

# TELEDYNE SPECIAL TERMS AND CONDITIONS OF PURCHASE – SUPPLEMENT 2

## FIXED-PRICE TYPE PROCUREMENTS FOR NON-COMMERCIAL ITEMS

### UNDER U.S. GOVERNMENT PRIME CONTRACTS

The Federal Acquisition Regulation (FAR) and Department of Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below in effect as of the date of the applicable prime contract or higher-tier subcontract 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 the Buyer's Order. The Contracts Disputes Act shall have no application to the Buyer's Order. Any reference to a "Disputes" clause shall mean the "Disputes and Arbitration" section of Buyer's General Terms and Conditions of Purchase. Except as noted herein, in the event of a conflict between any terms and/or set forth herein and Buyer's General Terms and Conditions of Purchase, the terms and conditions of these Special Terms and Conditions shall take precedence.

In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the U.S. Government and to enable Buyer to meet its obligations under its prime contract or subcontract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "Buyer", the term "Contracting Officer" shall mean "Buyer's Purchasing Representative", the term "Contractor" or "Offeror" shall mean "Seller", the term "Subcontractor" shall mean "Seller's Subcontractor" under Buyer's Order, and the term "Contract" shall mean "Buyer's Order". The Contracts Disputes Act shall have no application to the Buyer's Order. Any reference to a "Disputes" clause shall mean the "Disputes and Arbitration" section of Buyer's General Terms and Conditions of Purchase. If any of the following FAR or DFARS clauses do not apply pursuant to the associated FAR or DFARS prescribing criteria, such clauses shall be considered to be self-deleting.

#### 1. FAR Clauses

In accordance with 52.252-2, the following clauses are incorporated by reference and apply to the Buyer's Order as defined by the respective FAR clause:

(a) **The following FAR clauses apply as defined by the respective FAR clause regardless of dollar value:**

52.202-1	Definitions
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements of Statements
52.204-2	Security Requirements (applicable if access to classified information is required)
52.204-9	Personal Identity Verification of Contractor Personnel (applicable if Seller will have physical access to a Federally controlled facility or a Federal information system)
52.204-21	Basic Safeguarding of Covered Contractor Information Systems (applicable if subcontractor may have Federal contract information residing in or transiting through its information system)
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
52.208-8	Required Sources for Helium and Helium Usage Data (applicable if performance of Buyer's Order involves a major helium requirement)
52.211-5	Material Requirements
52.211-14	Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use (applicable if Buyer's Order has a DPAS rating)
52.211-15	Defense Priority and Allocation Requirements (applicable if Buyer's Order has a DPAS rating)
52.219-8	Utilization of Small Business Concerns
52.222-26	Equal Opportunity
52.222-41	Service Contract Labor Standards (applicable if Buyer's Order is for services subject to the Service Contract Labor statute; formerly Service Contract Act of 1965)
52.222-50	Combating Trafficking in Persons
52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Requirements
52.222-55	Minimum Wages under Executive Order 13658 (applies if subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute)
52.222-62	Paid Sick Leave under Executive Order 13706 (applies if subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute)
52.223-3	Hazardous Material Identification and Material Safety Data
52.223-6	Drug-Free Workplace
52.223-7	Notice of Radioactive Materials
52.223-11	Ozone-Depleting Substances
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving
52.224-1	Privacy Act Notification (applicable when design, development, or operation of a system of records on individuals is required to accomplish an Agency function)
52.224-2	Privacy Act (applicable when design, development, or operation of a system of records on individuals subject to the Privacy Act)
52.224-3	Privacy Training (Applicable only if subcontractor is handling personally identifiable information under the Buyer's Order.)
52.225-1	Buy American – Supplies (Applies if the Work/product contains other-than U.S. made/domestic products.)
52.225-3	Buy American Act-Free Trade Agreements-Israeli Trade Act
52.225-5	Trade Agreements (applies if WTO GPA and FTAs apply and Work is not a U.S.-made end product)
52.225-8	Duty-Free Entry (Only applicable if more than \$15,000 of supplies ordered under the Prime Contract are being imported into the customs territory of the U.S.)
52.225-13	Restrictions on Certain Foreign Purchases
52.225-26	Contractors Performing Private Security Functions Outside the United States (Only applicable if performed outside the U.S. in areas of combat operations or other significant military operations)
52.227-9	Refund of Royalties
52.227-10	Filing of Patent Applications – Classified Subject Matter (only if Buyer's Order involves or likely to involve classified subject matter)
52.227-11	Patent Rights-Ownership by the Contractor (applies all subcontracts for experimental, developmental, or research work)
52.227-13	Patent Rights-Ownership by the Government (applies all subcontracts for experimental, developmental, or research work)
52.227-14	Rights in Data-General
52.227-16	Additional Data Requirements
52.227-19	Commercial Computer Software License
52.228-5	Insurance – Work on a Government Installation (applies if Seller is required to work on a Government installation)
52.232-40	Providing Accelerated Payments to Small Business Subcontractors (applies if Seller is classified as a small business)
52.233-4	Applicable Law for Breach of Contract Claim
52.234-1	Industrial Resources Developed Under Defense Production Act Title III

- 52.237-2 Protection of Government Buildings, Equipment and Vegetation
- 52.242-13 Bankruptcy
- 52.242-15 Stop-Work Order
- 52.243-1 Changes – Fixed Price (Alternate I applies if Buyer's Order is for services, Alternate II applies if Buyer's Order is for supplies and services)
- 52.243-6 Change Order Accounting
- 52.243-7 Notification of Changes
- 52.244-5 Competition in Subcontracting
- 52.244-6 Subcontracts for Commercial Items
- 52.245-1 Government Property (applicable if Government furnished property will be used in performance of Buyer's Order)
- 52.245-9 Use and Charges (applicable if Government furnished property will be used in performance of Buyer's Order)
- 52.247-63 Preference for U.S.-Flag Air Carriers
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
- 52.249-2 Termination for Convenience of the Government (Fixed-Price) (excluding any references to the Disputes Clause) (in paragraph (c) "120 days" is changed to "60 days", in paragraph (d) "15 days" is changed to "30 days" and "45 days" is changed to "60 days", in paragraph (e) "1 year" is changed to "6 months", paragraph (j) is deleted, paragraph (l) "90 days" is changed to "45 days". Settlements and payments under this clause may be subject to the approval of the Contracting Officer)
- 52.249-5 Termination for Convenience of the Government (Educational and other Nonprofit Institutions) (in paragraph (c) "120 days" is changed to "60 days", in paragraph (d) "1year" is changed to "6 months", in paragraph (e) "1 year" is changed to "6 months", paragraph (h) is deleted. Settlements and payments under this clause may be subject to the approval of the Contracting Officer)
- 52.249-8 Termination for Default (Fixed-Price Supply and Service) (excluding any references to the Disputes Clause)
- (b) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order is over \$3,500.00 :**
  - 52.222-54 Employment Eligibility Verification (commercial services that are part of the purchase of a commercial off-the-shelf (COTS) item are exempt)
- (c) **The following additional clauses apply as defined by the respective FAR clause if the value of the Buyer's order equals or exceeds the "micro-purchase threshold (\$10,000)**
  - 52.222-21 Prohibition of Segregated Facilities
  - 52.222-19 Child Labor-Cooperation with Authorities and Remedies
  - 52.222-40 Notification of Employee Rights under the National Labor Relations Act
- (d) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$15,000:**
  - 52.222-20 Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (Walsh-Healy Act)
  - 52.222-36 Equal Opportunity for Workers with Disabilities
- (e) **The following additional clause applies if the Buyer is the Prime Contractor with the United States Government and the Buyer's Order equals or exceeds \$30,000:**
  - 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (applicable if Supplier meets thresholds specified in clause)
- (f) **The following additional clause applies as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$35,000:**
  - 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (copies of notices provided to USG Contracting Officer are to be provided concurrently to Teledyne.)
- (g) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$150,000:**
  - 52.222-4 Contract Work Hours and Safety Standards -- Overtime Compensation
  - 52.222-35 Equal Opportunity for Veterans (unless exempted by the rules, regulations, or order of the Secretary of Labor)
  - 52.222-37 Employment Reports on Veterans
  - 52.225-5 Trade Agreements (applies if WTO GPA and FTAs apply and Work is not a U.S.-made end product)
- (h) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds the "simplified acquisition threshold" (\$250,000):**
  - 52.203-3 Gratuities
  - 52.203-5 Covenant Against Contingent Fees
  - 52.203-6 Restrictions on Subcontractor Sales to the Government
  - 52.203-7 Anti-Kickback Procedures (except subparagraph (c)(1) of the clause)
  - 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
  - 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
  - 52.203-16 Preventing Personal Conflicts of Interest (applicable if performing acquisition functions closely associated with inherently governmental functions)
  - 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
  - 52.215-2 Audit and Records-Negotiation (Alternate II applies if Seller is an educational or non-profit institution.)
  - 52.215-14 Integrity of Unit Prices (excluding paragraph (b))
  - 52.222-17 Nondisplacement of Qualified Workers
  - 52.227-1 Authorization and Consent
  - 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
  - 52.248-1 Value Engineering (except as specified in FAR 48.201(a))
- (i) **The following additional clauses apply as defined by the respective FAR clause if the Seller is classified as a Large Business and the value of Buyer's Order equals or exceeds \$700,000:**
  - 52.219-9 Small Business Subcontracting Plan
- (j) **The following additional clauses apply as defined by the respective FAR clauses if the value of Buyer's Order is equal to or greater than \$2,000,000: applicable unless Seller is otherwise exempt:**
  - 52.214-26 Audit and Records-Sealed Bidding (applicable to sealed bids only)
  - 52.214-27 Price Reduction for Defective Cost or Pricing Data-Modifications (applicable to sealed bids only)
  - 52.214-28 Subcontractor Certified Cost or Pricing Data-Modifications (applicable to sealed bids only)
  - 52.215-10 Price Reduction for Defective Certified Cost or Pricing Data
  - 52.215-11 Price Reduction for Defective Certified Cost or Pricing Data-Modifications
  - 52.215-12 Subcontractor Certified Cost or Pricing Data
  - 52.215-13 Subcontractor Certified Cost or Pricing Data-Modifications
  - 52.215-15 Pension Adjustments and Asset Reversions
  - 52.215-16 Facilities Capital Cost of Money (applicable if Contract is subject to the Cost Principles of FAR Subpart 31.2 and Seller is proposing facilities capital cost of money in its Offer)
  - 52.215-17 Waiver of Facilities Capital Cost of Money (applicable if Contract is subject to the Cost Principles of FAR Subpart 31.2 and Seller did not propose facilities capital cost of money in its Offer)

- 52.215-18 Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other than Pensions
  - 52.215-19 Notification of Ownership Changes
  - 52.215-20 Requirements for Certified Cost or Pricing Data or Information Other than Cost or Pricing Data
  - 52.215-21 Requirements for Certified Cost or Pricing Data or Information Other than Cost or Pricing Data-Modifications
  - 52.215-23 Limitations on Pass-Through Charges (see exceptions in FAR 15.408(n)(2)(i)(B)(2)),
  - 52.230-2 Cost Accounting Standards (when full CAS coverage applies)
  - 52.230-3 Disclosure and Consistency of Cost Accounting Practices (when modified CAS coverage applies)
  - 52.230-4 Disclosure and Consistency of Cost Accounting Practices-Foreign Concerns (when modified CAS coverage applies)
  - 52.230-5 Cost Accounting Standards – Educational Institutions (except paragraph (b) of this clause)
  - 52.230-6 Administration of Cost Accounting Standards (applies with 52.203-2, 52.203-3, 52.203-4 or 52-203-5 apply)
- (k) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$5,500,000:**
- 52.203-13 Contractor Code of Business Ethics and Conduct (applies if the period of performance is more than 120 days. Disclosures made under this clause shall be made directly to the Government entities identified in the clause.
  - 52.203-14 Display of Hotline Posters (applies if period of performance is more than 120 days)

**2. DFARS Clauses (Applicable to Department of Defense (DoD) orders only.)**

The following DFARS clauses are incorporated by reference and apply to Buyer's Order as defined by the respective DFARS clause:

(a) **The following DFARS clauses apply as defined by the respective DFARS clause regardless of dollar value:**

- 252.203-7002 Requirement to Inform Employees of Whistleblower Rights
- 252.204-7000 Disclosure of Information (applicable if Seller 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 (applies if Buyer's Order is for services that include support for the Government's activities related to safeguarding covered defense information and cyber incident reporting.
- 252.204-7012 Safeguarding of Covered Defense Information and Cyber Incident Reporting
- 252.204-7015 Notice of Authorized Disclosure of Information to Litigation Support
- 252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (applicable if the item(s) delivered by Seller require Government to supply precious metals)
- 252.209-7004 Subcontracting with Firms That Are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism
- 252.211-7003 Item Unique Identification and Valuation
- 252.211-7007 Reporting of Government-Furnished Property (applicable if Seller will use serially managed Government-Furnished Property in the performance of Buyer's Order)
- 252.215-7002 Cost Estimating System Requirements (applies only to large businesses and dollar values reflected in paragraph (c) of this clause)
- 252.223-7001 Hazard Warning Labels (applicable if submission of hazardous material data sheets is required under Buyer's Order)
- 252.223-7002 Safety Precautions for Ammunition and Explosives (applies if ammunition or explosives are furnished, including liquid and solid propellants)
- 252.223-7003 Change in Place of Performance – Ammunition and Explosives (applies if DFARS 252.223.7003 is applicable)
- 252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials (applies if Buyer's order requires, may require, or permit Seller access to a DoD installation. Alternate I applicable if included in Prime Contract)
- 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition and Explosives
- 252.223-7008 Prohibition of Hexavalent Chromium
- 252.225-7001 Buy American and Balance of Payments Program (applies in lieu of FAR 52.225-1)
- 252.225-7002 Qualifying Country Sources as Subcontractors
- 252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies
- 252.225-7008 Restriction on Acquisition of Specialty Metals (applicable to Purchase Orders for the delivery of specialty metals as end items to Buyer or Seller to the extent necessary to ensure compliance of the end products that the Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract)
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (applicable if work contains specialty metals; excludes paragraph (d) and (e)(1).
- 252.225-7013 Duty-Free Entry (Instead of FAR 52.225-8)
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (except for commercial items or items that do not contain ball or roller bearings)
- 252.225-7021 Trade Agreements (Applies if the Work contains other than U.S.-made or qualifying country or designated country-end produces. Applies in lieu of FAR 52.225-5.)
- 252.225-7025 Restriction on the Acquisition of Forgings (Only applied to forging items or for other items that contain forging items.)
- 252.225-7028 Exclusionary Policies and Practices of Foreign Governments (only applicable for purchase of supplies and services for international military education training and FMS.)
- 252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate (Only applicable if carbon, alloy or armor steel plate are to be ordered/delivered to USG-owned facility)
- 252.225-7033 Waiver of United Kingdom Levies (applicable if Buyer's Order is placed with a United Kingdom company at value exceeding \$1M)
- 252.225-7036 Buy American—Free Trade Agreements--Balance of Payments (Applies in lieu of FAR 52.225-3.)
- 252.225-7040 Contractor Personnel Supporting U.S. Armed Forces Deployed Outside the United States (applies with Seller's personnel are supporting U.S. Armed Forces deployed outside the United States in (1) contingency operations; (2) Peace operations consistent with Joint Publication 3-07.0; or (3) other military operations or exercises, when designated by the Combatant Commander or as directed by the Secretary of Defense)
- 252.225-7043 Anti-Terrorism/Force Protection for Defense Contractors outside the United States (Applicable if work is to be performed outside of the United States)
- 252.225-7048 Export-Controlled Items
- 252.227-7012 Preference for Certain Domestic Commodities
- 252.227-7013 Rights in Technical Data - - Noncommercial Items (applies in lieu of FAR 52.227-14)
- 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applies in lieu of FAR 52.227-14)
- 252.227-2015 Technical Data - - Commercial Items (Applies when technical data related to commercial items is to be delivered.),
- 252.227-7016 Rights in Bid or Proposal Information
- 252.227-7019 Validation of Asserted Restrictions-Computer Software (applicable if Seller will be furnishing of computer software in the performance of Buyer's Order)
- 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
- 252.227-7026 Deferred Delivery of Technical Data or Computer Software
- 252.227-7027 Deferred Ordering of Technical Data or Computer Software
- 252.227-7030 Technical Data-Withholding of Payment (applicable if DFARS clause 252.227-7013 applies to Buyer's Order)
- 252.227-7037 Validation of Restrictive Markings on Technical Data

252.227-7038	Patent Rights–Ownership by the Contractor (Large Business) (applicable if Buyer’s Order is for experimental, developmental, or research work and Seller is not a small business or nonprofit organization)
252.227-7039	Patents-Reporting of Subject Inventions (applicable if FAR clause 52.227-11 applies)
252.228-7001	Ground and Flight Risk (Applicable if included in Buyer’s higher-tier contract.)
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles
252.231-7000	Supplemental Cost Principles
252.235-7003	Frequency Authorization (applicable if performance of Buyer’s Order requires development, production, construction, testing, or operation of a device for which a radio frequency authorization is required)
252.239-7010	Cloud Computing Services (For information technology services.)
252.239-7016	Telecommunications Security Equipment, Devices, Techniques, and Services (applicable if Buyer’s Order requires secure telecommunications)
252.239-7018	Supply Chain Risk (for items of information technology used in “covered system”. See DFARS 239.7301 Definitions)
252.244-7000	Subcontracts for Commercial Items
252.246-7001	Warranty of Data (applicable if DFARS clause 252.227-7013 applies)
252.246-7003	Notification of Potential Safety Issues (applicable if Buyer’s Order 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. Seller shall provide notifications to Buyer and the contracting officer if identified to Seller.)
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System (Introductory text does not apply. Paragraphs (a) through (e) apply to all Buyer Orders.)
252.246-7008	Sources of Electronic Parts (Applies if Order is for electronic parts or assemblies containing electronic parts, unless Seller is the original manufacturer of said parts.)
252.247-7023	Transportation of Supplies by Sea (applies in lieu of FAR 52.246-64 in all Orders for ocean transportation of supplies)
252.247-7024	Notification of Transportation of Supplies by Sea

(b) **The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer’s Order equals or exceeds the “simplified acquisition threshold” (\$250,000):**

252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies
252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism
252.215-7010	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data
252.225-7012	Preference for Certain Domestic Commodities
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools
252.249-7002	Notification of Anticipated Contract Termination or Reduction

(c) **The following additional clause applies as defined by the respective DFARS clause if the value of Buyer’s Order equals or exceeds \$500,000:**

252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
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(d) **The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer’s Order equals or exceeds \$700,000:**

252.219-7003	Small Business Subcontracting Plan (DoD Contracts) (supplement if Buyer’s Order includes FAR clause 52.219-9)
252.219-7004	Small Business Subcontracting Plan (Test Program) (applies to subcontractors participating in the Test Program described in DFARS 219.702-70)

(e) **The following additional clause applies as defined by the respective DFARS clause if the value of Buyer’s Order equals or exceeds \$1,000,000:**

252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements
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(f) **The following additional clause applies as defined by the respective DFARS clause if the value of Buyer’s Order equals or exceeds \$1,500,000:**

252.211-7000	Acquisition Streamlining
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(g) **The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer’s Order equals or exceeds \$5,500,000:**

252.203-7003	Agency Office of the Inspector General (applies if FAR clause 52.203-13 applies)
252.203-7004	Display of Fraud Hotline Poster(s)

### **3. Additional Requirements**

- (a) **For orders issued under the American Recovery and Reinvestment Act**, the Seller shall comply with the reporting requirements of FAR 52.204-11, American Recovery and Reinvestment Act Reporting Requirements and FAR 52.203-15, Whistleblower Protections under ARRA, and shall ensure compliance with the Buy American provisions cited in the Quality Terms cited in the Order.
- (b) Seller covenants and agrees that if Buyer’s contract price or a cost allowance is reduced by reason of Seller’s failure to comply with an applicable Cost Accounting Standard or to follow any practice disclosed in its Disclosure Statement, Buyer shall be entitled to:
  - (i) reduce the price of Buyer’s Order by an amount commensurate with the reduction in Buyer’s contract price or cost allowance together with interest computed at the applicable Treasury rate; or
  - (ii) in the event Seller shall already have been paid the full Order price or essentially the full Order price, Seller shall reimburse and indemnify Buyer in an amount commensurate with the reduction in Buyer’s contract price or cost allowance together with interest computed at the applicable Treasury rate.
- (c) Notwithstanding any other clauses in the Buyer’s Order, Seller shall not impose any restrictions on the Government’s use of tooling, designs, and/or drawings provided or received during the performance of Buyer’s Order that the Government independently owns or has a right to use.
- (d) Notwithstanding any other clauses in the Buyer’s Order, in no event shall the Seller acquire any direct claim or course of action against the U. S. Government.
- (e) Seller shall flow down all required FAR and DFARS clauses to Seller’s subcontractors, suppliers and vendors in accordance with the applicable FAR and DFARS requirements.

### **4. Government Inspection**

The Government has the right to perform Government quality assurance at Seller’s plant as may be necessary to determine conformance with the requirements specified for all services and/or supplies ordered under Buyer’s Order.

### **5. Government-Owned Facilities**

If Government-owned facilities are to be used by Seller to perform work prescribed in Buyer’s Order, the Seller shall provide two (2) prices: one based on rent-free use and one based on rental payments (applicable to request for quote only).

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## **6. Order Completion and Closeout**

Seller agrees to close out this order within the following schedule:

- (1) Firm fixed price orders: Final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE
- (2) Fixed Price/Labor Hour orders: Final invoice must be submitted no later than 45 days following final delivery of services and must be marked as FINAL INVOICE.
- (3) Special Note for Delivery/Task Order Contracts: Completion vouchers and documents shall be submitted on each delivery order separately.

Failure to submit the invoice within the specified period may result in a unilateral closeout of the order by the Buyer at the price shown as paid in the Buyer's records.