

**SECTION I: GENERAL PROVISIONS**

1. Acceptance of Contract/Terms And Conditions	22 Precedence
2. Applicable Laws	23 Priority Rating
3. Assignment	24 Quality Control System
4. Communication With SCIENTIFIC RESEARCH CORPORATION Customer	25 Release of Information
5. Contract Direction	26 Severability
6. Definitions	27 Survivability
7. Disputes	28 Force Majeure
8. Export Control	29 Timely Performance
9. Extras	30 Waiver, Approval, and Remedies
10. Furnished Property	31 Warranty
11. Gratuities/Kickbacks	32 Ordering From Federal Supply Schedules
12. Independent Contractor Relationship	33 Miscellaneous
13. Information of SCIENTIFIC RESEARCH CORPORATION	
14. Information of Seller	
15. Insurance/Entry on SCIENTIFIC RESEARCH CORPORATION Property	
16. Intellectual Property Infringement	
17. Offset Credit/Cooperation	
18. Packing and Shipment	
19. New Materials and Parts Obsolescence	
20. Electronic Parts	
21. Payments, Taxes, And Duties	

**SECTION II: IWRP FLOWDOWN PROVISIONS**

A Incorporation of FAR Clauses
B Government Subcontract
C Notes
D Amendments Required by Prime Contract
E Reservation of the Government's Rights
F Reserved
G Reserved
H FAR Flowdown Clauses

**SECTION I: GENERAL PROVISIONS**

**1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS**

- (a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof (including but not limited to any terms and conditions within or referenced within SELLER's quotes, proposals, and future invoices), and they constitute the entire agreement between the parties.
- (b) SELLER's signature on, or written acknowledgment of, Contract (including email acknowledgment), commencement of performance, or acceptance of payment from **SCIENTIFIC RESEARCH CORPORATION** shall constitute SELLER's unqualified acceptance of this Contract and its terms and conditions including Section 1 (a), (b), and (c) herein.
- (c) Additional or differing terms or conditions proposed by SELLER, included in SELLER's quote, proposal, order acknowledgment, invoice, website or other means are hereby objected to by BUYER and have no effect unless accepted in writing by SCIENTIFIC RESEARCH CORPORATION. Issuing of a Contract, purchase order or other notice to SELLER, signed or unsigned, by SCIENTIFIC RESEARCH CORPORATION to SELLER does not signify SCIENTIFIC RESEARCH CORPORATION's acceptance of SELLER's differing terms and conditions from those herein however proposed or required by SELLER, including but not limited to SELLER's quote, proposal, order acknowledgment, website, and invoice.

**2. APPLICABLE LAWS**

- (a) This Contract shall be governed by and construed in accordance with the laws of the State of Georgia, excluding its choice of laws rules, except that any provision in this Contract that is (i) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR) or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of Government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the federal Government.
- (b) The United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded from this Contract, and shall have no force or effect on this Contract.
- (c) (1) SELLER agrees to comply with all applicable laws, orders, rules, regulations, and ordinances.  
 (2) If: (i) SCIENTIFIC RESEARCH CORPORATION's contract cost or fee is reduced; (ii) SCIENTIFIC RESEARCH CORPORATION's costs are determined to be unallowable; (iii) any fines, penalties or interest are assessed on SCIENTIFIC RESEARCH CORPORATION; or (iv) SCIENTIFIC RESEARCH CORPORATION incurs any other costs or damages; as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, SCIENTIFIC RESEARCH CORPORATION may proceed as provided for in (4) below.  
 (3) Where submission of cost or pricing data is required or requested at any time prior to or during performance of this Contract, if SELLER or its lower-tier

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

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

(d) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to SCIENTIFIC RESEARCH CORPORATION hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

(e) SELLER shall provide to SCIENTIFIC RESEARCH CORPORATION with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its state approved counterpart.

### 3. ASSIGNMENT

Any assignment of SELLER's contract rights or delegation of duties shall be void, unless prior written consent is given by SCIENTIFIC RESEARCH CORPORATION. However, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if SCIENTIFIC RESEARCH CORPORATION is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts and SELLER signs a SCIENTIFIC RESEARCH CORPORATION Assumption

of Payments Agreement. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of SCIENTIFIC RESEARCH CORPORATION against SELLER. SCIENTIFIC RESEARCH CORPORATION shall have the right to make settlements and/or adjustments in the estimated cost and fee without notice to the assignee.

### 4. COMMUNICATION WITH SCIENTIFIC RESEARCH CORPORATION CUSTOMER

SCIENTIFIC RESEARCH CORPORATION shall be solely responsible for all liaison and coordination with the SCIENTIFIC RESEARCH CORPORATION customer, including the U.S. Government, as it affects the applicable Prime Contract, this Contract, and any related contract.

### 5. CONTRACT DIRECTION

(a) Only the SCIENTIFIC RESEARCH CORPORATION Procurement Representative has authority to make changes in or amendments to this Contract. Such amendments must be in writing.

(b) SCIENTIFIC RESEARCH CORPORATION engineering and technical personnel may from time to time render assistance or give technical advice or discuss or affect an exchange of information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.

(c) Except as otherwise provided herein, all notices to be furnished by the SELLER shall be sent to the SCIENTIFIC RESEARCH CORPORATION Procurement Representative.

### 6. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "BUYER" means Scientific Research Corporation.

(b) Reserved.

(c) "Contract" means the instrument of contracting, such as "PO", "Purchase Order", or other such type designation, including all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a purchase order or other such document) the term "Contract" shall also mean the release document for the Work to be performed.

(d) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations.

(e) "Government" refers to the United States Government.

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

(g) "SCIENTIFIC RESEARCH CORPORATION", means SCIENTIFIC RESEARCH CORPORATION, acting through its companies or business sites as identified on the face of the Contract. If a subsidiary or affiliate of SCIENTIFIC RESEARCH CORPORATION is identified on the face of this Contract then "SCIENTIFIC RESEARCH CORPORATION" means that subsidiary or affiliate.



## General and IWRP Flowdown Provisions for N771 Purchase Orders

- (h) Reserved.
- (i) "Procurement Representative" means the person authorized by SCIENTIFIC RESEARCH CORPORATION's cognizant procurement organization to administer and/or execute this Contract.
- (j) Reserved.
- (k) "SELLER" means the party identified on the face of the Contract with whom SCIENTIFIC RESEARCH CORPORATION is contracting.
- (l) "Work" means all required articles, materials, supplies, goods and services constituting the subject matter of this Contract.

### 7. DISPUTES

All disputes under this Contract which are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by SCIENTIFIC RESEARCH CORPORATION. Except as may be expressly set forth in this terms and condition document with the Government Contracting Officer's express consent, the SELLER shall not acquire any direct claim or direct course of action against the U.S. Government when this Contract is issued pursuant to a Government contract.

### 8. EXPORT CONTROLLED ITEMS

- (a) SELLER shall comply with all applicable laws and regulations regarding export-controlled items, including, but not limited to, the requirement for suppliers to register with the Department of State in accordance with the International Traffic in Arms Regulations (ITAR). SELLER shall consult with the Department of State regarding any questions relating to compliance with the ITAR and shall consult with the Department of Commerce regarding any questions relating to compliance with the Export Administration Regulations (EAR). SELLER's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this Contract. Nothing in the terms of this Contract adds, changes, supersedes, or waives any of the requirements of applicable Federal laws, Executive orders, and regulations, including but not limited to: (1) The Export Administration Act of 1979, as amended (50 U.S.C. App.2401, *et seq.*); (2) The Arms Export Control Act (22 U.S.C. 2751, *et seq.*); (3) The International Emergency Economic Powers Act (50 U.S.C. 1701, *et seq.*); (4) The Export Administration Regulations (15 CFR Parts 730-774); (5) The International Traffic in Arms Regulations (22 CFR Parts 120-130); and (6) Executive Order 13222, as extended.
- (b) SELLER shall immediately notify the SCIENTIFIC RESEARCH CORPORATION Contract Representative if SELLER is listed in any Denied Parties List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U. S. Government entity or agency.

- (c) *Definition.* "Export-controlled items," as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). The term includes: (1) "Defense items," defined in the Arms Export Control Act, 22 U.S.C. 2778(j) (4) (A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120. and (2) "Items," defined in the EAR as "commodities", "software", and "technology," terms that are also defined in the EAR, 15 CFR 772.1.

### 9. EXTRAS

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

### 10. FURNISHED PROPERTY

- (a) SCIENTIFIC RESEARCH CORPORATION may provide to SELLER property owned by either SCIENTIFIC RESEARCH CORPORATION or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.
- (b) Title to Furnished Property shall remain in SCIENTIFIC RESEARCH CORPORATION or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership.
- (c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify SCIENTIFIC RESEARCH CORPORATION of any loss or damage. SELLER shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.
- (d) At SCIENTIFIC RESEARCH CORPORATION's request, and/or upon completion of this Contract the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by SCIENTIFIC RESEARCH CORPORATION.
- (e) The Government Property Clause FAR 52.245-1 shall apply in addition to paragraphs (a) through (d) above with respect to Government-furnished property.

### 11. GRATUITIES/KICKBACKS/ETHICS

- (a) No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by SELLER, to any employee of SCIENTIFIC RESEARCH CORPORATION with a view toward securing favorable treatment as a supplier.
- (b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference.
- (c) SRC values contractual relationships founded in common commitment to ethics and high standards of professional business conduct. Sellers are encouraged to develop and implement ethics programs and business codes of conduct. Both SRC and Sellers are expected to conduct business to the highest ethical standards in accordance with the terms of the



## General and IWRP Flowdown Provisions for N771 Purchase Orders

Contract and applicable laws and regulations. If you have any questions or request assistance in developing a business code of conduct for your company, please contact the SRC Procurement Representative.

### 12. INDEPENDENT SELLER RELATIONSHIP

- (a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to SCIENTIFIC RESEARCH CORPORATION.
- (b) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

### 13. INFORMATION OF SCIENTIFIC RESEARCH CORPORATION

Information provided by SCIENTIFIC RESEARCH CORPORATION to SELLER remains the property of SCIENTIFIC RESEARCH CORPORATION. SELLER agrees to comply with the terms of any Proprietary Information or Non-Disclosure Agreement with SCIENTIFIC RESEARCH CORPORATION and to comply with all proprietary information markings and restrictive legends applied by SCIENTIFIC RESEARCH CORPORATION to anything provided hereunder to SELLER. SELLER agrees not to use any SCIENTIFIC RESEARCH CORPORATION provided information for any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of SCIENTIFIC RESEARCH CORPORATION.

### 14. INFORMATION OF SELLER

SELLER shall not provide any proprietary information to SCIENTIFIC RESEARCH CORPORATION without prior execution by SCIENTIFIC RESEARCH CORPORATION of either a Proprietary Information or Non-Disclosure Agreement.

### 15. INSURANCE/ENTRY ON SCIENTIFIC RESEARCH CORPORATION PROPERTY

In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of SCIENTIFIC RESEARCH CORPORATION or its customers for any reason in connection with this Contract, then SELLER and its subcontractors shall procure and maintain worker's compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as SCIENTIFIC RESEARCH CORPORATION may require. In addition, SELLER and its subcontractors shall comply with all site requirements. SELLER shall indemnify and hold harmless SCIENTIFIC RESEARCH CORPORATION, its officers, employees, and agents from any losses, costs, claims, causes of action,

damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors. SELLER shall provide SCIENTIFIC RESEARCH CORPORATION thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. SELLER shall name SCIENTIFIC RESEARCH CORPORATION as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of SCIENTIFIC RESEARCH CORPORATION and is not contributory with any insurance which SCIENTIFIC RESEARCH CORPORATION may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier.

### 16. INTELLECTUAL PROPERTY INFRINGEMENT

SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party. SELLER agrees to defend, indemnify and hold harmless SCIENTIFIC RESEARCH CORPORATION and its customers from and against any claims, damages, losses, costs and expenses, including reasonable attorney's fees, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity. This indemnity and hold harmless shall not be considered an allowable cost under any provisions of this Contract except with regard to allowable insurance costs.

### 17. OFFSET CREDIT/COOPERATION

All offset or countertrade credit value resulting from this Contract shall accrue solely to the benefit of SCIENTIFIC RESEARCH CORPORATION. SELLER agrees to cooperate with SCIENTIFIC RESEARCH CORPORATION in the fulfillment of any foreign offset/countertrade obligations.

### 18. PACKING AND SHIPMENT

- (a) Unless otherwise specified, all Work is to be packed by SELLER in accordance with good commercial practice so as to prevent damage during shipping to destination whether the shipment is FOB Origin or FOB Destination. No charge shall be made to BUYER for boxing, packing, or crating unless separately itemized on the face of SELLER's Quote and on the face of this Contract or purchase order.
- (b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the BUYER Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number. The Contract Number must also be shown on the SELLER's invoice and all correspondence to BUYER.
- (c) Regardless of packing and shipping terms, all risk that the Work may be undamaged by shipment shall be presumed to



be upon SELLER until goods have been actually received, inspected, and accepted by SCIENTIFIC RESEARCH CORPORATION. SCIENTIFIC RESEARCH CORPORATION shall not be responsible to pay for deliveries received unless inspected, receipted, and accepted by BUYER. SELLER shall be liable to BUYER for any loss or damage due to SELLER's failure to provide adequate protective packaging during shipment. Additional expenses, charges or claims incurred as a result of deviation from these terms, other shipping instructions, or improper or incomplete description in shipping documents, shall be assumed by SELLER unless BUYER determines that SELLER should not be held liable at BUYER's sole discretion. SCIENTIFIC RESEARCH CORPORATION shall have the right to specify FOB Origin or Destination and to route all shipments. Unless otherwise specified by SCIENTIFIC RESEARCH CORPORATION, delivery shall be FOB Destination. If FOB Destination, SELLER shall comply with the shipping requirements of responsible reliable common carriers so as to obtain the lowest transportation cost to meet Contract delivery schedule.

- (d) BUYER shall have the right to specify FOB Origin or FOB Destination and to route all shipments. Unless otherwise specified by BUYER, delivery shall be FOB Destination. If FOB Destination, SELLER shall ensure and comply with the shipping requirements of responsible reliable common carriers so as to obtain the lowest transportation cost to meet Contract delivery schedule and ensure safe, undamaged delivery to BUYER. SCIENTIFIC RESEARCH CORPORATION reserves the right to withhold payment amounts for damaged goods until SCIENTIFIC RESEARCH CORPORATION determines liability of SELLER for the amount of damage.
- (e) BUYER reserves the right to withhold payment amounts for receipt of damaged goods until BUYER at its sole discretion determines liability of SELLER for the amount of damage.

## 19. NEW MATERIALS AND PARTS OBSOLESCENCE

- (a) Seller shall deliver only new materials, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety to SCIENTIFIC RESEARCH CORPORATION in end item deliverables or subparts within deliverable end items. "New material" means composed of previously unused components, whether manufactured from virgin material, recovered material in the form of raw material, or materials and by-products generated from, and reused within, an original manufacturing process; *provided* that the supplies meet contract requirements, including but not limited to, performance, reliability, and life expectancy.
- (b) SCIENTIFIC RESEARCH CORPORATION may desire to place additional orders for items purchased hereunder. SELLER shall provide SCIENTIFIC RESEARCH CORPORATION with a "Last Time Buy Notice" at least

twelve (12) months prior to any action to discontinue any item purchased under this Contract.

## 20. ELECTRONIC PARTS

- (a) SELLER shall deliver only authorized electronic parts to SCIENTIFIC RESEARCH CORPORATION whether end items or components or subcomponents within deliverable end items. An "authorized electronic part" means an authentic, unmodified electronic part from the original manufacturer or a source with the express written authority of the original manufacturer or current design activity including an authorized aftermarket manufacturer. An electronic part includes, but is not limited to, an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), a circuit assembly, or embedded software or firmware.
- (b) SELLER shall promptly report the delivery of any electronic part that is not an "authorized electronic part" upon discovery to SCIENTIFIC RESEARCH CORPORATION. SCIENTIFIC RESEARCH CORPORATION shall determine whether such non-authorized electronic part is acceptable for use by SCIENTIFIC RESEARCH CORPORATION, and SELLER shall be subject to replacing such non-authorized electronic parts, providing an equitable price adjustment, and/or other contractual remedies resulting from delivery or use of such non-authorized electronic parts. When requested by SCIENTIFIC RESEARCH CORPORATION, SELLER shall provide traceability documentation and/or certifications that meet Government and industry standards to trace delivered electronic parts back to the original manufacturing source, cooperate fully with SCIENTIFIC RESEARCH CORPORATION in investigating and tracing any non-authorized or suspect non-authorized electronic parts, and flow down the requirements of this clause as necessary to ensure SELLER'S ability to comply.

## 21. PAYMENTS, TAXES, AND DUTIES

- (a) Unless otherwise specified in a note on the face of the BUYER purchase order, terms of payment shall be net 30 days from the latest of the following dates: (i) SCIENTIFIC RESEARCH CORPORATION's receipt of the SELLER's proper invoice; (ii) Scheduled delivery date of the Work; or (iii) Actual acceptance of conforming Work by BUYER following receipt and inspection. SCIENTIFIC RESEARCH CORPORATION shall have a right of setoff against payments due or at issue under this Contract or any other contract between the parties.
- (b) Payment shall be deemed to have been made as of the date of mailing SCIENTIFIC RESEARCH CORPORATION's payment or electronic funds transfer.
- (c) Unless otherwise specified, estimated costs include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.
- (d) Seller agrees by acceptance or fulfillment of Purchase Order that Purchase Order shall be closed out with no further Seller obligations after a period of 60 days following Buyer final



## General and IWRP Flowdown Provisions for N771 Purchase Orders

invoice payment to Seller for contracted received deliveries of supplies or services.

adjustment as an alternative to SELLER's rework, repair, or replacement.

- (d) SELLER shall flow down through the supply chain the applicable Contract specification and quality requirements including customer requirements.
- (e) Records of all quality control testing and inspection work by SELLER shall be kept complete and available to SCIENTIFIC RESEARCH CORPORATION and its customers upon request for a period of 7 years after the year of final payment received by SELLER unless a longer period is specified in this contract or law or regulation.

### 22. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Contract (which shall include continuation sheets), Release Document, or Face of the Purchase Order, as applicable, including any Special Provisions; (2) these General Provisions; (3) Attachments to the Contract, (4) Any master-type agreement (such as corporate, or basic ordering agreements). (FAR or DFARS clauses supersede all other provisions where the prime contract is awarded to SRC by the U. S. Government.

### 25. RELEASE OF INFORMATION

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of SCIENTIFIC RESEARCH CORPORATION.

### 23. PRIORITY RATING

If so identified, this Contract is a "rated order" certified for national defense use, and the SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 CFR Part 700).

### 26. SEVERABILITY

Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

### 24. QUALITY CONTROL SYSTEM

- (a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.
- (b) SELLER shall deliver only conforming products and services that meet all specifications, design, test, quality, and inspection requirements. Nonconforming products or services are not acceptable, and if delivered, SELLER shall not be paid. BUYER reserves the right to return nonconforming Work to SELLER at SELLER's expense for replacement or repair at SELLER's expense (including costs of packaging, shipment, insurance, replacement, repair, restocking and other costs). SELLER shall replace nonconforming Work with new, non-repaired or refurbished goods unless BUYER consents otherwise. The decision whether nonconforming Work is to be replaced or repaired is at the sole discretion of BUYER. If BUYER determines that repair or replacement of nonconforming Work is not necessary for the intended purpose and use, BUYER, at its sole determination, may agree to an equitable price adjustment as an alternative to SELLER's repair, or replacement.
- (c) SELLER shall immediately notify BUYER if SELLER discovers after delivery: (1) that delivered Work products or services are nonconforming, or (2) that conformity of delivered Work products or services has become suspect due to discovery of deficiencies in SELLER's purchasing, manufacturing, quality, testing, or inspection processes. SELLER shall rework, repair, or replace any such nonconforming Work at its own expense. If BUYER determines that rework, repair, or replacement of such latent defect in Work or process is not necessary for the intended purpose and use, BUYER, at its sole determination, may agree to an equitable price

### 27. SURVIVABILITY

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

- (a) Allowable Cost and Payment
  - Applicable Laws
  - Electronic Parts
  - Export Control
  - Independent Contractor Relationship
  - Information of SCIENTIFIC RESEARCH CORPORATION
  - Insurance/Entry on SCIENTIFIC RESEARCH CORPORATION Property
  - Intellectual Property Infringement
  - Record Retention
  - Release of Information
  - Warranty
- (b) Those U. S. Government flowdown provisions that by their nature should survive.

### 28. FORCE MAJEURE

SCIENTIFIC RESEARCH CORPORATION shall not be liable for delay to perform obligations under this Contract due to cause or causes beyond its control, including without limitation, acts of God or public enemy, fire, storms, earthquakes, riots, strikes, war, and restraints or shutdown of government provided that such failure or omission resulting from one of above causes is cured as soon as is practicable.

### 29. TIMELY PERFORMANCE

- (a) SELLER's timely performance is a critical element of this Contract.
- (b) Unless advance shipment has been authorized in writing by SCIENTIFIC RESEARCH CORPORATION, SCIENTIFIC



## General and IWRP Flowdown Provisions for N771 Purchase Orders

RESEARCH CORPORATION may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.

- (c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify SCIENTIFIC RESEARCH CORPORATION, in writing, giving pertinent details. This notification shall not change any delivery schedule.
- d) In the event of a termination or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by SCIENTIFIC RESEARCH CORPORATION.
- e) (SCIENTIFIC RESEARCH CORPORATION reserves the right to cancel all or any parts of the Contract if SELLER does not make deliveries as specified, time being of the essence.

### 30. WAIVER, APPROVAL AND REMEDIES

- (a) Failure by SCIENTIFIC RESEARCH CORPORATION to enforce any provision(s) of this Contract shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of SCIENTIFIC RESEARCH CORPORATION thereafter to enforce each and every such provision(s).
- (b) SCIENTIFIC RESEARCH CORPORATION's approval of documents shall not relieve SELLER from complying with any requirements of this Contract.
- (c) The rights and remedies of SCIENTIFIC RESEARCH CORPORATION in this Contract are in addition to any other rights and remedies provided by law or in equity.

### 31. WARRANTY

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

### 32. ORDERING FROM GOVERNMENT SUPPLY SOURCES

(This paragraph only applies when SCIENTIFIC RESEARCH CORPORATION orders and SELLER offers terms under

Federal Supply Schedules) Such purchases shall follow the terms of the applicable schedule and SCIENTIFIC RESEARCH CORPORATION shall provide a copy of an authorization letter upon request of SELLER or otherwise shall assume that SELLER has previously received a copy of the authorization, and the following statement is placed in this Contract: "This order is placed under written authorization from (See Contract) dated (See Contract). In the event of any inconsistency between the terms and conditions of this order and those of your Federal Supply Schedule contract, the latter will govern."

### 33. MISCELLANEOUS

- (a) Site Visitation. SRC reserves the right to visit areas of facilities at any level of the supply chain where contractual SRC work is being performed with reasonable advance notice and access to non-financial records applicable to such work and in compliance with laws, regulations, and contractual authorities. Seller agrees, upon request of SRC, to allow SRC's customer representatives to visit such facilities for the same purpose as described above. This requirement shall be flowed down through all tiers of the supply chain supporting this contract. Suppliers may impose escort requirements. All visitors shall comply with ITAR, security, and safety rules of Seller and lower tier suppliers.
- (b) Electronic Documents. If technical or contractual documents are transmitted electronically between the parties, neither party shall contest their validity, or any acknowledgment thereof, on the basis that the document or acknowledgment contains an electronic signature.
- (c) Record Retention. SELLER shall retain all records related to this contract for seven (7) years after the year of final payment received by SELLER unless a longer period is specified in this Contract or by law or regulation. Records include financial, proposal, procurement, specifications, production, inspection, test, shipping and export, and certification records. Upon request, SELLER shall provide timely access to such records to SRC and its customer including the U.S. Government at no additional cost. SRC access does not expect access to SELLER's proprietary financial records to which a U.S. Government representative may have regulatory access.
- (d) Direct Labor Due diligence. (This paragraph only applies if Contract includes direct labor line items that are to be billed to BUYER by the hour. SELLER shall conduct continual Direct Labor Due Diligence over any and all labor hours billed by the hour as cost-reimbursement, incentive, time-and-materials, labor-hour, price-redeterminable, or fixed price line items in the Contract. Direct Labor Due Diligence is defined as, and includes all of, the following: (1) ensuring that billed direct labor resources meet the minimum requirements of any applicable contractual labor category descriptions, (2) that resumes of key personnel are submitted with proposals when required by SRC, (3) that any contractually flowed down direct labor category titles and descriptions are utilized for proposals and billing, (4) that any hourly direct labor rate ceilings are not exceeded in accordance with Contract requirements, (5) that Seller will cooperate in providing supporting information when requested by SRC regarding qualifications of billed direct labor resources, and (6) that any exceptions to the above will be reported immediately to the SRC Procurement Representative. SELLER's submission of each invoice and subsequent acceptance of payment for such direct labor hours

billed by the hour shall serve as SELLER's certification that Direct Labor Due Diligence has been completed.

(e) Ethics/Gratuities/Kickbacks. SRC values contractual relationships founded in common commitment to ethics and high standards of professional business conduct. All sellers are encouraged to develop and implement ethics programs and business codes of conduct. Both SRC and sellers are expected to conduct business to the highest ethical standards in accordance with the terms of the contract and applicable laws and regulations. If you have any questions or request assistance in developing a business code of conduct for your company, please contact the SRC Procurement Representative. SELLER shall not offer or give kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as an SRC supplier. By accepting any Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 U.S.C. Sec 51-48) both of which are incorporated herein by reference except that paragraph (c)(1) of FAR 52.203-7 shall not apply.

(f) Green Procurement Program. For Contract deliverables, SELLER agrees to exercise Green Procurement Program preferences in the purchasing of products and services that result in minimal adverse environmental impacts such as the use of recovered materials or bio-based products to the maximum extent practicable unless otherwise contractually prohibited. Due consideration should be given to Environmental Protection Agency (EPA) and USDA designated products referenced on the internet at <http://www.epa.gov/cpg/products.htm>, as appropriate. SELLER shall also comply with any specific applicable contractually flowed down Federal Acquisition Regulation clauses and other provisions pertaining to recovered materials, bio-based products, and environmental sustainment practices within the Contract.

(g) Prevention of Counterfeit Parts. SELLER shall not deliver counterfeit parts to SCIENTIFIC RESEARCH CORPORATION (SRC). After delivery, SELLER shall promptly notify SRC if SELLER discovers that counterfeit parts have been furnished. "Counterfeit part" means an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mislabeled, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. If counterfeit parts are furnished under this Contract, such items will be impounded by SRC. Seller shall promptly replace such counterfeit parts with parts that are acceptable to SRC and shall be liable for costs relating to the removal and replacement of said parts. Seller is encouraged to implement appropriate counterfeit part prevention processes that consider: (1) training of appropriate persons in the awareness and prevention of electronic parts; (2) application of a parts obsolescence monitoring program; (3) controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved suppliers; (4) verification and test methodologies to detect counterfeit parts; (5) monitoring of counterfeit parts reporting from external sources; and (6) quarantine and reporting of suspect or detected counterfeit parts.

(h) Stop Work Order

BUYER may, at any time, by written order to SELLER, require the SELLER to stop all, or any part, of the work called for under this Contract. Upon receipt of the Stop Work Order, SELLER shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of ninety (90) calendar days after the stop work order is delivered to SELLER, or within any extension of that period to which the parties have agreed, BUYER will either:

1. Cancel the stop work order, or
2. Terminate, in whole or in part, the work covered by the Contract.

If a Stop Work Order issued under this clause is canceled, SELLER shall resume work under the Contract. SRC reserves the right to make an equitable adjustment in the delivery schedule or cost or price, or both that result from the stoppage of work. SELLER shall assert its right to an equitable adjustment as a result of the stop work order within thirty (30) calendar days after the end of the period of work stoppage.

(i) Termination For Convenience. BUYER's Procurement Representative may terminate the Contract for BUYER's convenience, in whole or in part, by written notice to SELLER. Such termination shall be effective in the manner specified in the notice and shall be without prejudice to any claims that BUYER may have against SELLER. On the date of such termination or cancellation stated in said notice, SELLER will discontinue all Services pertaining to the Contract, place no additional orders, and preserve and protect materials on hand purchased for or committed to the Contract, work in progress and completed work both in SELLER's own and SELLER's suppliers' plants pending BUYER's instructions, and dispose of same in accordance with BUYER's instructions. BUYER reserves the right to direct SELLER to assign to BUYER any of SELLER's subcontracts, orders, or commitments. Cancellation payments to SELLER or refund to BUYER, if any, will be based on that portion of services satisfactorily performed or goods delivered to BUYER to the date of termination. Seller shall not be entitled to prospective or anticipatory profits or damages because of such termination or cancellation. In the event of an Acquisition of or merger with SELLER by another entity, BUYER shall have the right to terminate contract for Convenience.

(j) Termination For Default. (1) BUYER's Procurement Representative may, by notice in writing, terminate Contract in whole or in part at any time for (i) breach of any one or more of its terms, (ii) failure to deliver goods or services within the time specified by this Contract or SELLER quote or any written extension granted by BUYER's Procurement Representative, (iii) failure to deliver goods or services that do not meet specifications or other requirements or reasonable professional quality standards of workmanship or service, or (iv) SELLER does not cure any of the following causes for Termination for Default within a period of ten (10) business days after receipt of written notice from BUYER's Procurement Representative specifying such cause: (A) BUYER has reason to believe that SELLER will be unable to deliver the Goods or to complete the Services, (B) SELLER has repudiated, either orally or in writing, its obligation to deliver Goods or complete the Services pursuant to the terms of the Contract, or (C) SELLER has failed to make reasonable progress so as to endanger performance of this Contract, or has otherwise failed to comply with any provisions of the Contract. (2) BUYER's Procurement Representative may also terminate Contract in whole or in part in the event of SELLER's suspension of business, insolvency, appointment of a receiver for SELLER's property or business, or any



assignment, reorganization or arrangement by SELLER for the benefit of its creditors. In the event of partial termination, SELLER is not excused from performance of the non-terminated balance of work un Contract. (3) In the event of SELLER's default, BUYER may exercise any or all rights and remedies accruing to it, both at law, including without limitation, those set forth in Article 2 of the Uniform Commercial Code, or in equity, including but not limited to, SELLER's liability for BUYER's excess re-procurement costs for goods or services. (4) If Contract is terminated for default, BUYER may require SELLER to transfer title to, and deliver to BUYER, as directed by BUYER, any (i) completed supplies, and (ii) partially completed supplies and materials, parts, and other manufacturing materials that SELLER has specifically produced or acquired for the terminated portion of the Contract. Upon direction of BUYER's Procurement Representative, SELLER shall also protect and preserve property and manufacturing materials. (5) SELLER shall not be entitled to further payments under Contract, except for payment of SELLER's unpaid costs of items that BUYER has elected to take possession of and remove, or asked SELLER to deliver, and SELLER shall be liable to BUYER for all costs in excess of the purchase price incurred in completing the Services or deliver of items elsewhere, provided, however, that SELLER shall not be liable for excess costs when delay of SELLER in making deliveries or performing services is due to causes beyond SELLER's control, or such delay is without fault or negligence on the part of SELLER. (6) Following a Termination for Default, should it be judicially determined that SELLER was not in default, such termination shall be deemed a termination made pursuant to Termination for Convenience.

## **SECTION II: IWRP AND FAR FLOWDOWN PROVISIONS**

- A. INCORPORATION OF IWRP CLAUSES** The items or services furnished are for use in a U. S. Government Other Transaction Authority (OTA) "Information Warfare Research Project (IWRP) Base Consortium Agreement" In addition to the provisions of Section I, the following provisions shall apply as required by the terms of the IWRP Base Consortium Agreement or by operation of law or regulation. Buyer is flowing down to Seller certain provisions and clauses of the IWRP Base Consortium Agreement Sellers shall include the appropriate flow down clauses in each lower-tier subcontract.

The IWRP Base Consortium Agreement includes a few clauses from the Federal Acquisition Regulations (FAR) or FAR supplements, and these clauses specifically listed herein, are included in the terms of this Contract. Some FAR Clauses may be included as full text or may be identified by clause number and Title such as "52.XXX.XX TITLE" Any listed FAR supplements are identified as such, e.g.: Defense FAR Supplement: "DFARS 252.2XX-7XXX TITLE". Alternates of clauses shall apply when applicable. The FAR system clauses identified by clause number and title 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, during the performance of this Contract. FAR clauses inapplicable to the performance of this Contract under Buyer's Government contract are self-deleting. The date and substance of the clauses are those in effect as flowed down to Buyer in the Buyer's Government contract. If the date or substance of any of the clauses listed below is different

than 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.

## **B. DEFINITIONS**

Definitions of terms used in the IWRP clauses and FAR clauses are identified as to their source as "IWRP", "FAR", or "SRC". FAR clauses shall be as defined in FAR 2.101, definitions specified within a clause itself, or the FAR Part prescribing a clause. In addition, the following terms shall have the meaning as defined below in this Contract:

"Contract" or "Subcontract" means this Contract. (SRC)

"Contractor" means the SELLER, as defined herein, acting as the immediate (first-tier) subcontractor to SCIENTIFIC RESEARCH CORPORATION. (SRC)

"Cost Accounting Standard Threshold" means \$2,000,000.00. (FAR)

"Cost or Pricing Data Threshold" means \$750,000.00 for Federal Contracts awarded before July 1, 2018; and \$2,000,000.00 for Federal Contracts awarded on, or after, July 1, 2018. (FAR)

"Cost Sharing" means cash or in-kind resources expended during a prototype award by the Consortium Member or lower tier subcontractors that are necessary and reasonable for accomplishment of the project. (IWRP)

"Computer Software" as used in this Agreement 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. (IWRP)

"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 provides instructions for installing and using the software. (IWRP)

"Data," means recorded information, regardless of form or method of recording, which includes but is not limited to, technical data, computer software, computer software documentation, and mask works. The term does not include financial, administrative, cost, pricing or management information and does not include subject inventions. (IWRP)

"DoD" means U.S. Department of Defense (FAR)

"Form, fit and function data" means 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. (IWRP)

"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 Data for commercial purposes or authorize others to do so.

Within a specific, agreed-upon timeframe “Government Purpose Rights” (“GPR”) may evolve into “Unlimited Rights” (as defined later in this section). GPR means the rights to:

1. Use, modify, reproduce, release, perform, display, or disclose Data within the Government without restriction; and
2. Release or disclose 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. (IWRP)

“Invention,” as used in this Agreement, means any innovation or discovery that is or may be patentable or otherwise protectable under title 35 of the United States Code (U.S.C.). (IWRP)

“Limited Rights” means the rights to use, modify, reproduce, release, perform, display, or disclose 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 Data outside the Government, use the Data for manufacture, or authorize the 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-

1. The reproduction, release, disclosure, or use is-
  - a. Necessary for emergency repair and overhaul; or
  - b. A release or disclosure to-
    - i. A Covered Government Support Contractor in performance of its covered Government support contract for use, modification, reproduction, performance, display, or release or disclosure to a person authorized to receive Limited Rights Data; or
    - ii. A foreign government, of 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 evaluation or informational purposes;
2. The recipient of the Data is subject to a prohibition on the further reproduction, release, disclosure, or use of the Data; and
3. The Consortium, prototype level performer, or prototype project agreement holder asserting the restriction is notified of such reproduction, release, disclosure, or use. (IWRP)

“Made,” as used in this Agreement in relation to any Invention, means the conception or first actual reduction to practice of such Invention. (IWRP)

“Micro Purchase Threshold” means \$10,000.00 with the exceptions that it shall mean \$2,000.00 for acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction), and that it shall

mean \$2,500.00 for acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards. (FAR)

“Other Transaction Agreement (OTA)” means the Other Transaction Agreement between the Government and the Information Warfare Research Project Consortium by its Consortium Manager, Advanced Technology International, Agreement No. N65236-18-9-0001. (IWRP)

“Practical application” as used in this Agreement, means to manufacture, in the case of a composition or product; to practice, in the case of a process or method; or to operate, in case of a machine or system; and, in each case, under such conditions as to establish that the Invention, software, or related Data is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public or to the Government on reasonable terms. (IWRP)

“Prime Contract” means the contract between SCIENTIFIC RESEARCH CORPORATION and the U.S. Government or between SCIENTIFIC RESEARCH CORPORATION and its higher-tier contractor who has a prime contract with the U.S. Government. (SRC)

“Property” means any tangible personal property other than property actually consumed during the execution of work under this Agreement. For purposes of this Agreement, “property” does not include the deliverable prototype under any prototype project agreement. (IWRP)

“Prototype” means a physical or virtual model used to evaluate the technical or manufacturing feasibility or military utility of a technology, process, concept, end item, or system. (IWRP)

“Prototype Project” means a research activity proposed by the prototype-level performer and selected by the Government for a Prototype Project Agreement under this Agreement. (IWRP)

“Prototype Project Agreement (PPA)” means any individual OTA prototype project agreement awarded to a Consortium Member through orders placed in accordance with the OTA. (IWRP)

“Simplified Acquisition Threshold” means \$250,000.00. (FAR)

“Small Business Subcontracting Plan Threshold” means \$700,000.00 (or \$1.5 Million for construction contracts). (FAR)

“SRC” means SCIENTIFIC RESEARCH CORPORATION. (SRC)

“Subcontract” means any contract placed by the SELLER or lower-tier subcontractors under this Contract. (SRC)

“Subject Invention” means those inventions conceived or first actually reduced to practice under this Contract. (IWRP)

“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 agreement administration, such as financial and/or management information. (IWRP)

“Unlimited rights” means rights to use, modify, reproduce, perform, display, release, or disclose Data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so, for an unlimited time. As defined above, “Unlimited Rights” may evolve from “GPR” after a specified, agreed-upon date, however, “Unlimited Rights” may also be directly conferred by agreement. (IWRP)

**C. NOTES**

1. Substitute "SCIENTIFIC RESEARCH CORPORATION" for "Government" or "United States" as applicable throughout a FAR clause except for functions that only the Government can perform.
2. Substitute "SCIENTIFIC RESEARCH CORPORATION Procurement Representative" for "Contracting Officer", "Contracting Officer Representative", "Administrative Contracting Officer", and "ACO" throughout a FAR clause except for functions that only the Government can perform.
3. Communication/notification required under FAR clauses from/to the SELLER to/from the Contracting Officer shall be through SCIENTIFIC RESEARCH CORPORATION.

Notwithstanding the NOTES above, the terms "Government" and "Contracting Officer" do not change: (a) in the phrases "Government Property", "Government Furnished Property", or "Government Owned Property"; (b) in the Data Rights clauses incorporated herein, if any; (c) when a right, act, authorization, or obligation can be granted or performed only by the Government or a Contracting Officer or his/her duly-authorized representative; (d) when title to property is to be transferred directly to the Government; (e) when access to proprietary financial information or other proprietary data is required except as otherwise provided in this Contract; and (f) where specifically modified in this Contract.

**D. AMENDMENTS REQUIRED BY PRIME CONTRACT**

CONTRACTOR agrees that upon the request of SCIENTIFIC RESEARCH CORPORATION it will negotiate in good faith with SCIENTIFIC RESEARCH CORPORATION relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as SCIENTIFIC RESEARCH CORPORATION 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 SCIENTIFIC RESEARCH CORPORATION furnishes designs, drawings, special tooling, equipment, engineering data or other technical or proprietary information (Furnished Items) to which the U. S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that SCIENTIFIC RESEARCH CORPORATION, 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. FLOWDOWN PROVISIONS FROM IWRP BASE AGREEMENT**

(These clause numbers refer to numbers in the IWRP Base Consortium Agreement for cross reference; therefore the following numbers will be chronological, but not consecutive.)

**18. Rights in Technical Data**

*(This clause only applies if SRC is purchasing Technical Data, Computer Software, or Computer Software Documentation as a deliverable line item from Seller. If this clause applies, SRC does not assert rights to Seller's software for resale. SRC is serving as a purchasing agent for the Government. Data rights sold and licensed by Seller to Government, if any, are between Seller and Government.)*

1. The Government shall have Government Purpose Rights (GPR) in Technical Data, Computer Software, and Computer Software Documentation delivered under this Contract, except as provided in paragraphs 2, 3, and 4.
2. Unless otherwise specified in this Contract, the Government shall have Unlimited Rights in Data for the following:
  - a. Form, fit, and function Data;
  - b. Corrections or changes to Data furnished to the Seller by the Government;
  - c. Data otherwise publicly available or have been released or disclosed by Seller 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 Data to another party or the sale or transfer of some or all of a business entity or its assets to another party;
  - d. Studies, analyses, test data, or similar data produced by this Contract, when the study, analysis, test, or similar work was specified as an element of performance, excluding Seller's internal development milestones;
  - e. Data necessary for operation, maintenance, installation, or training; and
  - f. Computer software documentation required to be delivered under this Contract.
3. Seller shall attach to any offer submitted for this Contract a list of all documents or other media incorporating technical data or computer software it intends to deliver with less than Government Purpose rights. The list shall identify the technical data or computer software to be furnished with restrictions, the basis for asserting less than Government Purpose Rights for each listing, the degree of restriction asserted for each listing, the duration of the restriction, and the name of the person or company asserting the restriction.
4. Data or Computer Software 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 the parties have agreed otherwise in an individual prototype project, or any restrictions on the Governments rights to use, modify, reproduce, display or disclose the data have expired or no longer apply.
5. Seller and its suppliers are not required to provide the Government additional rights to use, modify, reproduce, release, perform, display, or disclose Data furnished to the Government with other than Unlimited Rights. However, if the Government desires to obtain additional rights in Data in which it has other than Unlimited Rights, Seller agrees to promptly enter into negotiations with the IWRP Consortium Agreements Officer, through the Consortium Manager, and/or SRC serving as the Government's purchasing agent to determine whether

there are acceptable terms for transferring such rights. All Data in which the Seller has granted the Government additional rights shall be listed or described in a license agreement made part of this Contract. The license shall enumerate the additional rights granted the Government in such Data.

6. Except for Data covered under paragraph (7), and Data delivered with Unlimited Rights, Data to be delivered under this Contract subject to restrictions on use, duplication or disclosure shall be marked with the following legend:

“Government Purpose Rights” Prototype Project  
Agreement No. Consortium Member Name  
Consortium Member Contact Information Expiration Date

“The Government’s rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted to Government Purpose Rights, as that term is defined in the IWRP Consortium base agreement. 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.”

“Limited Rights”  
Prototype Project Agreement No. Consortium Name  
Consortium Member Contact Information

The Government’s rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted to Limited Rights, as that term is defined in the IWRP Consortium base agreement. 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 Consortium Member.

7. Pre-existing Data markings: If the terms of a prior contract or license permitted the Seller to restrict the Government’s rights to use, modify, reproduce, release, perform, display, or disclose Data deliverable under Contract, and those restrictions are still applicable, the Seller may mark such Data with the appropriate restrictive legend for which the Data qualified under the prior contract or license unless the Government receives such Data with less restrictions under this Contract.
8. The Government shall have Unlimited Rights in all unmarked Data. In the event that the Seller learns of a release to the Government of its unmarked Data that should have contained a restricted legend, the Seller will have the opportunity to cure such omission going forward by providing written notice to the IWRP Consortium Agreements Officer, through SRC who will submit to the Consortium Manager, within one (1) year of the erroneous release.
9. Disclaimer of Liability: Notwithstanding the above, the Government shall not be restricted in, nor incur any liability for, the disclosure and use of:
- a. Data not identified with a suitable notice or legend as set forth in this clause; or,

- b. Information contained in any Data for which disclosure and use is restricted under the Security Requirements clause of this Contract, if such information is or becomes generally known without breach of the above, is properly known to the Government or is generated by the Government independent of carrying out responsibilities under this Contract, is rightfully received from a third party without restriction, or is included in Data which the Seller is required to furnish to the Government without restriction on disclosure and use.

10. Validation of Restrictive Markings

- a. An unjustified marking is a restrictive marking placed on Data delivered or otherwise furnished to the Government under this Contract where the restriction is not justified. The Government may ignore or, at the Seller’s expense, correct or strike a marking if a restrictive marking is determined to be unjustified. A restrictive marking will be determined to be unjustified if:
- i. after sixty (60) days from receiving a request for marking justification information from the IWRP Consortium Agreements Officer, the Seller fails to respond to such request, or
- ii. the Seller provides information in response to a request for marking justification information from the IWRP Consortium Agreements Officer that, in the opinion of the Agreements Officer, fails to justify the level of restriction.
- b. A nonconforming marking is a marking placed on 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 procedures outlined above for unjustified markings. If the IWRP Consortium Agreements Officer notifies the Seller (through SRC) of a nonconforming marking and the Seller fails to remove or correct such marking within sixty (60) days, the Government may ignore or, at the Seller’s expense, remove or correct any nonconforming marking.

11. Throughout performance of this Contract, it is required that Seller or Seller’s suppliers that will deliver Data with other than Unlimited Rights, shall-

- a. Have, maintain, and follow written procedures sufficient to assure that restrictive markings are used only when authorized by the terms of this clause; and
- b. Maintain records sufficient to justify the validity of any restrictive markings on Data delivered under this Agreement.

12. If Seller reserves the right to protect by copyright original works developed under this Contract, all such copyrights will be in the name of the Seller. The Seller hereby grants to the U.S. Government a non- exclusive, non-transferable, royalty-free, fully paid-up license to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, for Governmental purposes, any copyrighted materials developed under this Contract and to authorize others to do so, subject to the limitations on disclosure contained in this Contract.



13. In the event Data is exchanged with a notice indicating that the Data is protected under copyright as a published, copyrighted work and it is also indicated on the Data that such Data existed prior to, or was produced outside of this Contract, the Party receiving the Data and others acting on its behalf may reproduce, distribute, and prepare derivative works for the sole purpose of carrying out that Party's responsibilities under this Contract the written permission of the Copyright holder.
14. The Seller shall not, without the written approval of the IWRP Consortium Agreements Officer, (through SRC) incorporate any copyrighted data, including open-source software, in the Data to be delivered under this Contract unless the Seller 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 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.
15. Except that copyrighted Data that existed or was produced outside of this Contract and is unpublished - having only been provided under licensing agreement with restrictions on its use and disclosure - and is provided under this Contract shall be marked as unpublished copyright in addition to the appropriate license rights legend restricting its use, and treated in accordance with such license rights legend markings restricting its use.
16. The Seller is responsible for affixing appropriate markings indicating the rights of the Government on all Data delivered under this Contract.
17. SRC has been informed that the Government agrees not to remove any copyright notices placed on Data and to include such notices on all reproductions of the Data.
18. In addition to Data specified in this Contract to be delivered hereunder, the Government may, at any time during the performance of this Contract or within a period of three (3) years after acceptance of all items (other than Data) to be delivered under this Contract or the termination of the Contract, order any Data generated thereunder, except for Data related to the Seller's internal development milestones (as defined in the Statement of Work if so defined and if there is a Statement of Work). When the Data is ordered, the Seller shall be compensated for converting the Data into the prescribed form, for reproduction and delivery. Seller's obligation to deliver the Data pertaining to an item obtained from Seller shall expire three (3) years after the date the Seller accepts the last delivery of that item from Seller.
19. The Government shall retain its rights in the unchanged portions of any computer software or computer software documentation delivered under the prototype project agreement that the Consortium Member uses to prepare, or includes in, derivative computer software or computer software documentation.
20. The Seller shall include this clause, suitably modified to identify the parties, in all subagreements or lower tier agreements, regardless of tier, for developmental prototype work.

21. The obligations of the Government and the Seller under this clause shall survive after the expiration or termination of this Agreement.

20. The Consortium Member shall include this clause, suitably modified to identify the parties, in all subagreements or lower tier agreements, regardless of tier, for developmental prototype work.

21. The obligations of the Government and the Consortium Member under this clause shall survive after the expiration or termination of this Agreement.

#### **19. Inspection and Acceptance.**

SRC and the Government have the right to inspect and test all materials furnished and services performed under this Agreement, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance. The Government may also inspect the plant or plants of Buyer or Seller. SRC and the Government will perform inspections and tests in a manner that will not unduly delay the work.

If SRC or the Government performs inspection or tests on the premises of Seller, Seller shall furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

Unless otherwise specified in this Contract, SRC and the Government will accept or reject deliveries as promptly as practicable after delivery.

If the Seller fails to proceed with reasonable promptness to perform required replacement or correction, SRC may terminate the Contract and the Government may terminate the prototype project agreement. Awarded to SRC.

This clause applies in the same manner and to the same extent to correct or replacement materials or services as to materials and services originally delivered under the Contract.

#### **24. Allowable Costs**

Federal funds and Seller cost sharing funds (if any) are to be used only for costs that a reasonable and prudent person would incur in carrying out the Contract. If travel costs are authorized billable in this Contract, travel costs shall be considered to be reasonable and allowable only to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the Federal Travel Regulations or other applicable standards.

No Contract will be awarded by Buyer on a cost reimbursement basis unless the Seller has an accounting system that:

1. is capable of identifying and segregating costs to individual agreements; and
2. provides for an equitable allocation of indirect costs.

If Seller has a system capable of identifying the amounts/costs, the Seller will identify the basis for determining actual costs when requested by Buyer.

If a Seller performing under a prototype project agreement is subject to Contract Accounting Standards on other agreements or contracts, then the allowable costs awarded on a cost reimbursement basis are only allowable for reimbursement subject to the cost principles of Federal Acquisition Regulation (FAR) Part 31, Defense Federal Acquisition Regulation Supplement (DFARS) Part 231, and Navy and Marine Corps Acquisition Regulation Supplement (NMCARS) Part 5231, with all mention of Contractor understood to mean the Seller and all mention of Contracting Officer understood to mean SRC Procurement Representative.

**29. Comptroller General Access to Information.**

1. In accordance with 10 U.S.C. § 2371b, this OTA and each prototype project agreement awarded under this Agreement that provides for payments in a total amount in excess of \$5,000,000 shall provide for the Comptroller General, at the discretion of the Comptroller General, to examine the records of any party to the Agreement or any entity that participates in the performance of the Agreement.
2. The requirement in paragraph (1) shall not apply with respect to a party or entity, or a subordinate element of a party or entity that has not entered into any other agreement that provides for audit access by a Government entity in the year prior to the date of the Agreement.
3. The right provided to the Comptroller General in a clause of an agreement under paragraph (1) is limited as provided in paragraph (2) in the case of a party to the Agreement, an entity that participates in the performance of the Agreement, or a subordinate element of that party or entity if the only agreements or other transactions that the party, entity, or subordinate element entered into with Government entities in the year prior to the date of that agreement are cooperative agreements or transactions that were entered into under 10 U.S.C. § 2371.
4. The only records of a party, other entity, or subordinate element referred to in paragraph (1) that the Comptroller General may examine in the exercise of the right referred to in that paragraph are records of the same type as the records that the Government has had the right to examine under the audit access clauses of the previous agreements or transactions referred to in such paragraph that were entered into by that particular party, entity, or subordinate element.
5. The Comptroller General may not examine records pursuant to a clause included in a prototype project agreement under paragraph (1) more than three years after the final payment is made by the United States under the Agreement.

**31. Property**

*(This clause only applies if Seller is being provided Government-Furnished-Property for use in delivering the line items being purchased.)*

Seller will identify any and all Government Furnished Property (GFP) for use with this Contract.

If Seller has an adequate property management system as defined in FAR 52.245-1 are subject to FAR clause 52.245-1.

Sellers who do not have an adequate property management system as defined in FAR 52.245-1 shall assume the risk of and be responsible for any loss or destruction of, or damage to, any Government Furnished Property while in its possession or control, with the exception of reasonable wear and tear or reasonable and proper consumption. All property shall be returned at the end of the Contract in as good as condition as when received with the exception of said reasonable wear and tear or in accordance with the provisions of the project regarding its use. Seller shall obtain explicit written

authorization by the Procurement Representative for any transfer or disposition of GFP.

Sellers shall be responsible for the maintenance, repair, protection, and preservation of all property acquired under this Agreement at its own expense.

**33. Compliance with Laws Unique to Government Procurement.**

Seller agrees to comply with 31 U.S.C. § 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. § 431 relating to officials not to benefit; 41 U.S.C. chapter 87, Kickbacks; 41 U.S.C. § 4712 and 10 U.S.C. § 2409 relating to whistleblower protections; 41 U.S.C. chapter 21 relating to procurement integrity; and 22 U.S.C. Chapter 78 relating to Combating Trafficking in Persons. Any federal statutes that are subsequently deemed to be applicable to this Contract will be incorporated in accordance with Article 36, Changes.

**34. Disclosure of Information.**

1. Seller shall not disclose any information under this Contract unless –
  - a. prior to the written approval of the SRC Procurement Representative has been granted;
  - b. the information is otherwise in the public domain before the date of release; or
  - c. the information results or arises during the performance of a project that involves no covered defense information (as defined in the clause at DFARS 252.204-7012) and has been scoped and negotiated by the contracting activity with the contractor and research performer and determined in writing by the contracting officer to be fundamental research (which by definition cannot involve any covered defense information), in accordance with National Security Decision Directive 189, National Policy on the Transfer of Scientific, Technical and Engineering Information, in effect on the date of contract award and the Under Secretary of Defense (Acquisition, Technology, and Logistics) memoranda on Fundamental Research, dated May 24, 2010, and on Contracted Fundamental Research, dated June 26, 2008 (available at DFARS PGI 204.4).

2. Requests for approval under paragraph (1) (a) shall identify the specific information to be released, the medium to be used, and the purpose for the release. Seller shall submit its request to SRC, at least ten (15) business days before the proposed date for release.

3. Seller agrees to include a similar requirement, including this paragraph (3), in each subagreement under this Contract. Subagreement holders shall submit requests for authorization to release through Seller to SRC.

**35. Security Requirements.**

In the event that this Contract requires Seller to have access to, or generate, classified information, SRC will request the Government to generate a Department of Defense Security Classification Specification (DD Form 254). Each IWRP prototype project agreement involving classified or controlled information will have a separate DD 254, which will only be applicable to the specified prototype project agreement.



## General and IWRP Flowdown Provisions for N771 Purchase Orders

The Seller agrees to insert terms that conform substantially to the language of this clause in all subagreements executed under this Contract that involve access to classified information.

### 36. Changes

Changes in the terms and conditions of this Contract may only be made by written agreement between Buyer and Seller.

### 37. Safety

The Seller shall adhere to all local, state, and federal rules and regulations required in order to maintain a safe and non-hazardous occupational environment throughout the duration of this Contract. During the performance of this Contract, Seller shall report any major accident/incident that results directly from performance of this Contract (including fire) resulting in any one or more of the following: causing one or more fatalities or one or more disabling injuries; damage of Government property exceeding \$10,000; affecting program planning or production schedules; degrading the safety of equipment under contract, such as personnel injury or property damage may be involved; identifying a potential hazard requiring corrective action.

### 39. Export Control.

Seller shall comply with the International Traffic in Arms Regulation/Munitions List (22 CFR pt. 120 *et seq.*), the DoD Industrial Security Regulation (DoD 5220.22-R) and the Department of Commerce Export Regulation (15 CFR pt. 770 *et seq.*).

Seller shall include this Article, suitably modified to identify the parties, in all subcontracts or lower tier agreements, regardless of tier, for developmental prototype work.

### 40. Organizational Conflicts of Interest.

Throughout performance, Seller is required to monitor all potential conflicts of interest, to include conflicts between its members and the contractors currently developing for and operating the targeted prototype or information systems.

The Seller shall ensure Contract performance does not conflict with system development or enhancement being performed under other agreements or contracts.

Seller shall immediately report all potential or real conflicts of interest to Buyer, which will in turn report to the Government. All white papers and proposals will address potential conflicts of interest and any proposed mitigation.

The Government has the right to limit SRC's or Seller's involvement under this Contract or other action to mitigate Organizational Conflicts of Interest. In the event Seller believes that the OCI can be mitigated, the Seller shall submit to SRC, an OCI mitigation plan.

### 41. Limitation of Liability

For the purposes of this Article, "Parties" means Buyer and Seller, and the Government where collectively identified, and "Party" where each entity is individually identified.

Claims by either party for damages of any nature whatsoever pursued under this Contract shall be limited to direct damages only up to the unpaid balance of the aggregate amount of Government funding as of the time the dispute arises. In no event shall either Party be liable to the other Party for consequential, punitive, special and incidental damages or other indirect damages, whether arising in contract (including warranty), tort (whether or not arising from the negligence of a Party) or otherwise, except to the extent such damages are caused by a Party's willful misconduct.

Extension of Waiver of Liability. The Seller agrees to extend the waiver of liability, as set forth above, to subagreement subcontractors, if any, by requiring them, by agreement, contract or otherwise, to agree to waive all claims against the Parties to this Contract.

### 46. Safeguarding Covered Defense Information and Cyber Incident Reporting

DFARS Clause 252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING is hereby incorporated by reference in its entirety, with all mention of Contractor understood to mean and all mention of subcontractor understood to mean SELLER.

### G. FLOWDOWN PROVISIONS FROM the Prototype Project Agreement

(The FAR following clause was required to be flowed down in full text from the Prototype Project Agreement Number 04 under the IWRP Consortium Agreement.)

#### 52.204-25 PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (AUG 2020)

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

Backhaul means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

Covered foreign country means The People's Republic of China. Covered telecommunications equipment or services means--

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

(2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of



## General and IWRP Flowdown Provisions for N771 Purchase Orders

Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means--

(1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled-

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

(ii) For reasons relating to regional stability or surreptitious listening;

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

Interconnection arrangements means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third party audit.

Roaming means cellular communications services (e.g., voice, video, and data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

Substantial or essential component means any component

necessary for the proper function or performance of a piece of equipment, system, or service.

(b) Prohibition.

(1) Section 889(a) (1) (A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104.

(2) Section 889(a) (1) (B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) Exceptions. This clause does not prohibit contractors from providing-

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement.

(1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information; in the case of the Department of Defense, the Contractor shall report to the website at <https://dibnet.dod.mil>. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery contract and any affected orders in the report provided at <https://dibnet.dod.mil>.





*General and IWRP Flowdown Provisions for N771 Purchase Orders*

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

(End of clause)