government reserves the right to disapprove, at any time during the performance of this contract, any AIE that is not accomplishing its intended use in verifying an inspection or test characteristic.

h. If the contractor changes the design after the initial approval, the modified design must be submitted for approval prior to use.

a. All costs of destructive testing by the Contractor and items destroyed by the Government are considered as being included in the contract unit price.

b. Where destructive testing of items or components thereof is required by contract or specification, the number of items or components required to be destructively tested, whether destructively tested or not, shall be in addition to the quantity to be delivered to the Government as set forth in the Contract Schedule.

c. All pieces of the complete First Article shall be considered as destructively tested items unless specifically exempted by other provisions of this contract.

d. The Contractor shall not reuse any components from items used in a destructive test during First Article, lot acceptance or inprocess testing, unless specifically authorized by the Contracting Officer.

e. The Government reserves the right to take title to all or any items or components described above. The Government may take title to all or any items or components upon notice to the Contractor. The items or components of items to which the Government takes title shall be shipped in accordance with the Contracting Officer’s instructions. Those items and components to which the Government does not obtain title shall be rendered inoperable and disposed of as scrap by the Contractor.
Prior to any shipment, notify COR twenty (20) working days prior to shipping for destination POC.

DoDAAC Codes:
- U.S. Army Yuma Proving Grounds   W61P4X
- Picatinny Arsenal                W907CC
- Aberdeen Proving Grounds         W91CRE
- Tooele Army Depot                W67G23

*** END OF NARRATIVE F0001 ***

This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:


If the clause requires additional or unique information, then that information is provided immediately after the clause title.

<table>
<thead>
<tr>
<th>Regulatory Cite</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-1</td>
<td>52.211-17  DELIVERY OF EXCESS QUANTITIES</td>
<td>SEP/1989</td>
</tr>
<tr>
<td>F-2</td>
<td>52.242-15  STOP-WORK ORDER</td>
<td>AUG/1989</td>
</tr>
<tr>
<td>F-3</td>
<td>52.242-15  STOP-WORK ORDER  (AUG 1989) -- ALTERNATE I (APR 1984)</td>
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<td>52.242-17  GOVERNMENT DELAY OF WORK</td>
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<td>F-5</td>
<td>52.247-29  F.O.B. ORIGIN</td>
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<td>F-6</td>
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<td>F-7</td>
<td>252.211-7007 REPORTING OF GOVERNMENT-FURNISHED PROPERTY</td>
<td>AUG/2012</td>
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Contract Specialist:
Paul Giovannoli
ACC-NJ-MA
paul.giovannoli.civ@mail.mil
973-724-2136

Contracting Officer:
Stephanie Kless
ACC-NJ-MA
stephanie.g.kless.civ@mail.mil
973-724-6671

Contracting Officer's Representative:
Susana Cruz
PM-MAS
susana.cruz.civ@mail.mil
973-724-6115

*** END OF NARRATIVE G0001 ***

CONTRIBUTION SHEET

Reference No. of Document Being Continued
PN/SHN W15QKN-15-C-0066 MOD/AMD

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS OPERATIONS LLC

SECTION G - CONTRACT ADMINISTRATION DATA

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**G-1** 252.232-7006 WIDE AREA WORKFLOW PAYMENT INSTRUCTIONS MAY/2013

(a) Definitions. As used in this clause--

"Department of Defense Activity Address Code (DoDAAC)" is a six position code that uniquely identifies a unit, activity, or organization.

"Document type" means the type of payment request or receiving report available for creation in Wide Area WorkFlow (WAWF).

"Local processing office (LPO)" is the office responsible for payment certification when payment certification is done external to the entitlement system.

(b) Electronic invoicing. The WAWF system is the method to electronically process vendor payment requests and receiving reports, as authorized by DFARS 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports.

(c) WAWF access. To access WAWF, the Contractor shall--

(i) Have a designated electronic business point of contact in the System for Award Management at https://www.acquisition.gov; and

(d) WAWF training. The Contractor should follow the training instructions of the WAWF Web-Based Training Course and use the Practice Training Site before submitting payment requests through WAWF. Both can be accessed by selecting the "Web Based Training" link on the WAWF home page at https://wawf.eb.mil/.

(e) WAWF methods of document submission. Document submissions may be via Web entry, Electronic Data Interchange, or File Transfer Protocol.

(f) WAWF payment instructions. The Contractor must use the following information when submitting payment requests and receiving reports in WAWF for this contract/order:

(1) Document type. The Contractor shall use the following document type(s).

Invoice and Receiving Report (Combo)
Invoice as 2-in-1 (Services only)

(2) Inspection/acceptance location. The Contractor shall select the following inspection/acceptance location(s) in WAWF, as specified by the contracting officer.

TBD

(3) Document routing. The Contractor shall use the information in the Routing Data Table below only to fill in applicable fields in WAWF when creating payment requests and receiving reports in the system.

Routing Data Table*

<table>
<thead>
<tr>
<th>Field Name in WAWF</th>
<th>Data to be entered in WAWF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Official DoDAAC</td>
<td>HQ0339</td>
</tr>
<tr>
<td>Issue By DoDAAC</td>
<td>W15QKN</td>
</tr>
<tr>
<td>Admin DoDAAC</td>
<td>S2401A</td>
</tr>
<tr>
<td>Inspect By DoDAAC</td>
<td>See CLINS</td>
</tr>
<tr>
<td>Ship To Code</td>
<td>See CLINS</td>
</tr>
<tr>
<td>Ship From Code</td>
<td>See CLINS</td>
</tr>
<tr>
<td>Mark For Code</td>
<td>See CLINS</td>
</tr>
<tr>
<td>Service Approver (DoDAAC)</td>
<td>W15QKN</td>
</tr>
<tr>
<td>Service Acceptor (DoDAAC)</td>
<td>W15QKN</td>
</tr>
<tr>
<td>Accept at Other DoDAAC</td>
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</tr>
<tr>
<td>LFG DoDAAC</td>
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</tr>
<tr>
<td>DCAA Auditor DoDAAC</td>
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</tr>
<tr>
<td>Other DoDAAC(s)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(4) Payment request and supporting documentation. The Contractor shall ensure a payment request includes appropriate contract line item and subline item descriptions of the work performed or supplies delivered, unit price/cost per unit, fee (if applicable), and all relevant back-up documentation, as defined in DFARS Appendix F, (e.g. timesheets) in support of each payment request.

(5) WAWF email notifications. The Contractor shall enter the email address identified below in the "Send Additional Email Notifications" field of WAWF once a document is submitted in the system.

paul.giovannoli.civ@mail.mil

(g) WAWF point of contact. (1) The Contractor may obtain clarification regarding invoicing in WAWF from the following contracting activity's WAWF point of contact.

susana.cruz.civ@mail.mil

(2) For technical WAWF help, contact the WAWF helpdesk at 866-619-5988.
Contractor to invoice after acceptance and approval of the deliverable upon delivery.

COR/Technical Point of Contact Name: Susana Cruz
Address / Office Symbol: PM-MAS
Telephone: 973-724-6115
Email: susana.cruz.civ@mail.mil

The COR/Technical Point of Contact shall certify all invoices as follows:

"Acceptance of items or services listed herein has been made by me or under my supervision and they conform to the contract except as noted herein or on supporting documents."

Signature: ________________
Printed Name: ________________
Title: ________________

Date supplies delivered/services performed: _____________
Date supplies/services accepted: _____________
Telephone: ________________
E-Mail: ________________
Address: ________________

Note: If not using the DD250, an adequate description (to include quantities) of supplies/services and line item(s) must be included. Contract or Purchase Order Number is also required.

The payment office shall make payment in sequential ACRN order within the line item, exhausting all funds in the previous ACRN before paying from the next ACRN using the following sequential order: Alpha/Alpha; Alpha/numeric; numeric/alpha; and numeric/numeric.

(End)
This clause details the requirements applicable to contractor employees working at Picatinny Arsenal, and the procedures for access eligibility/control of Classified Information and Controlled Unclassified Information (CUI) for contractors working on installations in support of Army Contracting Command – New Jersey (ACC-NJ) Programs/Contracts.

The following requirements are applicable to contractor employees working at Picatinny Arsenal:

1. All contractor employees working on the U.S. Army installation, Picatinny Arsenal in the State of New Jersey, in connection with this contract, shall conform to all applicable federal, state laws and published rules and regulations of the Departments of Defense and Army, as well as any applicable regulations promulgated by ACC-NJ and/or Picatinny Arsenal, including but not limited to traffic regulations.

2. The term "contractor employee" includes employees, consultants, agents, students or student interns, or representatives and all employees, agents or representatives of all subcontractors and suppliers. Contractors are responsible for obtaining/returning identification badges /passes for each contractor employee who will work on the contract or enter Picatinny Arsenal. The badges/passes are required for the term of the contract until completion or until release of the employee.

3. Contractor badges are only issued to U.S. citizen contract personnel who work at Picatinny Arsenal for at least three (3) days a week and have a valid contract greater than 180 days. To obtain a badge the following pre-requisites must be adhered to:
   a. Form SB1212b (State background name check) must be completed and stamped by the State Police. The contractor is responsible for having the document completed and stamped. The document is then either given to the Picatinny Physical Security Office (PSO) or to the Criminal Investigators office (determination of which office is made by the PSO). Once the document is approved (by either office) notification is given to the visitor control center and the Contracting Officers Representative (COR), that the individual is authorized to receive a badge.
   b. A COR must complete an application identification form (ARDEC 3058) for access to the installation. The form must include the valid contract number, expiration date and be signed in blue ink by the Contracting Officer or COR. This form is brought to the US Army Garrison (USAG) Picatinny Arsenal Badge and Identification Section, Building 1136 for processing.

4. The contractor employee working on Picatinny Arsenal shall sign a Non-disclosure Agreement (NDA) on their company's letterhead (using the format below) prior to commencing work and gaining access to non-public information, under the contract, or obtaining badges/passes required by paragraph 2 above. There shall be one NDA completed for each employee, for each new contract, regardless if the employee has completed an NDA for prior contracts.

5. Failure to comply with the requirements of paragraph 4 will be grounds for withholding any funds due the contractor until completion of the requirement, notwithstanding any other clause or requirements in the contract. Failure to comply may also be used as an adverse factor with respect to contractor past performance in connection with award of future contracts to the firm.

6. For contractors requiring access for less than 90 days, a visitor pass will be required. Passes will be issued for specific dates access is required, not to exceed 30 days. The Contracting Officer or COR must complete the Visitor Registration Form applications on the Picatinny Intranet (PICAWEB) prior to the contractor employee arriving at Picatinny Arsenal.

7. The contractor shall certify in writing to the COR, that they have verified that all personnel utilized in the performance of this contract have passed a criminal background check and are lawfully employable in the United States. If a new contractor employee is hired during the performance of a contract, and will be utilized in that contract, the contractor must certify in writing to the COR, that they have verified that the new contractor employee has passed a criminal background check and is lawfully employable in the United States, prior to utilizing that individual in the performance of the contract.

   a. Lawful employability will be verified by means of Employment Eligibility Form, INS Form I-9 (if applicable), or by other applicable INS documentation approved for a specific non-citizen status.
   b. The criminal background check will establish that neither the Contractor, nor individual's state or nation of permanent residence, has any record or credible information that the individual has a "criminal history". In this context, "criminal history" will be defined as adjudicated guilt or pending adjudication of a crime as defined under New Jersey law, or equivalent offense under the applicable laws of another jurisdiction. If the contractor has doubt about the applicability of an offense to this definition, the circumstances must be reported to USAG Picatinny Arsenal Security Division for adjudication of the individual's employability.
c. Under urgent circumstances where an exception to these criteria is required, a request may be submitted through the Garrison Director of Plans, Training, Mobilization and Security (DPTS) to the Garrison Commander. Only urgent exceptions will be considered on a case-by-case basis and must be documented in writing.

d. Any delay in the furnishing of the above, including any delay in the obtaining the background check, is at the sole risk of the contractor and will not be the basis of any equitable adjustment or other change to the contract.

8. The identification badge or pass issued to each employee of the contractor is for their own use only. Misuse of the badge or pass, such as permitting others to use it will result in criminal charges under Title 18 USC 499 and 701; and barring the employee from Picatinny Arsenal. Should the employee lose the badge or pass, the contractor may be charged for the cost of re-issuance of the badge or pass. Additionally, the employee and the contractor must submit a sworn affidavit as to the circumstances of the loss before a new badge or pass is issued.

9. Contractor employees will not start working on a Government contract for the Garrison or any Picatinny tenant organizations before they are vetted through security processing by Picatinny Arsenal Security Division. This will include as a minimum, submission of a National Agency Check with Inquiries (NACI). Until the results of the FBI fingerprint check have been received and posted in the Case Adjudication Tracking System (CATS), an Interim CAC will not be issued.

10. If derogatory information is discovered, the Interim CAC can be revoked in accordance with Homeland Security Presidential Directive-12 (HSPD-12), Policy for a Common Identification Standard for Federal Employees and Contractors. A summary of the derogatory information found will be provided to the COR and Contracting Officer for consultation and final CAC determination.

11. All contractor employees, while on the premises at Picatinny Arsenal, shall continually wear the badge, obtained pursuant to paragraph 3 above. The badge shall be worn so as to be visible to others at all times. The badge will be worn in full view on the outermost garment, above the waist on the front of the body. Individuals issued visitor passes will have them on their person at all times while on the Arsenal. Passes will be presented upon request by Security personnel or other Government official charged with security of the area.

12. All contractor employees meeting with Government employees or attending meetings at Picatinny, shall, at the beginning of the meeting, announce to all other attendees that they are contractor employees, employed by (Name of Contractor's name/address), and the name of all other companies or individuals that currently employs them or that the contractor employee currently represents. In addition, contractor employees shall wear a visible badge that displays their company's name (for contractors issued a Common Access Card (CAC), displaying the CAC is sufficient).

13. When the performance of a contract under a specified contract number under which a CAC/badge/pass was obtained is completed (such as date of last delivery or performance of last service, termination of the contract or release of the employee) including any exercise of an option pursuant to the terms of the contract, the contractor shall return all issued CACs/badges/passes for all of their employees to USAG Picatinny Arsenal Security Division and obtain a receipt for each within (3) three business days. All government furnished equipment must be surrendered to the COR upon completion of the contract or an employee's termination during the life of the contract.

14. If the contractor obtains a new or follow-on contract for work at Picatinny Arsenal, all contractor personnel shall obtain new badges / passes indicating the new or follow-on contract number and comply with the applicable provisions of the follow-on contract which cover the subject matter of this Clause. This paragraph does not apply to the exercise of an option.

The following are procedures for access eligibility/control of Classified Information and Controlled Unclassified Information (CUI) for contractors working on installations in support of Army Contracting Command – New Jersey (ACC-NJ) Programs/Contracts.

1. The Office of the Under Secretary of Defense has identified the Joint Personnel Adjudication System (JPAS) as the personnel security clearance system of record for the Department of Defense (DoD). JPAS is used to verify the personnel security clearance level for all U.S. contractors working on installation programs. Foreign visitors, to include non-US contractor visits to the installation activities, will be managed by the cognizant Foreign Disclosure Office.

2. IAW Army Regulation 25-2 Information Assurance dated 23 March 2009 and AR 380-67, Personnel Security Program, dated 24 January 2014, contractors requiring access to U.S. Government (USG) Information Systems (IS), in order to fulfill their duties, must possess the required favorable security investigation, security clearance or formal access approvals, and fulfill Need-to-Know requirements. Contractors must meet the security requirements outlined in AR 25-2 for their assigned IT-level (IT-I, IT-II, or IT-III) prior to being granted access to the USG IS. Likewise, AR 25-2 stipulates that individuals assigned to IT-I, IT-II, or IT-III positions who lose their clearance, or have access to classified systems suspended pending the results of investigation, will be barred access to the IS(s) until favorable adjudication of that investigation. Contractor status/access, in regards to their suitability and IT-level access, will be monitored by the cognizant security office(s) through JPAS.

3. For access to Classified Information, as required by the solicitation and/or contract, the need-to-know criterion for accessing government information is based on:

a. The SOW and/or contract must specify the need for access to Classified Information and a proper DD Form 254 must be affixed to the
b. Contractors accessing information which they are not authorized (i.e. no need-to-know), or exceeding their access reflected in JPAS is a reportable security violation, defined in reference Army Regulation 380-5 Information Security dated 29 September 2000.

c. A contractors access in JPAS is dependent upon their current company affiliation reflected in JPAS.

4. No Portable Electronic Devices (PED) will be used in an area where classified information is discussed or electronically processed.

5. Contractors visiting or working on installations in support of Army Contracting Command– New Jersey (ACC-NJ) Programs must have JPAS visit requests submitted by the contractors Facility Security Officer (FSO) necessary to meet the requirements outlined by that mission organization. This requirement applies to visits in support of classified contracts.

6. The contractor must not misrepresent the fact they are contractors, or from which company they are employed. Contractors who knowingly misrepresent themselves to hide the fact they are a contractor is a reportable security incident. An incident report will be forwarded by the cognizant security office to the FSO, and an information copy will be sent to the Defense Security Service (DSS).

7. Contractors shall not use a military, retired military or other government issued identification to misrepresent their affiliation as a contractor for the purpose of accessing the installation, facilities, attending meetings, acquiring information or participating in any other type of work as a contractor. Doing so will result in an incident report being processed through the Defense Enrollment Eligibility Reporting System by the Garrison Security and Human Resources officer and notification to the individuals military organization/unit.

8. The U.S. Army Garrison, Directorate of Plans, Training, Mobilization and Security is the centralized security office and shall be the contractors, Contracting Officers and CORs first point of contact when unable to determine the primary cognizant security office of a tenant organization.

NON-DISCLOSURE AGREEMENT

I, ____________________, an employee and authorized representative of __________________________, a Contractor providing support services to Picatinny Arsenal or its tenants (hereinafter PICATINNY), and likely to have access to nonpublic information (hereinafter RECIPIENT), under contract number ______________________, agrees to and promises the following:

WHEREAS RECEPIENT is engaged in delivery support services to PICATINNY under contract; and

WHEREAS, It is the intention of PICATINNY to protect and prevent unauthorized access to and disclosure of nonpublic information to anyone other than employees of the United States Government who have a need to know; and,

WHEREAS, PICATINNY acknowledges that RECIPIENT will from time to time have or require access to such nonpublic information in the course of delivering the contract services; and,

WHEREAS, RECIPIENT may be given or other have access to nonpublic information while providing such services; and,

WHEREAS, "nonpublic information" includes, but is not limited to such information as: proprietary information (e.g., information submitted by a contractor marked as proprietary); advanced procurement information (e.g., future requirements, statements of work, and acquisition strategies); source selection information (e.g., bids before made public, source selection plans, and rankings of proposals); trade secrets and other confidential business information (e.g., confidential business information submitted by the contractor); attorney work product; information protected by the Privacy Act (e.g., social security numbers, home addresses and telephone numbers); and other sensitive information that would not be released by PICATINNY under the Freedom of Information Act (e.g., program, planning and budgeting system information);

NOW THEREFORE, RECEPIENT agrees to and promisses as follows:

RECIPIENT shall not seek access to nonpublic information beyond what is required for the performance of the support services contract;

RECIPIENT will ensure that his or her status as a contractor employee is known when seeking access to and receiving such nonpublic information of Government employees;

As to any nonpublic information to which RECEPIENT has or is given access, RECEPIENT shall not use or disclose such information for any purpose other than providing the contract support services, and will not use or disclose the information to any unauthorized person or
entity for personal, commercial, or any unauthorized purposes; and

If RECIPIENT becomes aware of any improper release or disclosure of such nonpublic information, RECIPIENT will advise the contracting officer in writing as soon as possible.

The RECIPIENT agrees to return any nonpublic information given to him or her pursuant to this agreement, including any transcriptions by RECIPIENT of nonpublic information to which RECIPIENT was given access, if not already destroyed, when RECIPIENT no longer performs work under the contract.

RECIPIENT understands that any unauthorized use, release or disclosure of nonpublic information in violation of this Agreement will subject the RECIPIENT and the RECIPIENT’s employer to administrative, civil or criminal remedies as may be authorized by law.

RECIPIENT: _____________________________ (signature)
PRINTED NAME: _________________________
TITLE: __________________________________
EMPLOYER: ____________________
propellants or pyrotechnic materials. When the contractor requests the Contracting Officer's approval, the Contracting Officer will arrange a Defense Logistics Agency preaward safety survey for each subcontractor.

e. The contractor is responsible for decontaminating all facilities/equipment at the end of the contract unless the contractor intends to continue using the facilities/equipment for similar purposes. Any associated costs must be included as part of the contractor's proposal. The contractor must provide the Contracting Officer with a certification that all contaminated facilities/equipment have been decontaminated.

f. The contractor is responsible for properly disposing of hazardous materials during this contract. If disposal is done on the subcontractor's site, the contractor must note this in his site plan per paragraph b, above. The Contracting Officer must approve a subcontractor prior to him performing disposal per paragraph d, above.

g. The contractor will provide reports of accidents/incidents as required by Data Item DI-SAFT-81563. The government reserves the right to investigate any accident/incident under Chapter 2, Paragraphs F and G of DOD 4145.26M, DOD Contractor's Safety Manual for Ammunition and Explosives.

H-5  52.223-4003  MATERIAL SAFETY DATA SHEETS (MSDS) (HS7013)  OCT/2010

1. The contractor shall send the Material Safety Data Sheets (MSDS) prior to award to the Contracting Officer and a copy with the first delivery of supplies to Commander, U.S. Army ARDEC, ATTN: Safety Division, IMPI-SO, Bldg. 351 S., Picatinny Arsenal, NJ 07806-5000, required by FAR 52.223-3, Hazardous Material Identification and Material Safety Data.

2. Deliveries of any hazardous chemicals/materials will not be accepted when:
   a. The applicable MSDS is not delivered with the first delivery of the supplies; and/or
   b. The container label on the supplies is inadequate, unreadable, missing, or does not agree with the accompanying MSDS.

H-6  52.224-4000  RELEASE OF INFORMATION RESEARCH AND DEVELOPMENT (HS7012)  OCT/2010

1. Classified Contracts - The DOD Security Agreement (DD Form 441) and DOD Contract Security Classification Specification (DD Form 254) apply.

2. Unclassified Contracts-Restricted Release - Obtain the Contracting Officer's approval before releasing information received during this contract or generated from this contract, except if a college, university or laboratory receives the award and conducts the research on campus.

3. Unclassified Contracts-Unrestricted Release - You may release information received during the contract or developed from the contract without Contracting Officer's approval if:
   a. you are a college, university/laboratory; and
   b. you conduct the research on campus.

But, obtain approval before releasing the information if there is a high likelihood of revealing abilities of military systems or information concerning manufacturing technologies unique and critical to defense.

NOTE: Section J provides instructions for clearing technical material for release to the public and a sample clearance form (INME-PIC-IM Form 3002).

Sections H Acronym Listing:

ARDEC    Army, Research, Development and Engineering Center
AMP  Advanced Multi-Purpose
ASR/AP  Acquisition Strategy/Acquisition Plan
COR  Contracting Officers Representative
CPIF/AF  Cost Plus Incentive Fee/Award Fee
CPFF  Cost Plus Fixed Fix
EMD  Engineering and Manufacturing Development
FAR  Federal Acquisition Regulation
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If the clause requires additional or unique information, then that information is provided immediately after the clause title.

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(a) The Contractor shall test 10 unit(s) of all components, subassemblies and assemblies contained in the TDF as specified in this contract. At least 15 calendar days before the beginning of first article tests, the Contractor shall notify the Contracting Officer, in writing, of the time and location of the testing so that the Government may witness the tests.

(b) The Contractor shall submit the first article test report within 6 months after option award for LRIP and 12 months after option award for FRP Years 1 and 2 to TBD marked First Article Test Report: Contract No. W15QKN-15-C-0066, Lot/Item No. ______. Within 35 calendar days after the Government receives the test report, the Contracting Officer shall notify the Contractor, in writing, of the conditional approval, approval, or disapproval of the first article. The notice of conditional approval or approval shall not relieve the Contractor from complying with all requirements of the specifications and all other terms and conditions of this contract. A notice of conditional approval shall state any further action required of the Contractor. A notice of disapproval shall cite reasons for the disapproval.

(c) If the first article is disapproved, the Contractor, upon Government request, shall repeat any or all first article tests. After each request for additional tests, the Contractor shall make any necessary changes, modifications, or repairs to the first article or select another first article for testing. All costs related to these tests are to be borne by the Contractor, including any and all costs for additional tests following a disapproval. The Contractor shall then conduct the tests and deliver another report to the Government under the terms and conditions and within the time specified by the Government. The Government shall take action on this report within the time specified in paragraph (b) above. The Government reserves the right to require an equitable adjustment of the contract price for any extension of the delivery schedule, or for any additional costs to the Government related to these tests.

(d) If the Contractor fails to deliver any first article report on time, or the Contracting Officer disapproves any first article, the Contractor shall be deemed to have failed to make delivery within the meaning of the Default clause of this contract.
(e) Unless otherwise provided in the contract, and if the approved first article is not consumed or destroyed in testing, the Contractor may deliver the approved first article as part of the contract quantity if it meets all contract requirements for acceptance.

(f) If the Government does not act within the time specified in paragraph (b) or (c) above, the Contracting Officer shall, upon timely written request from the Contractor, equitably adjust under the changes clause of this contract the delivery or performance dates and/or the contract price, and any other contractual term affected by the delay.

(g) Before first article approval, the Contracting Officer may, by written authorization, authorize the Contractor to acquire specific materials or components or to commence production to the extent essential to meet the delivery schedules. Until first article approval is granted, only costs for the first article and costs incurred under this authorization are allocable to this contract for

(1) progress payments, or

(2) termination settlements if the contract is terminated for the convenience of the Government. If first article tests reveal deviations from contract requirements, the Contractor shall, at the location designated by the Government, make the required changes or replace all items produced under this contract at no change in the contract price.

(h) The Government may waive the requirement for first article approval test where supplies identical or similar to those called for in the schedule have been previously furnished by the offeror/contractor and have been accepted by the Government. The offeror/contractor may request a waiver.

(i) The Contractor shall produce both the first article and the production quantity at the same facility.

(End of Clause)

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W15QKN-15-C-0066

ALLIANT TECHSYSTEMS OPERATIONS LLC

(a) The Contractor shall deliver 130 unit(s) of Lot/Item Cartridges and 33 Fuzes within 6 months of option award for LRIP and 12 months of option award for FRP 1 and 2 to the Government at YPG/Picatinny Test Facilities for first article tests. The shipping documentation shall contain this contract number and the Lot/Item identification. The characteristics that the first article must meet and the testing requirements are specified elsewhere in this contract.

(b) Within 45 calendar days after the Government receives the first article, the Contracting Officer shall notify the Contractor, in writing, of the conditional approval, approval, or disapproval of the first article. The notice of conditional approval or approval shall not relieve the Contractor from complying with all requirements of the specifications and all other terms and conditions of this contract. A notice of conditional approval shall state any further action required of the Contractor. A notice of disapproval shall cite reasons for the disapproval.

(c) If the first article is disapproved, the Contractor, upon Government request, shall submit an additional first article for testing. After each request, the Contractor shall make any necessary changes, modifications, or repairs to the first article or select another first article for testing. All costs related to these tests are to be borne by the Contractor, including any and all costs for additional tests following a disapproval. The Contractor shall furnish any additional first article to the Government under the terms and conditions and within the time specified by the Government. The Government shall act on this first article within the time limit specified in paragraph (b) of this clause. The Government reserves the right to require an equitable adjustment of the contract price for any extension of the delivery schedule or for any additional costs to the Government related to these tests.

(d) If the Contractor fails to deliver any first article on time, or the Contracting Officer disapproves any first article, the Contractor shall be deemed to have failed to make delivery within the meaning of the Default clause of this contract.

(e) Unless otherwise provided in the contract, the Contractor --

(1) May deliver the approved first article as a part of the contract quantity, provided it meets all contract requirements for acceptance and was not consumed or destroyed in testing; and

(2) Shall remove and dispose of any first article from the Government test facility at the Contractors expense.

(f) If the Government does not act within the time specified in paragraph (b) or (c) of this clause, the Contracting Officer shall, upon timely written request from the Contractor, equitably adjust under the Changes clause of this contract the delivery or performance dates and/or the contract price, and any other contractual term affected by the delay.

(g) The Contractor is responsible for providing operating and maintenance instructions, spare parts support, and repair of the first article during any first article test.
(h) Before first article approval, the Contracting Officer may, by written authorization, authorize the Contractor to acquire specific materials or components or to commence production to the extent essential to meet the delivery schedules. Until first article approval is granted, only costs for the first article and costs incurred under this authorization are allocable to this contract for

(1) progress payments, or

(2) termination settlements if the contract is terminated for the convenience of the Government.

If first article tests reveal deviations from contract requirements, the Contractor shall, at the location designated by the Government, make the required changes or replace all items produced under this contract at no change in the contract price.

(i) The Government may waive the requirement for first article approval test where supplies identical or similar to those called for in the schedule have been previously furnished by the Offeror/Contractor and have been accepted by the Government. The Offeror/Contractor may request a waiver.

(j) The Contractor shall produce both the first article and the production quantity at the same facility.

(End of Clause)

I-134 52.216-7 ALLOWABLE COST AND PAYMENT JUN/2013

(a) Invoicing.

(1) The Government will make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) Subpart 31.2 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(2) Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act. Interim payments made prior to the final payment under the contract are contract financing payments, except interim payments if this contract contains Alternate I to the clause at 52.232-25.

(3) The designated payment office will make interim payments for contract financing on the -1- day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) Reimbursing costs.

(1) For the purpose of reimbursing allowable costs (except as provided in subparagraph (b)(2) of this clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term costs includes only --

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for --

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and
(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of financing payments that have been paid by cash, check or other form of payment to subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless

(i) The Contractors practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractors indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) of this clause, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) of this clause.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractors expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks.

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2) (i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractors actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractors proposal.

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

(A) Summary of all claimed indirect expense rates, including pool, base, and calculated indirect rate.

(B) General and Administrative expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(C) Overhead expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.

(D) Occupancy expenses (intermediate indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.

(E) Claimed allocation bases, by element of cost, used to distribute indirect costs.

(F) Facilities capital cost of money factors computation.

(G) Reconciliation of books of account (i.e., General Ledger) and claimed direct costs by major cost element.

(H) Schedule of direct costs by contract and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.

(I) Schedule of cumulative direct and indirect costs claimed and billed by contract and subcontract.

(J) Subcontract information. Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the subcontractor name, address, and point of contact information).

(K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and
amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.

(L) Reconciliation of total payroll per IRS form 941 to total labor costs distribution.

(M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.

(N) Certificate of final indirect costs (see 52.242-4, Certification of Final Indirect Costs).

(O) Contract closing information for contracts physically completed in this fiscal year (include contract number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General Organizational information and limitation on allowability of compensation for certain contractor personnel. See 31.205-6(p). Additional salary reference information is available at://www.whitehouse.gov/omb/procurement_index_exec_comp/.

(C) Identification of prime contracts under which the contractor performs as a subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (e.g., trial balance, compilation, review, etc.).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph (G) of this section.

(I) List of all internal audit reports issued since the last disclosure of internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10-K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: Contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify

(i) the agreed-upon final annual indirect cost rates,

(ii) the bases to which the rates apply,

(iii) the periods for which the rates apply,
The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime contractor is responsible for settling subcontractor amounts and rates included in the completion invoice or voucher and providing status of subcontractor audits to the contracting officer upon request.

(6)(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may--

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates --

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party’s request, to prevent substantial overpayment or underpayment.

(f) Quick-closeout procedures. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor’s invoices or vouchers and statements of cost audited. Any payment may be --

(1) Reduced by amounts found by the Contracting Officer not to constitute allowable costs; or

(2) Adjusted for prior overpayments or underpayments.

(h) Final payment.

(1) Upon approval of a completion invoice or voucher submitted by the Contractor in accordance with paragraph (d)(5) of this clause, and upon the Contractor’s compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver --

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except --

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;
(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor’s indemnification of the Government against patent liability.

(End of Clause)
modification to this contract signed by the Contractor and Contracting Officer.

(g) Inconsistencies. In the event of any language inconsistencies between this clause and provisioning documents or Government options under this contract, compensation for spare parts or other supplies and services ordered under such documents shall be determined in accordance with this clause.

(End of Clause)

I-136 52.217-7 OPTION FOR INCREASED QUANTITY—SEPARATELY PRICED LINE ITEM MAR/1989

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor within 3 months of the end of EMD Phase 1 for Option 1, within 3 months of the end of EMD Phase 2 for Option 2, within 3 months of completion of LRIP for Option 3, within 3 months of completion of FRP 1 for Option 4. Delivery of added items shall continue at the same rate that like items are ordered for under the contract, unless the parties otherwise agree.

(End of Clause)

I-137 52.232-16 PROGRESS PAYMENTS APR/2012

The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly in amounts of $2,500 or more approved by the Contracting Officer, under the following conditions:

(a) Computation of amounts.

(1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 80 percent of the Contractor's total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under FAR 31.205-10 as an incurred cost for progress payment purposes.

(2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due will be paid to subcontractors--

(i) In accordance with the terms and conditions of a subcontract of invoice; and

(ii) Ordinarily within 30 days of the submission of the Contractors payment request to the Government.

(3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless--

(i) The Contractors practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractors total costs for progress payments until paid).

(4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:

(i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.

(ii) Costs incurred by subcontractors or suppliers.

(iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.

(iv) Payments made or amounts payable to the subcontractors or suppliers, except for--

(A) completed work, including partial deliveries, to which the Contractor has acquired title; and

(B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.

(5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the
Contractor and acceptance by the Government are incomplete.

6. The total amount of progress payments shall not exceed 80 percent of the total contract price.

7. If a progress payment or the unliquidated progress payments exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) above, the Contractor shall repay the amount of such excess to the Government on demand.

8. Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less than $2,500. The Contracting Officer may make exceptions.

9. The costs applicable to items delivered, invoiced, and accepted shall not include costs in excess of the contract price of the items.

(b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress payments, or 80 percent of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.

(c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:

1. The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) below).

2. Performance of this contract is endangered by the Contractors --

   i. Failure to make progress; or

   ii. Unsatisfactory financial condition.

3. Inventory allocated to this contract substantially exceeds reasonable requirements.

4. The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.

5. The fair value of the undelivered work is less than the amount of unliquidated progress payments for that work.

6. The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) above, and that rate is less than the progress payment rate stated in subparagraph (a)(1) above.

(d) Title.

1. Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.

2. Property, as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.

   i. Parts, materials, inventories, and work in process;

   ii. Special tooling and special test equipment to which the Government is to acquire title;

   (iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (ii) above; and

   (iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

3. Although title to property is in the Government under this clause, other applicable clauses of this contract; e.g., the termination clauses, shall determine the handling and disposition of the property.

4. The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officers approval, but the proceeds shall be credited against the costs of performance.

5. To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor
must obtain the Contracting Officers advance approval of the action and the terms. The Contractor shall

(i) exclude the allocable costs of the property from the costs of contract performance, and

(ii) repay to the Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not --

(i) Delivered to, and accepted by, the Government under this contract; or

(ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is lost (see 45.101).

(f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.

(g) Reports, forms, and access to records.

(1) The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information (including estimates to complete) reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(2) The Contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the Contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

(3) Each Contractor request for progress payment shall:

(i) Be submitted on Standard Form 1443, Contractor's Request for Progress Payment, or the electronic equivalent as required by agency regulations, in accordance with the form instructions and the contract terms; and

(ii) Include any additional supporting documentation requested by the Contracting Officer.

(h) Special terms regarding default. If this contract is terminated under the Default clause,

(i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments and

(ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall --

(i) Excuse the Contractor from performance of obligations under this contract; or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Governments rights and remedies under this clause --

(i) Shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract; and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or
privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or divisions, if the following conditions are met:

(1) The amounts included are limited to --

(i) The unliquidated remainder of financing payments made; plus

(ii) Any unpaid subcontractor requests for financing payments.

(2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery, or, if the subcontractor is a small business concern, 4 months.

(3) If the financing payments are in the form of progress payments, the terms of the subcontract or interdivisional order concerning progress payments --

(i) Are substantially similar to the terms of the clause for any subcontractor that is a large business concern, or that clause with its Alternate I for any subcontractor that is a small business concern;

(ii) Are at least as favorable to the Government as the terms of this clause;

(iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;

(iv) Are in conformance with the requirements of FAR 32.504(e); and

(v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if --

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments--

(i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;

(ii) Are in conformance with the requirements of FAR 32.504(f); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments

(i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Part 2 and 12;

(ii) Are in conformance with the requirements of FAR 32.504(g); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.
(7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.

(8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in Subpart 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(k) Limitations on undefinitized contract actions. Notwithstanding any other progress payment provisions in this contract, progress payments in the amount of 80 percent of costs incurred on work accomplished under undefinitized contract actions may not exceed 80 percent of costs incurred on work accomplished under definitive contract actions. A contract action is any action resulting in a contract, as defined in Subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope of the or the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on Contractor progress payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at 80 percent of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed 80 percent of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(l) Due date. The designated payment office will make progress payments on the 10th day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make a payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provisions of the Prompt Payment Act.

(m) Progress payments under indefinitized delivery contracts. The Contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of Clause)

I-138 52.243-7 NOTIFICATION OF CHANGES APR/1984

(a) Definitions. Contracting Officer, as used in this clause, does not include any representative of the Contracting Officer.

(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within 10 calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the 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 Government individual and Contractor official or 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) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;

(5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including --
What contract line items have been or may be affected by the alleged change;

(ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;

(iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;

(iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(v) The Contractors estimate of the time by which the Government must respond to the Contractors notice to minimize cost, delay or disruption of performance.

(c) Continued performance. Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) Government response. The Contracting Officer shall promptly, within 10 calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either --

(i) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(ii) Countermand any communication regarded as a change;

(iii) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(iv) In the event the Contractors notice information is inadequate to make a decision under subparagraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) Equitable adjustments.

(i) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractors cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made --

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(ii) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractors failure to provide notice or to continue performance as provided, respectively, in paragraphs (b) and (c) of this clause.

NOTE: The phrases contract price and cost wherever they appear in the clause, may be appropriately modified to apply to cost-reimbursement or incentive contracts, or to combinations thereof.

(End of Clause)
(a) Definitions. As used in this clause

Approved purchasing system means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR)

Consent to subcontract means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

Subcontract means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (c) or (d) or this clause.

(c) If the contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that--

(1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or

(2) Is fixed-price and exceeds

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the national Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For contracts awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(d) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts: -1-

(e)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (b), (c), or (d) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate certified cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting --

(A) The principal elements of the subcontract price negotiations;

(B) The most significant considerations controlling establishment of initial or revised prices;

(C) The reason certified cost or pricing data were or were not required;

(D) The extent, if any, to which the Contractor did not rely on the subcontractor's certified cost or pricing data in determining the price objective and in negotiating the final price;

(E) The extent to which it was recognized in the negotiation that the subcontractor's certified cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;

(F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each
critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (c), (d), or (e) or this clause.

(f) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination --

(1) Of the acceptability of any subcontract terms or conditions;

(2) Of the allowability of any cost under this contract; or

(3) To relieve the Contractor of any responsibility for performing this contract.

(g) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(i).

(h) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(i) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.i

(j) Paragraphs (c) and (e) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:  -2-

(End of clause)

I-140 252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES SEP/1999

(a) Definition. Arms, ammunition, and explosives (AA&E), as used in this clause, means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

(b) The requirements of DoD 5100.76-M apply to the following items of AA&E being developed, produced, manufactured, or purchased for the Government, or provided to the Contractor as Government-furnished property under this contract:

NOMENCLATURE NATIONAL SENSITIVITY/ STOCK NUMBER CATEGORY stock number

| Cartridge, 120mm, Advanced | N/A | IV |
| Multi-Purpose (AMP), XM1147, High Explosive Multi-Purpose with Tracer (HEMP-T) |

(c) The Contractor shall comply with the requirements of DoD 5100.76-M, as specified in the statement of work. The edition of DoD 5100.76-M in effect on the date of issuance of the solicitation for this contract shall apply.

(d) The Contractor shall allow representatives of the Defense Security Service (DSS), and representatives of other appropriate offices of the Government, access at all reasonable times into its facilities and those of its subcontractors, for the purpose of performing surveys, inspections, and investigations necessary to review compliance with the physical security standards applicable to this contract.

(e) The Contractor shall notify the cognizant DSS field office of any subcontract involving AA&E within 10 days after award of the subcontract.

(f) The Contractor shall ensure that the requirements of this clause are included in all subcontracts, at every tier?

(1) For the development, production, manufacture, or purchase of AA&E; or

(2) When AA&E will be provided to the subcontractor as Government-furnished property.

(g) Nothing in this clause shall relieve the Contractor of its responsibility for complying with applicable Federal, state, and local laws, ordinances, codes, and regulations (including requirements for obtaining licenses and permits) in connection with the performance...
(a) Definitions. As used in this clause--

Acceptable earned value management system means an earned value management system that generally complies with system criteria in paragraph (b) of this clause.

Earned value management system means an earned value management system that complies with the earned value management system guidelines in the ANSI/EIA-748.

Significant deficiency means a shortcoming in the system that materially affects the ability of officials of the Department of Defense to rely upon information produced by the system that is needed for management purposes.

(b) System criteria. In the performance of this contract, the Contractor shall use--

(1) An Earned Value Management System (EVMS) that complies with the EVMS guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (ANSI/EIA-748); and

(2) Management procedures that provide for generation of timely, reliable, and verifiable information for the Contract Performance Report (CPR) and the Integrated Master Schedule (IMS) required by the CPR and IMS data items of this contract.

(c) If this contract has a value of $50 million or more, the Contractor shall use an EVMS that has been determined to be acceptable by the Cognizant Federal Agency (CFA). If, at the time of award, the Contractor's EVMS has not been determined by the CFA to be in compliance with the EVMS guidelines as stated in paragraph (b)(1) of this clause, the Contractor shall apply its current system to the contract and shall take necessary actions to meet the milestones in the Contractor's EVMS plan.

(d) If this contract has a value of less than $50 million, the Government will not make a formal determination that the Contractor's EVMS complies with the EVMS guidelines in ANSI/EIA-748 with respect to the contract. The use of the Contractor's EVMS for this contract does not imply a Government determination of the Contractor's compliance with the EVMS guidelines in ANSI/EIA-748 for application to future contracts. The Government will allow the use of a Contractor's EVMS that has been formally reviewed and determined by the CFA to be in compliance with the EVMS guidelines in ANSI/EIA-748.

(e) The Contractor shall submit notification of any proposed substantive changes to the EVMS procedures and the impact of those changes to the CFA. If this contract has a value of $50 million or more, unless a waiver is granted by the CFA, any EVMS changes proposed by the Contractor require approval of the CFA prior to implementation. The CFA will advise the Contractor of the acceptability of such changes as soon as practicable (generally within 30 calendar days) after receipt of the Contractor's notice of proposed changes. If the CFA waives the advance approval requirements, the Contractor shall disclose EVMS changes to the CFA at least 14 calendar days prior to the effective date of implementation.

(f) The Government will schedule integrated baseline reviews as early as practicable, and the review process will be conducted not later than 180 calendar days after--

(1) Contract award;

(2) The exercise of significant contract options; and

(3) The incorporation of major modifications.

During such reviews, the Government and the Contractor will jointly assess the Contractor's baseline to be used for performance measurement to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks.

(g) The Contractor shall provide access to all pertinent records and data requested by the Contracting Officer or duly authorized representative as necessary to permit Government surveillance to ensure that the EVMS complies, and continues to comply, with the performance criteria referenced in paragraph (b) of this clause.

(h) When indicated by contract performance, the Contractor shall submit a request for approval to initiate an over-target baseline or over-target schedule to the Contracting Officer. The request shall include a top-level projection of cost and/or schedule growth, a determination of whether or not performance variances will be retained,
and a schedule of implementation for the rebaselining. The Government will acknowledge receipt of the request in a timely manner (generally within 30 calendar days).

(i) Significant deficiencies. (1) The Contracting Officer will provide an initial determination to the Contractor, in writing, on any significant deficiencies. The initial determination will describe the deficiency in sufficient detail to allow the Contractor to understand the deficiency.

(2) The Contractor shall respond within 30 days to a written initial determination from the Contracting Officer that identifies significant deficiencies in the Contractor’s EVMS. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing.

(3) The Contracting Officer will evaluate the Contractor's response and notify the Contractor, in writing, of the Contracting Officer's final determination concerning--

(i) Remaining significant deficiencies;

(ii) The adequacy of any proposed or completed corrective action;

(iii) System noncompliance, when the Contractor's existing EVMS fails to comply with the earned value management system guidelines in the ANSI/EIA-748; and

(iv) System disapproval, if initial EVMS validation is not successfully completed within the timeframe approved by the Contracting Officer, or if the Contracting Officer determines that the Contractor's earned value management system contains one or more significant deficiencies in high-risk guidelines in ANSI/EIA-748 standards (guidelines 1, 3, 6, 7, 8, 9, 10, 12, 16, 21, 23, 26, 27, 28, 30, or 32). When the Contracting Officer determines that the existing earned value management system contains one or more significant deficiencies in one or more of the remaining 16 guidelines in ANSI/EIA-748 standards, the contracting officer will use discretion to disapprove the system based on input received from functional specialists and the auditor.

(4) If the Contractor receives the Contracting Officer's final determination of significant deficiencies, the Contractor shall, within 45 days of receipt of the final determination, either correct the significant deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the significant deficiencies.

(j) Withholding payments. If the Contracting Officer makes a final determination to disapprove the Contractor's EVMS, and the contract includes the clause at 252.242-7005, Contractor Business Systems, the Contracting Officer will withhold payments in accordance with that clause.

(k) With the exception of paragraphs (i) and (j) of this clause, the Contractor shall require its subcontractors to comply with EVMS requirements as follows:

(1) For subcontracts valued at $50 million or more, the following subcontractors shall comply with the requirements of this clause:

(2) For subcontracts valued at less than $50 million, the following subcontractors shall comply with the requirements of this clause, excluding the requirements of paragraph (c) of this clause:

(End of clause)
(a) Definitions. As used in this clause

(1) Computer data base means a collection of data recorded in a form capable of being processed by a computer. The term does not include computer software.

(2) Computer program means a set of instructions, rules, or routines recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.

(3) Computer software means computer programs, source code, source code listings, object code listings, design details, algorithms, processes, flow charts, formulae and related material that would enable the software to be reproduced, recreated, or recompiled. Computer software does not include computer data bases or computer software documentation.

(4) Computer software documentation means owner's manuals, user's manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using the software.

(5) "Covered Government support contractor" means a contractor under a contract, the primary purpose of which is to furnish independent and impartial advice or technical assistance directly to the Government in support of the Governments management and oversight of a program or effort (rather than to directly furnish an end item or service to accomplish a program or effort), provided that the contractor

(i) Is not affiliated with the prime contractor or a first-tier subcontractor on the program or effort, or with any direct competitor of such prime contractor or any such first-tier subcontractor in furnishing end items or services of the type developed or produced on the program or effort; and

(ii) Receives access to technical data or computer software for performance of a Government contract that contains the clause at 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.

(6) Detailed manufacturing or process data means technical data that describe the steps, sequences, and conditions of manufacturing, processing or assembly used by the manufacturer to produce an item or component or to perform a process.

(7) Developed means that an item, component, or process exists and is workable. Thus, the item or component must have been constructed or the process practiced. Workability is generally established when the item, component, or process has been analyzed or tested sufficiently to demonstrate to reasonable people skilled in the applicable art that there is a high probability that it will operate as intended. Whether, how much, and what type of analysis or testing is required to establish workability depends on the nature of the item, component, or process, and the state of the art. To be considered developed, the item, component, or process need not be at the stage where it could be offered for sale or sold on the commercial market, nor must the item, component, or process be actually reduced to practice within the meaning of Title 35 of the United States Code.

(8) Developed exclusively at private expense means development was accomplished entirely with costs charged to indirect cost pools, costs not allocated to a government contract, or any combination thereof.

(i) Private expense determinations should be made at the lowest practicable level.

(ii) Under fixed-price contracts, when total costs are greater than the firm-fixed-price or ceiling price of the contract, the additional development costs necessary to complete development shall not be considered when determining whether development was at government, private, or mixed expense.

(9) Developed exclusively with government funds means development was not accomplished exclusively or partially at private expense.

(10) Developed with mixed funding means development was accomplished partially with costs charged to indirect cost pools and/or costs not allocated to a government contract, and partially with costs charged directly to a government contract.

(11) Form, fit, and function data means technical data that describes the required overall physical, functional, and performance characteristics (along with the qualification requirements, if applicable) of an item, component, or process to the extent necessary to permit identification of physically and functionally interchangeable items.

(12) Government purpose means any activity in which the United States Government is a party, including cooperative agreements with international or multi-national defense organizations, or sales or transfers by the United States Government to foreign governments or international organizations. Government purposes include competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display, or disclose technical data for commercial purposes or authorize others to do so.

(13) Government purpose rights means the rights to
(i) Use, modify, reproduce, release, perform, display, or disclose technical data within the Government without restriction; and

(ii) Release or disclose technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that data for United States government purposes.

14 Limited rights means the rights to use, modify, reproduce, release, perform, display, or disclose technical data, in whole or in part, within the Government. The Government may not, without the written permission of the party asserting limited rights, release or disclose the technical data outside the Government, use the technical data for manufacture, or authorize the technical data to be used by another party, except that the Government may reproduce, release, or disclose such data or authorize the use or reproduction of the data by persons outside the Government if

(i) The reproduction, release, disclosure, or use is

(A) Necessary for emergency repair and overhaul; or

(B) A release or disclosure to

(1) A covered Government support contractor, for use, modification, reproduction, performance, display, or release or disclosure to authorized person(s) in performance of a Government contract; or

(2) A foreign government, of technical data, other than detailed manufacturing or process data, when use of such data by the foreign government is in the interest of the Government and is required for evaluational or informational purposes;

(ii) The recipient of the technical data is subject to a prohibition on the further reproduction, release, disclosure, or use of the technical data; and

(iii) The contractor or subcontractor asserting the restriction is notified of such reproduction, release, disclosure, or use.

15 Technical data means recorded information, regardless of the form or method of the recording, of a scientific or technical nature (including computer software documentation). The term does not include computer software or data incidental to contract administration, such as financial and/or management information.

16 Unlimited rights means rights to use, modify, reproduce, perform, display, release, or disclose technical data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

(b) Rights in technical data. The Contractor grants or shall obtain for the Government the following royalty free, world-wide, nonexclusive, irrevocable license rights in technical data other than computer software documentation (see the Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation clause of this contract for rights in computer software documentation):

(i) Unlimited rights. The Government shall have unlimited rights in technical data that are

(i) Data pertaining to an item, component, or process which has been or will be developed exclusively with Government funds;

(ii) Studies, analyses, test data, or similar data produced for this contract, when the study, analysis, test, or similar work was specified as an element of performance;

(iii) Created exclusively with Government funds in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes;

(iv) Form, fit, and function data;

(v) Necessary for installation, operation, maintenance, or training purposes (other than detailed manufacturing or process data);

(vi) Corrections or changes to technical data furnished to the Contractor by the Government;

(vii) Otherwise publicly available or have been released or disclosed by the Contractor or subcontractor without restrictions on further use, release or disclosure, other than a release or disclosure resulting from the sale, transfer, or other assignment of interest in the technical data to another party or the sale or transfer of some or all of a business entity or its assets to another party;

(viii) Data in which the Government has obtained unlimited rights under another Government contract or as a result of negotiations; or
(ix) Data furnished to the Government, under this or any other Government contract or subcontract thereunder, with

(A) Government purpose license rights or limited rights and the restrictive condition(s) has/have expired; or

(B) Government purpose rights and the Contractor's exclusive right to use such data for commercial purposes has expired.

(2) Government purpose rights.

(i) The Government shall have government purpose rights for a five-year period, or such other period as may be negotiated, in technical data

(A) That pertain to items, components, or processes developed with mixed funding except when the Government is entitled to unlimited rights in such data as provided in paragraphs (b)(1)(i) and (b)(1)(iv) through (b)(1)(ix) of this clause; or

(B) Created with mixed funding in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes.

(ii) The five-year period, or such other period as may have been negotiated, shall commence upon execution of the contract, subcontract, letter contract (or similar contractual instrument), contract modification, or option exercise that required development of the items, components, or processes or creation of the data described in paragraph (b)(2)(i)(B) of this clause. Upon expiration of the five-year or other negotiated period, the Government shall have unlimited rights in the technical data.

(iii) The Government shall not release or disclose technical data in which it has government purpose rights unless

(A) Prior to release or disclosure, the intended recipient is subject to the non-disclosure agreement at 227.7103-7 of the Defense Federal Acquisition Regulation Supplement (DFARS); or

(B) The recipient is a Government contractor receiving access to the data for performance of a Government contract that contains the clause at DFARS 252.227-7025, Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends.

(iv) The Contractor has the exclusive right, including the right to license others, to use technical data in which the Government has obtained government purpose rights under this contract for any commercial purpose during the time period specified in the government purpose rights legend prescribed in paragraph (f)(2) of this clause.

(3) Limited rights.

(i) Except as provided in paragraphs (b)(1)(i) and (b)(1)(iv) through (b)(1)(ix) of this clause, the Government shall have limited rights in technical data

(A) Pertaining to items, components, or processes developed exclusively at private expense and marked with the limited rights legend prescribed in paragraph (f) of this clause; or

(B) Created exclusively at private expense in the performance of a contract that does not require the development, manufacture, construction, or production of items, components, or processes.

(ii) The Government shall require a recipient of limited rights data for emergency repair or overhaul to destroy the data and all copies in its possession promptly following completion of the emergency repair/overhaul and to notify the Contractor that the data have been destroyed.

(iii) The Contractor, its subcontractors, and suppliers are not required to provide the Government additional rights to use, modify, reproduce, release, perform, display, or disclose technical data furnished to the Government with limited rights. However, if the Government desires to obtain additional rights in technical data in which it has limited rights, the Contractor agrees to promptly enter into negotiations with the Contracting Officer to determine whether there are acceptable terms for transferring such rights. All technical data in which the Contractor has granted the Government additional rights shall be listed or described in a license agreement made part of the contract. The license shall enumerate the additional rights granted the Government in such data.

(iv) The Contractor acknowledges that

(A) Limited rights data is authorized to be released or disclosed to covered Government support contractors;

(B) The Contractor will be notified of such release or disclosure;

(C) The Contractor (or the party asserting restrictions as identified in the limited rights legend) may require each such covered Government support contractor to enter into a non-disclosure agreement directly with the Contractor (or the party asserting
restrictions) regarding the covered Government support contractors use of such data, or alternatively, that the Contractor (or party asserting restrictions) may waive in writing the requirement for a non-disclosure agreement;

(D) Any such non-disclosure agreement shall address the restrictions on the covered Government support contractor's use of the limited rights data as set forth in the clause at 252.227-7025, and shall not include any additional terms and conditions unless mutually agreed to by the parties to the non-disclosure agreement; and

(E) The Contractor shall provide a copy of any such non-disclosure agreement or waiver to the Contracting Officer, upon request.

(4) Specifically negotiated license rights. The standard license rights granted to the Government under paragraphs (b)(1) through (b)(3) of this clause, including the period during which the Government shall have government purpose rights in technical data, may be modified by mutual agreement to provide such rights as the parties consider appropriate but shall not provide the Government lesser rights than are enumerated in paragraph (a)(14) of this clause. Any rights so negotiated shall be identified in a license agreement made part of this contract.

(5) Prior government rights. Technical data that will be delivered, furnished, or otherwise provided to the Government under this contract, in which the Government has previously obtained rights shall be delivered, furnished, or provided with the pre-existing rights, unless

(i) The parties have agreed otherwise; or

(ii) Any restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose the data have expired or no longer apply.

(6) Release from liability. The Contractor agrees to release the Government from liability for any release or disclosure of technical data made in accordance with paragraph (a)(14) or (b)(2)(iii) of this clause, in accordance with the terms of a license negotiated under paragraph (b)(4) of this clause, or by others to whom the recipient has released or disclosed the data and to seek relief solely from the party who has improperly used, modified, reproduced, released, performed, displayed, or disclosed Contractor data marked with restrictive legends.

(c) Contractor rights in technical data. All rights not granted to the Government are retained by the Contractor.

(d) Third party copyrighted data. The Contractor shall not, without the written approval of the Contracting Officer, incorporate any copyrighted data in the technical data to be delivered under this contract unless the Contractor is the copyright owner or has obtained for the Government the license rights necessary to perfect a license or licenses in the deliverable data of the appropriate scope set forth in paragraph (b) of this clause, and has affixed a statement of the license or licenses obtained on behalf of the Government and other persons to the data transmittal document.

(e) Identification and delivery of data to be furnished with restrictions on use, release, or disclosure.

(1) This paragraph does not apply to restrictions based solely on copyright.

(2) Except as provided in paragraph (e)(3) of this clause, technical data that the Contractor asserts should be furnished to the Government with restrictions on use, release, or disclosure shall be identified by the Contractor in the chart provided below. The Contractor shall not deliver any data with restrictive markings unless the data are listed in the chart.

Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data.

The Contractor asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data should be restricted

<table>
<thead>
<tr>
<th>Technical Data to be Furnished With Restriction</th>
<th>Asserted Basis for Assertion</th>
<th>Assured Rights Category</th>
<th>Name of Person Asserting Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe &amp; Arming</td>
<td>Developed at</td>
<td>Limited; but will</td>
<td>Alliant Techsystems</td>
</tr>
<tr>
<td>Mechanism (S&amp;A)</td>
<td>Private</td>
<td>convert to Government Operations, LLC</td>
<td></td>
</tr>
<tr>
<td>Expense</td>
<td></td>
<td>Purpose Rights (GPR)</td>
<td>upon FRP1 Award</td>
</tr>
</tbody>
</table>

*If the assertion is applicable to items, components, or processes developed at private expense, identify both the data and each such item, component, or process.
**Generally, the development of an item, component, or process at private expense, either exclusively or partially, is the only basis for asserting restrictions on the Government's rights to use, release, or disclose technical data pertaining to such items, components, or processes. Indicate whether development was exclusively or partially at private expense. If development was not at private expense, enter the specific reason for asserting that the Government's rights should be restricted.**

***Enter asserted rights category (e.g., government purpose license rights from a prior contract, rights in SBIR data generated under another contract, limited or government purpose rights under this or a prior contract, or specifically negotiated licenses).***

****Corporation, individual, or other person, as appropriate.

(3) In addition to the assertions made by the Contractor in the chart above, other assertions may be identified after award when based on new information or inadvertent omissions unless the inadvertent omissions would have materially affected the source selection decision. Such identification and assertion shall be submitted to the Contracting Officer using the format provided below, as soon as practicable prior to the scheduled date for delivery of the data, in the following format, and signed by an official authorized to contractually obligate the Contractor:

Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data.

The Contractor asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data should be restricted

<table>
<thead>
<tr>
<th>Technical Data to be Furnished With</th>
<th>Basis for Restriction</th>
<th>Asserted Rights Category</th>
<th>Asserting Rights</th>
<th>Name of Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe &amp; Arming</td>
<td>Developed at Private</td>
<td>Limited; but will convert to Government Operations, LLC</td>
<td>Alliant Techsystems</td>
<td>_______________</td>
</tr>
<tr>
<td>Mechanism (S&amp;A)</td>
<td>Private</td>
<td>Purpose Rights (GPR) upon FRP1 Award</td>
<td>_____________________</td>
<td></td>
</tr>
</tbody>
</table>

Date

Printed Name and Title **See Section J, Attachment 0017**

Signature

(End of identification and assertion)

(4) When requested by the Contracting Officer, the Contractor shall provide sufficient information to enable the Contracting Officer to evaluate the Contractor's assertions. The Contracting Officer reserves the right to add the Contractor's assertions to the contract and validate any listed assertion, at a later date, in accordance with the procedures of the Validation of Restrictive Markings on Technical Data clause of this contract.

(5) Marking requirements. The Contractor, and its subcontractors or suppliers, may only assert restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data to be delivered under this contract by marking the deliverable data subject to restriction. Except as provided in paragraph (f)(5) of this clause, only the following legends are authorized under this contract: the government purpose rights legend at paragraph (f)(2) of this clause; the limited rights legend at paragraph (f)(3) of this clause; or the special license rights legend at paragraph (f)(4) of this clause; and/or a notice of copyright as prescribed under 17 U.S.C. 401 or 402.

(1) General marking instructions. The Contractor, or its subcontractors or suppliers, shall conspicuously and legibly mark the appropriate legend on all technical data that qualify for such markings. The authorized legends shall be placed on the transmittal document or storage container and, for printed material, each page of the printed material containing technical data for which restrictions are asserted. When only portions of a page of printed material are subject to the asserted restrictions, such portions shall be identified by circling, underscoring, with a note, or other appropriate identifier. Technical data transmitted directly from one computer or computer terminal to another shall contain a notice of asserted restrictions. Reproductions of technical data or any portions thereof subject to asserted restrictions shall also reproduce the asserted restrictions.

(2) Government purpose rights markings. Data delivered or otherwise furnished to the Government with government purpose rights shall be marked as follows:
GOVERNMENT PURPOSE RIGHTS

Contract No.
Contractor Name
Contractor Address

Expiration Date

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(2) of the Rights in Technical Data--Noncommercial Items clause contained in the above identified contract. No restrictions apply after the expiration date shown above. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings.

(End of legend)

(3) Limited rights markings. Data delivered or otherwise furnished to the Government with limited rights shall be marked with the following legend:

LIMITED RIGHTS

Contract No.
Contractor Name
Contractor Address

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(3) of the Rights in Technical Data--Noncommercial Items clause contained in the above identified contract. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such data must promptly notify the above named Contractor.

(End of legend)

(4) Special license rights markings.

(i) Data in which the Government's rights stem from a specifically negotiated license shall be marked with the following legend:

SPECIAL LICENSE RIGHTS

Contract No. _____(Insert contract number)____, License No. ____ (Insert license identifier)____. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings.

(End of legend)

(ii) For purposes of this clause, special licenses do not include government purpose license rights acquired under a prior contract (see paragraph (b)(5) of this clause).

(5) Pre-existing data markings. If the terms of a prior contract or license permitted the Contractor to restrict the Government's rights to use, modify, reproduce, release, perform, display, or disclose technical data deliverable under this contract, and those restrictions are still applicable, the Contractor may mark such data with the appropriate restrictive legend for which the data qualified under the prior contract or license. The marking procedures in paragraph (f)(1) of this clause shall be followed.

(g) Contractor procedures and records. Throughout performance of this contract, the Contractor and its subcontractors or suppliers that will deliver technical data with other than unlimited rights, shall

(1) Have, maintain, and follow written procedures sufficient to assure that restrictive markings are used only when authorized by the terms of this clause; and

(2) Maintain records sufficient to justify the validity of any restrictive markings on technical data delivered under this contract.

(h) Removal of unjustified and nonconforming markings.

(1) Unjustified technical data markings. The rights and obligations of the parties regarding the validation of restrictive markings on technical data furnished or to be furnished under this contract are contained in the Validation of Restrictive Markings on Technical
Data clause of this contract. Notwithstanding any provision of this contract concerning inspection and acceptance, the Government may ignore or, at the Contractor's expense, correct or strike a marking if, in accordance with the procedures in the Validation of Restrictive Markings on Technical Data clause of this contract, a restrictive marking is determined to be unjustified.

(2) Nonconforming technical data markings. A nonconforming marking is a marking placed on technical data delivered or otherwise furnished to the Government under this contract that is not in the format authorized by this contract. Correction of nonconforming markings is not subject to the Validation of Restrictive Markings on Technical Data clause of this contract. If the Contracting Officer notifies the Contractor of a nonconforming marking and the Contractor fails to remove or correct such marking within sixty (60) days, the Government may ignore or, at the Contractor's expense, remove or correct any nonconforming marking.

(i) Relation to patents. Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(j) Limitation on charges for rights in technical data.

(1) The Contractor shall not charge to this contract any cost, including, but not limited to, license fees, royalties, or similar charges, for rights in technical data to be delivered under this contract when

(i) The Government has acquired, by any means, the same or greater rights in the data; or

(ii) The data are available to the public without restrictions.

(2) The limitation in paragraph (j)(1) of this clause

(i) Includes costs charged by a subcontractor or supplier, at any tier, or costs incurred by the Contractor to acquire rights in subcontractor or supplier technical data, if the subcontractor or supplier has been paid for such rights under any other Government contract or under a license conveying the rights to the Government; and

(ii) Does not include the reasonable costs of reproducing, handling, or mailing the documents or other media in which the technical data will be delivered.

(k) Applicability to subcontractors or suppliers.

(1) The Contractor shall ensure that the rights afforded its subcontractors and suppliers under 10 U.S.C. 2320, 10 U.S.C. 2321, and the identification, assertion, and delivery processes of paragraph (e) of this clause are recognized and protected.

(2) Whenever any technical data for noncommercial items, or for commercial items developed in any part at Government expense, is to be obtained from a subcontractor or supplier for delivery to the Government under this contract, the Contractor shall use this same clause in the subcontract or other contractual instrument, and require its subcontractors or suppliers to do so, without alteration, except to identify the parties. This clause will govern the technical data pertaining to noncommercial items or to any portion of a commercial item that was developed in any part at Government expense, and the clause at 252.227-7015 will govern the technical data pertaining to any portion of a commercial item that was developed exclusively at private expense. No other clause shall be used to enlarge or diminish the Government's, the Contractor's, or a higher-tier subcontractor's or supplier's rights in a subcontractor's or supplier's technical data.

(3) Technical data required to be delivered by a subcontractor or supplier shall normally be delivered to the next higher-tier contractor, subcontractor, or supplier. However, when there is a requirement in the prime contract for data which may be submitted with other than unlimited rights by a subcontractor or supplier, then said subcontractor or supplier may fulfill its requirement by submitting such data directly to the Government, rather than through a higher-tier contractor, subcontractor, or supplier.

(4) The Contractor and higher-tier subcontractors or suppliers shall not use their power to award contracts as economic leverage to obtain rights in technical data from their subcontractors or suppliers.

(5) In no event shall the Contractor use its obligation to recognize and protect subcontractor or supplier rights in technical data as an excuse for failing to satisfy its contractual obligation to the Government.

(End of clause)
(1) For property located in the United States insert item number(s) and specific demilitarization requirements for item(s) shown in Attachment 1, Part 2 of Defense, Demilitarization Manual.

(2) For property located outside the United States, insert item number(s) and specific demilitarization requirements for item(s) shown in Attachment 1, Part 3 of DoD 4160.21-M-1, Defense Demilitarization Manual.

(b) DEMILITARIZATION ON GOVERNMENT PREMISES. Property requiring demilitarization shall not be removed, and title shall not pass to the Purchaser, until demilitarization has been completed and approved by an authorized Contractor and Government representative. Demilitarization will be accomplished as specified in the contract. Component parts vital to the military or lethal purpose of the property shall be rendered unusable. The Purchaser agrees to assume all cost incident to the demilitarization and to restore the working area to its present condition after removing the demilitarized property.

(c) DEMILITARIZATION ON NON-GOVERNMENT PREMISES. Property requiring demilitarization shall be demilitarized by the Purchaser under supervision of qualified Department of Defense personnel. Title shall not pass to the Purchaser until demilitarization has been completed by the Purchaser and approved by an authorized Contractor and Government representative. Demilitarization will be accomplished as specified in the contract. Component parts vital to the military or lethal purpose of the property shall be rendered unusable. The Purchaser agrees to assume all costs incident to the demilitarization.

(d) FAILURE TO DEMILITARIZE. If the Purchaser fails to demilitarize the property as specified in the contract, the Contractor may, upon giving ten days written notice from date of mailing to the Purchaser-

(1) Repossess, demilitarize, and return the property to the Purchaser. The Purchaser hereby agrees to pay to the Contractor, prior to the return of the property, all costs incurred by the Contractor in repossessing, demilitarizing, and returning the property to the Purchaser.

(2) Repossess, demilitarize, and resell the property, and charge the defaulting Purchaser will all excess costs incurred by the Contractor. The Contractor shall deduct these costs from the purchase price and refund the balance of the purchase price, if any, to the Purchaser. In the event the excess costs exceed the purchase price, the defaulting Purchaser hereby agrees to pay these excess costs to the Contractor.

(3) Repossess and resell the property under similar terms and conditions. In the event this option is exercised, the Contractor shall charge the defaulting Purchaser with all excess costs incurred by the Contractor. The Contractor shall deduct these excess costs from the original purchase price and refund the balance of the purchase price, if any, to the defaulting Purchaser. Should the excess costs to the Contractor exceed the purchase price, the defaulting Purchaser hereby agrees to pay these excess costs to the Contractor.

(a) Definitions. As used in this clause--

"Agent" means any individual, including a director, an officer, an employee, or an independent Contractor, authorized to act on behalf of the organization.

"Full cooperation"--

(1) Means disclosure to the Government of the information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct. It includes providing timely and complete response to Government auditors and investigators' request for documents and access to employees with information;

(2) Does not foreclose any Contractor rights arising in law, the FAR, or the terms of the contract. It does not require--

(i) A Contractor to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine; or

(ii) Any officer, director, owner, or employee of the Contractor, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; and

(3) Does not restrict a Contractor from--

(i) Conducting an internal investigation; or

(ii) Defending a proceeding or dispute arising under the contract or related to a potential or disclosed violation.

"Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).
"Subcontract" means any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

"Subcontractor" means any supplier, distributor, vendor, or firm that furnished supplies or services to or for a prime contractor or another subcontractor.

"United States," means the 50 States, the District of Columbia, and outlying areas.

(b) Code of business ethics and conduct.

(1) Within 30 days after contract award, unless the Contracting Officer establishes a longer time period, the Contractor shall--

(i) Have a written code of business ethics and conduct; and

(ii) Make a copy of the code available to each employee engaged in performance of the contract.

(2) The Contractor shall--

(i) Exercise due diligence to prevent and detect criminal conduct; and

(ii) Otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

(3)(i) The Contractor shall timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed--

(A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or

(B) A violation of the civil False Claims Act (31 U.S.C. 3729-3733).

(ii) The Government, to the extent permitted by law and regulation, will safeguard and treat information obtained pursuant to the Contractor's disclosure as confidential where the information has been marked confidential or proprietary by the company. To the extent permitted by law and regulation, such information will not be released by the Government to the public pursuant to a Freedom of Information Act request, 5 U.S.C. Section 552, without prior notification to the Contractor. The Government may transfer documents provided by the Contractor to any department or agency within the Executive Branch if the information relates to matters within the organizations jurisdiction.

(iii) If the violation relates to an order against a Governmentwide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the Contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract.

(c) Business ethics awareness and compliance program and internal control system. This paragraph (c) does not apply if the Contractor has represented itself as a small business concern pursuant to the award of this contract or if this contract is for the acquisition of a commercial item as defined at FAR 2.101. The Contractor shall establish the following within 90 days after contract award, unless the Contracting Officer establishes a longer time period:

(1) An ongoing business ethics awareness and compliance program.

(i) This program shall include reasonable steps to communicate periodically and in a practical manner the Contractors standards and procedures and other aspects of the Contractors business ethics awareness and compliance program and internal control system, by conducting effective training programs and otherwise disseminating information appropriate to an individuals respective roles and responsibilities.

(ii) The training conducted under this program shall be provided to the Contractors principals and employees, and as appropriate, the Contractors agents and subcontractors.

(2) An internal control system.

(i) The Contractors internal control system shall--

(A) Establish standards and procedures to facilitate timely discovery of improper conduct in connection with Government contracts; and
(B) Ensure corrective measures are promptly instituted and carried out.

(ii) At a minimum, the Contractor's internal control system shall provide for the following:

(A) Assignment of responsibility at a sufficiently high level and adequate resources to ensure effectiveness of the business ethics awareness and compliance program and internal control system.

(B) Reasonable efforts not to include an individual as a principal, whom due diligence would have exposed as having engaged in conduct that is in conflict with the Contractor's code of business ethics and conduct.

(C) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the Contractor's code of business ethics and conduct and the special requirements of Government contracting, including:

1. Monitoring and auditing to detect criminal conduct;

2. Periodic evaluation of the effectiveness of the business ethics awareness and compliance program and internal control system, especially if criminal conduct has been detected; and

3. Periodic assessment of the risk of criminal conduct, with appropriate steps to design, implement, or modify the business ethics awareness and compliance program and the internal control system as necessary to reduce the risk of criminal conduct identified through this process.

(D) An internal reporting mechanism, such as a hotline, which allows for anonymity or confidentiality, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports.

(E) Disciplinary action for improper conduct or for failing to take reasonable steps to prevent or detect improper conduct.

(F) Timely disclosure, in writing, to the agency OIG, with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of any Government contract performed by the Contractor or a subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 U.S.C. or a violation of the civil False Claims Act (31 U.S.C. 3729-3733).

1. If a violation relates to more than one Government contract, the Contractor may make the disclosure to the agency OIG and Contracting Officer responsible for the largest dollar value contract impacted by the violation.

2. If the violation relates to an order against a Governmentwide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract, and the respective agencies contracting officers.

3. The disclosure requirement for an individual contract continues until at least 3 years after final payment on the contract.

4. The Government will safeguard such disclosures in accordance with paragraph (b)(3)(ii) of this clause.

(G) Full cooperation with any Government agencies responsible for audits, investigations, or corrective actions.

(d) Subcontracts.

1. The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts that have a value in excess of $5,000,000 and a performance period of more than 120 days.

2. In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.

(End of clause)
(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall --

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor’s ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

(End of Clause)

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(a) Definitions. As used in this clause--

"Long-term contract" means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (c) of this clause. Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(b) If the Contractor represented that it was a small business concern prior to award of this contract, the Contractor shall rerepresent its size status according to paragraph (e) of this clause or, if applicable, paragraph (g) of this clause, upon the occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.

(c) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code assigned to this contract. The small business size standard corresponding to this NAICS code can be found at http://www.sba.gov/content/table-small-business-size-standards

(d) The small business size standard for a Contractor providing a product which it does not manufacture itself, for a contract other than a construction or service contract, is 500 employees.
(e) Except as provided in paragraph (g) of this clause, the Contractor shall make the representation required by paragraph (b) of this clause by validating or updating all its representations in the Representations and Certifications section of the System for Award Management (SAM) and its other data in SAM, as necessary, to ensure that they reflect the Contractor’s current status. The Contractor shall notify the contracting office in writing within the timeframes specified in paragraph (b) of this clause that the data have been validated or updated, and provide the date of the validation or update.

(f) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (e) or (g) of this clause.

(g) If the Contractor does not have representations and certifications in SAM, or does not have a representation in SAM for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

The Contractor represents that it [   ] is, [ X ] is not a small business concern under NAICS Code 332993 assigned to contract number W15QKN-15-C-0066.

(End of clause)
subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate a subcontracting plan shall make the offeror ineligible for award of a contract.

(d) The offerors subcontracting plan shall include the following:

(1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors. The offeror shall include all sub-contracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs. In accordance with 43 U.S.C. 1626:

(ii) Subcontracts awarded to an ANC or Indian tribe shall be counted towards the subcontracting goals for small business and small disadvantaged business (SDB) concerns, regardless of the size or Small Business Administration certification status of the ANC or Indian tribe.

(A) In most cases, the appropriate Contractor is the Contractor that awarded the subcontract to the ANC or Indian tribe.

(B) If the ANC or Indian tribe designates more than one Contractor to count the subcontract toward its goals, the ANC or Indian tribe shall designate only a portion of the total subcontract award to each Contractor. The sum of the amounts designated to various Contractors cannot exceed the total value of the subcontract.

(C) The ANC or Indian tribe shall give a copy of the written designation to the Contracting Officer, the prime Contractor, and the subcontractors in between the prime Contractor and the ANC or Indian tribe within 30 days of the date of the subcontract award.

(D) If the Contracting Officer does not receive a copy of the ANCs or the Indian tribes written designation within 30 days of the subcontract award, the Contractor that awarded the subcontract to the ANC or Indian tribe will be considered the designated Contractor.

(2) A statement of--

(i) Total dollars planned to be subcontracted for an individual contract plan; or the offerors total projected sales, expressed in dollars, and the total value of projected subcontracts to support the sales for a commercial plan;

(ii) Total dollars planned to be subcontracted to small business concerns (including ANC and Indian tribes);

(iii) Total dollars planned to be subcontracted to veteran-owned small business concerns;

(iv) Total dollars planned to be subcontracted to service-disabled veteran-owned small business;

(v) Total dollars planned to be subcontracted to HUBZone small business concerns;

(vi) Total dollars planned to be subcontracted to small disadvantaged business concerns (including ANCs and Indian tribes); and

(vii) Total dollars planned to be subcontracted to women-owned small business concerns.

(3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to--

(i) Small business concerns;

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) HUBZone small business concerns;

(v) Small disadvantaged business concerns; and

(vi) Women-owned small business concerns.

(4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.

(5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the
System for Award Management (SAM), veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, HUBZone, small disadvantaged, and women-owned small business trade associations). A firm may rely on the information contained in SAM as an accurate representation of a concern’s size and ownership characteristics for the purposes of maintaining a small, veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, and women-owned small business source list. Use of SAM as its source list does not relieve a firm of its responsibilities (e.g., outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with--

(i) Small business concerns (including ANC and Indian tribes);

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) HUBZone small business concerns;

(v) Small disadvantaged business concerns (including ANC and Indian tribes); and

(vi) Women-owned small business concerns.

(7) The name of the individual employed by the offeror who will administer the offerors subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the offeror will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts.

(9) Assurances that the offeror will include the clause of this contract entitled "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of $650,000 ($1.5 million for construction of any public facility) with further subcontracting possibilities to adopt a subcontracting plan that complies with the requirements of this clause.

(10) Assurances that the offeror will--

(i) Cooperate in any studies or surveys as may be required;

(ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;

(iii) Submit the Individual Subcontract Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with paragraph (l) of this clause using the Electronic Subcontracting Reporting System (eSRS) at http://www.esrs.gov. The reports shall provide information on subcontract awards to small business concerns (including ANCs and Indian tribes that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns (including ANCs and Indian tribes that have not been certified by the Small Business Administration as small disadvantaged businesses), women-owned small business concerns, and for NASA only, Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with this clause, or as provided in agency regulations;

(iv) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(v) Provide its prime contract number, its DUNS number, and the e-mail address of the offerors official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and

(vi) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number, and the e-mail address of the subcontractors official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.

(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offerors efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):
(i) Source lists (e.g., SAM), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

(ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(iii) Records on each subcontract solicitation resulting in an award of more than $150,000, indicating--

(A) Whether small business concerns were solicited and, if not, why not;

(B) Whether veteran-owned small business concerns were solicited and, if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether HUBZone small business concerns were solicited and, if not, why not;

(E) Whether small disadvantaged business concerns were solicited and, if not, why not;

(F) Whether women-owned small business concerns were solicited and, if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact--

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and

(D) Veterans service organizations.

(v) Records of internal guidance and encouragement provided to buyers through

(A) Workshops, seminars, training, etc.; and

(B) Monitoring performance to evaluate compliance with the programs requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

(e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:

(1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's list of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.

(2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all "make-or-buy" decisions.

(3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.

(4) Confirm that a subcontractor representing itself as a HUBZone small business concern is identified as a certified HUBZone small business concern by accessing the SAM database or by contacting SBA.

(5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small, small disadvantaged, or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.
(6) For all competitive subcontracts over the simplified acquisition threshold in which a small business concern received a small business preference, upon determination of the successful subcontract offeror, the Contractor must inform each unsuccessful small business subcontract offeror in writing of the name and location of the apparent successful offeror prior to award of the contract.

(f) A master plan on a plant or division-wide basis that contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by this clause; provided--

(1) The master plan has been approved;

(2) The offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer; and

(3) Goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.

(g) A commercial plan is the preferred type of subcontracting plan for contractors furnishing commercial items. The commercial plan shall relate to the offerors planned subcontracting generally, for both commercial and Government business, rather than solely to the Government contract. Once the Contractors commercial plan has been approved, the Government will not require another subcontracting plan from the same Contractor while the plan remains in effect, as long as the product or service being provided by the Contractor continues to meet the definition of a commercial item. A Contractor with a commercial plan shall comply with the reporting requirements stated in paragraph (d)(10) of this clause by submitting one SSR in eSRS for all contracts covered by its commercial plan. This report shall be acknowledged or rejected in eSRS by the Contracting Officer who approved the plan. This report shall be submitted within 30 days after the end of the Governments fiscal year.

(h) Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.

(i) A contract may have no more than one plan. When a modification meets the criteria in 19.702 for a plan, or an option is exercised, the goals associated with the modification or option shall be added to those in the existing subcontracting plan.

(j) Subcontracting plans are not required from subcontractors when the prime contract contains the clause at 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive OrdersCommercial Items, or when the subcontractor provides a commercial item subject to the clause at 52.244-6, Subcontracts for Commercial Items, under a prime contract.

(k) The failure of the Contractor or subcontractor to comply in good faith with--

(1) The clause of this contract entitled "Utilization Of Small Business Concerns;" or

(2) An approved plan required by this clause, shall be a material breach of the contract.

(l) The Contractor shall submit ISRs and SSRs using the web-based eSRS at http://www.esrs.gov. Purchases from a corporation, company, or subdivision that is an affiliate of the prime Contractor or subcontractor are not included in these reports. Subcontract award data reported by prime Contractors and subcontractors shall be limited to awards made to their immediate next-tier subcontractors, unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or Indian Tribe. Only subcontracts involving performance in the United States or its outlying areas should be included in these reports with the exception of subcontracts under a contract awarded by the State Department or any other agency that has statutory or regulatory authority to require subcontracting plans for subcontracts performed outside the United States and its outlying areas.

(1) ISR. This report is not required for commercial plans. The report is required for each contract containing an individual subcontract plan.

(i) The report shall be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the Contracting Officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period.

(ii) When a subcontracting plan contains separate goals for the basic contract and each option, as prescribed by FAR 19.704(c), the dollar goal inserted on this report shall be the sum of the base period through the current option; for example, for a report submitted after the second option is exercised, the dollar goal would be the sum of the goals for the basic contract, the first option, and the second option.

(iii) The authority to acknowledge receipt or reject the ISR resides--
In the case of the prime Contractor, with the Contracting Officer; and

In the case of a subcontract with a subcontracting plan, with the entity that awarded the subcontract.

(2) SSR.

(i) Reports submitted under individual contract plans--

(A) This report encompasses all subcontracting under prime contracts and subcontracts with the awarding agency, regardless of the dollar value of the subcontracts.

(B) The report may be submitted on a corporate, company or subdivision (e.g. plant or division operating as a separate profit center) basis, unless otherwise directed by the agency.

(C) If a prime contractor and/or subcontractor is performing work for more than one executive agency, a separate report shall be submitted to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over $650,000 (over $1.5 million for construction of a public facility) and contains a subcontracting plan. For DoD, a consolidated report shall be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DoD prime Contractors.

(D) The consolidated SSR shall be submitted annually for the twelve month period ending September 30. The report is due 30 days after the close of the reporting period.

(E) Subcontract awards that are related to work for more than one executive agency shall be appropriately allocated.

(F) The authority to acknowledge or reject SSRs in eSRS, including SSRs submitted by subcontractors with subcontracting plans, resides with the Government agency awarding the prime contracts unless stated otherwise in the contract.

(ii) Reports submitted under a commercial plan--

(A) The report shall include all subcontract awards under the commercial plan in effect during the Government’s fiscal year.

(B) The report shall be submitted annually, within thirty days after the end of the Government’s fiscal year.

(C) If a Contractor has a commercial plan and is performing work for more than one executive agency, the Contractor shall specify the percentage of dollars attributable to each agency from which contracts for commercial items were received.

(D) The authority to acknowledge or reject SSRs for commercial plans resides with the Contracting Officer who approved the commercial plan.

(End of clause)

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(a) Definitions. As used in this clause--

"Active duty wartime or campaign badge veteran," "Armed Forces service medal veteran," "disabled veteran," "protected veteran," "qualified disabled veteran," and "recently separated veteran" have the meanings given at FAR 22.1301.

(b) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts of $100,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of clause)

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(a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires
affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(b) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of $15,000 unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of clause)

I-151         52.223-3         HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA                JAN/1997

(a) Hazardous material, as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(b) The offeror must list any hazardous material, as defined in paragraph (a) of this clause, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

<table>
<thead>
<tr>
<th>Material</th>
<th>Identification No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(If none, insert None)</td>
<td></td>
</tr>
</tbody>
</table>

(c) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(d) The apparently successful offeror agrees to submit, for each item as required prior to award, a Material Safety Data Sheet, meeting the requirements of 29 CFR 1910.1200(g) and the latest version of Federal Standard No. 313, for all hazardous material identified in paragraph (b) of this clause. Data shall be submitted in accordance with Federal Standard No. 313, whether or not the apparently successful offeror is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful offeror being considered nonresponsible and ineligible for award.

(e) If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data.

(f) Neither the requirements of this clause nor any act or failure to act by the Government shall relieve the Contractor of any responsibility or liability for the safety of Government, Contractor, or subcontractor personnel or property.

(g) Nothing contained in this clause shall relieve the Contractor from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

(h) The Government’s rights in data furnished under this contract with respect to hazardous material are as follows:

(i) To use, duplicate and disclose any data to which this clause is applicable. The purposes of this right are to --

   (i) Apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials;

   (ii) Obtain medical treatment for those affected by the material; and

   (iii) Have others use, duplicate, and disclose the data for the Government for these purposes.

(ii) To use, duplicate, and disclose data furnished under this clause, in accordance with subparagraph (h)(1) of this clause, in precedence over any other clause of this contract providing for rights in data.

(iii) The Government is not precluded from using similar or identical data acquired from other sources.

(End of Clause)
(a) The Contractor, in connection with this contract, shall--


(2) (CAS-covered Contracts Only) If it is a business unit of a company required to submit a Disclosure Statement, disclose in writing its cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(3) (i) Follow consistently the Contractors cost accounting practices. A change to such practices may be proposed, however, by either the Government or the Contractor, and the Contractor agrees to negotiate with the Contracting Officer the terms and conditions under which a change may be made. After the terms and conditions under which the change is to be made have been agreed to, the change must be applied prospectively to this contract, and the Disclosure Statement, if affected, must be amended accordingly.

(ii) The Contractor shall, when the parties agree to a change to a cost accounting practice and the Contracting Officer has made the finding required in 48 CFR 9903.201-6(c), that the change is desirable and not detrimental to the interests of the Government, negotiate an equitable adjustment as provided in the Changes clause of this contract. In the absence of the required finding, no agreement may be made under this contract clause that will increase costs paid by the United States.

(4) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with the applicable CAS or to follow any cost accounting practice, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)), from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor has complied with an applicable CAS, rule, or regulation as specified in 48 CFR 9903 and 9904 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under 41 U.S.C. chapter 71, Contract Disputes.

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, and records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts, which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that--

(1) If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal Acquisition Regulation shall be inserted.

(2) This requirement shall apply only to negotiated subcontracts in excess of $700,000.

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.
(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any DoD FAR SUPPLEMENT (48 CFR 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

(End of Clause)

I-155 252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS NOV/2005

(a) Definition. SPI process, as used in this clause, means a management or manufacturing process that has been accepted previously by the Department of Defense under the Single Process Initiative (SPI) for use in lieu of a specific military or Federal specification or standard at specific facilities. Under SPI, these processes are reviewed and accepted by a Management Council, which includes representatives of the Contractor, the Defense Contract Management Agency, the Defense Contract Audit Agency, and the military departments.

(b) Offerors are encouraged to propose SPI processes in lieu of military or Federal specifications and standards cited in the solicitation. A listing of SPI processes accepted at specific facilities is available via the Internet at http://guidebook.dcma.mil/20/guidebook_process.htm (paragraph 4.2).

(c) An offeror proposing to use an SPI process in lieu of military or Federal specifications or standards cited in the solicitation shall

1. Identify the specific military or Federal specification or standard for which the SPI process has been accepted;
2. Identify each facility at which the offeror proposes to use the specific SPI process in lieu of military or Federal specifications or standards cited in the solicitation;
3. Identify the contract line items, subline items, components, or elements affected by the SPI process; and
4. If the proposed SPI process has been accepted at the facility at which it is proposed for use, but is not yet listed at the Internet site specified in paragraph (b) of this clause, submit documentation of Department of Defense acceptance of the SPI process.

(d) Absent a determination that an SPI process is not acceptable for this procurement, the Contractor shall use the following SPI processes in lieu of military or Federal specifications or standards:

(offeror insert information for each SPI process)

SPI Process: NOT APPLICABLE
Facility: ______________________________
Military or Federal Specification or Standard: ______________________________
Affected Contract Line Item Number, Subline Item Number, Component, or Element: ______________________________

(e) If a prospective offeror wishes to obtain, prior to the time specified for receipt of offers, verification that an SPI process is an acceptable replacement for military or Federal specifications or standards required by the solicitation, the prospective offeror shall

1. May submit the information required by paragraph (d) of this clause to the Contracting Officer prior to submission of an offer; but
2. Must submit the information to the Contracting Officer at least 10 working days prior to the date specified for receipt of offers.

(End of clause)
This clause supplements the Federal Acquisition Regulation 52.219-9, Small Business Subcontracting Plan, clause of this contract.

(a) Definitions. As used in this clause--

"Summary Subcontract Report (SSR) Coordinator," means the individual who is registered in eSRS at the Department of Defense (9700).

(b) Subcontracts awarded to workshops approved by the Committee for Purchase from People Who are Blind or Severely Disabled (41 U.S.C. 8502-8504), may be counted toward the Contractor's small business subcontracting goal.

(c) A mentor firm, under the Pilot Mentor-Protege Program established under section 831 of Public Law 101-510, as amended, may count toward its small disadvantaged business goal, subcontracts awarded to--

(1) Protege firms which are qualified organizations employing the severely disabled; and

(2) Former protege firms that meet the criteria in Section 831(g)(4) of Public Law 101-510.

(d) The master plan is approved by the Contractor's cognizant contract administration activity.

(e) In those subcontracting plans which specifically identify small businesses, the Contractor shall notify the Administrative Contracting Officer of any substitutions of firms that are not small business firms, for the small business firms specifically identified in the subcontracting plan. Notifications shall be in writing and shall occur within a reasonable period of time after award of the subcontract. Contractor-specified formats shall be acceptable.

(f) (1) For DoD, the Contractor shall submit reports in eSRS as follows:

(i) The Individual Subcontract Report (ISR) shall be submitted to the contracting officer at the procuring contracting office, even when contract administration has been delegated to the Defense Contract Management Agency.

(ii) To submit the consolidated SSR for an individual subcontracting plan in eSRS, the contractor identifies the Government Agency in Block 7 (Agency to which the report is being submitted) by selecting the Department of Defense (DoD) (9700) from the top of the second dropdown menu. Do not select anything lower.

(2) For DoD, the authority to acknowledge receipt or reject reports in eSRS is as follows:

(i) The authority to acknowledge receipt or reject the ISR resides with the contracting officer who receives it, as described in paragraph (f)(1)(i) of this clause.

(ii) The authority to acknowledge receipt or reject SSRs in eSRS resides with the SSR Coordinator.

(End of clause)
1. CLEARANCE AND SAFEGUARDING

CONTRACT SECURITY CLASSIFICATION SPECIFICATION

The requirements of the DoD Industrial Security Manual apply to all aspects of this effort.

1. FACILITY CLEARANCE REQUIRED
   - SECRET

2. LEVEL OF SAFEGUARDING REQUIRED
   - SECRET

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)
X THIS DD254 IS FOR SOLICITATION PURPOSES ONLY.
A PRIME CONTRACT DD254 WILL BE PROVIDED UPON CONTRACT AWARD.

3. THIS SPECIFICATION IS: (X and complete as applicable)
X ORIGINAL

4. IS THIS A FOLLOW-ON CONTRACT? | YES | X | NO. If Yes complete the following
Classified material received or generated under ________________________ (Preceding Contract Number) is transferred to this follow-on contract

5. IS THIS A FINAL DD FORM 254? | YES | X | NO. If Yes complete the following
In response to the contractor's request dated _____________, retention of the identified classified material is authorized for the period of _____________

6. CONTRACTOR (Include Commercial and Government Entity (CAGE) Code)

   a. NAME, ADDRESS, AND ZIP CODE
   b. CAGE CODE
   c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

This DD Form 254 is for Solicitation purposes only. A Prime Contract DD254 will be provided upon contract award.

N/A
N/A

7. SUBCONTRACTOR

   a. NAME, ADDRESS, AND ZIP CODE
   b. CAGE CODE
   c. COGNIZANT SECURITY OFFICES (Name, Address, and Zip Code)

N/A
N/A
N/A

8. ACTUAL PERFORMANCE

   a. LOCATION
   b. CAGE CODE
   c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

TBD- CONTRACTOR LOCATIONS
N/A
N/A

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT

The Advanced Multi-Purpose (AMP) XM1147 High Explosive Multi-Purpose with Tracer (HEMP-T) is a 120mm multi-purpose munition being developed for the Abrams Main Battle Tank (MBT). The round will provide the Warfighter with new capabilities to defeat Anti Tank Guided Missile (ATGM) teams / dismounted infantry at extended range, and to breach double reinforced concrete walls.

10. THIS CONTRACT WILL REQUIRE ACCESS TO:

   a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION
   b. RESTRICTED DATA
   c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION
   d. FORMERLY RESTRICTED DATA:
   e. INTELLIGENCE INFORMATION:
      (1) Sensitive Compartmented Information (SCI)
      (2) Non-SCI
   f. SPECIAL ACCESS INFORMATION
   g. NATO INFORMATION
   h. FOREIGN GOVERNMENT INFORMATION
   i. LIMITED DISSEMINATION INFORMATION
   j. FOR OFFICIAL USE ONLY INFORMATION
   k. OTHER (Specify)

   Controlled Unclassified Information (CUI)

   NOTE: No classified information will be transmitted electronically. All classified information/material will be sent via registered mail through USPS only.

   YES | NO
   X   | X
   X   | X
   X   | X
   X   | X
   X   | X
   X   | X
   X   | X
   X   | X
   X   | X
   X   | X
   X   | X

DD Form 254, DEC 1999

Previous editions are obsolete
Request for release of material requires approval through Program Manager, Maneuver Ammunition Systems, Building 354, Picatinny Arsenal, NJ 07806-5000 to the Picatinny Public Affairs Office.

To the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs)* for review.

In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency.

13. SECURITY GUIDANCE. The security classification guidance needed for this effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes: to challenge the guidance or classification assigned to any information or material furnished or generated under this contract; and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (Fill in as appropriate for the classified effort. Attach, or forward under separate correspondence, any document/guidelines extracts referenced herein. Add additional pages as needed to provide complete guidance.)

Classified material must be handled in accordance with the current National Industrial Security Program Operating Manual (NISPOM DoD 5220.22M) requirements, and source documents. Security classification, downgrading and declassification markings for this contract shall be governed by the source documents.

SEE DD254, BLOCK 13, CONTINUATION SHEETS FOR SECURITY GUIDANCE.


Ref13b: Classified information transmitted under this agreement is authorized to be submitted directly to/from: COMMANDING GENERAL, US ARMY Program Executive Officer AMMUNITION, ATTN: SFAE-AMO, Bldg. 1, Picatinny Arsenal, NJ 07806-5000.

Ref13c: CERTIFICATION AND SIGNATURE: “Security requirements stated herein are completed and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.”

Susana Cruz, Technical Lead Government Representative
susana.cruz.civ@mail.mil (973) 724-6115

14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. (If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use Item 13 if additional space is needed.)

Release of classified information/materials through this solicitation will only occur once the company’s facility clearance and storage capability have been verified. Companies requesting classified information will receive classified materials only at facilities approved by the Defense Security Service (DSS). The Technical Lead/COR must ensure the contractor complies with the DD Form 254 and any special clauses associated with this solicitation. The contractor shall return all classified/sensitive material, to include program material, to the Government at the conclusion of the bidding period. Information Disclosure: A Certificate of Non-Disclosure shall be signed and returned to the Technical Lead/COR prior to contract award. Copies will be maintained by the COR for the life of the contract.

DSS does not conduct security reviews for Sensitive Compartmented Information (SCI) but is still responsible for security reviews involving Non-SCI (collateral classified information) in the possession of a contractor or subcontractor.

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. (If Yes, explain and identify specific areas or elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.)

16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.

a. TYPED NAME OF CERTIFYING OFFICIAL
NAOMI J. GRIGGS
b. TITLE
Security Specialist
Program Executive Office Ammunition
c. TELEPHONE (Include Area Code)
(973) 724-9877

d. ADDRESS (Include ZIP Code)
Program Executive Office – Ammunition
Buffington Road, Building 1
Picatinny Arsenal, NJ 07806-5000

e. SIGNATURE

17. REQUIRED DISTRIBUTION

a. CONTRACTOR

b. SUBCONTRACTOR

X c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR

d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION

X e. ADMINISTRATIVE CONTRACTING OFFICER

X f. OTHERS AS NECESSARY

DD Form 254 (Back), DEC 1999
SECURITY REQUIREMENTS FOR CONTRACTOR EMPLOYEES:

1. The contractor will follow all Security Requirements and guidance provided within the DD254.

2. Contractor personnel under this DD254 will comply with all the training requirements as US Government Employees.

CAC ACCESS (If applicable): Specific Handling Instructions: All emails containing Controlled Unclassified Information (CUI) will be digitally encrypted in accordance with AR 25-1, para. 6-4 (M-7b.) dated 4 Dec 08.

For Contracts that Require Handling or Access to Classified Information: The contractor shall comply with FAR 52.204-2, Security Requirements. This clause involves access to information classified “Confidential” “Secret” or “Top Secret” and requires contractors to comply with (1) the Security Agreement (DD Form 441), including the National Industrial Security Program Operating Manual (DoD 5220.22-M), and (2) any revisions to DoD 5220.22-M, notice of which has been furnished to the contractor.

FOREIGN DISCLOSURE:
For the purpose of this contract/agreement, the prime contractor and it’s sub-contractors shall comply with all US export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799, in the performance of this contract. In the absence of available license exemptions/exceptions, the Contractor shall be responsible for obtaining the appropriate licenses or other approvals, if required, for exports of (including deemed exports) hardware, technical data, and software, or for the provision of technical assistance.

For the purpose of this contract/agreement, the prime contractor and it’s sub-contractors shall be responsible for obtaining export licenses, if required, before utilizing foreign persons in the performance of this contract, including instances where the work is to be performed on-site at any Government installation (whether in or outside the United States), where the foreign person will have access to export-controlled technologies, including technical data or software.

For Contracts That Require Access to Critical Program Information (CPI): The contractor shall comply with the associated Program Protection Plan (PPP).

For Contracts That Require an OPSEC Standing Operating Procedure/Plan: The contractor shall develop an OPSEC Standing Operating Procedure (SOP)/Plan within 90 calendar days of contract award, to be reviewed and approved by the responsible Government
OPSEC officer, per AR 530-1, *Operations Security*. This SOP/Plan will specify the
government’s critical information, why it needs to be protected, where it is located, who is
responsible for it, and how to protect it. In addition, the contractor shall identify an individual
who will be an OPSEC Coordinator. The contractor will ensure that this individual becomes
OPSEC Level II certified per AR 530-1.

**For Contracts That Require OPSEC Training:** Per AR 530-1, Operations Security, new
contractor employees must complete Level I OPSEC training within 30 calendar days of
reporting for duty. All contractor employees must complete annual OPSEC awareness training.
Ref 10e(2): Intelligence Information. Non-SCI Information is not releasable to contractor employees who have not received a clearance at the appropriate security level. Written concurrence of the PCO is required prior to subcontracting. The Director of National Intelligence (DNI) has jurisdiction and control of intelligence information and additional security requirements for controlling and protecting intelligence are outlined in “Section 10e(2) Continuation Sheet: Non-SCI Intelligence Information Guidance (from ARDEC SIO)”.

Ref 10j and Ref 10k: SEE DD254 CONTINUATION SHEET FOR FOUO/CUI GUIDANCE.

Ref 11c: Contractor will follow the guidelines of Chapters 4 and 5 of the NISPOM for the proper handling of classified information. Contractor will also follow guidance set forth within Security Classification Guide (SCG), The contractor requires access to classified source data up to and including (SECRET) in support of the work effort. Any extracts or use of such data requires the contractor to apply derivative classifications and markings consistent with the source documents.

Ref 11j: The contractor shall develop an OPSEC Standing Operating Procedure (SOP)/Plan within 90 calendar days of contract award, to be reviewed and approved by the responsible Government OPSEC officer, per AR 530-1, Operations Security. This SOP/Plan will specify the government’s critical information, why it needs to be protected, where it is located, who is responsible for it, and how to protect it. In addition, the contractor shall identify an individual who will be an OPSEC Coordinator. The contractor will ensure that this individual becomes OPSEC Level II certified per AR 530-1.

Ref 11l: No classified information will be transmitted electronically. All classified information/material will be sent via registered mail through USPS only.
As defined in Executive Order 12333 of December 4, 1981, "United States Intelligence Activities", foreign intelligence is defined as "... information relating to the capabilities, intentions and activities of foreign powers, organizations or persons including information on international terrorist activities."

In accordance with DCID 6/6, pursuant to the provisions and definitions of Executive Order 12333, the following guidance is provided to you regarding the release, control, dissemination and use of intelligence information in support of ARDEC contracts:

1. All intelligence material, reproductions thereof, and all other material generated based on, or incorporating data there from (including authorized reproductions), will be controlled in the same manner as the originals, and remain the property of the US Government and may be withdrawn at any time.

2. You must maintain a record of all intelligence material, regardless of classification, released to your custody.

3. You must accomplish a verification of all materials, if held for at least one year, released under the contract. Further, such verification will be conducted upon the anniversary date of the contract, or on a mutually agreed date, and the Senior Intelligence Officer, ARDEC, will be furnished a copy of the verification list. The objective of this requirement is not only to afford the required security for intelligence data, but should be viewed as an opportunity to return documents no longer needed or superseded.

4. You will not reproduce intelligence material released to your custody without the express written permission of the Senior Intelligence Officer, ARDEC.

5. When written permission is received to reproduce intelligence materials, you will control and account for such reproductions in the same manner as pertains to the originals.

6. Prior to granting an employee access to the intelligence materials, you will brief the employee on his obligation to safeguard the information. The appropriate portion of SF312, "Classified Information Non-Disclosure Agreement", will be executed at the time of briefing.

7. You and the Project Officer will jointly determine those employees who require access to the intelligence material and you will maintain records to identify completely by name and title all employees so authorized. Requests for additions or personnel changes should be provided to the Project Officer prior to access. Additionally, you will maintain records of authorized visitors who have had access to the intelligence material.
8. You will not release intelligence material to any activity, employee or other person not directly engaged in providing services under the contract unless specific written authorization for such release is received from this office. This prohibition precludes release without authority to another contractor, including a sub-contractor, government agency, private individual or organization.

9. The intelligence materials will not be released to foreign nationals or non-US citizens except with the specific written authorization from the Senior Intelligence Officer, ARDEC, whether or not they are also consultants, U.S. contractor employees, and regardless of the level of their access authorization.

10. The intelligence materials released to you will not be destroyed unless written authorization for such destruction is received from the Senior Intelligence Officer, ARDEC. In the event such authorization is received, you will effect such destruction in accordance with Chapter 5, Section 7 of the National Industrial Security Program Operating Manual, DoD 5220.22-M, dated February 2006.

11. If access to SIPRnet and INTELINK-S is granted, the following guidelines apply:
   a. The computer account will be used in support of an official government project.
   b. You will not willfully compromise the account password.
   c. You will notify the Project Officer when the account is no longer needed, or account information needs revising, or the account password has been knowingly compromised.
   d. The account will be used in accordance with all existing instructions, policy directives, and guidelines to ensure no improper or fraudulent use.
   e. Data and files associated with this account are subject to random review.
   f. The account password will be changed in accordance with current Army policy.
   g. You are responsible for not only safeguarding the classified contents of this account, but also the physical configuration of the network.

12. Upon expiration of a contract, all substantive intelligence materials released to you, all reproductions thereof, and all other materials incorporating material there from will be returned to this office for disposition. In the event that the contract is extended, or that a new similar contract requiring the released data is negotiated, it is the responsibility of the Project Officer to affect an extension or document transfer with the Senior Intelligence Officer, ARDEC.

13. The name and address of the Senior Intelligence Officer, ARDEC, is as follows:
   Commander, U.S. Army ARDEC
   Intelligence and Technology Protection Office
   Attn: RDAR-CIS (Mr. Michael Santaspirt)
   Senior Intelligence Officer, Bldg. 93
   Picatinny Arsenal, NJ 07806-5000
10j. FOR OFFICIAL USE ONLY (FOUO)

1. The “FOR OFFICIAL USE ONLY” marking is assigned to information at the time of its creation in a DOD User Agency. It is not authorized as a substitute for a security classification marking but it is used on official government information that may be withheld from the public under exemptions 2 through 9 IAW Army Regulation 25-55, The Department of the Army Freedom of Information Act Program.

2. Control, marking, and protection of FOUO information will be in accordance with this document and DoD Manual 5200.01, Vol. 4. Marking guidance can be found Enclosure 3, paragraph 2c.

3. Specific Handling Instructions: All emails containing (FOUO) will be digitally encrypted in accordance with AR 25-1, para. 4-1 f.(1)(b), dated 25 June 2013. All Controlled Unclassified Information (documents designated as FOR OFFICIAL USE ONLY and/or LIMITED DISTRIBUTION) shall be submitted by a controlled means using USPS mail, AMRDEC Safe Access File Exchange (SAFE) website https://safe.amrdec.army.mil/SAFE/ and/or Encryption Wizard, http://spi.dod.mil/.

3. FOR OFFICIAL USE ONLY is restricted to personnel with a valid need to know unless public release authorization has been obtained. Information marked as FOUO, in any media format, may only be disseminated to those individuals or organizations with direct affiliation with the given program or project. Further dissemination of such information will be at the discretion of the Contracting Officer (PCO) or Contracting Officer’s Representative (COR). Personnel no longer requiring access to FOUO must destroy or surrender any materials in their possession and terminate future access to it. The contractor may disseminate “FOR OFFICIAL USE ONLY” (FOUO) information to their employees who have a need to know for the information in connection with this contract.

4. When no longer needed, all FOUO material will be destroyed by shredding. Electronic media will be purged with approved software or destroyed through a physical process.

5. Use of the above marking does not mean that the information cannot be released to the public, only that it must be reviewed by the Government prior to its release to determine whether a significant and legitimate government purpose is served by withholding the information, or portions of it, from the public.

6. Within a classified document, an individual page that contains both FOUO and classified information will be marked at the top and bottom with the highest security classification of the
7. Removal of the “For Official Use Only” marking can only be accomplished by the originator or other competent authority. When the “For Official Use Only” status is terminated, all know holders will be notified to the extent practical.

8. During working hours, “For Official Use Only” information shall be placed in an out-of-sight location if the work area is accessible to persons who do not have a need for the information. During non-working hours, the information shall be stored to preclude unauthorized access. Filing such material with other unclassified records in unlocked files or desks is adequate when internal building security is provided during non-working hours. When such internal security is not exercised, locked buildings or rooms will provide adequate after-hours protection or the material can be stored in locked receptacles such as file cabinets, desks, or bookcases. “For Official Use Only” information may be sent via First Class US Mail or by parcel post. Bulky shipments may be set by Fourth Class US Mail.

9. Unauthorized disclosure of “For Official Use Only” information does not constitute a security violation but the Government Customer should be informed of any unauthorized disclosure. The unauthorized disclosure for FOUO information protected by the Privacy Act may result in criminal sanctions and disciplinary action may be taken against those responsible.

10k. CONTROLLED UNCLASSIFIED INFORMATION (CUI)

1. The definition of CUI is unclassified information that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Government-wide policies. It does not include information that is classified pursuant to Executive Order 13526, dated December 29, 2009, or the Atomic Energy Act, as amended (References (m) and (n)). Within the Department of Defense, examples of CUI include materials marked as “For Official Use Only (FOUO)”, “Law Enforcement Sensitive (LES),” or any unclassified technical documents with a Distribution Statement B-F.

2. When CUI is to be provided to or generated by DoD contractors, the controls and protective measures to be applied shall be described in the pertinent contract documents (e.g., contract clause; statement of work; or DD Form 254, “Department of Defense Contract Security Classification Specification”). Solicitations and contracts shall use a non-disclosure of information clause that prohibits release of unclassified information to the public without approval of the contracting activity.

3. The Contractor shall not release to anyone outside the Contractor's organization any unclassified information, regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract without prior approval from the government.
4. Technical Data is any recorded information related to experimental, developmental, or engineering works that can be used to define an engineering or manufacturing process or to design, procure, produce, support, maintain, operate, repair, or overhaul program material. The data may be graphic or pictoral delineations in media, such as computer software, drawings, or photographs, text in specifications, or related performance or design documents, or computer printouts. Examples of technical data include research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog-item identifications, and related information, and computer software documentation.

5. GOVERNMENT DISTRIBUTION STATEMENTS: Will be added to all technical data generated during the execution of this contract, in accordance with DoD Directive 5230.24.

6. The contractor shall protect CUI from unauthorized disclosure by appropriately marking, safeguarding, disseminating, and destroying such information.

7. CUI may be identified in security classification guides to ensure the information receives appropriate protection.

8. For unauthorized disclosures of CUI, no formal security inquiry or investigation is required. However, appropriate management action shall be taken to fix responsibility for unauthorized disclosure of CUI whenever feasible or required by other guidance, and appropriate disciplinary action shall be taken against those responsible. The DoD Component that originated the CUI shall be informed of its unauthorized disclosure.
PLEASE ENSURE ALL PARTIES LISTED ON THIS DISTRIBUTION RECEIVE A COPY OF THE DD254 WITH ALL ATTACHMENTS

SECTION 17: REQUIRED DISTRIBUTION:

a. CONTRACTOR:

(TBD)

c. COGNIZANT SECURITY OFFICE FOR PRIME CONTRACTOR:
**In the event of a possible compromise of classified information under the control of the contractor, the contractor will immediately notify:

The respective Defense Security Service field office that corresponds with the Contractor’s geographic region.

e. CONTRACTING OFFICER’S REPRESENTATIVE (COR) and/or TECHNICAL LEAD:
Stephanie Kless
Contract Officer
Army Contracting Command, ACC-NJ-MA
Picatinny Arsenal, NJ 07806-5000
(973) 724-6671

Susana Cruz
Technical Lead Government Representative
PM MAS, SFAE-AMO-MAS-LC
Picatinny Arsenal, NJ 07806-5000
(973) 724-6115

f. OTHERS AS NECESSARY:
Naomi Griggs or Jason Hayman
Industrial Security Specialist
PEO Ammunition, SFAE-AMO
Picatinny Arsenal, NJ 07806-5000
(973) 724-9877 or (973) 724-9775