



**COST REIMBURSEMENT DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS)
FLOWDOWN PROVISIONS FOR SUBCONTRACTS/PURCHASE ORDERS FOR NON-COMMERCIAL ITEMS
UNDER A U.S. GOVERNMENT PRIME CONTRACT**

A. INCORPORATION OF DFARS CLAUSES

The Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract.

B. GOVERNMENT SUBCONTRACT

This Contract is entered into by the Parties in support of a U.S. Government contract.

As used in the clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this contract.
3. "Contracting Officer" shall mean the U.S. Government Contracting Officer for LOCKHEED MARTIN's government prime contract under which this Contract is entered.
4. "CONTRACTOR" means the SELLER, as defined in CORPDOC 4, acting as the immediate (first-tier) subcontractor to LOCKHEED MARTIN.
5. "Prime Contract" means the contract between LOCKHEED MARTIN and the U.S. Government or between LOCKHEED MARTIN and its higher-tier contractor who has a contract with the U.S. Government.
6. "Subcontract" means any contract placed by the CONTRACTOR or lower-tier subcontractors under this Contract.

C. NOTES

1. Substitute "LOCKHEED MARTIN" for "Government" or "United States" as applicable throughout this clause.
2. Substitute "LOCKHEED MARTIN Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and LOCKHEED MARTIN" after "Government" or "Corporate Officer", as appropriate, throughout this clause.
4. Insert "or LOCKHEED MARTIN" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to the CONTRACTOR to/from the Contracting Officer shall be through LOCKHEED MARTIN.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

CONTRACTOR agrees that upon the request of LOCKHEED MARTIN it will negotiate in good faith with LOCKHEED MARTIN relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as LOCKHEED MARTIN may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

E. PRESERVATION OF THE GOVERNMENT'S RIGHTS

If LOCKHEED MARTIN furnishes designs, drawings, special tooling, equipment, engineering data, or other technical or proprietary information (Furnished Items) which the U. S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that LOCKHEED MARTIN, acting on its own behalf, may modify or limit any rights the Government may have to authorize the CONTRACTOR's use of such Furnished Items in support of other U. S. Government prime contracts.

F. **DoD FAR SUPPLEMENT (DFARS) FLOWDOWN CLAUSES**

REFERENCE TITLE

1. The following DFARS clauses apply to this Contract :

- (a) 252.225-7009 DUTY-FREE ENTRY - QUALIFYING COUNTRY SUPPLIES (END-PRODUCTS AND COMPONENTS) (AUG 2000) (Note 2 applies.)
- (b) 252.225-7010 DUTY-FREE ENTRY - ADDITIONAL PROVISIONS (AUG 2000)
- (c) 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (MAR 1998) ALT I (MAR 1998) (Applicable if the Work to be furnished contains specialty metals.)
- (d) 252.227-7013 RIGHTS IN TECHNICAL DATA - NON-COMMERCIAL ITEMS (NOV 1995) (Applicable in lieu of FAR 52.227-14.)
- (e) 252.227-7014 RIGHTS IN NON-COMMERCIAL COMPUTER SOFTWARE AND NON-COMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (JUN 1995)
- (f) 252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION (JUN 1995)
- (g) 252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS - COMPUTER SOFTWARE (JUN 1995)
- (h) 252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (JUN 1995) (For subparagraph (c)(1), Note 3 applies.)
- (i) 252.227-7026 DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988) (Note 1 applies.)
- (j) 252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988) (Note 4 applies.)
- (k) 252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (JUN 1995) (In this clause, the term "contract" and "subcontract" shall not change in meaning.)
- (l) 252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT (MAR 2000) (Notes 1 and 2 apply.)
- (m) 252.227-7036 DECLARATION OF TECHNICAL DATA CONFORMITY (JAN 1997)
- (n) 252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 1999)
- (o) 252.228-7005 ACCIDENT REPORTING AND INVESTIGATION INVOLVING AIRCRAFT, MISSILES, AND SPACE LAUNCH VEHICLES (DEC 1991) (In subparagraph (a), Note 5 applies. In subparagraph (b), Note 3 applies.)
- (p) 252.231-7000 SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
- (q) 252.243-7001 PRICING OF CONTRACT MODIFICATIONS (DEC 1991)
- (r) 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000) (Note 2 applies.)

2. The following DFARS clauses apply to this Contract if the value of this Contract equals or exceeds \$100,000:

- (a) 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES (MAR 1999) (In this clause, the terms "contract", "contractor", and "subcontract" shall not change in meaning in paragraphs (a) thru (d). Delete paragraph g. Note 2 applies.)
- (b) 252.209-7000 ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE RANGE NUCLEAR FORCES (INF) TREATY (NOV 1995) (Note 5 applies.)
- (c) 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000) (Applicable in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In the first sentence of paragraph (g) insert a period after "Contractor" and delete the balance of the sentence. Paragraphs (f) and (g) shall not apply if this Contract is at or below \$100,000. Notes 1 and 2 applies, except for paragraph (c) of the clause which shall retain its original meaning.)

3. The following DFARS clauses apply to this Contract if the value of this Contract equals or exceeds \$500,000:

- (a) 252.225-7026 REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (JUN 2000) (Delete subparagraph (c).)
- (b) 252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (DEC 1996) (Note 2 applies. Delete subparagraph (d) (1) and the first five words of subparagraph (d) (2).)

4. The following DFARS clauses apply to this Contract if the value of this Contract equals or exceeds \$1,000,000:

- (a) 252.211-7000 ACQUISITION STREAMLINING (DEC 1991) (Note 1 applies.)

5. **The following DFARS clauses apply to this Contract as indicated:**

- (a) 252.215-7000 PRICING ADJUSTMENTS (DEC 1991) (Applicable if FAR 52.215-12 or 52.215-13 applies to this Contract.)
- (b) 252.219-7003 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DoD CONTRACTS) (APR 1996) (Applicable if FAR 52.219-9 applies to this Contract: delete subparagraph (g).)
- (c) 252.223-7001 HAZARD WARNING LABELS (DEC 1991) (Applicable if this Contract requires the delivery of hazardous materials as defined in the Clause.)
- (d) 252.223-7002 SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES (MAY 1994) (Applicable only if the articles furnished under the Contract contain ammunition or explosives, including liquid and solid propellants. Notes 1, 3, and 5 apply.)
- (e) 252.223-7003 CHANGE IN PLACE OF PERFORMANCE - AMMUNITION AND EXPLOSIVES (DEC 1991) (Applicable if DFARS 252.223-7002 applies to this Contract. Notes 2 and 4 apply.)
- (f) 252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES (SEP 1999) (Applicable if this Contract is for the development, production, manufacture, or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to Contractor as Government Furnished Property.)
- (g) 252.225-7007 BUY AMERICAN ACT-TRADE AGREEMENTS-BALANCE OF PAYMENTS PROGRAM (SEP 2001) (Applicable if the Work contains other than domestic components. Applicable in lieu of FAR 52.225-1 and FAR 52.225-5.)
- (h) 252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (DEC 2000) (Applicable if Work supplied under this Contract contains ball or roller bearings. Note 2 applies.)
- (i) 252.225-7032 WAIVER OF UNITED KINGDOM LEVIES (OCT 1992) (Applicable if this Contract is with a United Kingdom firm. Note 2 applies.)
- (j) 252.225-7043 ANTI-TERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (JUN 1998) (Applies where CONTRACTOR will be performing or traveling outside the U.S. under this Contract.)
- (k) 252-226-7001 UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES-DOD CONTRACTS (SEP 2001) (This clause is applicable only when included in LOCKHEED MARTIN's Prime Contract and if this subcontract is more than \$100,000, in e(1), "Contractor" shall mean LOCKHEED MARTIN.)
- (l) 252.235-7003 FREQUENCY AUTHORIZATION (DEC 1991) (Applicable if this Contract requires developing, producing, constructing, testing, or operating a device requiring a frequency authorization. Note 2 applies.)
- (m) 252.245-7001 REPORTS OF GOVERNMENT PROPERTY (MAY 1994) (Applicable if Government Property is provided or acquired under this Contract. CONTRACTOR shall submit its required reports to LOCKHEED MARTIN, not later than October 10, notwithstanding anything to the contrary in this clause. Note 5 applies.)