

**Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) Flowdown Provisions
for Subcontract/Purchase Orders for Non-Commercial Items Under a U.S. Government Contract**

The FAR and DFARS clauses referenced below, and in effect on the date of the Order, are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the substance of any of the clauses listed below is different from the substance of the clause actually incorporated in the Prime Contract referenced by number herein, the substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants SELLER a direct claim or cause of action against the U.S. Government. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract. SELLER shall include in each lower-tier subcontract the appropriate flow down clauses as required by the FAR and FAR Supplement clauses included in this Contract.

A. Government Subcontract

This contract is entered into by II-VI Aerospace & Defense (A&D) and SELLER in support of a U.S. Government Contract. It is intended that the FAR and DFARS clauses referenced below shall apply to Seller and its lower-tier subcontractors, as applicable, in such manner as necessary to reflect the position of Seller as a subcontractor to Buyer, to ensure Seller's obligations to Buyer and to the U.S. Government; and to enable Buyer to meet its obligations under its contracts funded by the U.S. Government.

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

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this Contract.
3. "Contractor" means SELLER, acting as the immediate (first-tier) subcontractor to II-VI A&D.
4. "SELLER" and "Offeror" means the SELLER, which is the party identified on the face of the Contract with whom II-VI A&D is contracting, acting as the immediate subcontractor to II-VI A&D.
5. "Prime Contract" means the contract between II-VI A&D and the U.S. Government or between II-VI A&D and its higher-tier contractor who has a contract with the U.S. Government.
6. "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract.

B. NOTES

(a) The following notes apply to the clauses incorporated by reference below only when specified in the parenthetical phrase following the clause title and date.

1. Substitute "II-VI A&D" for "Government" or "United States" throughout this clause.
2. Substitute "II-VI A&D Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and II-VI A&D" after "Government" throughout this clause.
4. Insert "or II-VI A&D" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to SELLER to/from the Contracting Officer shall be through II-VI A&D.

6. Insert "and II-VI A&D" after "Contracting Officer", throughout the clause.

7. Insert "or II-VI A&D PROCUREMENT REPRESENTATIVE" after "Contracting Officer", throughout the clause.

C. Amendments Required by Prime Contract

SELLER agrees that upon the request of II-VI A&D it will negotiate in good faith with II-VI A&D relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as II-VI A&D 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 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.

D. Preservation of the Government's Rights

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

E. FAR Provisions Incorporated by Reference

The following FAR clauses apply to this Contract:

Clause	Title	Applicability
52.2021-01	Definitions	Applicable to all orders
52.203-3	Gratuities	Applicable if contract exceeds the simplified acquisition threshold
52.203-5	Covenant Against Contingent Fees	Applicable if contract exceeds the simplified acquisition threshold
52.203-6	Restrictions on Subcontractor Sales to the Government	Applicable if contract exceeds the simplified acquisition threshold
52.203-7	Anti-Kickback Procedures	Applicable if contract exceeds the simplified acquisition threshold
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	Applicable if contract exceeds the simplified acquisition threshold
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	Applicable if contract exceeds the simplified acquisition threshold
52.203-11	Certification and Disclosure Regarding Payment to Influence Certain Federal Transactions	Applicable if contracts exceeds \$150,000
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	Applicable if contracts exceeds \$150,000
52.203-13	Contractor Code of Business Ethics and Conduct	Applicable if contract exceeds \$5,500,000 and the period of performance is greater than 120 days

52.203-14	Display of Hotline Posters	Applicable if contract exceeds \$5,500,000
52.203-15	WHISTLEBLOWER Protection Under the American Recovery and Reinvestment Act of 2009	Applicable if contract is funded with Recovery Act funds
52.203-16	Preventing Personal Conflicts of Interest	Applicable if contract exceeds the simplified acquisition threshold
52.203-17	Contractor Employee Whistleblower Rights and Requirements to Inform Employees of Whistleblower Rights	Applicable if contract exceeds the simplified acquisition threshold
52.203-19	Prohibition on Requiring Certain Confidentiality Agreements or Statements	Applicable to all orders
52.204-2	Security Requirements	Applicable if the Work will require access to classified information
52.204-9	Personal Identity Verification of Contractor Personnel	Applicable if contract performance requires physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	Applicable if contracts exceeds \$30,000
52.204-21	Basic Safeguarding of Covered Contractor Information Systems	All orders that have Federal contract information residing in or transitioning through its information system
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed by Kaspersky Lab and other Covered Entities	Applicable to all Orders
52.209-5	Certification Regarding Responsibility Matters	Applicable if contract exceeds the simplified acquisition threshold
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	Applicable if contract exceeds \$35,000
52.209-7	Information Regarding Responsibility Matters	Applicable if contract exceeds \$550,000
52.209-10	Prohibition on Contracting with Inverted Domestic Corporations	Applicable to all Orders
52.211-5	Material Requirements	Applicable to all Orders
52.211-15	Defense Priority and Allocations Requirements	Applicable if this contract is a rated order

52.215-2	Audit and Records Negotiation	Applicable if contract exceeds the simplified acquisition threshold and (1) that are cost reimbursement, incentive, time and material, labor hour, or price redeterminable type or any combination of these; (2) for which certified cost or pricing data are require; or (3) that require the Seller to furnish reports
52.215-10	Price Reduction for Defective Cost or Pricing Data	Applicable if submission of cost or pricing data will be required
52.215-11	Price Reduction for Defective Cost or Pricing Data - Modifications	Applicable if submission of cost or pricing data will be required
52.215-12	Subcontractor Cost or Pricing Data	Applicable if submission of cost or pricing data will be required
52.215-13	Subcontractor Cost or Pricing Data - Modifications	Applicable if submission of cost or pricing data will be required
52.215-14	Integrity of Unit Prices	Applicable if contract exceeds the simplified acquisition threshold
52.215-15	Pension Adjustment and Asset Reversions	Applicable if submission of cost or pricing data will be required
52.215-18	Reversions or Adjustment of Plans for Post Retirement Benefits	Applicable if submission of cost or pricing data will be required
52.215-19	Notification of Ownership	Applicable if submission of cost or pricing data will be required
52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data	Applicable if submission of cost or pricing data will be required
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data Modifications	Applicable if submission of cost or pricing data will be required
52.215-23	Limitations on Pass Through Charges	Applicable if order exceeds the threshold for obtaining cost or pricing data
52.216-7	Allowable Cost and Payment	Applicable if this order is a cost-reimbursement contract or a time-and-materials contract
52.216-8	Fixed Fee	Applicable if this order is a cost-plus-fixed-fee contract (other than a construction contract) contract
52.216-10	Incentive Fee	Applicable if this order is a cost-plus-incentive-fee contract
52.219-8	Utilization of Small Business Concern	Applicable if contracts exceeds \$150,000 and that offer further subcontracting possibilities pursuant to 52.219-9(d)(9)
52.219-9	Small Business Subcontracting Plan	Applicable if contracts exceeds \$700,000 and offer subcontracting possibilities pursuant to paragraph (d)(9) of this clause
52.219-16	Liquidated Damages - Subcontracting Plan	Applicable if contracts exceeds \$700,000

52.222-1	Notice to the Government of Labor Disputes	Applicable to all Orders
52.222-2	Payment for Overtime Premiums	Applicable if contract exceeds the simplified acquisition threshold and the contract is cost-reimbursement
52.222-4	Contract Work Hours and Safety Standards - Overtime Compensation	Applicable if contracts exceeds \$150,000
52.222-17	Non-Displacement of Qualified Workers	Applicable to service contracts that succeed contracts for performance of the same or similar work at the same location
52.222-19	Child Labor- Cooperation with Authorities and Remedies	Applicable if contracts exceeds the micro-purchase threshold
52.222-21	Prohibition of Segregated Facilities	Applicable to all Orders
52.222-22	Previous Contracts and Compliance Reports	Applicable to all Orders
52.222-24	Pre-Award On-Site Equal Opportunity Compliance Evaluation	Applicable if the contract includes 52.222-26 and will be in excess of \$10,000,000
52.222-25	Affirmative Action Compliance	Applicable to all Orders
52.222-26	Equal Opportunity	Applicable to all Orders
52.222-35	Equal Opportunity for Veterans	Applicable if contracts exceeds \$150,000
52.222-36	Equal Opportunity for Workers with Disabilities	Applicable if contracts exceeds \$150,000
52.222-37	Employment Reports on Veterans	Applicable if contracts exceeds \$150,000
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	Applicable if contracts exceeds \$10,000 and will be performed wholly or partially in the U.S.
52.222-41	SERVICE CONTRACT ACT OF 1965	Applicable if this Contract is for services subject to the Service Contract Act.
52.222-50	Combating Trafficking in Persons	Applicable to all Orders
52.222-54	Employee Eligibility Verification	Applicable if contract exceeds \$3,500 for services performed in US
52.222-55	MINIMUM WAGES UNDER EXECUTIVE ORDER 13658	Applicable if this contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and is to be performed in whole or in part in the U.S.
52.222-62	Paid Sick Leave Under Executive Order 13706	Applicable if this contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and is to be performed in whole or in part in the U.S.
52.223-3	Hazardous Material Identification and Material Safety Data	Applicable if hazardous material will be required
52.223-6	Drug Free Workplace	Applicable to all Orders
52.223-7	Notice of Radioactive Materials	Applicable to Work containing radioactive material

52.223-11	Ozone Depleting Substances and High Global Warming Potential Hydrofluorocarbons	Applicable to Work manufactured with or containing ozone-depleting substances
52.223-18	Encouraging Contractor Policies to ban Text Messaging While Driving	Applicable if value exceeds the micro-purchase threshold
52.224-3	PRIVACY TRAINING	Applicable if the Work will require-- (1) Access to a system of records; (2) Create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or (3) Design, develop, maintain, or operate a system of records.
52.225-1	BUY AMERICAN ACT -- SUPPLIES	Applicable if Work contains other than domestic components
52.225-5	TRADE AGREEMENTS	Applicable if Work contains other than U.S. made or designated country end products as specified in the clause
52.225-8	Duty Free Entry	Applicable if Work will be imported into the Customs Territory of the US
52.225-13	Restrictions on Certain Foreign Purchases	Applicable to all Orders
52.227-1	Authorization and Consent	Applicable if contracts exceeds the simplified acquisition threshold and only to the extent that the Prime Contract includes this clause
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	Applicable if contracts exceeds the simplified acquisition threshold
52.227-3	Patent Indemnity	Applicable to the delivery of commercial items
52.227-9	Refund of Royalties	Applicable if reported royalty exceeds \$250
52.227-10	Filing Patent Applications - Classified Subject Matter	Applicable if the work or any patent application may cover classified subject matter
52.227-11	Patent Rights - Ownership by the Contractor	Applicable if this contract is for experimental, developmental, or research work to be performed by a small business concern or nonprofit organization.
52.228-3	Workers' Compensation Insurance (Defense Base Act)	Applicable to all Orders
52.228-4	Workers' Compensation and War-Hazard Insurance Overseas	Applicable to all Orders
52.228-5	Insurance - Work on a Government Installation	Applicable if this Contract involves work on a Government installation

52.229-3	Federal, State, Local Taxes	Applicable if this contract will be fixed-price, exceed the simplified acquisition threshold and will be performed wholly or partly in the U.S.
52.229-10	State of New Mexico Gross Receipts and Compensating Tax	Applicable if this contract will be fixed-price, exceed the simplified acquisition threshold and will be performed wholly or partly in the U.S.
52.230-2	Cost Accounting Standards	Applicable if contracts exceeds \$2,000,000; unless an exemption applies
52.230-3	Disclosure and Consistency of Cost Accounting Practices	Applicable if contracts exceeds \$2,000,000; unless an exemption applies
52.230-4	Disclosure and Consistency of Cost Accounting Practices Foreign Concerns	Applicable if contracts exceeds \$2,000,000; unless an exemption applies
52.230-5	Cost Accounting Standards - Educational Institution	Applicable if contracts exceeds \$2,000,000; unless an exemption applies
52.230-6	Administration of Cost Accounting Standards	Applicable if contracts includes any of the following clauses: 52.230-2, 52.230-3, 52.230-4, or 52.230-5
52.232-17	Interest	Applicable if contract will be below the simplified acquisition threshold
52.232-20	Limitation of Cost	Applicable if contract will be cost reimbursement
52.232-22	Limitation of Funds	Applicable if contract will be cost reimbursement
52.232-39	Unenforceability of Unauthorized Obligations	Applicable to all Orders
52.232-40	Providing Accelerated Payments to Small Business Subcontractors	Applicable to small business
52.234-1	Industrial Resources Developed Under Title III, Defense Production Act	Applicable to all Orders
52.237-8	Restriction on Severance Payments to Foreign Nationals	Applicable if foreign nationals are employed under a service contract performed outside of the US
52.242-13	BANKRUPTCY	Applicable to all orders exceeding the simplified acquisition threshold
52.242-15	STOP-WORK ORDER	Applicable to all Orders
52.243-1	Changes Fixed Price	All Fixed Price Orders
52.243-2	Changes Cost Reimbursement	All Cost Reimbursement Orders
52.243-3	Changes T&M and Labor Hour	All T&M and Labor Hour Orders
52.243-6	Change Order Accounting	Applicable to all Orders
52.244-5	Competition in Subcontracting	Applicable to all Orders
52.244-6	Subcontracts for Commercial Items	Applicable to all Orders

52.245-1 Alt I / Alt II	Government Property	Applicable to Orders where Government property will be acquired or furnished
52.246-2	Inspection of Supplies - Fixed Price	Applicable to fixed price orders that exceed the simplified acquisition threshold
52.246-3	Inspection of Supplies - Cost Reimbursement	Applicable to cost reimbursement orders
52.246-4	Inspection of Services - Fixed Price	Applicable to fixed price orders that exceed the simplified acquisition threshold
52.246-5	Inspection of Services - Cost Reimbursement	Applicable to cost reimbursement orders
52.246-6	Inspection - T&M and Labor Hours	Applicable to T&M and Labor Hour orders
52.246-11	Higher Level Contract Quality Requirement	All Orders for critical and complex items or when the technical requirements require (i) control of such things as design, work operations, in-process control, testing, and inspection; or (ii) Attention to such factors as organization, planning, work instruction, documentation control, and advanced metrology.
52.246-16	Responsibility for Supplies	Applicable to fixed price orders that exceed the simplified acquisition threshold
52.247-63	Preference for U.S. Flag Air Carriers	Applicable if order requires international air transportation
52.247-64	Preference for Privately Owned U.S.-Flagged Commercial Vessels	Applicable if order requires ocean transportation of supplies
52.248-1	Value Engineering	Applicable to Orders that exceed \$150,000
52.249-1	Termination for Convenience of the Government (Fixed Price) (Short Form)	Applicable if the contract is fixed price and does not exceed the simplified acquisition threshold
52.249-2	Termination for Convenience of the Government (Fixed Price)	Applicable if the contract is fixed price and will exceed the simplified acquisition threshold
52.249-5	Termination for Convenience of the Government (Educational and Other Nonprofit Institutions)	Applicable to contracts with an educational or nonprofit institution for research and development work on a nonprofit or non-fee basis
52.249-6	Termination (Cost-Reimbursement)	Applicable for cost reimbursement contracts
52.249-8	Default (Fixed-Price Supply and Service)	Applicable to fixed price contracts that exceed the simplified acquisition threshold
52.249-9	Default (Fixed-Price Research and Development)	Applicable to fixed price contracts for research and development that exceed the simplified acquisition threshold

A. DFARS Provisions Incorporated by Reference The following DFARS clauses apply to this Contract:

Clause	Title	Applicability
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense Contract-Related Felonies	Applicable if contracts exceeds the simplified acquisition threshold
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	Applicable to all Orders
252.203-7004	Display of Fraud Hotline Poster(s)	Applicable if contracts exceeds \$5,500,000
252.203-7004A	Add to Clause: Para (b)(2) contact: 'DoD Inspector General, ATTN: Defense Hotline, 400 Army Drive, Washington DC, 22202-2884	Applicable if contracts exceeds \$5,500,000
252.204-7000	Disclosure of Information	Applicable if the contractor will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public
252.204-7009	Limitations on the Use or Disclosure of Third Party Contractor Reported Cyber Incident Information	All contracts for services that include support related to safeguarding covered defense information and cyber incident reporting
252.204-7020	Notice of NIST SP 800-171 DoD Assessment Requirements	All Orders involving covered defense information
252.204-7015	Disclosure of Information to Litigation Support Contractors	Applicable to all Orders
252.208-7000	Intent to Furnish Precious Metals as Government-Furnished Material	Applicable to all Orders
252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism	Applicable if contracts exceeds \$150,000
252.209-7010	Critical Safety Items	Applicable if the acquisition includes one or more items designated by the design control activity as critical safety items
252.211-7003	Item Unique Identification and Valuation	Applicable to all Orders
252.211-7007	Reporting of Government - Furnished Property	Applicable if Government property will be acquired or furnished
252.215-7000	Pricing Adjustments	Applicable if 52.215-11, 52.215-12 or 52.215-13 is included

252.215-7002	Cost Estimating System Requirements	Applicable if submission of cost or pricing data will be required
252.215-7010	Requirements for Certified Cost or Pricing Data and Data Other than Certified Cost or Pricing Data	Applicable if contract will exceed the simplified acquisition threshold
252.219-7003	Small Business Subcontracting Plan (DoD Contracts)	Applicable if contract exceeds \$700,000
252.222-7000	Restrictions On Employment of Personnel	Applicable to all Orders
252.222-7006	Restriction on the Use of Mandatory Arbitration Agreements	Applicable if contract will exceed \$1,000,000
252.223-7001	Hazard Warning Labels	Applicable if the contract will require submission of hazardous material data sheets (see FAR 23.302(c)).
252.223-7006	Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials	Applicable if the contract may require, or permit a subcontractor access to a DoD installation
252.223-7008	Prohibition of Hexavalent Chromium	Applicable if the contract is for supplies, maintenance and repair services, or construction materials
252.225-7001	Buy American Act and Balance of Payments Programs	Applicable to all Orders
252.225-7002	Qualifying Country Sources as Subcontractors	Applicable to all Orders
252.225-7007	Prohibition on Acquisition of US Munitions List Items From Communist Chinese Military Companies	Applicable to all Orders
252.225-7008	Restriction on Acquisition of Specialty Metals	Applicable if contract will exceed the simplified acquisition threshold
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	Applicable to all Orders
252.225-7012	Preference for Certain Domestic Commodities	Applicable to all Orders
252.225-7013	Duty Free Entry	Applicable to all Orders
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools	Applicable to all Orders
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings	Applicable to all Orders
252.225-7021	Trade Agreements	Applicable to all Orders
252.225-7027	Restriction on Contingent Fees for Foreign Military Sales	Applicable to all Orders
252.225-7028	Exclusionary Policies and Practices of Foreign Governments	Applicable to all Orders

252.225-7033	Waiver of United Kingdom Levies	Applicable if the contract is for supplies where a lower-tier subcontract exceeding \$1 million with a U.K. firm is anticipated
252.225-7041	Correspondence in English	Applicable if contract performance will be wholly or partially in a foreign country
252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States	Applicable to all Orders
252.225-7048	Export Control	Applicable to all Orders
252.225-7052	Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten	Applicable for all Orders
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	Applicable if contract exceeds \$500,000
252.227-7013	Rights in Technical Data – Noncommercial Items, Alt I	Applicable when the Seller will be required to deliver to the Buyer technical data pertaining to noncommercial items, or pertaining to commercial items for which the Government will have paid for any portion of the development costs.
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation, Alt I	Applicable when the Seller will be required to deliver to the Buyer computer software or computer software documentation for which the Government will have paid for any portion of the development costs.
252.227-7016	Rights in Bid or Proposal Information	Applicable to all Orders
252.227-7019	Validation of Asserted Restrictions - Computer Software	Applicable if the contract will involve the furnishing computer software to the Government in the performance of this contract
252.227-7025	Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends	Applicable to all Orders
252.227-7026	Deferred Delivery of Technical Data or Computer Software	Applicable to all Orders
252.227-7027	Deferred Ordering of Technical Data or Computer Software	Applicable to all Orders
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government	Applicable to all Orders
252.227-7030	Technical Data - Withholding of Payment	Applicable to all Orders
252.227-7032	Rights in Technical Data and Computer Software (Foreign)	Applicable to contracts with foreign contractors to be performed overseas, except Canadian purchases

252.227-7037	Validation of Restrictive Markings on Technical Data	Applicable to all Orders
252.227-7038	Patent Rights - Ownership by the Contractor(Large Business)	Applicable to contracts with large businesses that are for experimental, developmental, or research work
252.227-7039	Patents - Reporting of Subject Inventions	Applicable to contracts that are for experimental, developmental, or research work
252.228-7001	Ground and Flight Risk	Applicable to all Orders
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	Applicable to all Orders
252.229-7006	Value Added Tax Exclusion (United Kingdom)	Applicable if Work will be performed in the United Kingdom
252.229-7011	Reporting of Foreign Taxes	Applicable if contract will exceed \$500
252.231-7000	Supplemental Cost Principles	Applicable to all Orders
252.325-7000	Indemnification Under 10 U.S.C. 2354 – Fixed Price	Applicable to Fixed Price awards
252.325-7001	Indemnification Under 10 U.S.C. 2354 -- Cost Reimbursement	Applicable to Cost-Reimbursable awards
252.239-7001	Information Assurance Contractor Training and Certification	Applicable to all Orders
252.239-7010	Cloud Computing Services	Applicable if contract involves cloud services
252.239-7016	Telecommunications Security Equipment, Devices, Techniques and Services	Applicable to all Orders
252.239-7018	Supply Chain Risk	Applicable to all Orders
252.243-7001	Pricing of Contract Modification	Applicable to fixed price contracts
252.243-7002	Requests for Equitable Adjustments	Applicable to contracts exceeding the simplified acquisition threshold
252.244-7000	Subcontracts for Commercial Items and Commercial Components	Applicable to all Orders
252.245-7001	Tagging Labeling, and Marking of Government Furnished Property	Applicable if Government property will be acquired or furnished
252.245-7002	Reporting Loss of Government Property	Applicable if Government property will be acquired or furnished
252.245-7004	Reporting, Reutilization and Disposal	Applicable if Government property will be acquired or furnished
252.246-7001	Warranty of Data	Applicable to cost reimbursement orders where technical data will be delivered
252.246-7003	Notification of Potential Safety Issue	Applicable to all Orders

252.246-7007	Counterfeit Electronic Part Detection and Avoidance System	Applicable if the contract involves electronic parts or assemblies containing electronic parts
252.246-7008	Sources of Electronic Parts	Applicable if the contract involves electronic parts or assemblies containing electronic parts
252.247-7023	Transportation of Supplies by Sea—BASIC	Applicable to all Orders
252.247-7024	Notification of Transpiration of Supplies by Sea	Applicable to all Orders
252.249-7002	Notification of Anticipated Contract Termination or Reduction	Applicable to all Orders

THE FOLLOWING CONTRACT CLAUSES ARE INCORPORATED IN FULL TEXT:

FARS CLAUSE

52.204-25	<p>Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.</p> <p><i>(a) Definitions. As used in this clause-</i> <i>Backhaul</i> 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). <i>Covered foreign country</i> means The People’s Republic of China. <i>Covered telecommunications equipment or services</i> means-</p> <ul style="list-style-type: none"> (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 Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country. <p><i>Critical technology</i> means-</p> <ul style="list-style-type: none"> (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). <p><i>Interconnection arrangements</i> 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.,</p>
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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, 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/>>.

(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.

	<i>(e) Subcontracts.</i> 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.
52.204-26	Covered Telecommunications Equipment or Services-Representation
	<p><i>(a) Definitions.</i> As used in this provision, “covered telecommunications equipment or services” has the meaning provided in the clause 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.</p> <p><i>(b) Procedures.</i> The Offeror shall review the list of excluded parties in the System for Award Management (SAM) for entities excluded from receiving federal awards for “covered Telecommunications equipment or services”.</p> <p><i>(c) Representation.</i> The Offeror represents that it <input type="checkbox"/> does, <input type="checkbox"/> does not provide covered telecommunications equipment or services as a part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument.</p>

THE FOLLOWING CONTRACT CLAUSES ARE INCORPORATED IN FULL TEXT:

DFARS CLAUSE	TITLE
252.204-7012	SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING
	<p><i>(a) Definitions.</i> As used in this clause—</p> <p>“<i>Adequate security</i>” means protective measures that are commensurate with the consequences and probability of loss, misuse, or unauthorized access to, or modification of information.</p> <p>“<i>Compromise</i>” means disclosure of information to unauthorized persons, or a violation of the security policy of a system, in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object, or the copying of information to unauthorized media may have occurred.</p> <p>“<i>Contractor attributional/proprietary information</i>” means information that identifies the contractor(s), whether directly or indirectly, by the grouping of information that can be traced back to the contractor(s) (e.g., program description, facility locations), personally identifiable information, as well as trade secrets, commercial or financial information, or other commercially sensitive information that is not customarily shared outside of the company.</p> <p>“<i>Contractor information system</i>” means an unclassified information system that is owned, or operated by or for, a contractor and that processes, stores, or transmits covered defense information.</p> <p>“<i>Controlled technical information</i>” means technical information with military or space application that is subject to controls on the access, use, reproduction, modification, performance, display, release, disclosure, or dissemination. Controlled technical information would meet the criteria, if disseminated, for distribution statements B through F using the criteria set forth in DoD Instruction 5230.24, Distribution Statements on Technical Documents. The term does not include information that is lawfully publicly available without restrictions.</p> <p>“<i>Covered contractor information system</i>” means an information system that is owned, or operated by or for, a contractor and that processes, stores, or transmits covered defense information.</p> <p>“<i>Covered defense information</i>” means unclassified controlled technical information or other information, as described in the Controlled Unclassified Information (CUI) Registry at http://www.archives.gov/cui/registry/category-list.html, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Governmentwide policies, and is—</p> <p>(1) Marked or otherwise identified in the contract, task order, or delivery order and provided to the contractor by or on behalf of DoD in support of the performance of the contract; or</p> <p>(2) Collected, developed, received, transmitted, used, or stored by or on behalf of the contractor in support of the performance of the contract.</p> <p>“<i>Cyber incident</i>” means actions taken through the use of computer networks that result in a compromise or an actual or potentially adverse effect on an information system and/or the information residing therein. “<i>Forensic analysis</i>” means the practice of gathering, retaining, and analyzing computer-related data for investigative purposes in a manner that maintains the integrity of the data.</p> <p>“<i>Information system</i>” means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.</p> <p>“<i>Malicious software</i>” means computer software or firmware intended to perform an unauthorized process</p>

that will have adverse impact on the confidentiality, integrity, or availability of an information system. This definition includes a virus, worm, Trojan horse, or other code-based entity that infects a host, as well as spyware and some forms of adware.

“Media” means physical devices or writing surfaces including, but is not limited to, magnetic tapes, optical disks, magnetic disks, large-scale integration memory chips, and printouts onto which covered defense information is recorded, stored, or printed within a covered contractor information system.

“Operationally critical support” means supplies or services designated by the Government as critical for airlift, sealift, intermodal transportation services, or logistical support that is essential to the mobilization, deployment, or sustainment of the Armed Forces in a contingency operation.

“Rapidly report” means within 72 hours of discovery of any cyber incident.

“Technical information” means technical data or computer software, as those terms are defined in the clause at DFARS 252.227-7013, Rights in Technical Data-Noncommercial Items, regardless of whether or not the clause is incorporated in this solicitation or contract. Examples of technical information include research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, technical orders, catalog- item identifications, data sets, studies and analyses and related information, and computer software executable code and source code.

(b) Adequate security. The Contractor shall provide adequate security on all covered contractor information systems. To provide adequate security, the Contractor shall implement, at a minimum, the following information security protections:

(1) For covered contractor information systems that are part of an Information Technology (IT) service or system operated on behalf of the Government, the following security requirements apply:

(i) Cloud computing services shall be subject to the security requirements specified in the clause 252.239-7010, Cloud Computing Services, of this contract.

(ii) Any other such IT service or system (i.e., other than cloud computing) shall be subject to the security requirements specified elsewhere in this contract.

(2) For covered contractor information systems that are not part of an IT service of system operated on behalf of the Government and therefore are not subject to the security requirement specified at paragraph (b)(1) of this clause, the following security requirements apply: (i) Except as provided in paragraph (b)(2)(ii) of this clause, the covered contractor information system shall be subject to the security requirements in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations,” (available via the Internet at <http://dx.doi.org/10.6028/NIST.SP.800-171>) in effect at the time the solicitation is issued or as authorized by the Contracting Officer.

(ii)(A) The Contractor shall implement NIST SP 800-171, as soon as practical, but not later than December 31, 2017. For all contracts awarded prior to October 1, 2017, the Contractor shall notify the DoD Chief Information Officer (CIO), via email at osd.dibcsia@mail.mil, within 30 days of contract award, of any security requirements specified by NIST SP 800-171 not implemented at the time of contract award.

(B) The Contractor shall submit requests to vary from NIST SP 800-171 in writing to the Contracting Officer, for consideration by the DoD CIO. The Contractor need not implement any security requirement adjudicated by an authorized representative of the DoD CIO to be nonapplicable or to have an alternative, but equally effective, security measure that may be implemented in its place.

(C) If the DoD CIO has previously adjudicated the contractor’s requests indicating that a requirement is not applicable or that an alternative security measure is equally effective, a copy of that approval shall be provided to the Contracting Officer when requesting its recognition under this contract.

(D) If the Contractor intends to use an external cloud service provider to store, process, or transmit any covered defense information in performance of this contract, the Contractor shall require and ensure that the cloud service provider meets security requirements equivalent to those established by the Government for the Federal Risk and Authorization Management Program (FedRAMP) Moderate Baseline <https://www.fedramp.gov/resources/documents/> and that the cloud service provider complies with requirements in paragraphs (c) through (g) of this clause for cyber incident reporting, malicious software, media preservation and protection, access to additional information and equipment necessary for forensic analysis, and cyber incident damage assessment.

(3) Apply other information systems security measures when the Contractor reasonably determines that information systems security measures, in addition to those identified in paragraphs (b)(1) and (2) of this clause, may be required to provide adequate security in a dynamic environment or to accommodate

special circumstances (e.g., medical devices) and any individual, isolated, or temporary deficiencies based on an assessed risk or vulnerability. These measures may be addressed in a system security plan.

(c) *Cyber incident reporting requirement.*

(1) When the Contractor discovers a cyber incident that affects a covered contractor information system or the covered defense information residing therein, or that affects the contractor’s ability to perform the requirements of the contract that are designated as operationally critical support and identified in the contract, the Contractor shall—

(i) Conduct a review for evidence of compromise of covered defense information, including, but not limited to, identifying compromised computers, servers, specific data, and user accounts. This review shall also include analyzing covered contractor information system(s) that were part of the cyber incident, as well as other information systems on the Contractor’s network(s), that may have been accessed as a result of the incident in order to identify compromised covered defense information, or that affect the Contractor’s ability to provide operationally critical support; and

(ii) Rapidly report cyber incidents to DoD at <http://dibnet.dod.mil>.

(2) Cyber incident report. The cyber incident report shall be treated as information created by or for DoD and shall include, at a minimum, the required elements at <http://dibnet.dod.mil>.

(3) Medium assurance certificate requirement. In order to report cyber incidents in accordance with this clause, the Contractor or subcontractor shall have or acquire a DoD-approved medium assurance certificate to report cyber incidents. For information on obtaining a DoD-approved medium assurance certificate, see <http://iase.disa.mil/pki/eca/Pages/index.aspx>.

(d) *Malicious software.* When the Contractor or subcontractors discover and isolate malicious software in connection with a reported cyber incident, submit the malicious software to DoD Cyber Crime Center (DC3) in accordance with instructions provided by DC3 or the Contracting Officer. Do not send the malicious software to the Contracting Officer.

(e) *Media preservation and protection.* When a Contractor discovers a cyber incident has occurred, the Contractor shall preserve and protect images of all known affected information systems identified in paragraph (c)(1)(i) of this clause and all relevant monitoring/packet capture data for at least 90 days from the submission of the cyber incident report to allow DoD to request the media or decline interest.

(f) *Access to additional information or equipment necessary for forensic analysis.* Upon request by DoD, the Contractor shall provide DoD with access to additional information or equipment that is necessary to conduct a forensic analysis.

(g) *Cyber incident damage assessment activities.* If DoD elects to conduct a damage assessment, the Contracting Officer will request that the Contractor provide all of the damage assessment information gathered in accordance with paragraph (e) of this clause.

(h) *DoD safeguarding and use of contractor attributional/proprietary information.* The Government shall protect against the unauthorized use or release of information obtained from the contractor (or derived from information obtained from the contractor) under this clause that includes contractor attributional/proprietary information, including such information submitted in accordance with paragraph (c). To the maximum extent practicable, the Contractor shall identify and mark attributional/proprietary information. In making an authorized release of such information, the Government will implement appropriate procedures to minimize the contractor attributional/proprietary information that is included in such authorized release, seeking to include only that information that is necessary for the authorized purpose(s) for which the information is being released.

(i) *Use and release of contractor attributional/proprietary information not created by or for DoD.* Information that is obtained from the contractor (or derived from information obtained from the contractor) under this clause that is not created by or for DoD is authorized to be released outside of DoD—

(1) To entities with missions that may be affected by such information;

(2) To entities that may be called upon to assist in the diagnosis, detection, or mitigation of cyber incidents;

(3) To Government entities that conduct counterintelligence or law enforcement investigations;

(4) For national security purposes, including cyber situational awareness and defense purposes (including with Defense Industrial Base (DIB) participants in the program at 32 CFR part 236); or

(5) To a support services contractor (“recipient”) that is directly supporting Government activities under a contract that includes the clause at 252.204-7009, Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information.

(j) *Use and release of contractor attributional/proprietary information created by or for DoD.* Information that is obtained from the contractor (or derived from information obtained from the contractor) under this clause that is created by or for DoD (including the information submitted pursuant to paragraph (c) of this

clause) is authorized to be used and released outside of DoD for purposes and activities authorized by paragraph (i) of this clause, and for any other lawful Government purpose or activity, subject to all applicable statutory, regulatory, and policy based restrictions on the Government's use and release of such information.

(k) *The Contractor shall conduct activities under this clause in accordance with applicable laws and regulations on the interception, monitoring, access, use, and disclosure of electronic communications and data.*

(l) *Other safeguarding or reporting requirements.* The safeguarding and cyber incident reporting required by this clause in no way abrogates the Contractor's responsibility for other safeguarding or cyber incident reporting pertaining to its unclassified information systems as required by other applicable clauses of this contract, or as a result of other applicable U.S. Government statutory or regulatory requirements.

(m) *Subcontracts.* The Contractor shall—

(1) Include this clause, including this paragraph (m), in subcontracts, or similar contractual instruments, for operationally critical support, or for which subcontract performance will involve covered defense information, including subcontracts for commercial items, without alteration, except to identify the parties. The Contractor shall determine if the information required for subcontractor performance retains its identity as covered defense information and will require protection under this clause, and, if necessary, consult with the Contracting Officer; and

(2) Require subcontractors to—

(i) Notify the prime Contractor (or next higher-tier subcontractor) when submitting a request to vary from a NIST SP 800-171 security requirement to the Contracting Officer, in accordance with paragraph

(b)(2)(ii)(B) of this clause; and

(ii) Provide the incident report number, automatically assigned by DoD, to the prime Contractor (or next higher-tier subcontractor) as soon as practicable, when reporting a cyber incident to DoD as required in paragraph (c) of this clause.