

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

A. INCORPORATION OF DFARS CLAUSES

The Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of this Contract. When a DFARS clause uses a word or term that is defined in the DFARS, the word or term shall have the same meaning as in the definition in DFARS 202.101 in effect on the date of this Contract unless (i) a different definition is expressly set forth in this Contract; or (ii) the part, subpart, or section of the DFARS where the clause is prescribed provides a different meaning; or (iii) the word or term is defined in FAR Part 31, for use in the cost principles and procedures. 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. The Contracts Disputes Act of 1978, as amended, shall have no application to this Contract. Any reference to "Disputes" clause shall mean the "Disputes/Jury Waiver" clause contained in BAEDOC 3.

B. GOVERNMENT SUBCONTRACT

This Contract is entered into by BAE SYSTEMS and SELLER in support of a U.S. Government contract.

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

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this Contract.
3. "Contractor" means Seller, as defined in BAEDOC 3, acting as the immediate (first-tier) subcontractor to BAE SYSTEMS.
4. "Prime Contract" means the contract between BAE SYSTEMS and the U.S. Government or between BAE SYSTEMS and its higher-tier contractor in support of a contract with the U.S. Government.
5. "Subcontract" means any contract placed by Contractor or lower-tier subcontractors under this Contract.

C. NOTES

1. Substitute "BAE SYSTEMS" for "Government" or "United States" throughout this clause.
2. Substitute "BAE SYSTEMS Purchasing Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and BAE SYSTEMS" after "Government" throughout this clause.
4. Insert "or BAE SYSTEMS" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to the Contractor to/from the Contracting Officer shall be through the BAE SYSTEMS Procurement Representative.

6. "Contracting Officer" shall mean the U.S. Government Contracting Officer for BAE SYSTEMS' government prime contract under which this Contract is entered.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

Contractor shall, at the request of BAE SYSTEMS, accept amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as BAE SYSTEMS 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 contained in BAEDOC 3.

E. PRESERVATION OF THE GOVERNMENT'S RIGHTS

If BAE SYSTEMS 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 BAE SYSTEMS, acting on its own behalf, may modify or limit any rights the Government may have to authorize the Contractor's use of such Furnished Items in support of other U. S. Government prime contracts.

F. DoD FAR SUPPLEMENT (DFARS) FLOWDOWN CLAUSES

REFERENCE TITLE

1. **The following DFARS clauses apply to this Contract:**
 - (a) 252.225-7013 DUTY-FREE ENTRY (OCT 2006)
(Applicable in lieu of FAR 52.225-8. Note 2 applies.)
 - (b) 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (JUN 2005)
ALTERNATE I (APR 2003)(Applicable if the Work to be furnished hereunder contains specialty metals. To the extent that a valid class deviation exists that exempts, in whole or in part, the Contractor from complying with DFARS 252.22-7014 with respect to the Work required under this Contract, Contractor shall notify BAE SYSTEMS Procurement Representative at the time of Contract award.)
 - (c) 252.227-7013 RIGHTS IN TECHNICAL DATA - NON-COMMERCIAL ITEMS (NOV 1995)
(Applicable in lieu of FAR 52.227-14.)
 - (d) 252.227-7014 RIGHTS IN NON-COMMERCIAL COMPUTER SOFTWARE AND NON-COMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (JUN 1995)
 - (e) 252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION (JUN 1995)
 - (f) 252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS - COMPUTER SOFTWARE (JUN 1995)

- (g) 252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (JUN 1995) (For subparagraph (c) (1) Note 3 applies.)
- (h) 252.227-7026 DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988) (Note 1 applies.)
- (i) 252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988) (Note 4 applies.)
- (j) 252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (JUN 1995) (In this clause, the term “contract” and “subcontract” shall not change in meaning.)
- (k) 252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT (MAR 2000) (Notes 1 and 2 apply.)
- (l) 252.227-7034 PATENTS-SUBCONTRACTS (APR 1984)
- (m) 252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 1999)
- (n) 252.228-7005 ACCIDENT REPORTING AND INVESTIGATION INVOLVING AIRCRAFT, MISSILES, AND SPACE LAUNCH VEHICLES (DEC 1991) (In subparagraph (a) Note 5 applies. In subparagraph (b) Note 3 applies.)
- (o) 252.231-7000 SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
- (p) 252.243-7001 PRICING OF CONTRACT MODIFICATIONS (DEC 1991)
- (q) 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000) (Note 2 applies.)
2. **The following DFARS clause applies to this Contract if the value of this Contract equals or exceeds \$100,000:**
- (a) 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES (DEC 2004) (In this clause, the terms “contract,” “contractor,” and “subcontract” shall not change in meaning in paragraphs (a) thru (d). Delete paragraph g. Note 2 applies.)
- (b) 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (MAR 2002) (Applicable in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after “Contractor” and delete the balance of the sentence. Paragraph (f) and (g) shall not apply if this Contract is at or below \$100,000. Notes 1 and 2 apply, except for paragraph (c) of the clause which shall retain its original meaning.)
3. **The following DFARS clauses apply to this Contract if the value of this Contract equals or exceeds \$550,000:**
- (a) 252.225-7006 QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (MAY 2007) (Applicable only if BAE SYSTEMS is contracting directly with the US Government.)
- (b) 252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (DEC 2006) (Delete subparagraph (d) (1) and the first five words of subparagraph (d) (2). Note 2 applies.)
4. **The following DFARS clause applies to this Contract if the value of this Contract equals or exceeds \$1,000,000:**
- (a) 252.211-7000 ACQUISITION STREAMLINING (DEC 1991) (Note 1 applies.)
5. **The following DFARS clauses apply to this Contract only if the stipulation in the relevant parenthetical applies:**
- (a) 252.204-7008 REQUIREMENTS FOR CONTRACTS INVOLVING EXPORT-CONTROLLED ITEMS (JULY 2008)(Applicable if the Contract is expected to involve access to or generation of export-controlled items.)
- (a) 252.208-7000 INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT-FURNISHED MATERIAL (DEC 1991) (Applicable if Contract is above the simplified acquisition threshold and items being acquired require precious metals in their manufacture.)
- (b) 252.211-7003 ITEM IDENTIFICATION AND VALUATION (JUN 2005) (Applicable if Prime Contract requires UID.)
- (c) 252.211-7007 ITEM UNIQUE IDENTIFICATION OF GOVERNMENT PROPERTY (SEP 2007) (Applicable if this Contract requires Government property in Contractor’s possession to contain unique item identification.)
- (d) 252.215-7000 PRICING ADJUSTMENTS (DEC 1991) (Applicable if FAR 52.215-12 or 52.215-13 applies to this Contract.)
- (e) 252.215-7004 EXCESSIVE PASS-THROUGH CHARGES (MAY 2008) (Applicable unless this contract is a fixed price contract, including fixed-price subcontracts with economic price adjustment, awarded on the basis of adequate price competition. Note 5 applies. In paragraph (e) Note 6 applies.)
- (f) 252.219-7003 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DoD CONTRACTS) (APR 2007) (Applicable if FAR 52.219-9 applies to this Contract. Delete subparagraph (g).)

- (g) 252.222-7000 RESTRICTIONS ON EMPLOYMENT OF PERSONNEL (MAR 2000) (Applicable to construction and services contracts where Work will be performed in whole or in part in a "Non-contiguous State" whose unemployment rate exceeds the national average.)
- (h) 252.223-7001 HAZARD WARNING LABELS (DEC 1991) (Applicable if Contract requires the delivery of hazardous materials as defined in the clause.)
- (i) 252.223-7002 SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES (MAY 1994) (Applicable only if the articles furnished under the Contract contain ammunition or explosives, including liquid and solid propellants. Notes 1, 3 and 5 apply.)
- (j) 252.223-7003 CHANGE IN PLACE OF PERFORMANCE - AMMUNITION AND EXPLOSIVES (DEC 1991) (Applicable if DFARS 252.223-7002 applies to this Contract. Notes 2 and 4 apply.)
- (k) 252.223-7006 PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARD MATERIALS (APR 1993) (Applicable if Work is performed on a DoD installation.)
- (l) 252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES (SEP 1999) (Applicable if this Contract is for the development, production, manufacture or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to Contractor as Government Furnished Property.)
- (m) 252.225-7001 BUY AMERICA ACT AND BALANCE OF PAYMENTS PROGRAM (JUN 2005) (Applicable if the Work contains other than domestic components. Applicable in lieu of FAR 52.225-1.)
- (n) 252.225-7007 PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES (SEP 2006)(Applicable if SELLER is supplying items on the U.S. Munitions list.)
- (o) 252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (MAR 2006) (Applicable if items supplied under this Contract contain ball or roller bearings. Note 2 applies.)
- (p) 252.225-7021 TRADE AGREEMENTS (MAR 2007) (Applicable if the Work contains other than U.S.-made, qualifying country, or designated country end products. Applicable in lieu of FAR 52.225-5.)
- (q) 252.225-7032 WAIVER OF UNITED KINGDOM LEVIES (APR 2003) (Applicable if this Contract is with a United Kingdom firm. Note 2 applies.)
- (r) 252.225-7033 WAIVER OF UNITED KINGDOM LEVIES (APR 2003) (Applicable if this Contract is with a United Kingdom firm. This clause including paragraph (d) shall be flowed down in all subcontracts where a lower tier subcontract exceeding \$1 Million with a UK firm is anticipated. Note 2 applies.)
- (s) 252.225-7043 ANTI-TERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (MAR 2006) (Applies where Contractor will be performing or traveling outside the U.S. under this Contract.)
- (t) 252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES - DOD CONTRACTS (SEP 2004) (This clause is applicable only when included in BAE SYSTEMS' Prime Contract and if this Contract is more than \$100,000; in e (1), "Contractor" shall mean BAE SYSTEMS.)
- (u) 252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE-SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM (JUN 1995) (Applicable if technical data or computer software is generated during performance of contracts under the SBIR program.)
- (v) 252.227-7038 PATENT RIGHTS - OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS) (DEC 2007) (Applicable if (1) Contractor is not small business or nonprofit organization subject to FAR 52.227-11, and (2) the contract is for experimental, developmental, or research work.)
- (w) 252.235-7003 FREQUENCY AUTHORIZATION (DEC 1991) (Applicable if this Contract requires developing, producing, constructing, testing, or operating a device requiring a frequency authorization. Note 2 applies.)
- (x) 252.237-7019 TRAINING FOR CONTRACTOR PERSONNEL INTERACTING WITH DETAINEES (SEP 2006) (Applicable if this Contract requires Contractor personnel to interact with detainees in the course of their duties.)
- (y) 252.239-7016 TELECOMMUNICATIONS SECURITY EQUIPMENT, DEVICES, TECHNIQUES, AND SERVICES (DEC 1991) (Applicable if contract performance requires secure telecommunications.)
- (z) 252.244-7000 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DoD CONTRACTS) (JAN 2007) (Applicable if Contract contains Commercial Items and Commercial Components.)
- (aa) 252.246-7001 WARRANTY OF DATA (DEC 1991) ALTERNATE II (DEC 1991) (Substitute Alternate I for Alternate II for Fixed Price Incentive Contracts. Notes 2 and 4 apply.)

(bb) 252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES (JAN 2007) (Applicable if this Contract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. Contractor shall provide notifications to BAE SYSTEMS and the ACO and PCO for the Prime Contract. Note 4 applies except for paragraph (d)(2) where Note 3 applies.)