L-3 Communications
General Terms and Conditions for Supply and Services Subcontracts

1. When the materials or products furnished are for use in connection with a U.S. Government contract or subcontract, in addition to the L-3 General Terms and Conditions (Corp Form CC008), the following provisions shall apply, as required by the terms of the prime contract, or by operation of law or regulation. Otherwise, the L-3 General Terms and Conditions shall govern in the event of a conflict between these FAR provisions and the General Provisions.

2. The following clauses set forth in the FAR in effect as of the date of the prime contract are incorporated herein by reference with the same force and effect as if they were in full text. In all clauses listed herein, the terms “Government”, “Contracting Officer” and “Contractor” shall be revised to suitably identify the contracting parties herein and effect the proper intent of the of the provision except where further clarified or modified below. “Subcontractor”, however, shall mean “Seller’s Subcontractor” under this purchase order.

3. Clauses in this document may not be applicable to specific orders due to the type of subcontract/purchase order to be issued, dollar thresholds under requirements of the FAR, DFARS or Public Law or Mandatory Flow Down requirements of a particular prime contract. Clauses not applicable for these reasons shall not be removed from this document and will be considered by all parties to be without force and effect.

A. APPLICABLE TO ALL ORDERS:

1. Definitions
2. Security Requirements
3. Personal Identity Verification of Contractor Personnel
4. Service Contract Reporting Requirements (subject to the thresholds and contracts types specified in FAR 4.1703)
5. Service Contract Reporting Requirements for Indefinite Delivery Contracts (subject to the thresholds and contract types specified in FAR 4.1703)
6. Material Requirements
7. Alternatives to Government – Unique Standards
8. Defense Priority and Allocation Requirements
9. Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items (DEVATION) (includes all Statutes or Orders issued)
10. Terms and Conditions – Simplified Acquisitions (other than Commercial items)
11. Small Business Program Representations
12. Post – Award Small Business Program Representation (over $3000)
13. Notice to the Government of Labor Disputes
14. Convict Labor
15. Child Labor – Cooperation with Authorities and Remedies
16. Service Contract Act of 1965, as Amended
17. Combating Trafficking in Persons
18. Employment Eligibility Verification
20. Notice of Radioactive Materials
21. Ozone Depleting Substances
22. Energy Efficiency in Energy-Consuming Products
23. IEEE 1680 Standard for the Environmental Assessment of personal Computer Products
24. Contractor Policy to Ban Text Messaging While Driving
25. Privacy Act
27. Buy American Act Certificate
28. Trade Agreement
29. Trade Agreements – Certificate
30. Duty-Free Entry
31. Restrictions on Certain Foreign Purchases
32. Place of Manufacturer (applicable to solicitations)
33. Contractors Performing Private Security Functions Outside the United States
34. Authorization and Consent – Alternate I
35. Royalty Information
36. Additional Data Requirements
37. Refund of Royalties
38. Filing of Patent Applications – Classified Subject Matter
39. Patent Rights – Ownership by the Contractor

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40. Rights in Data – General
41. Commercial Computer Software License
42. Workers Compensation Insurance (Defense Base Act)
43. Workers Compensation and War-Hazard Insurance Overseas
44. Insurance – Work on a Government Installation
45. Limitation on the Withholding of Payments
46. Progress Payments
47. Performance-based Payments
48. Unenforceability of Unauthorized Obligations
49. Providing Accelerated Payments to Small Business Contractors (applicable only if included in L-3’s terms and conditions with its customer)

B. ORDERS OVER $10,000 ALSO INCLUDE THE FOLLOWING:

1. Reporting Executive Compensation and First-Tier Subcontract Awards (Over $25,000)
3. Prohibition of Segregated Facilities
4. Equal Opportunity
5. Affirmative Action for Workers with Disabilities (Over $15,000) (The Seller shall comply with the requirements of 41 CFR 60-741.5(a))
6. Notification of Employee Rights Under the National Labor Relations Act (para (f) only)

C. ORDERS OVER THE SIMPLIFIED ACQUISITION PROGRAM (SAP) THRESHOLD (or amounts as specified) ALSO INCLUDE THE FOLLOWING:

1. Certificate of Independent Price Determination
2. Gratuities
3. Covenants Against Contingent Fees
4. Restrictions on Subcontractor Sales to the Government
5. Anti-Kickback Procedures (less paragraph (c) (1))
6. Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
7. Price or Fee Adjustment for Illegal or Improper Activities
8. Limitation on Payments to Influence Certain Federal Transactions
9. Preventing Personal Conflicts of Interest for Contractor Employees Performing Acquisition Functions
10. Contractor Employee Whistleblower Rights and Requirements to Inform Employees of Whistleblower Rights
11. Women-Owned Business (Other than Small Business)
12. Audit and Records – Negotiation
13. Integrity of Units Prices
14. Utilization of Small Business Concerns 52.219-8
15. Contract Work Hours and Safety Standards Act – Overtime Compensation 52.222-4
16. Non-displacement of Qualified Workers (Service Contracts) 52.222-17
17. Equal Opportunity for Veterans ($100K) (Seller shall comply with the requirements of 41 CFR 60-300.5(a) 52.222-35
18. Employment Reports Veterans ($100K) 52.222-37
19. Compliance with Veterans’ Employment Reporting Requirements 52.222-38
20. Drug-Free Workplace 52.223-6
21. Estimate of Percentage of Recovered Material Content for EPA-Designated Products 52.223-9
22. Notice and Assistance Regarding Patent and Copyright Infringement 52.227-2
23. Federal, State, and Local Taxes 52.229-3
24. Bankruptcy 52.242-13
25. Change Order Accounting 52.243-6
26. Subcontracts (paragraphs (h) notice to L-3 and (i) only apply) 52.244-2
27. Inspection of Supplies, Fixed Price Contracts 52.246-2
28. Inspection of Services, Fixed Price Contracts 52.246-4
29. Responsibility for Supplies 52.246-16
30. Value Engineering 52.248-1
31. Termination for Convenience of the Government (Fixed-Price) – “Government : shall mean “Buyer”. In paragraph (c) the term “120 days” is changed to “60 days.” The term “one year” in Paragraph (e) is changed to “six months.” The term “90 days in paragraph (l) is changed to “forty-five days,” per 49.502(e) 52.249-2
32. Default (Fixed Price Supply and Service) 52.249-8

D. ORDERS OVER $650,000 ALSO INCLUDE THE FOLLOWING:
1. Code of Business Ethics and Conduct (over $5 million and the period of performance is Over 120 days) 52.203-13
2. Display of Hotline Poster (over $5 million) 52.203-14
3. Pension Adjustment and Asset Reversions ($700,000) 52.215-15
4. Reversion or Adjustment of Plans for Postretirement Benefits (PRB) other than Pensions 52.215-18
5. Notification of Ownership Changes 52.215-19
6. Small Business Subcontracting Plan ($650,000) (Construction $1.5M) 52.219-9
7. Liquidated Damages – Subcontracting Plan 52.219-16
8. Pre-award On-Site Equal Opportunity Compliance Evaluation (over $10 million) 52.222-24

E. UNLESS OTHERWISE EXEMPT ALSO INCLUDE THE FOLLOWING:
1. Audit and Records – Sealed Bidding (exceeds $700,000) 52.214-26
2. Price Reduction for Defective Certified Cost or Pricing Data – Modifications – Sealed Bidding ($700,000) 52.214-27
3. Subcontractor Certified Cost or Pricing Data – Modifications – Sealed Bidding (exceeds $700,000) 52.214-28
4. Price Reduction for Defective Certified Cost or Pricing Data 52.215-10
5. Price Reduction for Defective Certified Cost or Pricing Data – Modifications 52.215-11
6. Subcontractor Certified Cost or Pricing Data 52.215-12
7. Subcontractor Certified Cost of Pricing Data – Modifications 52.215-13
8. Requirements for Certified Cost or Pricing Data or Information Other Than Cost or Pricing Data Modifications 52.215-20
9. Requirements for Certified Cost or Pricing Data or Information Other Than Cost or Pricing Data Modifications 52.215-20
11. Limitation on Pass-Through Charges (see application and exceptions in FAR 15.408(n)(2) 52.215-23
12. Contract Definitization 52.216-25
13. Prospective Subcontractor Requests for Bonds 52.228-12
14. Earned Value Management System 52.234-4

F. APPLICABLE TO COST REIMBURSEMENT, TIME & MATERIAL OR LABOR HOUR ORDERS:
1. Facilities Capital Cost of Money 52.215-16
2. Waiver of Facilities – Capital Cost of Money 52.215-17
3. Allowable Cost and Payment (cost reimbursement) – Seller agrees to execute assignment documents in order to meet subsection (d)(5) 52.216-7
4. Fixed Fee – applicable if this is a cost plus fixed fee order 52.216-8
5. Incentive Fee – applicable if this is a cost plus incentive fee order 52.216-10
6. Cost Contract – No Fee – applicable if this is a cost no fee order 52.216-11
7. Cost Sharing Contract – No Fee – applicable if this is a cost sharing, no fee order 52.216-12
8. Payment for Overtime premiums – insert “0%” in paragraph (a) unless indicated otherwise on the face of this order 52.222-2
9. Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts) 52.222-43
11. State of New Mexico Gross Receipts and Compensating Tax 52.229-10
13. Limitation of Cost (if fully funded) 52.232-20
14. Limitation of Funds (if incrementally funded) 52.232-22
15. Stop Work Order 52.242-15 Alt I
16. Changes – Cost-Reimbursement – applicable if this is a cost-reimbursement order 52.243-2
17. Changes – Time and Material or Labor-Hours – applicable if this is a time and material or labor hour order 52.243-3
18. Inspection of Supplies (Cost-Reimbursement) – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government or Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. 52.246-3
19. Inspection of Services (Cost –Reimbursement) – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. 52.246-5
20. Inspection – Time and Material and Labor Hour – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. 52.246-6
21. Submission of Transportation Documents for Audit 52.247-67
22. Termination (Cost-Reimbursement) – “Government” means “Buyer” and “Contracting Officer” means “Buyer’s purchasing representative.” In paragraph (d) change “15 days” and “45 days” to “30 days” and “90 days,” respectively. In paragraph (e) change “1 year” to “six months.” Alternate IV is applicable to time and material or labor-hour orders only. 52.249-6 Alt IV
23. Excusable Delay 52.249-14

G. APPLICABLE TO CONSTRUCTION ORDERS
1. Subcontracts (Labor Standards). 52.222-11
2. Affirmative Action Compliance Requirements for Construction (over $10,000) 52.222-27
3. Notice of Requirement for Project Labor Agreement 52.222-33
4. Project Labor Agreement 52.222-34
4. **CERTIFICATIONS**

*The offeror, by signing its offer, hereby certifies compliance with the following clauses and is, therefore eligible for award.*

A. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (over $150,000) 52.203-11
B. Certification for Federal Funding Accountability and Transparency Act (FFATA) 52.204-10
C. Certification Regarding Responsibility Matters 52.209-5
D. Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (over $30,000) 52.209-6
E. Certification Regarding Knowledge of Child Labor for Listed End Products 52.222-18
F. Previous Contracts and Compliance Reports (over $10,000 and includes 52.222-26) 52.222-22
G. Affirmative Action Compliance 52.222-25
H. Affirmative Action for workers with Disabilities (over $15K) 52.222-36
I. Bio-based Product Certification 52.223-1
J. Recovered Material Certification 52.223-4
K. Prohibition on Conducting Restricted Business Operations in Sudan Certification 52.225-20
L. Prohibition on Contracting with Entities Engaging in Certain Activities Relating to Iran 52.225-25
M. Cost Accounting Standards Notices and Certifications 52.230-1

5. **Applicable to all contracts that are funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (“Recovery Act”):**

1. Whistleblower Protections under the Recovery Act 52.203-15
2.Audit and Records (Sealed Bidding) 52.214-26

6. **ADDITIONAL CLAUSES**

**COST ACCOUNTING STANDARDS (Applicable unless otherwise exempt)**

Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting Cost Accounting Standards, FAR 52.230-2; Disclosure and Consistency of Cost Accounting Practices, FAR 52.230-3; and Administration of Cost Accounting Standards, FAR 52.230-6, provided Seller shall not be required to disclose to Buyer such communications containing information which is privileged and confidential to Seller. In addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subject to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-4(if applicable), 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses.

**TRUTH IN NEGOTIATIONS**

Certified Cost or Pricing Data (applicable only if certified cost or pricing data has been provided). The clause entitled “Subcontractor Certified Cost or Pricing Data” is a part of this Order if the Seller was required to furnish cost and pricing data and a Certification of Current Cost or Pricing Data for this Order. If it was not required to furnish such data and Certificate, the clause entitled “Subcontractor Cost or Pricing Data-Modification” is a part of this Order. Seller shall update its proposal and re-certify its cost or pricing data whenever costs, factors, or prices change such that cost or pricing data previously furnished is no longer, accurate, current, or complete.

1. **Indemnification**

If any price (including profit or fee) negotiated in connection with the prime contract between the Government and the Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by the Buyer relating to said contract or in connection with this Order was not accurate, complete, or current, the Seller shall indemnify the Buyer in the amount of said reduction.
The phrase “certified cost or pricing data” as used herein shall be deemed to include any such data, which related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of, in connection with the aforesaid proposal or this Order in support of its cost estimate.

If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay the Buyer at the time such overpayment is repaid:

i. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date the Buyer is repaid by the Seller at that applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C 6621(a)(2); and

ii. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

2. Certified Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Order which involves, increases and/or decreases in costs plus applicable profit in excess of the contractually required threshold (e.g. $100,000, $500,000, $550,000 or $700,000) and resulting from a change in the prime contract, subcontractors shall submit cost or pricing data and shall certify that the data, as defined in Federal Acquisition Regulation 15.406-2, submitted either actually or by specific identification in writing are accurate, complete, and current as of the date of completion of negotiations.

When required to obtain certified cost or pricing data or “Other Cost and Pricing Data” from its subcontractors, pursuant to the provisions of this Order, Seller shall provide such data.

DISPUTES – GOVERNMENT CONTRACTS

Any reference to the “Disputes clause” in any applicable FAR Clause under paragraph 2 above shall mean this paragraph, Disputes – Government Contracts

i. Any dispute arising under this purchase order relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with Paragraph (ii) below. All other disputes will be resolved under the Article entitled, “DISPUTES”, as found in Corporate Form CC008 of the Subcontract.

ii. 1. Notwithstanding any other provisions in this purchase order, any decision of the Contracting Officer under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this purchase order –provided that:
   a. The Buyer notifies with reasonable promptness the Seller of such decision
   b. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
   c. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.

2. Any decision upon such appeal, when final, shall be binding upon the Seller.

3. The Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.

4. The Seller shall indemnify and save harmless from any and all liability of any kind incurred by or imputed to Buyer under Section 5, “Fraudulent Claims,” of the Contract Disputes Act of 1978, as amended, if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misinterpretation of fact on the part of Seller.

iii. Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this purchase order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this purchase order.

iv. Nothing in this clause nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgement by Buyer of the validity of Seller’s claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, included available remedies, it deems appropriate to protect its own interests.
v. As used in this clause, the word “appeal” means an appeal taken under the contract Disputes Act of 1978, as amended.